

**IOWA WORKFORCE DEVELOPMENT  
UNEMPLOYMENT INSURANCE APPEALS**

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

**STEVE R HATHAWAY**  
Claimant

**APPEAL NO. 13A-UI-01354-SWT**

**ADMINISTRATIVE LAW JUDGE  
DECISION**

**CHARLIE ZOOK MOTORS**  
Employer

**OC: 12/30/12**  
**Claimant: Appellant (1)**

Section 96.3-5 – Business Closing

**STATEMENT OF THE CASE:**

The claimant appealed an unemployment insurance decision dated February 1, 2013, reference 01, that concluded the claimant was ineligible for business-closing benefits. A telephone hearing was held on February 7, 2013. The parties were properly notified about the hearing. The claimant participated in the hearing with witnesses, Matt Baker and Dennis Vanvoorst. No one participated in the hearing on behalf of the employer.

**ISSUE:**

Is the claimant eligible for business-closing benefits in addition to regular unemployment insurance benefits?

**FINDINGS OF FACT:**

The claimant worked for Charlie Zook Motors until December 31, 2012. He worked in the collision center, which was in a separate building up the street from the car dealership. In December 2012, the employer sold its car dealership to Woodhouse Motor and the collision center to Dustin Craft, the collision manager. Craft informed the claimant and other employees that they would have to apply for employment with Craft Auto Body after their employment with Charlie Zook Motors ended and suggested there would not be jobs available for him. He informed the employees that there would be no insurance or other benefits in his business. Craft continued to operate the business after December 31, 2012, but the claimant was laid off.

**REASONING AND CONCLUSIONS OF LAW:**

The issue in this case is whether the claimant was laid off due to a business closing.

Iowa unemployment insurance law provides additional benefits for claimants laid off due to their employer going out of business at the factory, establishment, or other premises at which they were last employed. Iowa Code § 96.3-5. The rules define going out of business as any factory, establishment, or other premises of an employer that closes its doors and ceases to function as a business. An employer is not considered to have gone out of business at the factory, establishment, or other premises if the employer sells or otherwise transfers the

business to another employer and the successor employer continues to operate the business.  
871 IAC 24.29(2)

In this case, Charlie Zook Motors sold its business to Dustin Craft and Craft continues to operate the business. Therefore, the claimant was not laid off due to a business closing as defined by the unemployment insurance law. He is eligible for regular unemployment benefits but not extra business-closing benefits.

**DECISION:**

The unemployment insurance decision dated February 1, 2013, reference 01, is affirmed. The claimant is not entitled to have his claim redetermined as a layoff due to a business closing.

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Steven A. Wise  
Administrative Law Judge

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Decision Dated and Mailed

saw/tll