

**FILED**

OCT 30 2018

CLERK, U.S. DISTRICT COURT  
SOUTHERN DISTRICT OF CALIFORNIA  
BY *JA* DEPUTYUNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF CALIFORNIA

HENRY FURIANI,

Plaintiff,

v.

NANCY A. BERRYHILL, Acting  
Commissioner of Social Security,

Defendant.

Case No.: 3:17-cv-02221-LAB (RNB)

**REPORT AND  
RECOMMENDATION REGARDING  
CROSS-MOTIONS FOR SUMMARY  
JUDGMENT****(ECF Nos. 15, 18)**

This Report and Recommendation is submitted to the Honorable Larry Alan Burns, United States District Judge, pursuant to 28 U.S.C. § 636(b)(1) and Local Civil Rule 72.1(c) of the United States District Court for the Southern District of California.

On October 31, 2017, plaintiff Henry Furiani filed a Complaint pursuant to 42 U.S.C. § 405(g) seeking judicial review of a decision by the Commissioner of Social Security denying his application for a period of disability and disability insurance benefits. (ECF No. 1.)

Now pending before the Court and ready for decision are the parties' cross-motions for summary judgment. For the reasons set forth herein, the Court **RECOMMENDS** that plaintiff's motion for summary judgment be **GRANTED**, that the Commissioner's cross-motion for summary judgment be **DENIED**, and that Judgment be entered reversing the

1 decision of the Commissioner and remanding this matter for further administrative  
2 proceedings pursuant to sentence four of 42 U.S.C. § 405(g).

### 4 **PROCEDURAL BACKGROUND**

5 On May 30, 2013, plaintiff filed an application for a period of disability and  
6 disability insurance benefits under Title II of the Social Security Act, alleging disability  
7 commencing October 1, 2009. (Certified Administrative Record ["AR"] 143-44, 145-51.)  
8 After his claim was denied initially and upon reconsideration (AR 86-90, 96-101), plaintiff  
9 requested an administrative hearing before an administrative law judge ("ALJ"). (AR 102-  
10 03.) An administrative hearing was held on July 7, 2016. Plaintiff appeared at the hearing  
11 with counsel, and testimony was taken from him and a vocational expert ("VE"). (AR 38-  
12 65.)

13 As reflected in his September 28, 2016 hearing decision, the ALJ found that plaintiff  
14 had not been under a disability, as defined in the Social Security Act, from October 1, 2009,  
15 the alleged onset date, through December 31, 2011, the date last insured. (AR 24-33.) The  
16 ALJ's decision became the final decision of the Commissioner on August 28, 2017, when  
17 the Appeals Council denied plaintiff's request for review. (AR 1-3.) This timely civil  
18 action followed.

### 20 **SUMMARY OF THE ALJ'S FINDINGS**

21 In rendering his decision, the ALJ initially determined that plaintiff last met the  
22 insured status requirements of the Social Security Act on December 31, 2011. (AR 24,  
23 26.) The ALJ proceeded to follow the Commissioner's five-step sequential evaluation  
24 process. *See* 20 C.F.R. § 404.1520.<sup>1</sup> At step one, the ALJ found that plaintiff had not  
25 engaged in substantial gainful activity during the period from his alleged onset date of  
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27 <sup>1</sup> Unless otherwise indicated, all references herein to the Commissioner's regulations  
28 are to the regulations in effect at the time of the ALJ's decision.

1 October 1, 2009 through his date last insured of December 31, 2011. (AR 26.)

2 At step two, the ALJ found that plaintiff had the following severe impairments:  
3 diabetes, degenerative disc disease of the lumbar spine, peripheral neuropathy, major  
4 depressive disorder, and bipolar disorder. (AR 26.)

5 At step three, the ALJ found that plaintiff did not have an impairment or combination  
6 of impairments that met or medically equaled the severity of one of the impairments listed  
7 in the Commissioner's Listing of Impairments. (AR 27.)

