

**IN THE IOWA ADMINISTRATIVE HEARINGS DIVISION  
UNEMPLOYMENT INSURANCE APPEALS BUREAU**

**ASHLEY N RANK**  
Claimant

**RACING UNLIMITED INC**  
Employer

**APPEAL NO. 24A-UI-01698-JT**

**ADMINISTRATIVE LAW JUDGE  
DECISION**

**OC: 01/07/24**  
**Claimant: Appellant (2R)**

Iowa Code section 96.5(1) – Lay-off  
Iowa Admin. Code r. 87124.1(113) – Lay-off

**STATEMENT OF THE CASE:**

On February 12, 2024, Ashley Rank (claimant) filed a timely appeal from the February 7, 2024 (reference 01) decision that disqualified her for benefits and that held the employer's account would not be charged for benefits, based on the deputy's conclusion the claimant voluntarily quit on December 26, 2023 without good cause attributable to the employer. The claimant requested an in-person hearing. After due notice was issued, an in-person hearing was held on March 7, 2024 at the Fort Dodge IowaWORKS Center. Claimant participated. The employer did not appear for or participate in the appeal hearing. Exhibit A was received into evidence. The administrative law judge took official notice of the following agency administrative records: Emp1 and the reference 01 fact-finding interview documents.

**ISSUES:**

Whether the claimant was laid off, was discharged for misconduct in connection with the employment, or voluntarily quit without good cause attributable to the employer.

**FINDINGS OF FACT:**

Having reviewed all of the evidence in the record, the administrative law judge finds:

Ashley Rank (claimant) was employed by Racing Unlimited, Inc. as a full-time office manager from 2022 until December 18, 2023, when the business owner, Alan Rodenborn, laid off the claimant in connection with sale of the employer's business to a new owner. As of December 18, 2023, the claimant had performed all the work that Racing Unlimited, Inc. had for her. The claimant performed work for the new owner, Hunter McCoy, doing business as RJ Power Sports (employer account number unknown) until December 26, 2023 and then separated from the new employer. However, the claimant's work with the new employer was not as full-time office manager and occurred in the absence of an explicit offer of employment with the new employer. The new business continued to operate at the same location where the claimant had been employed under the old owner.

## REASONING AND CONCLUSIONS OF LAW:

Iowa Administrative Code rule 87124.1(113) characterizes the different types of employment separations as follows:

Separations. All terminations of employment, generally classifiable as layoffs, quits, discharges, or other separations.

a. Layoffs. A layoff is a suspension from pay status initiated by the employer without prejudice to the worker for such reasons as: lack of orders, model changeover, termination of seasonal or temporary employment, inventory-taking, introduction of laborsaving devices, plant breakdown, shortage of materials; including temporarily furloughed employees and employees placed on unpaid vacations.

b. Quits. A quit is a termination of employment initiated by the employee for any reason except mandatory retirement or transfer to another establishment of the same firm, or for service in the armed forces.

c. Discharge. A discharge is a termination of employment initiated by the employer for such reasons as incompetence, violation of rules, dishonesty, laziness, absenteeism, insubordination, failure to pass probationary period.

d. Other separations. Terminations of employment for military duty lasting or expected to last more than 30 calendar days, retirement, permanent disability, and failure to meet the physical standards required.

In general, a voluntary quit requires evidence of an intention to sever the employment relationship and an overt act carrying out that intention. See *Local Lodge #1426 v. Wilson Trailer*, 289 N.W.2d 698, 612 (Iowa 1980) and *Peck v. EAB*, 492 N.W.2d 438 (Iowa App. 1992). In general, a voluntary quit means discontinuing the employment because the employee no longer desires to remain in the relationship of an employee with the employer. See Iowa Administrative Code rule 87124.25.

Iowa Code section 96.5(1) provides as follows:

96.5 Causes for disqualification.

An individual shall be disqualified for benefits:

1. Voluntary quitting. If the individual has left work voluntarily without good cause attributable to the individual's employer, if so found by the department.

Iowa Code section 96.5(2)(a) provides:

An individual shall be disqualified for benefits, regardless of the source of the individual's wage credits:

2. Discharge for misconduct. If the department finds that the individual has been discharged for misconduct in connection with the individual's employment:

a. The disqualification shall continue until the individual has worked in and has been paid wages for insured work equal to ten times the individual's weekly benefit amount, provided the individual is otherwise eligible.

The employer has the burden of proof in this matter. See Iowa Code section 96.6(2). Misconduct must be substantial in order to justify a denial of unemployment benefits. Misconduct serious enough to warrant the discharge of an employee is not necessarily serious enough to warrant a denial of unemployment benefits. See *Lee v. Employment Appeal Board*, 616 N.W.2d 661 (Iowa 2000). The focus is on deliberate, intentional, or culpable acts by the employee. See *Gimbel v. Employment Appeal Board*, 489 N.W.2d 36, 39 (Iowa Ct. App. 1992).

The evidence in the record establishes that the employer in interest, Racing Unlimited, Inc. (employer account number 249787) laid off the claimant effective December 18, 2023, pursuant to the sale of the employer's business to a new employer entity. The December 18, 2023 layoff did not disqualify the claimant for unemployment insurance benefits. In addition, the layoff would not relieve Racing Unlimited, Inc. of liability for benefits unless liability was transferred pursuant to a transfer of "experience" or until Iowa Code section 96.5(1)(i) applies. This matter will be remanded to Iowa Workforce Development for adjudication of the claimant's December 26, 2023 separation from RJ Power Sports (employer account number unknown), for determination of whether there is a successor relationship, and whether Iowa Code section 96.5(1)(i) applies to relieve the employer account of Racing Unlimited, Inc. of liability for benefits.

