

**IOWA WORKFORCE DEVELOPMENT  
UNEMPLOYMENT INSURANCE APPEALS**

68-0157 (9-06) - 3091078 - EI

**DEBRA R LINEHAN**  
Claimant

**APPEAL NO. 08A-UI-11273-CT**

**ADMINISTRATIVE LAW JUDGE  
DECISION**

**INNER SOURCES INC**  
Employer

**OC: 06/29/08 R: 03  
Claimant: Respondent (1)**

Section 96.3(5) – Duration of Benefits

**STATEMENT OF THE CASE:**

Inner Sources, Inc. filed an appeal from a representative's decision dated November 5, 2008, reference 01, which held that Debra Linehan had been laid off due to a business closing. After due notice was issued, a hearing was held by telephone on December 16, 2008. Ms. Linehan participated personally. The employer did not respond to the notice of hearing.

**ISSUE:**

At issue in this matter is whether Ms. Linehan is unemployed due to her employer going out of business.

**FINDINGS OF FACT:**

Having heard the testimony of the witness and having reviewed all of the evidence in the record, the administrative law judge finds: Ms. Linehan was employed by Inner Sources, Inc. beginning in July of 2005. She worked full time as office manager and performed a variety of job duties. She performed services at 329 Tenth Avenue Southeast in Cedar Rapids, Iowa. The employer makes spiritual cards and jewelry for sale in gift shops and other retail outlets. Ms. Linehan and the owner of the business were the only workers. Ms. Linehan's employment ended on June 16, 2008 when the building in which she worked was flooded.

As a result of the flooding, the owner decided to fulfill her remaining contractual obligations by performing the work from her home. Ms. Linehan was not offered the opportunity to work from the owner's home. As of the date of the hearing, the building in which the business was housed was still in the process or being restored.

**REASONING AND CONCLUSIONS OF LAW:**

If an individual is unemployed as a result of a business closing, the individual is credited with one-half, instead of one-third, of the wages earned during the base period of the claim. Iowa Code section 96.3(5). An employer is considered to have gone out of business if it closes its doors and ceases to function as a business. 871 IAC 24.29(2). The employer had to vacate the premises where the business had been housed because of flooding. It was the employer's

intention to complete any remaining work by working from the owner's home after June 16, 2008.

The employer did not participate in the hearing to respond to questions concerning the status of the business. The employer failed to establish that the business did not close but merely relocated because of flood damage. Nor did the employer establish that the business continued beyond June 29, 2008, the business closing date designated in the representative's decision. For the reasons stated herein, the administrative law judge concludes that Ms. Linehan is unemployed because her employer went out of business at the location where she was last employed. Therefore, she is entitled to have her claim re-determined as a business closing.

**DECISION:**

The representative's decision dated November 5, 2008, reference 01, is hereby affirmed. Ms. Linehan is entitled to have her claim re-determined as she is unemployed due to a business closing.

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Carolyn F. Coleman  
Administrative Law Judge

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Decision Dated and Mailed

cfc/css