

**BOARD OF EMPLOYEE LEASING COMPANIES
GENERAL BUSINESS MEETING MINUTES
THE GAYLORD PALMS RESORT & CONVENTION CENTER
6000 WEST OSCEOLA PARKWAY
KISSIMMEE, FLORIDA 34746
407-586-0000**

**APRIL 30, 2014
9:00 a.m. EST**

I. CALL TO ORDER

The meeting was called to order at approximately 9:00 a.m. EST by Mr. Keith Reeves, Board Chair.

II. ROLL CALL

MEMBERS PRESENT

Keith Reeves, Chair
Abram Finkelstein, Vice Chair
Eric Arfons
Suzette DiMascio
John Jones
Philip Stamatyades

MEMBERS ABSENT

Scott Buchanan

STAFF PRESENT

Rick Morrison, Executive Director, DBPR
Mary Ellen Clark, Board Counsel, Office of the Attorney General
C. Erica White, Assistant General Counsel, DBPR
Krista Woodard, Government Analyst, DBPR
Maureen White, Junior Attorney, DBPR
Erin Moreno, Senior Management Analyst, DBPR
Tenesha Riley, Government Analyst, DBPR

OTHERS PRESENT

Mark Mark, Department of Financial Services, Workers' Compensation
Michael Miller, Kunkel, Miller & Hament, P.A. and FAPEO
Timothy Tack, Kunkel Miller & Hament, P.A.
John Webster
Anurag Dandiya
Anil Deshpande
William Arowood
Robert Arowood
Bill Edwards
Jessica Werckman
Michael Speizman
David, Yon, Esquire
Jessica Muniz
Brian Pincket
Donald Day
Ben Stout

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

III. THE PLEDGE OF ALLEGIANCE

Mr. Reeves led all in the Pledge of Allegiance.

IV. REVIEW AND APPROVAL OF THE FEBRUARY 12, 2014 GENERAL BUSINESS MEETING MINUTES

MOTION: Mr. Jones moved to approve the minutes.

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

V. REVIEW AND APPROVAL OF THE MARCH 19, 2014 TELEPHONE CONFERENCE CALL MEETING MINUTES

MOTION: Mr. Finkelstein moved to approve the minutes.

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

VI. DISCIPLINARY PROCEEDINGS – Office of the General Counsel

A. SETTLEMENT STIPULATIONS

1. John Walker Hardin

Case Number: 2013-025433

PCP: Reeves and Jones – February 11, 2014

Ms. White presented the case explaining it stems from violations involving failure to timely submit the March 2013 Quarterly Report, failure to timely submit the 2012 audited Annual Financial Statement, having a negative net working capital reflected in the 2012 Annual Financial Statement.

Ms. White stated the settlement stipulation provides for imposition of an administrative fine of \$4,000.00, costs of \$102.80, with joint and several liabilities for payment of the fine and costs.

MOTION: Mr. Arfons moved to reject the terms of the stipulation as presented and offered a counter-stipulation providing for the imposition of an administrative fine of \$5000.00 against the Respondent's controlling person license, CO 797 along with the terms in the original Stipulation except where modified.

SECOND: Ms. DiMascio seconded the motion and it passed unanimously.

Mr. Reeves and Mr. Jones were recused from the vote due to their participation on the probable cause panel.

2. LRA Global HR, Inc.

Case Number: 2013-025435

PCP: Reeves and Jones – February 11, 2014

Ms. White presented the case explaining it stems from violations involving failure to timely submit the March 2013 Quarterly Report, failure to timely submit the 2012 audited Annual Financial Statement, having a negative net working capital reflected in the 2012 Annual Financial Statement.

Ms. White stated the settlement stipulation provides for imposition of an administrative fine of \$4,000.00, costs of \$102.80, with joint and several liabilities for payment of the fine and costs.

MOTION: Mr. Arfons moved to reject the terms of the stipulation as presented and offered a counter-stipulation providing for the imposition of an administrative fine of \$2500.00

against the employee leasing company license, EL 394 along with the terms in the original Stipulation except where modified.

