

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

PROVIDENCE, SC.

WORKERS' COMPENSATION COURT
APPELLATE DIVISION

ADELITA OREFICE, DIRECTOR,
DEPT. OF LABOR & TRAINING

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VS.

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W.C.C. 04-08452

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ARAMARK CORPORATION

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DECISION OF THE APPELLATE DIVISION

OLSSON, J. This matter is before the Appellate Division on the appeal of the respondent, Aramark Corporation (hereinafter "Aramark"), from the decision and decree of the trial judge reversing the decision of a hearing officer of the Department of Labor and Training (hereinafter "the Department") and denying Aramark's request for reimbursement pursuant to R.I.G.L. § 28-35-20(f). After a thorough review of the record in this matter, we deny the respondent's appeal and affirm the denial of the request for reimbursement.

The underlying case which formed the basis for the reimbursement request, W.C.C. No. 03-05841, began as an original petition filed on August 28, 2003 by Walter Caitlin, an employee of Aramark. The petition alleged that Mr. Caitlin injured his head and back and sustained a laceration over his left brow on August 7, 2003 resulting in partial incapacity from August 14, 2003 and continuing. At the pretrial conference on September 18, 2003, the petition was granted. The employee was awarded weekly benefits for partial incapacity from August 14, 2003 and continuing for the laceration to the left brow and a back injury. The employer, Aramark, claimed a trial.

A trial *de novo* was conducted with presentation of the testimony of the employee and his supervisor, as well as the introduction of various medical records. After considering all of the evidence, the trial judge found that the employee did sustain a laceration to his left brow and an injury to his back on August 7, 2003 resulting in partial incapacity beginning August 14, 2003. Based upon the medical reports dated September 29, 2003 and September 30, 2003 provided by Dr. Edward Feldmann, a neurologist who evaluated the employee at the request of Aramark, the trial judge concluded that the employee was no longer disabled as of September 30, 2003. The trial decree was entered on February 26, 2004. The employee filed a claim of appeal on March 2, 2004.

Prior to the appeal being perfected, the parties requested that the matter be remanded to the trial judge for hearing on a motion to approve a settlement proposal pursuant to R.I.G.L. § 28-33-25.1, which provides a method for the compromised payment of a disputed claim for workers' compensation benefits. On March 24, 2004, the trial judge approved the settlement in the amount of Twenty-five Thousand and 00/100 (\$25,000.00) Dollars. Under the terms of the decree approving the settlement, the employee released the employer from any and all claims of any kind which he may have acquired during the course of his employment, and the employee's original petition was denied and dismissed with prejudice. The parties also signed a stipulation withdrawing the employee's claim of appeal.

On April 6, 2004, Veronica Roy, a claims specialist with Specialty Risk Services, the insurer for Aramark, wrote to the Workers' Compensation Administrative Fund (hereinafter "the Fund") requesting reimbursement for benefits paid to the employee from October 1, 2003 to February 26, 2004 in the amount of Nine Thousand One Hundred Ninety-seven and 77/100 (\$9,197.77) Dollars. On August 17, 2004, the Fund responded and denied the request. Aramark

requested review by the Director of the Department of Labor and Training, or his designee. A hearing officer designated by the Director conducted a hearing, and on November 24, 2004, issued a decision in which he concluded that the employer was entitled to reimbursement pursuant to R.I.G.L. § 28-35-20(f). The Fund then filed a miscellaneous petition with the Workers' Compensation Court alleging that the hearing officer's decision is incorrect.

The trial judge reviewed the transcript of the hearing before the Department hearing officer, the documentary evidence submitted at that hearing, and the memoranda presented by the parties. He reasoned that the approval of the settlement pursuant to R.I.G.L. § 28-33-25.1 rendered the trial decree, which limited the period of incapacity, a nullity and of no legal effect. Consequently, there was no final decree resulting from the trial on the merits as required by R.I.G.L. § 28-35-20(f) in order to qualify for reimbursement from the Fund. The trial judge, therefore, reversed the decision of the hearing officer and found that Aramark was not entitled to reimbursement. Aramark filed a claim of appeal from this decision.

Section 28-35-20 of the Rhode Island General Laws provides that a petition (with few exceptions which are not pertinent) filed with the Workers' Compensation Court must be scheduled for an informal pretrial conference to be held within twenty-one (21) days. The stated purpose of the pretrial conference is to expedite the case and reduce the issues in dispute. No testimony shall be taken, but the judge will review any relevant documentary evidence presented by the parties. Any agreements reached at the pretrial conference are binding. Furthermore, the judge conducting the conference shall issue a pretrial order granting or denying, in whole or in part, the relief requested in the petition. This pretrial order is effective upon entry regardless of whether either party claims a trial. The parties must comply with the pretrial order during the pendency of the trial absent any further order of the court.

Due to the abbreviated format of the pretrial conference and the binding effect of the pretrial order, the Legislature did see fit to provide some remedy to employers in cases where after a full trial, employees were found not entitled to benefits which had been awarded at the pretrial conference.