8 Next, the ALJ determined that plaintiff had the residual functional capacity ("RFC")  
9 to perform a range of light work as defined in 20 C.F.R. § 404.1567(b). Specifically, the  
10 ALJ found that plaintiff was able to lift and carry 20 pounds occasionally and 10 pounds  
11 frequently, stand and/or walk six hours in an eight-hour workday, and sit six hours in an  
12 eight-hour workday; occasionally stoop, kneel, crouch, crawl, and climb stairs; and have  
13 no more than casual contact with the public, and be around coworkers but not work with  
14 them. (AR 29.)

15 For purposes of his step four determination, the ALJ found that plaintiff's past work  
16 as a flagger satisfied the regulatory requirements to constitute past relevant work. The ALJ  
17 proceeded to accept the VE's testimony that a hypothetical person with plaintiff's  
18 vocational profile and RFC would be able to perform that kind of work. (AR 32-33.)  
19 Accordingly, the ALJ found that plaintiff was not disabled through December 31, 2011,  
20 the last date insured. (AR 33.)

## 21 22 **DISPUTED ISSUES**

23 As reflected in plaintiff's summary judgment motion, the disputed issues that  
24 plaintiff is raising as the grounds for reversal and remand are as follows:

25 1. Whether the ALJ's silent rejection of the opinion of treating social  
26 worker/therapist Caroline Stewart constitutes reversible error. (*See* ECF No. 15-1 at 3-7.)

27 2. Whether the ALJ properly rejected plaintiff's subjective pain and symptom  
28 testimony. (*See* ECF No. 15-1 at 7-11.)

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## STANDARD OF REVIEW

Under 42 U.S.C. § 405(g), this Court reviews the Commissioner’s decision to determine whether the Commissioner’s findings are supported by substantial evidence and whether the proper legal standards were applied. *DeLorme v. Sullivan*, 924 F.2d 841, 846 (9th Cir. 1991). Substantial evidence means “more than a mere scintilla” but less than a preponderance. *Richardson v. Perales*, 402 U.S. 389, 401 (1971); *Desrosiers v. Sec’y of Health & Human Servs.*, 846 F.2d 573, 575-76 (9th Cir. 1988). Substantial evidence is “such relevant evidence as a reasonable mind might accept as adequate to support a conclusion.” *Richardson*, 402 U.S. at 401. This Court must review the record as a whole and consider adverse as well as supporting evidence. *Green v. Heckler*, 803 F.2d 528, 529-30 (9th Cir. 1986). Where evidence is susceptible of more than one rational interpretation, the Commissioner’s decision must be upheld. *Gallant v. Heckler*, 753 F.2d 1450, 1452 (9th Cir. 1984).

## DISCUSSION

A. The Court is unable to affirm the ALJ’s adverse credibility determination.

In a “Function Report – Adult,” which appears to have been completed on plaintiff’s behalf and signed by his wife on July 22, 2016, plaintiff alleged that his physical and mental impairments negatively affected his ability to lift, squat, bend, reach, sit, climb stairs, remember, complete tasks, concentrate, understand, follow instructions, and get along with others. (*See* AR 178-86.)

At the administrative hearing held that same month, when asked by the ALJ what kind of problems he was having that would keep him from being able to work, plaintiff responded, “Basically, getting along with people. It’s anxiety.” (AR 42.) He also specified “overall pain in the shoulders, back, legs.” (*Id.*)

With respect to his mental impairments, plaintiff testified that he experiences severe mood swings where he may go from happy to sad or “just pissed” to violent, and that this

1 causes him to be depressed 85% of the time. (AR 42-43.) He has suicidal thoughts at  
2 times, and his current medications for his bipolar disorder make him feel even more  
3 suicidal and are in the process of being changed. (AR 43-44, 50.) According to plaintiff,  
4 his ability to interact with others has worsened since he last worked, in that he has more  
5 confrontations with others now. (AR 47.) He even had a violent incident with a landlord,  
6 which led to a restraining order in approximately 2009 or 2010 – prior to the date last  
7 insured. (AR 55.) Because of his anxiety and his distress when he thinks about others, he  
8 tries to avoid interacting with people and stays at home. (AR 48, 53.) He never does social  
9 things with friends and has lost friends because of his behaviors. (*Id.*)

