

**BOARD OF EMPLOYEE LEASING COMPANIES
GENERAL BUSINESS MEETING MINUTES
THE RITZ CARLTON GOLF RESORT
2600 TIBURON DRIVE
NAPLES, FLORIDA 34109**

**JUNE 29, 2016
1:00 P.M.**

I. CALL TO ORDER

The meeting was called to order at approximately 1:03 P.M. EST by Ms. Celeste Dockery, Board Chair.

II. ROLL CALL

MEMBERS PRESENT

Celeste Dockery, Chair
John Jones, Vice Chair
Eric Arfons
Abram Finkelstein

MEMBER ABSENT

STAFF PRESENT

Rick Morrison, Executive Director, DBPR
Krista B. Woodard, Government Analyst II, DBPR
Lynette Norr, Board Counsel, Office of Attorney General
Rebecca Hays, Chief Attorney, DBPR
James Fortunas, Prosecuting Attorney, DBPR
Justin Myers, Government Analyst I, DBPR

OTHERS PRESENT

Timothy Tack, Miller, Tack & Madson
Stan Padgett, Esquire
Marc Combs

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

III. THE PLEDGE OF ALLEGIANCE

Ms. Dockery led all in the Pledge of Allegiance.

IV. UPDATE TO THE FTC SUPREME COURT ANTI-TRUST PRESENTATION

Mr. Morrison informed the board that the Department is consistently working on obtaining Directors and Officers Insurance for all Board Members and would provide updates as they become available.

Ms. Norr provided an update to the teeth whitening case in Georgia stating that the court decided the anti-trust case could go forward despite no official action taken by the Board. She further informed that the Executive Director was included as a defendant in this case.

Mr. Finkelstein mentioned that he was aware of the Board of Architecture cancelling its upcoming board meetings due to the anti-trust issues and would recommend the same to this board.

After further discussion, the following action was taken.

MOTION: Mr. Finkelstein moved to cancel the Board of Employee Leasing Companies meetings for the months of July 2016 and August 2016 due to current matters involving the FTC Supreme Court Anti-trust issue.

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

V. REVIEW AND APPROVAL OF THE MAY 18, 2016 TELEPHONE CONFERENCE CALL MEETING MINUTES

MOTION: Mr. Jones moved to approve the minutes with corrections.

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

VI. DISCIPLINARY PROCEEDINGS – Office of the General Counsel

A. MOTION FOR WAIVER OF RIGHTS AND FINAL ORDER

1. **Marc Combs** **Case Number: 2013-032694**

PCP: Seltzer and Stamatyades – February 17, 2015

2. **Key Vista Associates, Inc.** **Case Number: 2013-032709**

PCP: Seltzer and Stamatyades – February 17, 2015

Mr. Fortunas presented the cases explaining they stem from violations involving failure to timely submit the 2012 4th Quarter Report and 2013 1st Quarter Report, failure to timely submit the 2012 Annual Financial Report, failure to pay \$2500 in administrative fines and \$237.59 in costs as required by the Final Order in DBPR case 2012-020985, failure to unemployement taxes and associated penalty, interest, and fees, and failure to notify the board within thirty days of its acquisition by Peer Review Mediation and Arbitration.

Mr. Combs was present, sworn in and addressed the board. After discussion, the following motions were made.

MOTION: Mr. Finkelstein moved to adopt the allegations of facts and the conclusions of law contained in the administrative complaints as those of board.

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

MOTION: Mr. Finkelstein moved to impose an administrative fine of \$2500 to be paid in increments of \$200.00 per month until payment of the fine is satisfied with the first payment being due within 30 days after entry of the Final Order, costs of \$43.84, with joint and several liabilities and revocation of the licenses.

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

3. **Smart Tek Service Solutions, Corp.** **Case Number: 2013-015456**
PCP: Reeves and DiMascio – November 13, 2013
4. **Kelly Mowrey** **Case Number: 2013-015476**
PCP: Reeves and DiMascio – November 13, 2013

Mr. Fortunas presented the cases explaining they stem from violations involving failure to submit the 2013 1st Quarter Report, and the 2012 Annual Financial Report.

- MOTION: Mr. Finkelstein moved to adopt the allegations of facts and the conclusions of law contained in the administrative complaints as those of board.
- SECOND: Mr. Jones seconded the motion and it passed unanimously.
- MOTION: Mr. Jones moved to impose an administrative fine of \$10,000, costs of \$48.37, and revocation of the licenses.
- SECOND: Mr. Arfons seconded the motion and it passed unanimously.

