**Section 2765.230 Effect of a Transfer of Physical Assets on a Finding That a Predecessor Successor Relationship Exists**

In order for a predecessor successor relationship under Section 1507 of the Act to exist, it is not necessary that there be a transfer of physical assets from one employing enterprise to another. However, when only physical assets are transferred, without the transfer of good will, the assumption of obligation or the continuation of the enterprises, no predecessor successor relationship exists.

a) EXAMPLE: Abe and Bill operate a partnership, known as A & B House Painters, that is an employer under the Act. When the partnership dissolves, Abe retains title to the physical assets which he then sells. Bill, now a sole proprietor, continues to operate the employing enterprise by continuing to service the customers of the partnership. Even though he received none of its physical assets, Bill is a successor to the partnership.

b) EXAMPLE: Alice and Bert operate a partnership, known as A & B House Painters, which is an employer under the Act. When the partnership dissolves, Alice retains title to the physical assets which she then sells to Clyde who also operates a house painting business. Clyde does not obtain any of the good will of A & B nor does he service any of its customers. Clyde is not a successor to A & B.

(Source: Amended at 43 Ill. Reg. 6480, effective May 14, 2019)