10 With respect to his physical impairments, plaintiff testified that his main physical  
11 problem was back pain. (AR 45.) The heaviest thing he can lift is 50 pounds, maybe two  
12 or three times. (*Id.*) He can stand and walk for at most one hour before needing to sit.  
13 (*Id.*) He experiences back and leg pain when sitting for too long. (*Id.*) Even when loading  
14 the dishwasher, he needs to take breaks. (*Id.*)

15 It is well established in the Ninth Circuit that, if the claimant has produced objective  
16 medical evidence of an impairment or impairments that could reasonably be expected to  
17 produce some degree of pain and/or other symptoms and the record is devoid of any  
18 affirmative evidence of malingering, the ALJ may reject the claimant's testimony  
19 regarding the severity of the claimant's pain and/or other symptoms only if the ALJ makes  
20 specific findings stating clear and convincing reasons for doing so. *See Smolen v. Chater*,  
21 80 F.3d 1273, 1281-82 (9th Cir. 1996); *Dodrill v. Shalala*, 12 F.3d 915, 918 (9th Cir. 1993);  
22 *Bunnell v. Sullivan*, 947 F.2d 341, 343 (9th Cir. 1991); *Cotton v. Bowen*, 799 F.2d 1403,  
23 1407 (9th Cir. 1986). Further, it is incumbent on the ALJ to specify which statements by  
24 plaintiff concerning his or her symptoms and functional limitations were not credible  
25 and/or in what respect(s) plaintiff's statements were not credible. *See Reddick v. Chater*,  
26 157 F.3d 715, 722 (9th Cir. 1998); *Smolen*, 80 F.3d at 1284.

27 Here, the ALJ did make the following statement:

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1           “After careful consideration of the evidence, the undersigned finds that  
2 the claimant’s medically determinable impairments could reasonably be  
3 expected to cause the alleged symptoms; however, the claimant’s statements  
4 concerning the intensity, persistence and limiting effects of these symptoms  
5 are not entirely consistent with the medical evidence and other evidence in the  
6 record during the period at issue for the reasons explained in this decision.”  
7 (AR 31)

8           Since the Commissioner has not argued that there was evidence of malingering, the  
9 Court will apply the “clear and convincing” standard to the ALJ’s adverse credibility  
10 determination. *See Burrell v. Colvin*, 775 F.3d 1133, 1136 (9th Cir. 2014) (applying “clear  
11 and convincing” standard where the government did not argue that a lesser standard should  
12 apply based on evidence of malingering); *see also Ghanim v. Colvin*, 763 F.3d 1154, 1163  
13 n.9 (9th Cir. 2014) (same).

14           The first reason cited by the ALJ in support of his adverse credibility determination  
15 was plaintiff’s daily activities, which according to the ALJ were “not limited to the extent  
16 one would expect, given the complaints of disabling symptoms and limitations.” (AR 31.)  
17 The ALJ noted in this regard that plaintiff had indicated that he was “independent with  
18 personal care although it takes longer, and he is able to prepare simple meals, do dishes,  
19 vacuum, mop, do laundry, take out trash, and drive a car. (AR 31-32.)

20           Under Ninth Circuit jurisprudence, there are “two grounds for using daily activities  
21 to form the basis of an adverse credibility determination”: Evidence of the daily activities  
22 either (1) contradicts the claimant’s other testimony, or (2) meets the threshold for  
23 transferable work skills. *See Orn v. Astrue*, 495 F.3d 625, 639 (9th Cir. 2007). Here,  
24 neither of these grounds applies. First, the ALJ failed to posit any specific testimony by  
25 plaintiff that any of the specified daily activities contradicted. Indeed, none of the specified  
26 daily activities involved getting along with or even interacting with others. Accordingly,  
27 there was no inconsistency between plaintiff’s ability to engage in those daily activities  
28 and his allegations/testimony regarding his mental impairments. Likewise, the Court fails

1 to see any inconsistency between plaintiff's ability to engage in those daily activities and  
2 his allegations/testimony regarding his physical limitations.

