

**BOARD OF EMPLOYEE LEASING COMPANIES
TELEPHONE CONFERENCE CALL MEETING MINUTES
WEDNESDAY, MARCH 18, 2015
10:00 a.m. EST
MEET-ME-NUMBER: (888) 670-3525**

I. CALL TO ORDER

The meeting was called to order at approximately 10:03 a.m. EST by Mr. Abram Finkelstein, Board Chair.

II. ROLL CALL

MEMBERS PRESENT

Abram Finkelstein, Chair
John L. Jones, Vice-Chair
Eric Arfons
Scott Buchanan
Philip Stamatyades

MEMBERS ABSENT

STAFF PRESENT

Rick Morrison, Executive Director, DBPR
Krista Woodard, Government Analyst II, DBPR
Mary Ellen Clark, Board Counsel, Office of the Attorney General
Daniel Brackett, Prosecuting Attorney, DBPR
John Cary, Chief Attorney, Professions

OTHERS PRESENT

Michael Miller, Kunkel, Miller & Hament, P.A.
Torben Madson, Kunkel, Miller & Hament, P.A.
Timothy Tack, Kunkel Miller & Hament, P.A.
Tom Moody
Brian Nugent
Karl Mohr
Richard Law

The meeting was opened with a roll call and a quorum was established.

III. REVIEW AND CONSIDERATION OF EMPLOYEE LEASING COMPANY AND CONTROLLING PERSON APPLICATIONS

**A. APEO, LLC – EL Applicant
Arwinder Singh Judge, CP Applicant**

Mr. Finkelstein presented the company application of APEO, LLC.

Mr. Jones advised that the IRS 8821 forms for the company and controlling person needed to be corrected to include the corporate and personal taxes.

MOTION: Mr. Jones moved to approve the applications pending receipt of the corrected IRS 8821 forms.
SECOND: Mr. Arfons seconded the motion and it passed unanimously.

IV. REVIEW AND CONSIDERATION OF DE MINIMIS EXEMPTION AND REGISTRATION APPLICATION

**A. American One Source, Inc.
(Cheryl Reid, Joe Reid, Thomas Moody, Owners)**

Mr. Finkelstein presented the company application for American One Source, Inc.

MOTION: Mr. Finkelstein moved to approve the application.
SECOND: Mr. Arfons seconded the motion and it passed unanimously.

V. NOTIFICATION OF EMPLOYEE LEASING COMPANY NAME CHANGES

**A. CTMJ III, Inc. – GM 574
TO: CTMJ III, Inc. d/b/a Infiniti Resource Management**

Ms. Woodard advised that this name change application was being pulled and will be presented at the next meeting.

**B. Paychex PEO III, Inc. – GL 193
TO: Paychex PEO III, LLC**

**C. Paychex PEO IV, Inc. – GM 519
TO: Paychex PEO IV, LLC**

**D. Paychex PEO V, Inc. – GM 522
TO: Paychex PEO V, LLC**

Mr. Finkelstein presented the name change applications.

MOTION: Mr. Jones moved to approve the name change applications.
SECOND: Mr. Arfons seconded the motion and it passed unanimously.

VI. REVIEW AND CONSIDERATION OF TERMINATION OF EMPLOYEE LEASING COMPANY OPERATIONS

**A. FLSUB-34, Inc. - GL-103
FLSUB-37, Inc. - GM-252
FLSUB-38, Inc. - GM-252
FLSUB-43, Inc. - GM-254
FLSUB-44, Inc. - GM-255**

**FLSUB-65, Inc. - GM-304
FLSUB-67, Inc. - GM-305
ALSUB-35, Inc. - GM-361**

FLSUB-72, Inc. - GL-175
FLSUB-73, Inc. - GM-446
FLSUB-74, Inc. - GM-449
FLSUB-75, Inc. - GM-448
FLSUB-76, Inc. - GM-447

Mr. Finkelstein presented the termination of operations applications.

MOTION: Mr. Finkelstein moved to accept the termination of operation applications.
SECOND: Mr. Stamatyades seconded the motion and it passed unanimously.

VII. REVIEW AND CONSIDERATION OF CONTROLLING PERSON RELINQUISHMENTS

A. Reid Rushing, CO 880
Payday, Inc. – GL 182
Payday II, Inc. – GM 481
Payday III, Inc. – GM 480

Mr. Finkelstein presented the controlling person relinquishment of Mr. Reid Rushing.

MOTION: Mr. Jones moved to accept the controlling person relinquishment.
SECOND: Mr. Arfons seconded the motion and it passed unanimously.