B. SETTLEMENT STIPULATIONS

1. **Nylen Lee Allphin** **Case Number: 2014-025732**
PCP: Seltzer and DiMascio – November 13, 2014
2. **EA Advantage, LLC** **Case Number: 2014-025727**
PCP: Seltzer and DiMascio – November 13, 2014
3. **Nylen Lee Allphin** **Case Number: 2015-004752**
PCP: Seltzer and Ellinger - November 18, 2015
4. **EA Advantage, LLC** **Case Number: 2015-004749**
PCP: Seltzer and Ellinger - November 18, 2015

Mr. Fortunas presented the cases explaining they stem from violations involving failure to timely submit the 2013 Annual Financial Statement, failure to timely submit the 2013 Annual Assessment Fee, failure to submit the 2014 1st and 2nd Quarter Reports, and failure to file a copy of its workers compensation certificate of insurance when submitting its 2013 4th Quarter Report, and 2014 1st, 2nd, and 3rd Quarter Reports..

Mr. Fortunas stated the settlement stipulation provides for imposition of an administrative fine of \$3,000.00, and costs of \$137.50 with joint and several liabilities for payment of the fine and costs.

- MOTION: Mr. Jones 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.

5. **Direct HR Services, Inc.** **Case Number: 2014-034855**
PCP: Seltzer and Stamatyades – February 17, 2015
6. **Suzanne Burrow** **Case Number: 2014-037305**
PCP: Seltzer and Stamatyades – February 17, 2015

Mr. Fortunas presented the cases explaining they stem from violations involving failure to pay unemployment taxes in the amount of \$455,101.43 and penalties of \$3,423.26, failure to file a full description of a plan of self-insurance, failure to submit the 2014, 2nd and 3rd Quarter reports, and failure to reference unpaid medical claims and workers' compensation deductibles in quarterly reports that were previously submitted to the Department.

Mr. Stanley T. Padgett, Esquire was present for the Respondents and addressed the board dating that this would be his last time appearing for the Respondents.

Mr. Fortunas stated that the Subjects would cease operations as an employee leasing company and controlling person within 30 days of the acceptance of the voluntary relinquishment and has executed a Voluntary Relinquishment with no right of reapplication, the imposition of an administrative fine of \$5000, costs of \$1298.11, with joint and several liabilities for payment of the fine and costs.

Upon consideration of the Administrative Complaint and the proposed Stipulation in this matter and being otherwise fully advised in the premises, the Board voted to REJECT the voluntary surrender of license as an acceptable disposition of this matter and voted to offer a Counter-stipulation.

MOTION: Ms. Dockery moved to accept the terms of the original stipulation with the additional stipulation that should the Respondents fail to pay the fine within 20 days of the entry of the Final Order entered in this matter, that the fine shall be increased to \$25,000 and constitute grounds for further disciplinary action against the Respondents. She further moved that the Respondents shall accept or reject the Board's Counter-Stipulation in writing within ten (10) calendar days of the entry of this order.

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

Ms. Dockery asked if anyone objected to proceeding with the Reports today versus tomorrow. All agreed to proceed with the Reports.

VII. REPORTS

A. Office of the Attorney General – Lynette Norr

Ms. Norr advised that all of the rules that the board has been working on the past several months are effective; therefore, she did not have a report for this meeting.

B. Office of the General Counsel – James Fortunas

- **Prosecuting Attorney's Report**

Mr. Fortunas reported that as of June 29, 2016, there were 92 cases in legal.

C. Executive Director – Rick Morrison

- Financial Report – Operating Account – 03/31/2016
- Financial Report – Unlicensed Activity Account – 03/31/2016
- Financial Projections through 2020
- Discussion of Rule 61G7-2.002, F.A.C. – Probable Cause Panel

Mr. Morrison gave a synopsis of the reports as listed on the agenda. He advised that the board's plan had not yet taken effect; however, he expected better numbers after renewals and the annual assessments.

Mr. Morrison informed that he was presenting some suggestions to amend the Probable Cause Panel rule to delegate authority to DBPR, with a sunset date, given the Board's current situation with the inability to appoint Panel members.

