

EMPLOYMENT APPEALS BOARD DECISION
2026-EAB-0585

Reversed
No Disqualification

PROCEDURAL HISTORY: On April 21, 2026, the Oregon Employment Department (the Department) served notice of an administrative decision concluding that claimant voluntarily quit work without good cause and therefore was disqualified from receiving unemployment insurance benefits effective March 8, 2026 to March 6, 2027 (decision # L0017175060). Claimant filed a timely request for hearing. On May 12, and continued to May 15, 2026, ALJ Kreuger conducted a hearing, and on May 18, 2026 issued Order No. 26-UI-330487, modifying decision # L0017175060 by concluding that claimant voluntarily quit work without good cause and therefore was disqualified from receiving unemployment insurance benefits effective March 1, 2026 and until requalified. On June 8, 2026, claimant filed an application for review with the Employment Appeals Board (EAB).

WRITTEN ARGUMENT: Claimant and the employer each submitted written arguments. Neither party stated that they provided a copy of their argument to the other party as required by OAR 471-041-0080(2)(a) (May 13, 2019). Each argument also contained information that was not part of the hearing record and did not show that factors or circumstances beyond the respective party's reasonable control prevented them from offering the information during the hearing as required by OAR 471-041-0090 (May 13, 2019). EAB considered only the information received into evidence at the hearing. *See* ORS 657.275(2).

FINDINGS OF FACT: (1) Hanna Maddix LLC employed claimant at their bar from January 10, 2017 until March 6, 2026. Claimant began working for the employer as a bartender and later became a bar manager. In 2019, claimant became a minority owner of the employer with a nine percent interest.

(2) In or around 2021, claimant was diagnosed with depression and was prescribed medication to address the condition.

(3) In early 2025, the majority owner of the employer began to struggle with substance abuse following the deaths of several of her friends. In May 2025, claimant encouraged the owner to take a leave of

absence to address her grief. At that time, claimant was not aware of the owner's difficulties related to substance abuse.

(4) In May or June 2025, the owner began a leave of absence. Claimant thought the leave would last for three months and end in September 2025. The owner thought the leave would go until at least mid-January 2026, but did not convey that to claimant and the leave period was without a definite return date. Claimant managed the bar while the owner was away.

(5) On August 31, 2025, the owner was on leave but went to the employer's bar to socialize. During the visit, an employee observed the owner behaving erratically and believed that the owner mentioned using illegal drugs during a conversation. The employee told claimant about what he had observed regarding the owner.

(6) In early September 2025, while on leave, the owner entered into a substance abuse treatment program. Claimant learned that the owner was pursuing substance abuse treatment at that time. Thereafter, the owner's home caught fire and she had to move homes and therefore was unable to complete the initial 30 days of her treatment program. On October 1, 2025, the owner sent claimant a text in which the owner stated that she had resumed using illegal drugs. The owner subsequently returned to the treatment program.

(7) On October 2, 2025, an employee was assaulted at the employer's bar while off work and present there as a bar patron. The employee suffered serious injuries. Claimant was not present at the time of the assault but following the incident, coordinated with the employer's attorney and the police, and cleaned blood off the sidewalk. On October 22, 2025, claimant was present at work when an armed robber entered the bar. The robber held claimant up at gun point, and took the bar's cash.

(8) The October 2025 assault and robbery incidents caused claimant to feel unsafe at work and worsened her depression symptoms. Claimant's medical provider increased claimant's medication dose due to the incidents and told her that the robbery incident likely caused claimant to develop post-traumatic stress disorder (PTSD). The bar had some security measures in place but could not afford additional measures like a security guard.

(9) During the owner's leave, communications between claimant and the owner were sporadic. When the leave began, claimant understood that the two would have monthly check-ins, but those did not occur, and communications between the two mostly took place via periodic text messages and emails and often focused on matters relating to their friendship. In September 2025, when claimant had originally understood the owner's leave would end, claimant had asked the owner for time off, but the request went unacknowledged. That month, the two had a discussion in which they agreed not to talk about bar operation matters until the owner informed claimant that she had reached 30 days of sobriety, with the caveat that the owner wanted to be promptly informed about any major threat to the business that may arise.

(10) Claimant notified the owner about the October 2025 incidents. Claimant wanted the owner to come back to work at that time but did not ask her to do so because she knew the owner was in and out of substance abuse treatment and not available. Claimant did not tell the owner about her mental health conditions or request any accommodations, such as taking a leave of absence. Claimant did not request a

leave of absence because she believed no one else could manage the bar. The owner was in and out of substance abuse treatment from September 2025 until at least the end of November 2025.

