

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

OPINION

Steele

PER CURIAM.

1 2 3 4 5 6 7

8 UNITED STATES DISTRICT COURT

9 SOUTHERN DISTRICT OF CALIFORNIA

10 11 MARK STEELE, individually, and on Case No.: 25-cv-1614-RSH-AHG behalf of all other
similarly situated and 12 aggrieved employees, ORDER GRANTING IN PART

13 MOTION TO STAY

Plaintiff, 14 v. [ECF No. 23] 15 ASSURANCE IQ, LLC, et al., 16 Defendants. 17 18 19 Before
the Court is a motion to stay, or in the alternative, to dismiss filed by 20 defendants Assurance IQ,
LLC (“Assurance”) and Prudential Financial, Inc. 21 (“Prudential”). ECF No. 23. Pursuant to
Local Civil Rule 7.1(d)(1), the Court finds the 22 motion presented appropriate for resolution
without oral argument. For the reasons 23 below, the Court grants in part Defendants’ motion.

24 I. BACKGROUND

25 The instant case is a putative wage and hour class action and California Private 26 Attorneys
General Act (“PAGA”), Cal. Lab. Code § 2699 et seq., representative action 27 filed against
defendants Assurance IQ and Prudential on June 24, 2025. ECF No. 1. 28 /// 1 A. Plaintiff’s
Allegations 2 Plaintiff’s Amended Complaint alleges as follows. Plaintiff worked for Defendants 3
from July 2023 to April 2024 as an insurance sales agent. ECF No. 5 ¶¶ 5, 19, 23. 4 Plaintiff
alleges that during that time, he and other putative class members were 5 misclassified as
independent contractors. Id. ¶¶ 18, 20. 6 The Amended Complaint asserts claims under the
California Labor Code, the 7 federal Worker Adjustment and Retraining Notification Act, 29
U.S.C. § 2101 et seq., the 8 California Worker Adjustment and Retraining Notification Act,
California Labor Code § 9 1400, et seq., and the California Business & Professions Code. Id. ¶¶
39–134. Plaintiff 10 seeks to represent a class defined as: 11 All of Defendants’ California-based
sales agents who were classified as independent contractors on or before April 30, 2024, and
whose 12 relationship with Defendants was terminated as part of a mass layoff 13 or plant closing
involving Assurance IQ on or about April 30, 2024. 14 Id. ¶ 26. 15 B. Superior Court Lawsuit
(Chung) 16 On November 13, 2025, Defendants moved to stay this action pending the 17
resolution of an earlier filed putative wage and hour class and representative PAGA state 18 court

action, *Chung v. Assurance IQ, LLC* (“Chung”), Case No. 34-2023-00337274, 19 currently pending in Sacramento County Superior Court. ECF No. 23 at 2. Plaintiff 20 opposed the motion, and Defendants filed a reply. ECF Nos. 25, 26. At the Court’s 21 direction, the Parties subsequently filed reports as to the status of the Chung case. ECF 22 Nos. 28, 29.

23 The Chung case was filed in San Diego Superior Court on April 3, 2023.¹ ECF No. 24 24-1. As alleged in the Second Amended Complaint, the plaintiff in Chung worked for 25 26 27 1 The Court grants the Parties’ respective requests for the Court to take judicial 28 1 defendant Assurance from April 2022 to June 2022 as an insurance agent. ECF No. 24-4 2 ¶ 8. Similar to the instant action, Mr. Chung alleges that he and other class members were 3 misclassified as independent contractors and asserts claims under the California Labor 4 Code and California Business & Professions Code. *Id.* at ¶¶ 16, 31–103. He seeks to 5 represent a class defined as: 6 All persons who worked for any Defendant in California as insurance 7 agents that were classified as independent contractors at any time 8 during the period beginning October 30, 2020 and ending when notice to the Class is sent. 9 10 *Id.* ¶ 24. 11 On January 16, 2026, the parties in Chung filed a notice of settlement indicating 12 that the action had “been settled on a class and representative basis” with respect to “the 13 claims alleged in the Second Amended Complaint,” that the parties had “fully executed a 14 longform settlement agreement,” and that the plaintiff anticipated filing a motion for 15 preliminary approval with the state court within the next seven to fourteen days. ECF No. 16 28 at 7.

