

VIRGINIA EMPLOYMENT COMMISSION

DECISION OF APPEALS EXAMINER

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Decision No. : UI-73-1930

VOLUNTARY LEAVING:440
Termination of Employment

Date: October 26, 1973

ISSUE

Whether or not the claimant voluntarily left his last employment without good cause?

FINDINGS OF FACT

The claimant appealed from a determination of the Virginia Interstate Claims Deputy, which disqualified him for unemployment compensation effective August 12, 1973, for voluntarily leaving his last employment without good cause.

Merrimack Marine, Inc., was the claimant's last employer. In August, 1972, the claimant purchased approximately twenty percent of the stock of the corporation and was elected president and general manager. On June 1, 1973, the claimant sold his interest in the business with the condition that he resign as president and general manager of the corporation. He indicates that the reason for selling was based on the debts of the company and necessity for securing additional capital to assure the solvency of the company during the winter season.

Since his separation from his employment, he has moved to Florida, where he has applied to various employers for work. Although notified of the hearing, the employer did not respond to our notice. The claimant indicates that he had contacted the new officials of the company and they have advised him that the information shown on the separation report was not their understanding of the reason for his selling the stock. It was indicated that the claimant had returned to Florida, to retire and if he desired a lesser position, he could have applied for it. The claimant further indicates that no lesser position was available.

OPINION

Section 60.1-58(a) of the Virginia Unemployment Compensation Act provides a disqualification if it is found an individual leaves work voluntarily without good cause.

In this case, the individual was a stockholder of the corporation and at the same time was its chief executive officer. Although he may have felt that the requirement for additional capital during the winter season was a necessity and that he did not know where additional funds could be obtained, he thought it best to sell his interest and to leave his employment. This claimant may have felt that he was faced with a situation where it was necessary to obtain additional capital so that the corporation could continue in operation; however, it had never reached that point where the company had been forced into bankruptcy or involved in other litigations. Undoubtedly, the claimant may have felt it was to his best interest to sell his stock in the corporation; nevertheless, he was not forced or compelled to do it. In view of the foregoing, it is concluded that the claimant left his employment for personal reasons which do not constitute good cause under the aforesaid section of the Code of Virginia. (Underscoring supplied)

DECISION

The determination of the Deputy, disqualifying the claimant effective August 12, 1973, for voluntarily leaving his last employment without good cause is hereby affirmed and remains in effect for any week benefits are claimed until he has performed services for an employer during thirty days, whether or not such days are consecutive.

NOTE: This decision was affirmed by the Commission in Decision No. 6140-C dated November 29, 1973.