Mr. Jones stated that the intent of the rule was for the Board and Consumer members to serve on the panel but given the current situation, he understood the need to change the rule.

Ms. Dockery stated she would like to change the rule at this time.

After discussion, the following changes/ language were approved.

61G7-2.002 Probable Cause Panel.

(1) The chairman shall appoint two current or former members of the Board to serve on the probable cause panel (hereinafter referred to as the "panel"). The panel shall include at least one current member of the Board. Such appointment shall be for six months. The determination of probable cause shall be made by majority vote of the panel. In the event of a tie vote or if the panel cannot otherwise determine the existence of probable cause, the presiding member of the panel shall so advise the general counsel of the Department in writing.

(2) Notwithstanding subsection (1), when the chairman is unable to appoint a probable cause panel, the board delegates to the department the authority to determine probable cause.

Specific Authority 455.225(4), 468.522 FS. Law Implemented ~~455.224~~, 455.225(4), 455.227(1), 468.532(1) FS. History—New 4-29-92, Formerly 21EE-2.002, Amended 2-12-98, _____.

MOTION: Mr. Jones moved to notice Rule 61G7-2.002 for rule development and approve the proposed language.

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

Ms. Norr asked if these changes would have an adverse impact on small business or 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 changes to Rule 61G7-2.002, F.A.C. would not have an adverse impact on small business or 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.

D. Chairperson – Celeste Dockery

No Report.

The board recessed for the day at 3:42 p.m. to re-convene the next day at 9:00 a.m.

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GENERAL BUSINESS MEETING MINUTES
THE RITZ CARLTON GOLF RESORT
2600 TIBURON DRIVE
NAPLES, FLORIDA 34109**

**JUNE 30, 2016
9:00 A.M.**

I. CALL TO ORDER

The meeting was called to order at approximately 9:00 A.M. EST by Ms. Celeste Dockery, Board Chair.

II. ROLL CALL

MEMBERS PRESENT

Celeste Dockery, Chair
John Jones, Vice Chair
Eric Arfons
Abram Finkelstein

MEMBER ABSENT

STAFF PRESENT

Rick Morrison, Executive Director, DBPR
Krista B. Woodard, Government Analyst II, DBPR
Lynette Norr, Board Counsel, Office of Attorney General
Rebecca Hays, Chief Attorney, DBPR
James Fortunas, Prosecuting Attorney, DBPR
Justin Myers, Government Analyst I, DBPR

OTHERS PRESENT

Timothy Tack, Miller Tack & Madson
Stuart Manning
Cathi Dryburgh
Tricia Russo

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

III. THE PLEDGE OF ALLEGIANCE

Ms. Dockery led all in the Pledge of Allegiance.

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

- A. America's Back Office, Inc. – GL Applicant**
- B. America's Back Office, Inc. – MWS – GM Applicant**

- C. **America's Back Office, Inc. – US – GM Applicant**
- D. **America's Back Office, Inc. – Midwest – GM Applicant**
David Otto, CO 1072

Ms. Dockery presented the group leader and group member applications.

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

- E. **G & S Leasing Group, Inc. d/b/d Value PEO – GL Applicant**
- F. **G & S Leasing Group 7, Inc. d/b/a Value PEO 7 – GM Applicant**
G & S Leasing Group 2, Inc. d/b/a Value PEO 2 – GM 531
G & S Leasing Group 3, Inc. d/b/a Value PEO 3 – GM 532
Marshall R. Glass, CO 1068

**** Termination of Operations ****

- **G & S Leasing Group VI, Inc. – GL 200**

Ms. Dockery and Mr. Tack presented the applications and supplemental information.

MOTION: Mr. Finkelstein moved to issue a letter of guidance for the pending disciplinary cases.
SECOND: Mr. Jones seconded the motion and it passed unanimously.

MOTION: Mr. Jones moved to approve the applications and the termination of operations for GL 200.
SECOND: Mr. Finkelstein seconded the motion and it passed unanimously.

- G. **PEOProdigy, Inc. – EL Applicant**
Ryan S. Moore, CP Applicant

Ms. Dockery presented the company and controlling person application stating the application was not complete and was deficient.

Mr. Tack was present and represented the applicants.

After a very lengthy discussion, the following motion was made.