17 II. ANALYSIS

18 In the instant Motion, Defendants seek a discretionary stay of this case under 19 *Landis v. North American Co.*, 299 U.S. 248 (1936). ECF No. 23 at 16–20. Plaintiff 20 contends Defendants have not carried their burden of establishing that a Landis stay is 21 warranted. ECF No. 25 at 4–10. 22 A “district court possesses inherent authority to stay federal proceedings pursuant 23 to its docket management powers.” *Pub. Emps. Ret. Ass’n of N.M. v. Earley* (In re PG&E 24 Corp. Sec. Litig.), 100 F.4th 1076, 1085 (9th Cir. 2024) (internal quotation marks 25 omitted). “[T]he power to stay proceedings is incidental to the power inherent in every 26 27 (9th Cir. 2012) (“We may take judicial notice of undisputed matters of public 28 1 court to control the disposition of the causes on its docket with economy of time and 2 effort for itself, for counsel, and for litigants.” *Landis*, 299 U.S. at 254. “The decision to 3 stay proceedings ‘calls for the exercise of judgment, which must weigh competing 4 interests and maintain an even balance.’” In re PG&E Corp. Sec. Litig., 100 F.4th at 1085 5 (quoting *Landis*, 299 U.S. at 254–55). 6 The Ninth Circuit has identified three non-exclusive factors courts weigh when 7 deciding whether to issue a Landis stay: (1) “the possible damage which may result from 8 the granting of a stay”; (2) “the hardship or inequity which a party may suffer in being 9 required to go forward”; and (3) “the orderly course of justice measured in terms of the 10 simplifying or complicating of issues, proof, and questions of law which could be 11 expected to result from a stay.” *Lockyer v. Mirant Corp.*, 398

F.3d 1098, 1110 (9th Cir. 12 2005); see *In re PG&E Corp. Sec. Litig.*, 100 F.4th at 1085. “The proponent of a stay 13 bears the burden of establishing its need.” *Clinton v. Jones*, 520 U.S. 681, 708 (1997). 14 Here, the orderly course of justice favors granting a limited stay. Both the instant 15 action and the *Chung* are putative wage-and-hour and representative PAGA actions 16 brought on behalf of insurance agents in California against defendant Assurance. 17 Compare ECF No. 5 ¶¶ 25–26, 125–134 with ECF No. 24-4 ¶¶ 22–24, 96–103. Both 18 actions are predicated on the same core allegation—that plaintiffs and other putative class 19 members were misclassified as independent contractors. Compare ECF No. 5 ¶ 18 (“[O]n 20 information and belief, DEFENDANTS employed approximately 1700 insurance sales 21 agents nationwide, including several hundred in the State of California, including 22 PLAINTIFF, all of which were misclassified as independent contractors, as alleged 23 herein.”) with 24-4 ¶ 16 (“Plaintiff and the Class were misclassified as independent 24 contractors, when in-fact Plaintiff and the Class should have been classified as 25 employees.”). Based on the current class definitions, Plaintiff is a member of the putative 26 class in *Chung*, and the putative class here is a subset of the putative class in *Chung*. 27 Compare ECF No. 5 ¶ 26 with ECF No. 24-4 ¶ 24. 28 /// 1 2 Although the instant action asserts some additional claims, “[w]here a stay is 3 considered pending the resolution of another action, the court need not find that two cases 4 possess identical issues, only that the issues are substantially similar.” *Jackson v. Marten 5 Transp., Ltd.*, No. 5:24-CV-02368-AH-(DTBX), 2025 WL 342083, at *2 (C.D. Cal. Jan. 6 30, 2025). Notably, the instant action is in its initial stages—while the *Chung* action has 7 been pending for over two years and is substantially further along, with the Parties 8 indicating that they have reached a proposed settlement on a class and representative 9 basis. ECF No. 28 at 6–7. For these reasons, a limited stay in light of the proposed 10 settlement in *Chung* would likely simplify the claims in this case, significantly narrow 11 their scope, or potentially resolve or release them altogether. See *Franklin v. Scripps 12 Health*, No. 22-CV-367-MMA (MDD), 2022 WL 4389691, at *5 (S.D. Cal. Sept. 21, 13 2022) (staying class action in light of parallel state court proceedings where action was 14 “largely duplicative” of pending state court actions and “it would be inefficient for the 15 Court and the parties to proceed with this case in the wake of the [state court actions]”); 16 *Lapa v. Massage Envy Franchising, LLC*, No. 19-CV-02694-MMC, 2019 WL 3891523, 17 at *2 (N.D. Cal. Aug. 19, 2019) (staying case in light of overlapping class action as final 18 approval of settlement “would not only simplify the issues, proof, and questions of law 19 . . . but would fully resolve them”); *Meints v. Regis Corp.*, No. 09CV2061 WQH (CAB), 20 2010 WL 625338, at *3 (S.D. Cal. Feb. 16, 2010) (“Allowing Plaintiff to proceed to class 21 discovery in this case when a settlement potentially barring her class action is pending 22 would waste judicial resources[.]”); *Clardy v. Pinnacle Foods Grp., LLC*, No. 16-CV- 23 04385-JST, 2017 WL 57310, at *4 (N.D. Cal. Jan. 5, 2017) (holding that “potential 24 efficiency gains” resulting from a stay “are particularly heightened where, as here, the 25 class actions involve overlapping claims and class periods”). 26 The remaining Landis factors also weigh in favor of a limited stay. Requiring 27 Defendants to