3       Second, the Commissioner does not even purport to contend that plaintiff's ability  
4 to engage in the specified daily activities constituted substantial evidence that plaintiff was  
5 able to spend a substantial part of his day engaged in pursuits involving the performance  
6 of physical functions that are transferable to a work setting. *See, e.g., Diedrich v. Berryhill*,  
7 874 F.3d 634, 642-43 (9th Cir. 2017) (claimant's ability to perform daily activities  
8 including personal hygiene, cooking, household chores, and shopping not a clear and  
9 convincing reason to find her less than fully credible); *Vertigan v. Halter*, 260 F.3d 1044,  
10 1049-50 (9th Cir. 2001) (evidence that claimant did certain chores that did not consume a  
11 substantial part of the day did not detract from her credibility); *Fair v. Bowen*, 885 F.2d  
12 597, 603 (9th Cir. 1996) ("The Social Security Act does not require claimants to be utterly  
13 incapacitated to be eligible for benefits, and many home activities may not be easily  
14 transferable to a work environment where it might be impossible to rest periodically or take  
15 medication.") (internal citations omitted).

16       The Court therefore finds that the first reason cited by the ALJ did not constitute a  
17 clear and convincing reason for not crediting plaintiff's subjective pain and symptom  
18 testimony.

19       The second reason cited by the ALJ in support of his adverse credibility  
20 determination was the lack of objective medical evidence to support plaintiff's allegations.  
21 (*See* AR 32.)<sup>2</sup> However, since the ALJ's other stated reason was legally insufficient to

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24       <sup>2</sup> The Commissioner contends that the ALJ had another reason for not crediting  
25 plaintiff's subjective pain and symptom testimony, namely "plaintiff's successful  
26 conservative treatment." (*See* ECF No. 18-1 at 8.) However, the ALJ never characterized  
27 plaintiff's treatment as "conservative" or cite plaintiff's "successful conservative  
28 treatment" as a basis for his adverse credibility determination in the section of the decision  
in which he stated his reasons. (*See* AR 32.) Rather, in that section of his decision, the  
ALJ expressly stated that his RFC assessment contrary to plaintiff's allegations of disabling  
conditions was based on two things: plaintiff's activities of daily living and the objective

1 support his adverse credibility determination, this remaining reason (*i.e.*, the lack of  
2 objective medical support) cannot be legally sufficient by itself. *See Robbins v. Soc. Sec.*  
3 *Admin.*, 466 F.3d 880, 883-84 (9th Cir. 2006) (where ALJ’s initial reason for adverse  
4 credibility determination was legally insufficient, his sole remaining reason premised on  
5 lack of medical support for claimant’s testimony was legally insufficient); ‘ *v. Soc. Sec.*  
6 *Admin.*, 119 F.3d 789, 792 (9th Cir. 1997) (“[A] finding that the claimant lacks credibility  
7 cannot be premised wholly on a lack of medical support for the severity of his pain.”); *cf.*  
8 *Burch v. Barnhart*, 400 F.3d 676, 681 (9th Cir. 2005) (“Although lack of medical evidence  
9 cannot form the sole basis for discounting pain testimony, it is a factor that the ALJ can  
10 consider in his credibility analysis.”).<sup>3</sup>

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12 **B. The ALJ failed to properly evaluate the opinion of the social**  
13 **worker/therapist regarding the functional limitations resulting from**  
14 **plaintiff’s mental impairments.**