VIII. DISCUSSIONS

A. Annual Assessment Fee Increase

- **Rule 61G7-5.002 Annual Assessment on Gross Florida Payroll**
- **SERC**

Ms. Clark addressed the board stating that after the February 2015 board meeting, she determined that the rule discussion for 61G7-5.002, FAC was not properly noticed on the agenda and voted upon. Therefore, the vote was not binding and no action will take place on this rule change until the board agrees to place it as an agenda item in the future.

Mr. Morrison advised that the department is asking that this discussion not take place until the June 2015 meeting at which time the department will have had a chance to look at other options instead of a possible fee increase.

B. Rule 61G7-5.0033 Consolidated and Combined Financial Statements

Mr. Richard Law addressed the board stating his collaboration with Mr. Miller and FAPEO on drafting language to accomplish the matter of including non-PEO and non-Florida licensed PEOs from other states to be combined in financial statements if they are integral to the operations of the PEO business.

He advised that the only way for this to happen and for one to determine if they are integral or not is to expand the notes of the financials. This expansion would describe the ownership and management control relationship and the nature or scope of the operations of each entity that is

included so that they can clearly demonstrate to the reviewers the operations that are included in the combined financial statements are integral to the employee leasing business.

After further discussion and verbal amendments to the presented draft language, the following motion was made:

MOTION: Mr. Finkelstein moved to approve the presented draft language with verbal amendments and notice the rule for rule development.

SECOND: Mr. Buchanan seconded the motion and it passed unanimously.

(4) A Florida-licensed employee leasing company, employee leasing company group, employee leasing company groups, or any combination thereof, may submit combined audited or reviewed financial statements to meet the requirements of Section 468.525(3)(e), F.S. as applicable, so long as the combined financial statements are prepared in accordance with accounting principles generally accepted in the United States of America, there is accounting net worth and positive working capital demonstrated in the combined financial statements, and there are Board-approved cross-guarantees among between all employee leasing companies and all entities covered in the combined financial statements. Non-Florida are Florida-licensed employee leasing companies and other entities may be included in the combined financial statements as long they are under common control and their operations are integral to the operations of the Florida-licensed employee leasing company, companies, group or groups, or are integral to the operations of a Non-Florida employee leasing company, companies, group, or groups. Other entities may not be included in combined financial statements. The notes to the combined financial statements must describe the ownership or management control relationships, and the nature and scope of the operations of each entity included in the combined financial statements, to clearly demonstrate that the operations of all included entities are integral to the operations of employee leasing business.

After approval of the proposed language, Ms. Clark asked the following questions:

1. Will the proposed rule amendments have an adverse impact on small business?

MOTION: Mr. Jones moved that the proposed amendments to Rule 61G7-5.0033, F.A.C. would not have an adverse impact on small business.

SECOND: Mr. Finkelstein seconded the motion and it passed unanimously.

2. Will the proposed rule amendments be likely to directly or indirectly increase regulatory costs to any entity (including government) in excess of \$200,000 in the aggregate in Florida within 1 year after implementation?

MOTION: Mr. Jones moved that the proposed language would not be likely to directly or indirectly increase regulatory costs to any entity (including government) in excess of \$200,000 in the aggregate in Florida within 1 year after implementation.

SECOND: Mr. Finkelstein seconded the motion and it passed unanimously.

Ms. Clark stated based on the board's responses to the questions, a SERC would not be needed.

IX. REPORTS

A. Office of the Attorney General – Mary Ellen Clark

No Report

B. Office of the General Counsel – Daniel Brackett

Mr. Brackett advised that there are currently 86 public cases.

C. Executive Director – Rick Morrison

No Report.

D. Chairperson – Abram Finkelstein

No Report

X. OLD BUSINESS

None

XI. NEW BUSINESS

Mr. Miller addressed the board stating there is a publically traded company that is considering entering the PEO business in Florida that has a self- insured health plan and wants to know if they could use their self-insured health plan for its PEO.

Mr. Finkelstein expressed his opinion stating that the company cannot have a self-insured health plan in the state of Florida.

Mr. Jones agreed with Mr. Finkelstein's opinion. He further stated that he did not think that anyone, in the PEO business, could meet the requirements of the statutes or ERISA.

Mr. Miller stated he would relay what has been expressed.

Mr. Stamatyades advised the board that he would not be in attendance at the April 2015 meeting due to attending his son's wedding and has asked to be excused from that meeting.

Ms. Finkelstein offered congratulations and advised that his absence would be excused.

XII. PUBLIC COMMENTS

None

XIII. ADJOURNMENT

MOTION: Mr. Jones moved to adjourn.

SECOND: Mr. Buchanan seconded the motion and it passed unanimously.

The meeting adjourned at 10: 59 a.m.

Transcripts and/or recordings of the meeting can be obtained upon request.