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PUBLIC POLICY

Section 2

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Section 2

PUBLIC POLICY, Liberal interpretation, Equal protection, Control

CITE AS: Godsol v M.U.C.C., 302 Mich 652 (1942).

Appeal pending: No

Claimant: John T. Willcox
Employer: Arnold H. Godsol d.b.a. Nu-Enamel Michigan Co.
Docket No: AB 4163 556

APPEAL BOARD HOLDING: The definition of "employer," under former MES Act Section 41(3), since amended, was not limited to situations where the "employer" had legally enforceable control over the employing unit. Section 41 was not violative of the equal protection provision of the Fourteenth Amendment.

FACTS: Claimant was employed by Nu-Enamel Michigan, owned by Arnold Godsol. Helen Godsol, Arnold's wife, operated Nu-Enamel Detroit. Neither of those businesses employed eight or more employees, the then requisite number for "employer" status under the MES Act. Combined they did have more than eight employees. Nu-Enamel Detroit was a sub-distributorship of Nu-Enamel Michigan and was established solely with Mrs. Godsol's separate funds. In operating the business Mrs. Godsol relied on her husband for advice and assistance. He frequently visited her stores, gave directions to employees, received daily business reports, hired and discharged employees.

At that time Section 41(3) provided for treatment of multiple employer units as a single employer, if owned or controlled, by legally enforceable means or otherwise, directly or indirectly, by the same interests.

The MES Act treated the businesses as a single employer. As a result claimant was eligible for benefits. The Godsols challenged the Commission's interpretation of the word "control" and also challenged then Section 41(3) on equal protection grounds.

DECISION: Section 41(3) is not unconstitutional. Employer is a covered employer under the Act. Claimant entitled to benefits if otherwise eligible and qualified.

RATIONALE: "The purpose of the unemployment compensation act is to relieve the distress of economic insecurity due to unemployment. It was enacted in the interest of public welfare to provide for assistance to the unemployed, and as such is entitled to a liberal interpretation."