15 In his opening statement at the administrative hearing, plaintiff’s counsel advised  
16 the ALJ that plaintiff’s disability claim was based primarily on plaintiff’s mental  
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19 medical evidence contained in the record. (*See id.*) Because the ALJ did not rely on  
20 “plaintiff’s successful conservative treatment” as a reason for not crediting plaintiff’s  
21 subjective pain and symptom testimony, the Court is unable to consider it as a basis for  
22 upholding the ALJ’s adverse credibility determination. *See Ceguerra v. Sec’y of Health &*  
23 *Human Servs.*, 933 F.2d 735, 738 (9th Cir. 1991) (“A reviewing court can evaluate an  
agency’s decision only on the grounds articulated by the agency.”); *see also Connett v.*  
*Barnhart*, 340 F.3d 871, 874 (9th Cir. 2003).

24 <sup>3</sup> The Court also concurs with plaintiff that the fact he received only limited treatment  
25 for his mental impairments prior to his date last insured, which the ALJ cited as an example  
26 of the lack of support in the medical record for plaintiff’s allegations (*see* AR 32), is not a  
27 clear and convincing reason for rejecting plaintiff’s testimony. *See Nguyen v. Chater*, 100  
28 F.3d 1462, 1465 (9th Cir. 1996) (“[I]t is a questionable practice to chastise one with a  
mental impairment for the exercise of poor judgment in seeking rehabilitation.”) (citation  
omitted).



1 impairments, as a result of which plaintiff “has extreme difficulty in interacting with  
2 people.” (AR 41.) And, as noted above, when asked by the ALJ what kind of problems  
3 he was having that would keep him from being able to work, plaintiff specified in the first  
4 instance his inability to get along with people and his anxiety. (*See* AR 42.)

5 The evidence of record included a “Mental Residual Capacity Questionnaire” from  
6 plaintiff’s treating social worker/therapist, Caroline Stewart, dated February 28, 2013. (AR  
7 159-65.) Ms. Stewart diagnosed plaintiff as suffering from bipolar disorder, a pain  
8 disorder, and a schizotypal personality disorder. Ms. Stewart reported that plaintiff  
9 frequently presents with bizarre ideation; that he is socially anxious and weeps easily; and  
10 that he often presents as labile, even on medications. (AR 159.)

11 Ms. Stewart assessed that plaintiff possessed limited but satisfactory ability to: ask  
12 simple questions or request assistance; be aware of normal hazards and take appropriate  
13 precautions; adhere to basic standards of neatness and cleanliness; and use public  
14 transportation. (AR 161-62.) Plaintiff was seriously limited, but not precluded in the  
15 ability to: understand, remember, and carry out simple instructions; sustain an ordinary  
16 routine without special supervision; and travel to unfamiliar places. (AR 161-62.)

17 According to Ms. Stewart, plaintiff was unable to meet competitive standards in the  
18 ability to: maintain regular attendance and be punctual within customary, usual strict  
19 tolerances; maintain attention for two hour segments; work in coordination with or  
20 proximity to others without being unduly distracted; make simple work related decisions;  
21 complete a normal workday and workweek without interruptions from psychologically  
22 based symptoms; perform at a consistent pace without an unreasonable number and length  
23 of rest periods; accept instruction and respond appropriately to criticism from supervisors;  
24 get along with co-workers or peers without causing them undue distraction or exhibiting  
25 behavioral extremes; respond appropriately to changes in a routine work setting; deal with  
26 normal stress; interact appropriately with the general public; and maintain socially  
27 appropriate behavior. He also was unable to meet competitive standards in various other  
28 areas needed to do semiskilled and skilled work. (AR 161-62.)

1 Ms. Stewart also assessed that plaintiff had marked restriction in activities of daily  
2 living, and difficulties in maintaining concentration, persistence or pace; that he had  
3 extreme difficulties in maintaining social functioning; and that he would miss work more  
4 than four days per month as a result of his impairments or treatment. (AR 164-65.)