**DECISION:**

The February 7, 2024 (reference 01) decision is REVERSED. Racing Unlimited, Inc. (employer account number 249787) laid off the claimant effective December 18, 2023, pursuant to the sale of the employer's business to a new employer entity. The December 18, 2023 layoff did not disqualify the claimant for unemployment insurance benefits. In addition, the layoff would not relieve Racing Unlimited, Inc. of liability for benefits unless liability was transferred pursuant to a transfer of "experience" or until Iowa Code section 96.5(1)(i) applies. This matter will be remanded to Iowa Workforce Development for adjudication of the claimant's December 26, 2023 separation from RJ Power Sports (employer account number unknown), for determination of whether there is a successor relationship, and for determination of whether Iowa Code section 96.5(1)(i) applies to relieve the employer account of Racing Unlimited, Inc. of charge for benefits.

**REMAND:**

This matter is REMANDED to Iowa Workforce Development for adjudication of the claimant's December 26, 2023 separation from RJ Power Sports (employer account number unknown), for determination of whether there is a successor relationship, and for determination of whether Iowa Code section 96.5(1)(i) applies to relieve the employer account of Racing Unlimited, Inc. of charge for benefits.



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James E. Timberland  
Administrative Law Judge

March 13, 2024  
Decision Dated and Mailed

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**APPEAL RIGHTS.** If you disagree with the decision, you or any interested party may:

1. Appeal to the Employment Appeal Board within fifteen (15) days of the date under the judge's signature by submitting a written appeal via mail, fax, or online to:

**Employment Appeal Board  
6200 Park Ave Suite 100  
Des Moines, Iowa 50321  
Fax: (515)281-7191  
Online: [eab.iowa.gov](http://eab.iowa.gov)**

The appeal period will be extended to the next business day if the last day to appeal falls on a weekend or a legal holiday.

**AN APPEAL TO THE BOARD SHALL STATE CLEARLY:**

- 1) The name, address, and social security number of the claimant.
- 2) A reference to the decision from which the appeal is taken.
- 3) That an appeal from such decision is being made and such appeal is signed.
- 4) The grounds upon which such appeal is based.

An Employment Appeal Board decision is final agency action. If a party disagrees with the Employment Appeal Board decision, they may then file a petition for judicial review in district court.

2. If no one files an appeal of the judge's decision with the Employment Appeal Board within fifteen (15) days, the decision becomes final agency action, and you have the option to file a petition for judicial review in District Court within thirty (30) days after the decision becomes final. Additional information on how to file a petition can be found at Iowa Code §17A.19, which is online at <https://www.legis.iowa.gov/docs/code/17A.19.pdf>.

**Note to Parties:** YOU MAY REPRESENT yourself in the appeal or obtain a lawyer or other interested party to do so provided there is no expense to Workforce Development. If you wish to be represented by a lawyer, you may obtain the services of either a private attorney or one whose services are paid for with public funds.

**Note to Claimant:** It is important that you file your weekly claim as directed, while this appeal is pending, to protect your continuing right to benefits.

**SERVICE INFORMATION:**

A true and correct copy of this decision was mailed to each of the parties listed.

**DERECHOS DE APELACIÓN.** Si no está de acuerdo con la decisión, usted o cualquier parte interesada puede:

1. Apelar a la Junta de Apelaciones de Empleo dentro de los quince (15) días de la fecha bajo la firma del juez presentando una apelación por escrito por correo, fax o en línea a:

**Employment Appeal Board  
6200 Park Ave Suite 100  
Des Moines, Iowa 50321  
Fax: (515)281-7191  
Online: [eab.iowa.gov](http://eab.iowa.gov)**

El período de apelación se extenderá hasta el siguiente día hábil si el último día para apelar cae en fin de semana o día feriado legal.

**UNA APELACIÓN A LA JUNTA DEBE ESTABLECER CLARAMENTE:**

- 1) El nombre, dirección y número de seguro social del reclamante.
- 2) Una referencia a la decisión de la que se toma la apelación.
- 3) Que se interponga recurso de apelación contra tal decisión y se firme dicho recurso.
- 4) Los fundamentos en que se funda dicho recurso.

Una decisión de la Junta de Apelaciones de Empleo es una acción final de la agencia. Si una de las partes no está de acuerdo con la decisión de la Junta de Apelación de Empleo, puede presentar una petición de revisión judicial en el tribunal de distrito.

2. Si nadie presenta una apelación de la decisión del juez ante la Junta de Apelaciones Laborales dentro de los quince (15) días, la decisión se convierte en acción final de la agencia y usted tiene la opción de presentar una petición de revisión judicial en el Tribunal de Distrito dentro de los treinta (30) días después de que la decisión adquiriera firmeza. Puede encontrar información adicional sobre cómo presentar una petición en el Código de Iowa §17A.19, que está en línea en <https://www.legis.iowa.gov/docs/code/17A.19.pdf>.

**Nota para las partes:** USTED PUEDE REPRESENTARSE en la apelación u obtener un abogado u otra parte interesada para que lo haga, siempre que no haya gastos para Workforce Development. Si desea ser representado por un abogado, puede obtener los servicios de un abogado privado o uno cuyos servicios se paguen con fondos públicos.

**Nota para el reclamante:** es importante que presente su reclamo semanal según las instrucciones, mientras esta apelación está pendiente, para proteger su derecho continuo a los beneficios.

**SERVICIO DE INFORMACIÓN:**

Se envió por correo una copia fiel y correcta de esta decisión a cada una de las partes enumeradas.