SECOND: Ms. DiMascio seconded the motion and it passed unanimously.

Mr. Reeves and Mr. Jones were recused from the vote due to their participation on the probable cause panel.

Mr. Miller addressed the board stating that after conferring with his clients, the counter-offer is acceptable.

3. **Thomas H. Jacobs**

Case Number: 2013-049919

4. **MedHQ, LLC**

Case Number: 2013-049920

PCP: Reeves and Jones – February 11, 2014

Ms. White presented the cases explaining they stem from violations involving failure to timely submit the March, June, and September Quarterly Reports for 2013.

Ms. White stated the settlement stipulation provides for imposition of an administrative fine of \$1000.00, costs of \$84.65, with joint and several liabilities for payment of the fine and costs.

MOTION: Mr. Arfons moved to adopt the terms of the settlement stipulation as the final order of the board.

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

Mr. Reeves and Mr. Jones were recused from the vote due to their participation on the probable cause panel.

B. VOLUNTARY RELINQUISHMENT OF LICENSE

1. **Arnold J. Diamond**

Case Number: 2012-026042

2. **Arnold J. Diamond**

Case Number: 2013-038397

PCP: Dockery and Seltzer – February 20, 2013

Ms. White presented the cases explaining they stem from failure to timely submit the December 2011 Quarterly Report, failure to timely submit the 2011 Annual Financial Statement, and failure to maintain positive net working capital in the 2011 Annual Financial Statement.

Ms. White stated that the Subject would cease operations as an employee leasing company controlling person and has executed a Voluntary Relinquishment with no right of reapplication. She further stated that the Subject waived the finding of probable cause and confidentiality.

MOTION: Mr. Jones moved to accept the voluntary relinquishment and for the inclusion of the investigative report to be attached to the Final Order.

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

**** Ms. White advised that she was pulling the following voluntary relinquishment cases from the agenda and would present them at a later date.**

3. **Key Vista Associates, Inc.**

PCP: N/A

Case Number: 2013-032709

4. **Marc E. Combs**

PCP: N/A

Case Number: 2013-032694

5. **Henry Hardin**

PCP: N/A

Case Number: 2013-028342

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|----|---|-----------------|---------------------------------|
| 6. | Henry Hardin | <i>PCP:</i> N/A | Case Number: 2012-042349 |
| 7. | Venture Resource Group | <i>PCP:</i> N/A | Case Number: 2012-042345 |
| 8. | Staffing Concepts National, Inc. | <i>PCP:</i> N/A | Case Number: 2013-028336 |

C. MOTION FOR RECONSIDERATION

- | | | | |
|----|------------------------|--|---------------------------------|
| 1. | Philip Lawrence | <i>PCP: Dockery and Seltzer – April 17, 2013</i> | Case Number: 2013-008505 |
|----|------------------------|--|---------------------------------|

Mr. David Yon, Esquire, represented Mr. Lawrence stating that Mr. Lawrence does not want to continue in the business of employee leasing and never intended to waive his rights to a hearing. He simply did not want to appear. Mr. Yon advised that there was a motion filed for the case to be continued/stayed.

Mr. Yon advised that there a motion filed for relinquishment of jurisdiction in the First District Court of Appeals and to send it back to the board with a request for Mr. Lawrence to be allowed to relinquish his license with an agreement that he would stay out of the employee leasing business as long as the board wants him to. He advised that Mr. Lawrence prefers that approach as opposed to the Final Order that was entered with the concern that someone may use the Final Order in a way that's not appropriate in the terms of what happened to the money and why the taxes weren't paid.

Mr. Yon stated that the charges that were alleged against Mr. Lawrence in the complaint, they believe, are not sufficient to revoke his license even if they were proved as stated.

Mr. Yon asked the board to reconsider its previous decision and allowing Mr. Lawrence to relinquish his license and to stay out of the business of employee leasing as long as the board determines appropriate.