5 As support for her opinion, Ms. Stewart stated *inter alia* that plaintiff's unpredictable  
6 mood, energy level, and motivation would impede regular attendance to a job; that he is  
7 preoccupied with bizarre thoughts; and that he does not handle stress well. (AR 161-62.)  
8 Ms. Stewart also observed that plaintiff required a high degree of shepherding as he was  
9 not internally motivated to stay on task without direct encouragement; and that he did not  
10 take criticism in a resilient way and could be "quite rigid." (AR 163.) Ms. Stewart stated  
11 that the earliest plaintiff's symptoms and limitations applied were from June 18, 2012,  
12 which was the first day plaintiff saw her for treatment. (AR 159, 165.)

13 In general, only licensed physicians and similarly qualified specialists qualify as  
14 acceptable medical sources who can provide evidence to establish a claimant's impairment.  
15 See 20 C.F.R. § 404.1513(a).<sup>4</sup> Social workers such as Ms. Stewart are classified as "other  
16 sources" who can provide evidence to show the severity of a claimant's impairment and  
17 how it affects his ability to work. See 20 C.F.R. § 404.1513(d)(3). An ALJ may not reject  
18 an opinion from an "other source" unless he provides reasons germane to that opinion. See  
19 *Molina v. Astrue*, 674 F.3d 1104, 1111 (9th Cir. 2012); *Turner v. Comm'r of Soc. Sec.*, 613  
20 F.3d 1217, 1224 (9th Cir. 2010).

21 Here, the ALJ failed to even discuss Ms. Stewart's opinion regarding the functional  
22 limitations resulting from plaintiff's mental impairments, let alone provide any germane  
23 reasons for rejecting her opinion. The Commissioner contends that there was no error  
24 resulting from the ALJ's omission because Ms. Stewart's questionnaire concerned the time  
25 period after plaintiff's insured status expired. (See ECF No. 18-1 at 3-4.) The Court  
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28 <sup>4</sup> The relevant version of 20 C.F.R. § 404.1513 is the version in effect at the time of  
plaintiff's benefits application. See 82 Fed. Reg. 5844, 5862 (Jan. 18, 2017).

1 disagrees. Ms. Stewart indicated that she began treating plaintiff on June 18, 2012 (AR  
2 159) and that her description of plaintiff's symptoms and limitations in the questionnaire  
3 dated back to when she began treating plaintiff (*see* AR 165). Absent a reason to think that  
4 plaintiff experienced a major symptom change in the six and a half months before he met  
5 Ms. Stewart, it is a fair and reasonable inference that the symptoms and limitations  
6 described by Ms. Stewart were substantially similar to the symptoms and limitations  
7 plaintiff experienced before December 31, 2011. *See Tobeler v. Colvin*, 749 F.3d 830, 833  
8 (9th Cir. 2014) (“[Lay witness’s] statement that [claimant] was incapable of working in  
9 2001 is relevant to his ability to work in 1999, at least in the absence of any evidence that  
10 [claimant’s] condition worsened between 1999 and 2001.”); *Turner*, 613 F.3d at 1228-29  
11 (“While the ALJ must consider only impairments (and limitations and restrictions  
12 therefrom) that [the claimant] had prior to the DLI, evidence post-dating the DLI is  
13 probative of [the claimant’s] pre-DLI disability.”); *Lester v. Chater*, 81 F.3d 821, 832 (9th  
14 Cir. 1995), *as amended* (Apr. 9, 1996) (“This court has specifically held that medical  
15 evaluations made after the expiration of a claimant’s insured status are relevant to an  
16 evaluation of the preexpiration condition.” (citation and internal quotation marks omitted));  
17 *Smith v. Bowen*, 849 F.2d 1222, 1225 (9th Cir. 1988) (“We think it is clear that reports  
18 containing observations made after the period for disability are relevant to assess the  
19 claimant’s disability.”).