(11) On December 10, 2025, claimant texted the owner asking when the owner planned to return to work. The owner did not respond to the text until December 25, 2025, at which time she stated, “Merry Christmas,” and did not address claimant’s question. May 15, 2026 Transcript at 23. At no point after the two had discussed the matter in September 2025 did the owner ever tell claimant that she had reached a month of sobriety.

(12) On December 29, 2025, claimant sent an email to the owner giving notice of her intent to resign effective March 6, 2026. In the email, claimant stated that she had lost trust in the owner due to her suspicions that the owner was continuing to use illegal drugs and had not been transparent about her sobriety status. Claimant gave an extended notice period so that the owner would have a long period of time to transition back to work.

(13) On or about January 1, 2026, the owner responded to claimant’s email. In the response, the owner acknowledged that claimant had been “doing lots of filling in the blanks” and that her own sobriety progress had not been “linear” but at that point was “actually pretty good.” May 15, 2026 Transcript at 28-29. The owner further stated that she had been planning to ask claimant for a meeting “to make reentry plans” but that “[i]t sound[ed] like” claimant had her mind made up to resign. May 15, 2026 Transcript at 30.

(14) However, the owner did not want claimant to leave work and, on January 14, 2026, she and claimant had a meeting in which they discussed claimant’s decision to leave. The owner suggested she could reduce her own ownership interest as an inducement for claimant to stay. Claimant asked the owner if she was still receiving substance abuse treatment at the time, and received a noncommittal answer, which led claimant to continue to believe that the owner was not being transparent about the status of her sobriety. On January 29, 2026, claimant offered to buy out the owner’s ownership interest in the employer. The owner did not accept claimant’s proposal.

(15) On February 5, 2026, an employee told claimant that the owner had told them that she was still using illegal drugs. Claimant considered leaving work upon learning what the employee had told her because she could not “functionally work with someone who is not interested in sobriety.” May 15, 2026 Transcript at 26. Claimant was also concerned that state regulatory authorities might revoke the bar’s license to serve alcohol due to the owner’s use of controlled substances, which caused claimant “extreme stress.” May 15, 2026 Transcript at 27. However, claimant decided to move forward with her resignation on March 6, 2026, as planned, in order to give the owner time to return to work from her leave.

(16) On February 24, 2026, the owner returned to work. On March 6, 2026, claimant quit, as planned.

(17) The “main concern” that caused claimant to quit work was her “mental health.” May 15, 2026 Transcript at 19. Managing the bar exclusively throughout the owner’s leave period caused claimant mental health difficulties, and following the October 2025 incidents, claimant frequently experienced a sense of dread at work. Claimant’s belief that the owner had not achieved sobriety and that the owner’s

suspected continuing use of illegal drugs posed a risk to the employer's license to serve alcohol caused claimant additional mental health difficulties.

CONCLUSIONS AND REASONS: Claimant voluntarily quit work with good cause.

A claimant who leaves work voluntarily is disqualified from the receipt of benefits unless they prove, by a preponderance of the evidence, that they had good cause for leaving work when they did. ORS 657.176(2)(c); *Young v. Employment Depart.*, 170 Or App 752, 13 P3d 1027 (2000). "Good cause . . . is such that a reasonable and prudent person of normal sensitivity, exercising ordinary common sense, would leave work." OAR 471-030-0038(4) (September 22, 2020). "[T]he reason must be of such gravity that the individual has no reasonable alternative but to leave work." OAR 471-030-0038(4). The standard is objective. *McDowell v. Employment Depart.*, 348 Or 605, 612, 236 P3d 722 (2010). Claimant had depression and PTSD, permanent or long-term physical or mental impairments as defined at 29 CFR §1630.2(h). A claimant with an impairment who quits work must show that a reasonable and prudent person with the characteristics and qualities of an individual with such an impairment would not have continued to work for their employer for an additional period of time.

The order under review concluded that claimant voluntarily quit work without good cause. Order No. 26-UI-330487 at 4. The record does not support this conclusion.

Claimant voluntarily left work with good cause. Claimant quit working for the employer because aspects of her employment caused her substantial mental health difficulties. Specifically, claimant was made to manage the bar on her own for an extensive period of time with limited communication from the owner as to the progress of the owner's sobriety and as to when the owner would return to work. These circumstances continued after the October 2025 assault and robbery incidents, which worsened claimant's depression symptoms, led her provider to conclude that claimant had developed PTSD, and caused claimant to experience a sense of dread and that her workplace was unsafe.