Ms. Clark advised that a request of this nature is very rare for this board and she provided the procedures of what the board is being asked to do and what they can do.

After a very lengthy discussion the following motions were made.

MOTION: Mr. Jones moved to deny Mr. Yon's Motion.
 SECOND: Mr. Finkelstein seconded the motion and it passed unanimously.

MOTION: Mr. Finkelstein moved to reconsider case number 2013-008505 and vacate the Final Order entered on December 11, 2013 against Mr. Philip Lawrence and to have his controlling person license reinstated pending further determination in this matter.
 SECOND: Mr. Jones seconded the motion and it passed unanimously.

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

- A. Anthros, Inc. – GL Applicant**
- B. Anthros II, Inc. – GM Applicant**
 - Anil D. Deshpande, CP Applicant**
 - Anurag Dandiya, CP Applicant**

Mr. Reeves presented the companies and controlling person applications.

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

C. DeNovo Administrative Services, LLC (EL Applicant)
Jessica R. Muniz, CO 1012
Manuel L. Rivero, CO 775

Mr. Reeves presented the company application of DeNovo Administrative Services, LLC.

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

D. Howard Leasing V, Inc. (GM Applicant)
Charles J. Howard, CO 746
Charles P. Howard, CO 747

Mr. Reeves presented the company application of Howard Leasing V, Inc.

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

- E. SWBC Professional Employer Services I, LLC (GL Applicant)**
- F. SWBC Professional Employer Services II, LLC (GM Applicant)**
- G. SWBC Professional Employer Services III, LLC (GM Applicant)**
- H. SWBC Professional Employer Services IV, LLC (GM Applicant)**
- I. SWBC Professional Employer Services V, LLC (GM Applicant)**
Gary Dudley, CP Applicant
Charles Amato, CP Applicant
Norman Paul, CP Applicant

Mr. Reeves presented the companies and controlling person applications.

Mr. Jones advised that the IRS 8821 forms included in the controlling person applications need to be revised to include income.

MOTION: Mr. Jones moved to approve the applications.
SECOND: Ms. DiMascio seconded the motion and it passed unanimously.

- **Termination of Operations**
SWBC Professional Employer Services I, LLC – DM 81

Mr. Reeves presented the termination of operations application.

MOTION: Mr. Jones moved to approve the termination of operations application.
SECOND: Ms. DiMascio seconded the motion and it passed unanimously.

**J. James Ramsey, Controlling Person Applicant
Remedy Employer Services, LLC – EL 391**

Mr. Reeves presented the controlling person application of Mr. James Ramsey.

MOTION: Mr. Jones moved to approve the application.

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

Mr. Arfons recused himself from the vote due to personal involvement and knowledge of the company.

**K. Richard H. Treise, Controlling Person Applicant
L. Curtis D. Smith, CP Applicant
M. Cynthia L. Picou, CP Applicant
Employee Professionals – Northeast, LLC – GL 106
HHG III, Inc. – GM 266**

Mr. Reeves presented the controlling person applications of Richard Treise, Curtis Smith, and Cynthia Picou.

MOTION: Mr. Jones moved to approve the applications.

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

**N. RealTime PEO, LLC (GL Applicant)
O. Realtime PEO II, LLC (GM Applicant)
P. Realtime PEO III, LLC (GM Applicant)
Q. Realtime PEO IV, LLC (GM Applicant)
Donald Day, CO 773**

Mr. Reeves presented the group leader and group member applications.

MOTION: Mr. Jones moved to approve the applications.

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

• **Termination of Operations
RealTime PEO, LLC – EL 338**

Mr. Reeves presented the termination of operations application.

MOTION: Mr. Jones moved to approve the termination of operations application.

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

**R. Madison PEO of Florida, Inc. (GL Applicant)
S. Madison PEO of Florida, Inc. I (GM Applicant)
William M. Arowood, CP Applicant
Robert J. Arowood, CP Applicant**

Mr. Reeves presented the companies and controlling person applications.