20 Moreover, in response to the line on the form asking for the date of onset of the  
21 disabling condition, Ms. Stewart filled in that plaintiff had a medical history of mood  
22 swings since age 15. (*See* AR 159.) For this reason as well, the Court finds that Ms.  
23 Stewart’s opinion did relate to the relevant time period from October 1, 2009 through  
24 December 31, 2011. *See Taylor v. Comm’r of Soc. Sec. Admin.*, 659 F.3d 1228, 1232-33  
25 (9th Cir. 2011) (finding mental health assessment written eight months after ALJ’s decision  
26 relevant to period before decision because it purported to relate to plaintiff’s onset date);  
27 *cf. Bates v. Sullivan*, 894 F.2d 1059, 1064 (9th Cir. 1990) (finding mental health evidence  
28 not relevant to period on or before date of ALJ’s decision where it purported to describe

1 plaintiff's condition more than two years after date last insured), *overruled on other*  
2 *grounds, Bunnell*, 947 F.2d at 342.

3 The Commissioner also contends that it was unnecessary for the ALJ to comment  
4 on the questionnaire completed by Ms. Stewart because her treatment notes from  
5 September 2012 through December 2015 "showed that plaintiff's symptoms came under  
6 control with conservative treatment in the form of medication and therapy." (*See* ECF No.  
7 18-1 at 4-5.) However, to the extent that the Commissioner is proffering this evidence in  
8 response to plaintiff's contention regarding the relevance of Ms. Stewart's February 2013  
9 opinion, the Commissioner is focusing on the wrong time period. As noted above, the  
10 relevant time period is the six and a half month period between December 31, 2011 and  
11 June 12, 2012, and the relevant question is whether there is any evidence that plaintiff's  
12 condition worsened during that period. To the extent that the Commissioner is proffering  
13 this evidence to show that the ALJ would have had a reason to accord little or no weight to  
14 Ms. Stewart's opinion, the Court is unable to consider that reason. *See Connett*, 340 F.3d  
15 at 874; *Ceguerra*, 933 F.2d at 738.

16 The Court therefore finds that, in failing to even discuss Ms. Stewart's opinion, the  
17 ALJ erred under Ninth Circuit jurisprudence.

18 The Commissioner further contends that, even if the ALJ erred, the error was  
19 harmless under *Molina*. In *Molina*, 674 F.3d at 1122, the Ninth Circuit held that the ALJ's  
20 failure to provide specific reasons for rejecting "other source" testimony was harmless  
21 error where "other source" testimony did not describe any more limitations than those  
22 plaintiff herself described, which the ALJ validly rejected. Here, the Court has found that  
23 the ALJ failed to validly reject plaintiff's subjective testimony regarding the severity of his  
24 mental impairments. Moreover, Ms. Stewart opined to functional limitations that were not  
25 the same as those encompassed by plaintiff's testimony, but rather went way beyond those  
26 encompassed by plaintiff's testimony. Accordingly, the ALJ's adverse credibility  
27 determination with respect to plaintiff's subjective symptom testimony, even if the Court  
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1 had been able to affirm it, could not render harmless the ALJ's failure to even discuss Ms.  
2 Stewart's opinion.

3 The Court therefore finds that *Molina* is not applicable here. Further, this is not an  
4 instance where the Court "can confidently conclude that no reasonable ALJ, when fully  
5 crediting the testimony [of Ms. Stewart], could have reached a different disability  
6 determination." *See Stout v. Comm'r, Soc. Sec. Admin.*, 454 F.3d 1050, 1056 (9th Cir.  
7 2006). Rather, if Ms. Stewart's testimony about plaintiff's limitations was fully credited,  
8 a reasonable ALJ could have concluded that plaintiff's impairments precluded plaintiff  
9 from performing his past relevant work. *See Stout*, 454 F.3d at 1056 (holding that ALJ's  
10 failure to consider lay witness testimony about claimant's limitations was not harmless  
11 error where a reasonable ALJ could find that such limitations would preclude gainful  
12 employment).

13 The Court therefore finds and concludes that reversal also is warranted based on the  
14 ALJ's failure to properly consider Ms. Stewart's opinion.

