

**IOWA WORKFORCE DEVELOPMENT  
UNEMPLOYMENT INSURANCE APPEALS**

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

**DANA N ALTDORFER**  
Claimant

**APPEAL NO. 07A-UI-03551-DW**

**ADMINISTRATIVE LAW JUDGE  
DECISION**

**STUFF CORPORATION**  
Employer

**OC: 02/25/07 R: 03  
Claimant: Respondent (4)**

Section 96.7-2-b – Successor Employer

**STATEMENT OF THE CASE:**

Stuff Corporation (employer) appealed a representative's March 29, 2007 decision (reference 02) that concluded Dana N. Altdorfer (claimant) was qualified to receive unemployment insurance benefits based on a March 1, 2006 employment separation from the employer. After hearing notices were mailed to the parties' last-known addresses of record, an in-person hearing was held on July 11, 2007, in Cedar Rapids. The claimant did not participate in the hearing. Joel Schuff, an owner, appeared on the employer's behalf. Based on the evidence, the arguments of the employer, and the law, the administrative law judge enters the following findings of fact, reasoning and conclusions of law, and decision.

**ISSUE:**

Is the employer's account subject to charge?

**FINDINGS OF FACT:**

The claimant worked for the employer. As of March 1, 2006, the employer sold the business (franchise) that the claimant worked for to Hermansen Corporation. Hermansen Corporation retained all employees, including the claimant. The employer learned the claimant's employment ended with Hermansen Corporation on March 15, 2006.

The claimant established a claim for unemployment insurance benefits during the week of February 25, 2007. As of July 11, 2007, the claimant has not filed any weekly claims.

**REASONING AND CONCLUSIONS OF LAW:**

If a business or clearly identifiable part of a business, for which contributions have been paid, is sold to a subsequent employing unit and the successor employer continues to operate the business, the successor employer shall assume the position of the predecessor employer with respect to the predecessor's payroll, contributions, account and to the same extent as if no change had taken place in the ownership. Iowa Code § 96.7-2-b. Since the claimant continued to work for the successor employer, Hermansen Corporation, after the employer sold the

business with no break in her employment status, whether the claimant is qualified to receive benefits must be based on her employment separation from Hermansen Corporation, which occurred on March 15, not March 1, 2006. Based on the fact the employer sold the business in conjunction with the law, Iowa Code § 96.7-2-b, the employer's account is not subject to any charge based on any benefits the claimant may receive during her current benefit year.

**DECISION:**

The representative's March 29, 2007 decision (reference 02) is modified in the employer's favor. The claimant did not experience any employment separation on March 1, 2006. Instead, the employer sold the business to a successor employer. The claimant did not become unemployed as a result of the sale, but continued her employment with the successor employer. The wages the claimant earned from the employer prior to March 1, 2006, should have been transferred to the successor employer, which means the employer is not subject to any charges if the claimant receives any unemployment insurance benefits during her current benefit year.

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Debra L. Wise  
Administrative Law Judge

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Decision Dated and Mailed

dlw/css