

UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF CALIFORNIA

Mark Steele v. Assurance IQ, LLC, et al.

Case No. 25-cv-1614-RSH-AHG · No. 25-cv-1614-RSH-AHG · Decided January 27, 2026

SUMMARY

The United States District Court for the Southern District of California grants in part defendants’ motion to stay a putative wage-and-hour class and PAGA action. The court finds the action substantially overlaps with the earlier-filed Chung action in Sacramento County Superior Court, which was reportedly settled on a class and representative basis. The court stays the action until the earlier of a ruling on preliminary settlement approval in Chung or six months from the order, and requires a joint status report.

CASE DETAILS

COURT	United States District Court for the Southern District of California
WRITING FOR THE COURT	Robert S. Huie
JURISDICTION	United States District Court for the Southern District of California
DECIDED	January 27, 2026
DOCKET	25-cv-1614-RSH-AHG
DISPOSITION	other
PROCEDURAL POSTURE	Defendants moved to stay the federal putative class and representative PAGA action pending resolution of an earlier-filed, overlapping state-court action, or alternatively to dismiss. The court addressed the motion to stay and granted it in part.
STANDARD OF REVIEW	The court exercised discretionary authority under Landis, weighing the possible damage from a stay, the hardship or inequity of proceeding, and the orderly course of justice, with the proponent of the stay bearing the burden of establishing its need.
PRECEDENTIAL VALUE	unpublished district court order

TOPICS

- class actions
- wage and hour
- civil procedure

PRACTICE AREAS

QUESTIONS PRESENTED

1. Whether the court should exercise its inherent authority under Landis to stay this action pending resolution of the overlapping Chung state-court action.
2. Whether the stay should be limited in duration rather than continue until Chung is fully resolved.

HOLDINGS

1. A limited stay was warranted because the federal action and Chung involved substantially similar wage-and-hour and PAGA claims, overlapping putative classes, and the same core misclassification allegation, while Chung was substantially further advanced and subject to a proposed settlement.
2. The stay must be limited and time-bound rather than continue automatically until Chung is fully resolved.

KEY QUOTATIONS

“The decision to stay proceedings ‘calls for the exercise of judgment, which must weigh competing interests and maintain an even balance.’” (at 2)

“The proponent of a stay bears the burden of establishing its need.” (at 3)

“Both the instant action and the Chung are putative wage-and-hour and representative PAGA actions brought on behalf of insurance agents in California against defendant Assurance.” (at 3)

“Although Plaintiff contends he will suffer prejudice because staying this action while Chung proceeds will delay resolution of his claims, ‘it is hardly surprising or unfair that [Plaintiff’s] case will have to wait in line for an earlier-filed class action brought by a substantially similar putative class asserting substantially similar claims.’” (at 4)

“The action is STAYED pending the earlier of: (1) the grant or denial of a motion for preliminary approval of class action settlement in Chung; or (2) six months from the date of this Order.” (at 5)

FACTUAL BACKGROUND

Plaintiff worked for Assurance and Prudential as an insurance sales agent from July 2023 through April 2024 and alleged that he and other sales agents were misclassified as independent contractors. He asserted California Labor Code, federal and California WARN Act, and California Business and Professions Code claims in a putative class and PAGA representative action. An earlier state-court action, Chung, involved overlapping allegations concerning the misclassification of California insurance agents and had progressed to a proposed class and representative settlement.

PROCEDURAL HISTORY

Steele filed this putative California wage-and-hour class action and PAGA representative action on June 24, 2025. Defendants moved for a stay based on the earlier-filed Chung action pending in Sacramento County

Superior Court, where the parties had reached a proposed class and representative settlement. The federal court granted a limited, time-bound stay pending the earlier of a ruling on preliminary approval of the Chung settlement or six months from the order.

DISPOSITION

other

REMAND INSTRUCTIONS

The action is stayed pending the earlier of (1) the grant or denial of a motion for preliminary approval of the class action settlement in Chung or (2) six months from January 27, 2026. The parties must file a joint status report within seven days after either event and, in any event, no later than April 27, 2026.

CASES CITED

- Landis v. North American Co., 299 U.S. 248 (1936)
- In re PG&E Corp. Sec. Litig., 100 F.4th 1076, 1085 (9th Cir. 2024)
- Lockyer v. Mirant Corp., 398 F.3d 1098, 1110 (9th Cir. 2005)
- Clinton v. Jones, 520 U.S. 681, 708 (1997)
- Jackson v. Marten Transp., Ltd., No. 5:24-CV-02368-AH-(DTBX), 2025 WL 342083, at *2 (C.D. Cal. Jan. 30, 2025)
- Franklin v. Scripps Health, No. 22-CV-367-MMA (MDD), 2022 WL 4389691, at *5 (S.D. Cal. Sept. 21, 2022)
- Lapa v. Massage Envy Franchising, LLC, No. 19-CV-02694-MMC, 2019 WL 3891523, at *2 (N.D. Cal. Aug. 19, 2019)
- Meints v. Regis Corp., No. 09CV2061 WQH (CAB), 2010 WL 625338, at *3 (S.D. Cal. Feb. 16, 2010)
- Clardy v. Pinnacle Foods Grp., LLC, No. 16-CV-04385-JST, 2017 WL 57310, at *4 (N.D. Cal. Jan. 5, 2017)
- Paredas v. Garda CL W., Inc., No. 1:25-CV-00781-EPG, 2025 WL 3718812, at *3 (E.D. Cal. Dec. 23, 2025)
- Murillo v. Target Corp., No. LACV2303033JGBMRW, 2023 WL 4553597, at *12 (C.D. Cal. July 14, 2023)
- In re Bank of Am. California Unemployment Benefits Litig., No. 21MD2992-GPC(MSB), 2024 WL 4219987, at *5 (S.D. Cal. Sept. 17, 2024)