

**IOWA WORKFORCE DEVELOPMENT
Unemployment Insurance Appeals Section
1000 East Grand—Des Moines, Iowa 50319
DECISION OF THE ADMINISTRATIVE LAW JUDGE
68-0157 (7-97) – 3091078 - EI**

**CASSIE R ADAMS
248 – 20TH ST SE
MASON CITY IA 50401**

**MISTER MONEY FINANCIAL
SERVICES INC
2057 VERMONT DR
FORT COLLINS CO 80525-2913**

**Appeal Number: 04A-UI-11649-CT
OC: 09/26/04 R: 02
Claimant: Respondent (1)**

This Decision Shall Become Final, unless within fifteen (15) days from the date below, you or any interested party appeal to the Employment Appeal Board by submitting either a signed letter or a signed written Notice of Appeal, directly to the **Employment Appeal Board, 4th Floor—Lucas Building, Des Moines, Iowa 50319**.

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.

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.

YOU MAY REPRESENT yourself in this appeal or you may 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. It is important that you file your claim as directed, while this appeal is pending, to protect your continuing right to benefits.

(Administrative Law Judge)

(Decision Dated & Mailed)

Section 96.5(2)a – Discharge for Misconduct

STATEMENT OF THE CASE:

Mister Money Financial Services, Inc. filed an appeal from a representative's decision dated October 22, 2004, reference 01, which held that no disqualification would be imposed regarding Cassie Adams' separation from employment. After due notice was issued, a hearing was held by telephone on November 22, 2004. Ms. Adams participated personally. The employer participated by Bernard Brennan, Regional Director.

FINDINGS OF FACT:

Having heard the testimony of the witnesses and having reviewed all the evidence in the record, the administrative law judge finds: Ms. Adams was employed by Mister Money Financial

Services, Inc. from January of 2002 until September 30, 2004. She was last employed full-time as manager, a position she had held for approximately one year. She was discharged based on an allegation that she failed to secure the employer's assets.

The employer's business will grant loans to individuals based on 20 to 70 percent of the value of the items securing the loans. The "value" of the items is what the employer would be able to sell them for. The value is determined by reference to resources such as the Internet or local stores. On July 30, an individual Ms. Adams considered to be a good customer wanted to obtain a loan in the amount of \$4,500.00. As security, he offered power tools and electronic equipment. Because of the size of the loan, Ms. Adams contacted her district manager, Bill Barlow, and explained what the customer wanted and what he wanted to pledge as security. Mr. Barlow indicated he would have to check with someone else and get back to her. Mr. Barlow subsequently authorized Ms. Adams to extend the loan for the full amount requested by the customer. Although she indicated she was uncomfortable making a loan in that amount, Mr. Barlow gave Ms. Adams permission to grant the loan for \$4,500.00. Ms. Adams did not have a personal relationship with the customer and did not know him outside of her employment.

Ms. Adams documented the loan on the paperwork she submitted to the corporate office. She did not take any steps to hide the fact that the loan had been given. Ms. Adams went on maternity leave on August 22 and returned to work on September 29. On September 30, the district manager notified Ms. Adams that she was being discharged because she had extended the loan for \$4,500.00 on July 30. The employer felt she had over-valued the items left by the customer for the loan and did not have authority to grant a loan in the amount given. The above matter was the sole reason for the discharge.

REASONING AND CONCLUSIONS OF LAW:

At issue in this matter is whether Ms. Adams was separated from employment for any disqualifying reason. An individual who was discharged from employment is disqualified from receiving job insurance benefits if the discharge was for misconduct. Iowa Code section 96.5(2)a. The employer had the burden of proving disqualifying misconduct. Cosper v. Iowa Department of Job Service, 321 N.W.2d 6 (Iowa 1982). Ms. Adams was discharged based on an allegation that she granted a loan she did not have authority to grant and for which she did not obtain satisfactory collateral. She has contended throughout these proceedings that she had the verbal permission of her district manager to make the loan in the amount of \$4,500.00. The district manager, Mr. Barlow, was not made available for examination and cross-examination during the hearing even though he remains in the employment. The employer was aware prior to the hearing that Ms. Adams was contending that Mr. Barlow had given permission to grant the loan. The employer's hearsay testimony on the issue has not overcome Ms. Adams' credible testimony that she was authorized to make the loan.

The employer also contended that Ms. Adams over-valued the items the customer left for collateral. However, she was using her best judgment and available resources to determine the value of the items. At most, her valuation of the items might represent a good-faith error in judgment. Such conduct is not considered misconduct within the meaning of the law. After considering all of the evidence and the contentions of the parties, the administrative law judge concludes that the employer has failed to sustain its burden of proving disqualifying misconduct. While the employer may have had good cause to discharge, conduct, which might warrant a discharge from employment will not necessarily sustain a disqualification from job insurance

benefits. Budding v. Iowa Department of Job Service, 337 N.W.2d 219 (Iowa App. 1983). For the reasons cited herein, benefits are allowed.

DECISION:

The representative's decision dated October 22, 2004, reference 01, is hereby affirmed. Ms. Adams was discharged but misconduct has not been established. Benefits are allowed, provided she satisfies all other conditions of eligibility.

cfc/pjs