Claimant's mental health difficulties were compounded by the owner's struggle to refrain from using illegal drugs and maintain sobriety, which caused claimant extreme stress as a minority owner of the bar because it presented a risk to the business that its license to serve alcohol could be revoked. Claimant's concerns about the owner's sobriety were justified. Though the owner disputed telling employees on August 31, 2025 or February 5, 2026 that she had used drugs, those employees nevertheless conveyed what they understood the owner to have said to claimant. Further, it is undisputed that the owner sent claimant a text on October 1, 2025 in which the owner stated that she had resumed using illegal drugs; that the owner was in and out of substance abuse treatment from September 2025 until at least the end of November 2025; that the owner never told claimant that she had reached a month of sobriety as the two had agreed was a condition precedent to discussing bar operation matters, absent a major threat to the business arising; and that in response to claimant's resignation email, the owner had conceded that her progress in sobriety had not been linear.

Accordingly, when claimant's worsened depression symptoms following the October 2025 assault and robbery incidents are considered in combination with the fact that she was made to manage the bar on her own for months amid feeling a sense of dread and lack of safety at work, as well as the extreme stress she experienced based on her concerns regarding the owner's sobriety and its impact on the business, it is warranted to conclude that no reasonable person with the characteristics and qualities of

an individual with claimant's depression and PTSD would continue to work for the employer. Claimant therefore faced a grave situation.

No reasonable alternatives to leaving work were available to claimant. Claimant's sense of dread and lack of safety at work could not be addressed through additional security measures, such as a security guard, because the bar could not afford additional measures. Requesting time off work following the October 2025 assault and robbery incidents would have been fruitless because claimant had previously asked for time off in September 2025, and that request went unacknowledged by the owner. Further, the request could not be accommodated during the period of September 2025 through November 2025 because the owner was in and out of treatment during that time, and could not cover managing the bar. The record reflects that the owner likely would not have been available to manage the bar in the months following November 2025 either, as she largely ignored claimant's December 10, 2025 text asking when she would return to work and conceded in her January 2026 response to claimant's resignation notice that her sobriety had not been linear.

The extreme stress resulting from claimant's concerns that the owner's use of illegal drugs might risk revocation of the bar's license also could not be addressed short of quitting work. Despite the owner's lengthy leave of absence and pursuit of substance abuse treatment, claimant continued to receive credible indications as late as February 2026 that the owner was using illegal drugs. Further, claimant had offered to buy the owner's ownership interest in the employer in late January 2026, which, if the proposal was accepted, likely would have shielded the business from the threat of adverse regulatory actions based on the owner's conduct. However, the owner did not accept claimant's proposal.

For these reasons, claimant faced a situation of such gravity that she had no reasonable alternative but to leave work. Claimant therefore voluntarily quit work with good cause, and is not disqualified from receiving benefits based on the work separation.

DECISION: Order No. 26-UI-330487 is set aside, as outlined above.

D. Hettle and A. Steger-Bentz;
S. Serres, not participating.

DATE of Service: July 22, 2026

NOTE: This decision reverses the ALJ's order denying claimant benefits. Please note that in most cases, payment of benefits owed will take about a week for the Department to complete.

NOTE: You may appeal this decision by filing a Petition for Judicial Review with the Oregon Court of Appeals **within 30 days of the date of service stated above**. See ORS 657.282. For forms and information, visit <https://www.courts.oregon.gov/courts/appellate/forms/Pages/appeal.aspx> and choose the appropriate form under "File a Petition for Judicial Review." You may also contact the Court of Appeals by telephone at (503) 986-5555, by fax at (503) 986-5560, or by mail at 1163 State Street, Salem, Oregon 97301.

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you are unable to complete the survey online and wish to have a paper copy of the survey, please contact our office.



Understanding Your Employment Appeals Board Decision

English

Attention – This decision affects your unemployment benefits. If you do not understand this decision, contact the Employment Appeals Board immediately. If you do not agree with this decision, you may file a Petition for Judicial Review with the Oregon Court of Appeals following the instructions written at the end of the decision.