Mr. Woodard advised that the board office was awaiting approval for the client service agreements.

MOTION: Mr. Reeves moved to approve the applications pending approval of the client service agreements.

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

VIII. REVIEW AND CONSIDERATION OF CHANGE OF OWNERSHIP APPLICATIONS

A. Discovery Outsourcing, LLC – DM 53

Mr. Reeves presented the change of ownership application of Discovery Outsourcing, LLC.

MOTION: Mr. Arfons moved to approve the change of ownership application.

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

IX. NOTIFICATION OF EMPLOYEE LEASING COMPANY NAME CHANGES

A. Abel HRO Services, Inc. – GM 357

TO: Abel HR III, Inc.

B. Abel Southeast, Inc. – EL 144

TO: Abel HR II, Inc.

Mr. Reeves presented the name change applications.

MOTION: Mr. Jones moved to approve the name change applications.

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

C. Ally HR, Inc. d/b/a Matrix Employer Services – GL 164

Ally HR II, Inc. d/b/a Matrix Employer Services – GM 412

Ally HR III, Inc. d/b/a Matrix Employer Services – GM 413

Ally HR IV, Inc. d/b/a Matrix Employer Services – GM 414

Ally HR V, Inc. d/b/a Matrix Employer Services – GM 415

TO: d/b/a MatrixOneSource

Mr. Reeves presented the name change applications.

MOTION: Mr. Reeves moved to approve the name change applications.

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

D. Pharma PEO, LLC – GM 508

TO: Human Capital Resources of FL, LLC

Mr. Reeves presented the name change application.

MOTION: Mr. Jones moved to approve the name change application.

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

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

- A. First Financial Employee Leasing, Inc. – GL 145
First Financial Employee Leasing II, Inc. – GM 358
First Financial Employee Leasing III, Inc. – GM 360**
- **Bruce T. Smith, CO 233 – CP Relinquishment**
 - **Larry J. Bennett, CO 219 – CP Relinquishment**

Mr. Reeves presented the termination of operations and controlling person relinquishment applications.

MOTION: Mr. Jones moved to approve the termination of operations and controlling person applications.

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

B. Venture Resources Group, LLC – EL 138

Ms. Woodard advised that the termination of operations for Venture Resources Group, LLC was being pulled from the agenda.

XI. REVIEW AND CONSIDERATION OF CONTROLLING PERSON RELINQUISHMENTS

- A. Vincent N. Carter, CO 604
Premployer, Inc. – GL 74 – GL 129
Premployer IV, Inc. – GM 465**

Mr. Reeves presented the controlling person relinquishment of Mr. Vincent Carter.

MOTION: Mr. Jones moved to accept the controlling person relinquishment.

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

- B. John P. Iorillo, CO 869
Ambrose Employer Group, LLC – EL 366**

Mr. Reeves presented the controlling person relinquishment of Mr. John Iorillo.

MOTION: Mr. Jones moved to accept the controlling person relinquishment.

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

XII. REPORTS

- A. Office of the General Counsel – C. Erica White**

1. Prosecuting Attorney's Report

Ms. White provided a synopsis of the Prosecuting Attorney's report that was included in the agenda materials.

B. Executive Director – Rick Morrison

1. Monthly Enforcement thru Feb. 2014

Mr. Morrison gave a synopsis of the monthly enforcement report and advised that the financial reports for the board were not available at the time.

C. Chairperson – Keith Reeves

No Report

D. Office of the Attorney General – Mary Ellen Clark

1. April 2014 Rules Report

Ms. Clark summarized the rules report included in the agenda materials stating:

Rule 61G7-10.0015, F.A.C. – A letter from JAPC was received on April 23, 2014 advising that there were some concerns about the rule. Ms. Clark stated that JAPC has concerns that a section of the proposed rule is “vague and may vest unbridled discretion in the department.”

She advised that rulemaking would not be able to continue until the concerns have been addressed. She further stated that there was no deadline that the board had to meet regarding the response.