### 16 CONCLUSION AND RECOMMENDATION

17 The law is well established that the decision whether to remand for further  
18 proceedings or simply to award benefits is within the discretion of the Court. *See, e.g.*,  
19 *Salvador v. Sullivan*, 917 F.2d 13, 15 (9th Cir. 1990); *McAllister v. Sullivan*, 888 F.2d 599,  
20 603 (9th Cir. 1989); *Lewin v. Schweiker*, 654 F.2d 631, 635 (9th Cir. 1981). Remand for  
21 further proceedings is warranted where additional administrative proceedings could  
22 remedy defects in the decision. *See, e.g.*, *Kail v. Heckler*, 722 F.2d 1496, 1497 (9th Cir.  
23 1984); *Lewin*, 654 F.2d at 635. Remand for the payment of benefits is appropriate where  
24 no useful purpose would be served by further administrative proceedings, *Kornock v.*  
25 *Harris*, 648 F.2d 525, 527 (9th Cir. 1980); where the record has been fully developed,  
26 *Hoffman v. Heckler*, 785 F.2d 1423, 1425 (9th Cir. 1986); or where remand would  
27 unnecessarily delay the receipt of benefits to which the disabled plaintiff is entitled, *Bilby*  
28 *v. Schweiker*, 762 F.2d 716, 719 (9th Cir. 1985).

1 The Court is mindful of Ninth Circuit authority for the proposition that, where an  
2 ALJ failed to properly consider either subjective symptom testimony or medical opinion  
3 evidence, it is sometimes appropriate to credit the evidence as true and remand the case for  
4 calculation and award of benefits. *See, e.g., Garrison v. Colvin*, 759 F.3d 995, 1019-21  
5 (9th Cir. 2014). However, in *Ghanim*, 763 F.3d at 1167, a case decided after *Garrison*,  
6 another Ninth Circuit panel did not apply or even acknowledge the “credit as true” rule  
7 where substantial evidence did not support an ALJ’s rejection of treating medical opinions  
8 and his adverse credibility determination; instead, the panel simply remanded the case for  
9 further administrative proceedings. And, in *Marsh v. Colvin*, 792 F.2d 1170, 1173 (9th  
10 Cir. 2015), the panel did not apply or even acknowledge the “credit as true” rule where the  
11 ALJ had failed to even mention a treating source’s opinion that the claimant was “pretty  
12 much nonfunctional”; instead, the panel simply remanded the case to afford the ALJ the  
13 opportunity to comment on the doctor’s opinions.

14 Here, although plaintiff conclusorily asserts that “[t]he Court should reverse the  
15 ALJ’s decision and order payment of benefits” (*see* ECF No. 15-1 at 12), the Commissioner  
16 has argued that the proper remedy in the event of reversal is a remand for further  
17 administrative proceedings (*see* ECF No. 18-1 at 10-11). The Court deems plaintiff’s  
18 failure to adequately brief the issue of the appropriate remedy and failure to even reply to  
19 the Commissioner’s legal argument in this regard as a concession to the correctness of the  
20 Commissioner’s position.

21 For the foregoing reasons, this Court **RECOMMENDS** that plaintiff’s motion for  
22 summary judgment be **GRANTED**, that the Commissioner’s cross-motion for summary  
23 judgment be **DENIED**, and that Judgment be entered reversing the decision of the  
24 Commissioner and remanding this matter for further administrative proceedings pursuant  
25 to sentence four of 42 U.S.C. § 405(g).

26 Any party having objections to the Court’s proposed findings and recommendations  
27 shall serve and file specific written objections within 14 days after being served with a  
28 copy of this Report and Recommendation. *See* Fed. R. Civ. P. 72(b)(2). The objections

1 should be captioned "Objections to Report and Recommendation." A party may respond  
2 to the other party's objections within 14 days after being served with a copy of the  
3 objections. *See id.*

4 IT IS SO ORDERED.

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6 Dated: October 29, 2018



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7 ROBERT N. BLOCK  
8 United States Magistrate Judge  
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