Simplified Chinese

注意 – 本判決會影響您的失業救濟金。如果您不明白本判決，請立即聯繫就業上訴委員會。如果您不同意此判決，您可以按照該判決結尾所寫的說明，向俄勒岡州上訴法院提出司法複審申請。

Traditional Chinese

注意 – 本判決會影響您的失業救濟金。如果您不明白本判決，請立即聯繫就業上訴委員會。如果您不同意此判決，您可以按照該判決結尾所寫的說明，向俄勒岡州上訴法院提出司法複審申請。

Tagalog

Paalala – Nakakaapekto ang desisyong ito sa iyong mga benepisyo sa pagkawala ng trabaho. Kung hindi mo naiintindihan ang desisyong ito, makipag-ugnayan kaagad sa Lupon ng mga Apela sa Trabaho (Employment Appeals Board). Kung hindi ka sumasang-ayon sa desisyong ito, maaari kang maghain ng isang Petisyon sa Pagsusuri ng Hukuman (Petition for Judicial Review) sa Hukuman sa Paghahabol (Court of Appeals) ng Oregon na sinusunod ang mga tagubilin na nakasulat sa dulo ng desisyon.

Vietnamese

Chú ý - Quyết định này ảnh hưởng đến trợ cấp thất nghiệp của quý vị. Nếu quý vị không hiểu quyết định này, hãy liên lạc với Ban Kháng Cáo Việc Làm ngay lập tức. Nếu quý vị không đồng ý với quyết định này, quý vị có thể nộp Đơn Xin Tái Xét Tư Pháp với Tòa Kháng Cáo Oregon theo các hướng dẫn được viết ra ở cuối quyết định này.

Spanish

Atención – Esta decisión afecta sus beneficios de desempleo. Si no entiende esta decisión, comuníquese inmediatamente con la Junta de Apelaciones de Empleo. Si no está de acuerdo con esta decisión, puede presentar una Aplicación de Revisión Judicial ante el Tribunal de Apelaciones de Oregon siguiendo las instrucciones escritas al final de la decisión.

Russian

Внимание – Данное решение влияет на ваше пособие по безработице. Если решение Вам непонятно – немедленно обратитесь в Апелляционный Комитет по Трудоустройству. Если Вы не согласны с принятым решением, вы можете подать Ходатайство о Пересмотре Судебного Решения в Апелляционный Суд штата Орегон, следуя инструкциям, описанным в конце решения.

Khmer

ចំណុចសំខាន់ – សេចក្តីសម្រេចនេះមានផលប៉ះពាល់ដល់អត្ថប្រយោជន៍គ្មានការងារធ្វើរបស់លោកអ្នក។ ប្រសិនបើលោកអ្នកមិនយល់អំពីសេចក្តីសម្រេចនេះ សូមទាក់ទងគណៈកម្មការឧទ្ធរណ៍ការងារភ្លាមៗ។ ប្រសិនបើលោកអ្នកមិនយល់ស្របចំពោះសេចក្តីសម្រេចនេះទេ លោកអ្នកអាចដាក់ពាក្យប្តឹងសុំឲ្យមានការពិនិត្យរឿងក្តីឡើងវិញជាមួយតុលាការឧទ្ធរណ៍រដ្ឋ Oregon ដោយអនុវត្តតាមសេចក្តីណែនាំដែលសរសេរនៅខាងចុងបញ្ចប់នៃសេចក្តីសម្រេចនេះ។

Laotian

ເອົາໃຈໃສ່ – ຄໍາຕັດສິນນີ້ມີຜົນກະທົບຕໍ່ກັບເງິນຊ່ວຍເຫຼືອການຫວ່າງງານຂອງທ່ານ. ຖ້າທ່ານບໍ່ເຂົ້າໃຈຄໍາຕັດສິນນີ້, ກະລຸນາຕິດຕໍ່ຫາຄະນະກຳມະການອຸທອນການຈ້າງງານໃນທັນທີ. ຖ້າທ່ານບໍ່ເຫັນດີນຳຄໍາຕັດສິນນີ້, ທ່ານສາມາດຍື່ນຄໍາຮ້ອງຂໍການທົບທວນຄໍາຕັດສິນນຳສານອຸທອນລັດ Oregon ໄດ້ໂດຍປະຕິບັດຕາມຄໍາແນະນຳທີ່ບອກໄວ້ຢູ່ຕອນທ້າຍຂອງຄໍາຕັດສິນນີ້.

Arabic

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Farsi

توجه - این حکم بر مزایای بیکاری شما تاثیر می گذارد. اگر با این تصمیم موافق نیستید، بلافاصله با هیأت فرجام خواهی استخدام تماس بگیرید. اگر از این حکم رضایت ندارید، می‌توانید با استفاده از دستورالعمل موجود در پایان آن، از دادگاه تجدید نظر اورگان درخواست تجدید نظر کنید.

Employment Appeals Board - 875 Union Street NE | Salem, OR 97311

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Email: appealsboard@employ.oregon.gov

Website: www.Oregon.gov/employ/pages/employment-appeals-board.aspx

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