After a brief discussion, the following motion was made:

MOTION: Ms. DiMascio moved to toll discussion of the rule until the next in-person meeting.
SECOND: Mr. Jones seconded the motion and it passed unanimously.

2. BELC 2014-2015 Annual Regulatory Plan

Ms. Clark advised that the Annual Regulatory Plan for 2014-2015 is due to OFFAR by July 1, 2014. She asked if there were any rules the board would foresee working on or changing in the next fiscal year.

MOTION: Mr. Finkelstein moved that the following rules should be placed on the Annual Regulatory Plan for 2014-2015.

- 61G7-5.0033 - Consolidated and Combined Financial Statements.
- 61G7-7.003 - Notice of Non-Compliance.
- 61G7-10.002 - Reporting of Change of Status Required; Effect on Licensees; Change of Licensee Name.
- 61G7-10.0013 - Notification of Initiation or Termination of Contractual Relationship

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

MOTION: Mr. Jones moved to have Mr. Morrison to ask the Department to place Rule 61-32, FAC on its Annual Regulatory Plan for 2014-2015.
SECOND: Mr. Reeves seconded the motion and it passed unanimously.

3. **RULE 61G7-7.003 Notice of Non-compliance** *(Draft Language)*
4. **Rule 61-32.002 Board of Employee Leasing Citations** *(Draft Language)*

Ms. Clark advised that there were substantive proposed changes to Rule 61G7-7.003 as well as an amendment to the Citation Rule 61-32.002 that the board would need to make a decision on.

Ms. Erin Moreno advised that Mr. Wilson was not advocating for the change to the Notice of Non-compliance rule.

After a brief discussion, the board tabled discussion of the two rules to the next in-person meeting.

XIII. DISCUSSION ITEMS

A. ESAC Update

Mr. Stamatyades addressed his concerns about ESAC stating that he is really concerned about the public health, safety and welfare of people.

He briefly described a fictitious scenario wherein someone gets hurt in an accident and there is no insurance because the PEO failed to comply with the statutes and rules, however, they had an ESAC accreditation and in good standing. He asked why did the State need ESAC and what's the point of the idea.

He further stated that it is worrisome that FAPEO does not take a position on this matter and that speaks volumes.

Mr. Stamatyades stated "homogenizing these regulatory rules does not make sense." He stated that making the State's regulatory process into a commodity, where it is a standard across state boundaries does not help Florida. It only helps those PEOS that can afford the fees because they will be able to get a "Good Housekeeping" seal of approval that they can flash in front of potential clients.

Mr. Miller stated that in terms of representing FAPEO, they thought it would be inappropriate to take a position, because there are many members of FAPEO that are not members of ESAC, either because of the cost or some other reason. He stated that FAPEO is remaining neutral on that subject.

After a very lengthy discussion, the board agreed to table further discussion of this matter until the next in-person meeting at which time the board would address the concerns from JAPC and have Mr. Jay Morgan present to answer questions and address concerns posed by the members of the board and board staff.

XIV. OLD BUSINESS

Mr. Miller addressed the board stating that the dates for the September 2014 meeting are during the same time as the Annual NAPEO Conference which is scheduled for September 14-17, 2014 in Miami, Florida.

The board asked if it would be possible for board staff, along with Ms. Clark, to attend the NAPEO Conference in Miami, Florida and to have the board meeting to convene at the close of the conference in Miami also.

Mr. Morrison stated he would take the request back to the Department for consideration.

The board voted to change the September meeting dates to September 18-19, 2014 and change the location of the meeting to Miami, Florida.

XV. NEW BUSINESS

Mr. Tack asked if companies that were licensed in November and December were required to file year-end audited or reviewed financial statements.

The board stated that any company that is licensed at year-end is required to submit the audited or reviewed annual financial statements.

XVI. PUBLIC COMMENTS

None

XVII. ADJOURNMENT

MOTION: Mr. Jones moved to adjourn.

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

The meeting adjourned at 2:07 p.m.

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