proceed simultaneously in two overlapping class action cases may result in 28 unnecessary hardship here, where one action has already progressed to settlement. See 1 *Paredas v. Garda CL W., Inc.*, No. 1:25-CV-00781-EPG, 2025 WL 3718812, at *3 (E.D. 2 Cal. Dec. 23, 2025) (“[H]aving to litigate potentially duplicative claims, which may be 3 resolved soon, would impose a burden on Defendant and the Court, resulting in a 4 needless use of resources.”); *Lapa*, 2019 WL 3891523, at *2 (staying case in light of 5 overlapping class action as otherwise defendant would “be required to expend resources 6 to defend a class action that, although pending court approval, it already has settled”). 7 Although Plaintiff contends he will suffer prejudice because staying this action 8 while Chung proceeds will delay resolution of his claims, “it is hardly surprising or unfair 9 that [Plaintiff’s] case will have to wait in line for an earlier-filed class action brought by a 10 substantially similar putative class asserting substantially similar claims.” *Murillo v. 11 Target Corp.*, No. LACV2303033JGBMRW, 2023 WL 4553597, at *12 (C.D. Cal. July 12 14, 2023). Likewise, Plaintiff’s concerns about delaying discovery—including the 13 possibility of lost evidence or fading witness memories—are speculative. See *In re Bank 14 of Am. California Unemployment Benefits Litig.*, No. 21MD2992-GPC(MSB), 2024 WL 15 4219987, at *5 (S.D. Cal. Sept. 17, 2024) (noting defendant’s “concerns about delaying 16 discovery due to the risk of witnesses’ memories fading, witnesses relocating or 17 becoming unavailable, and evidence becoming stale or dissipating are speculative and no 18 evidence has been provided that such risks exist”). 19 Finally, any damage to Plaintiff would be mitigated here as the stay the Court 20 contemplates is limited. The settlement notice in Chung indicates that the plaintiff in that 21 case anticipates filing a motion for preliminary approval shortly. Under these 22 circumstances, while Defendants request a stay until Chung is fully resolved, the Court 23 finds that a more limited, time-bound stay is appropriate and will revisit the length of stay 24 as necessary.

25 III. CONCLUSION

26 For the foregoing reasons, Defendants’ motion for stay is GRANTED IN PART. 27 The action is STAYED pending the earlier of: (1) the grant or denial of a motion for 28 preliminary approval of class action settlement in Chung; or (2) six months from the date 1 || of this Order. The Parties shall file a joint status report with this Court within seven days 2 || of the occurrence of either event. In any case, the Parties shall file a joint status report no 3 || later than April 27, 2026. 4 IT IS SO ORDERED. Dated: January 27, 2026 Fekut C / □ 7 Hon. Robert S. Huie United States District Judge 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28