If after trial and the entry of a final decree, it is determined that the employee or medical services provider was not entitled to the relief sought in the petition, the employer or insurer shall be reimbursed from the workers' compensation administrative fund, described in chapter 37 of this title, to the extent of any payments made pursuant to the pretrial order to which there is no entitlement.

R.I.G.L. § 28-35-20(f).

At first blush, the circumstances of the present matter would seem to meet the criteria for reimbursement from the Fund. Pursuant to the pretrial order, the employer was ordered to pay weekly benefits to the employee from August 14, 2003 and continuing. After reviewing the evidence submitted during the course of the trial, the trial judge concluded that the employee was only disabled for a brief period from August 14, 2003 to September 30, 2003. If the matter had ended at that point, the employer would likely be entitled to reimbursement. The employer's decision to dispose of the claim pursuant to R.I.G.L. § 28-33-25.1, however, rendered the claim ineligible for reimbursement under R.I.G.L. § 28-35-20(f).

Rhode Island General Laws § 28-33-25.1 provides a method whereby parties to a workers' compensation claim may settle the case without an admission of liability by the employer.

Notwithstanding the provisions of §§ 28-33-25 and 28-33-26, in cases where liability of the employer for payment of workers' compensation benefits has not been finally established, the parties may submit a settlement proposal to the workers' compensation court for approval. . . . Payment by the employer or insurer shall not be deemed to be the payment of workers' compensation benefits, but shall be considered a compromise payment of a

disputed claim. . . . Upon payment, the employer and insurer shall be entitled to a duly executed release that fully and finally absolves and discharges the employer and insurer from any and all liability arising out of the claimed injury.

R.I.G.L. § 28-33-25.1 (emphasis added).

The settlement of a claim under this provision is an agreement between the employee and employer in which the employer pays a sum of money to the employee in exchange for a release and discharge of any and all claims the employee may have under the Workers' Compensation Act, as well as any claims pursuant to other federal and state statutes. The settlement proposal is submitted to dispose of the employee's original petition for workers' compensation benefits. If the proposal is approved by the court, a decree is entered in the case denying and dismissing the original petition. In most cases, the settlement proposal is presented to the court at some stage prior to the entry of a trial decree on the merits of the original petition.

In the present case, the employer agreed to pay an additional Twenty-five Thousand and 00/100 (\$25,000.00) Dollars to the employee. In exchange, the employee agreed to waive any claims he had under the Workers' Compensation Act, which potentially included benefits for disfigurement, payment of medical expenses related to the injury, future weekly benefits in the event he suffered a recurrence, and the right to reinstatement to his former position with the employer. In addition, the record in the underlying case (W.C.C. No. 03-05841) reveals that the employee also gave up his right to pursue grievances or actions he filed or may have filed against the employer with the Rhode Island Commission for Human Rights, the Equal Employment Opportunity Commission, the United States Department of Labor and the United States Department of Justice.

The parties' request to remand the underlying case to the trial judge for approval of their agreement effectively re-opened the matter below and vacated the existing trial decree which had

awarded a closed period of benefits. The proper, and administratively tidier, procedure would have been to more specifically vacate the trial decree, because obviously there cannot be two (2) opposite decrees existing in the same case. In any case, we are in agreement with the trial judge in the present matter that the trial decree which resulted from the hearing on the merits was rendered a nullity when the parties obtained approval of their settlement proposal.

The “final decree” ending the litigation of the underlying case is therefore the decree approving the settlement proposal, and denying and dismissing the employee’s original petition for benefits. This decree is not the outcome of the full trial on the merits, but rather the result of the parties’ agreement to compromise the employee’s claim. The situation presented by this course of events is not the type of case for which the Legislature provided the reimbursement remedy in R.I.G.L. § 28-35-20(f). The statute clearly provides for reimbursement only when it is determined “after trial and the entry of a final decree” that excess benefits were paid as a result of the pretrial order. R.I.G.L. § 28-35-20(f). We believe it would be repugnant to the clear language of the statute to reimburse an employer from the Fund when the employer determines it is in its best interest to pay the employee some additional sum of money to rid itself of any potential additional liability in this court and any other forum.

For the foregoing reasons, we deny and dismiss the appeal of the employer, Aramark, and affirm the decision and decree of the trial judge denying the request for reimbursement. In accordance with Rule 2.20 of the Rules of Practice of the Workers’ Compensation Court, a final decree, a copy of which is enclosed, shall enter on

Bertness and Sowa, JJ. concur.

ENTER:

Olsson, J.

Bertness, J.

Sowa, J.

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FINAL DECREE OF THE APPELLATE DIVISION

This cause came on to be heard by the Appellate Division upon the appeal of the respondent/employer, Aramark Corporation, and upon consideration thereof, the appeal is denied and dismissed, and it is:

ORDERED, ADJUDGED, AND DECREED:

The findings of fact and the orders contained in a decree of this Court entered on June 7, 2005 be, and they hereby are, affirmed.

Entered as the final decree of this Court this day of

PER ORDER:

John A. Sabatini, Administrator

ENTER:

Olsson, J.

Bertness, J.

Sowa, J.

I hereby certify that copies of the Decision and Final Decree of the Appellate Division were mailed to Gregory L. Boyer, Esq., and Bernard P. Healy, Esq., on