MOTION: Ms. Dockery moved to table discussion of the application until the September 2016 BELC meeting at which time the applicant would have had a chance to correct the deficiencies in the application and appear before the board.
SECOND: Mr. Finkelstein seconded the motion and it passed unanimously.

- H. **Probity HR Partners, LLC, GL Applicant**
- I. **Probity HR Partners II, LLC, GM Applicant**
Alicia L. Butler, CP Applicant
Robert L. Butler, CP Applicant

Ms. Dockery advised that these applications were tabled from a previous meeting at which time the board requested the applicants to appear. She asked if the applicants or a legal representative was present to answer questions. No one was present on behalf of the applicants.

MOTION: Mr. Finkelstein moved to table discussion of the applications until the September 2016 meeting and request that the applicants appear in person.

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

- J. TNET HR4, Inc. – GM Applicant**
- K. Accord Human Resources, Inc. – GM Applicant**
 - Garth B Hobden, CP Applicant**
 - Todd Cohen, CO 1125**

Ms. Dockery presented the company and controlling person applications.

Mr. Jones stated on the record that he had an equity and ownership interest in the companies but could be fair and impartial.

MOTION: Mr. Jones moved to approve the applications.

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

- L. Theodore G. Bryant, CP Applicant**
 - Countrywide PEO 1, Inc. – GM 533**

Ms. Dockery advised that discussion of this application is being tabled until a future meeting at the request of the applicant.

- M. Pawan Chhabra, CP Applicant**
 - ADP TotalSource CO XXII, Inc. – GL 118**
 - ADP TotalSource, Inc. – GL 104**
 - ADP TotalSource I, Inc. – GL 33**
 - ADP TotalSource Services, Inc. – GL 4**
 - (Group Members are included in list of companies)***

Ms. Dockery presented the controlling person application of Pawan Chhabra.

MOTION: Mr. Finkelstein moved to approve the application.

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

- N. Cathi S. Dryburgh, CP Applicant**
 - Integrity Employee Leasing, Inc. – GL 148**
 - Integrity Employee Leasing II, Inc. – GM 366**
 - Integrity Employee Leasing IV, Inc. – GM 459**
 - Integrity Employee Leasing V, Inc. – GM 460**
 - Integrity Employee Leasing VI, Inc. – GM 571**

Mr. Jones presented the controlling person application of Cathi Dryburgh.

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

**O. Stuart Lee Manning, CP Applicant
Sheakley HR, LLC – EL 443**

Ms. Dockery advised that this application was tabled from a previous meeting at which time the board requested the applicant to appear. She asked if the applicant or a legal representative was present to answer questions.

Mr. Manning was present, sworn in and addressed the board concerning the personal bankruptcy, credit card debt, and tax lien as identified in his application materials.

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

**P. Justin L. Mays, CP Applicant
Welco One, LLC – GL 201
Welco Two, LLC – GM 534
Welco Three, LLC – GM 535**

Mr. Jones informed the board that this application was presented at the May 2016 telephone conference call meeting at which time the board tabled discussion until Mr. Mays could appear in person or provide sworn testimony to questions asked about his role in various operations of Four Corners of Excellence, Southern Eagle and Administrative Concepts, and how long, prior to the problems, did he leave.

Mr. Tack advised that he was representing the applicant and stated that Mr. Mays presented an affidavit addressing the concerns presented during the May telephone conference call meeting.

The board still had numerous questions about Mr. Mays' involvement in the operations of Four Corners of Excellence, Southern Eagle, and Administrative Concepts and requested that he appear before the board to answer questions.

Mr. Tack advised that the board recently licensed a former member of Administrative Concepts, Ms. Kimberly Higgins.

Ms. Dockery stated that Ms. Higgins appeared before the board and answered questions asked about her involvement with Administrative Concepts wherein she stated she had no control or check writing authority in the company.

Ms. Dockery asked board staff to review the minutes of the testimony provided by Ms. Higgins to determine if she was the COO of Administrative Concepts and if she had any authority other than heading up the payroll department. Should it be determined that she was the COO and lied to the board that the matter be presented back to the board at the September meeting.

After further discussion, Mr. Tack advised that he would waive the 90 day timeframe for agency action of the application.

MOTION: Mr. Finkelstein moved to table discussion of the application until the September 2016 meeting at which time Mr. Mays would appear in person.
SECOND: Mr. Jones seconded the motion and it passed unanimously.

V. REVIEW AND CONSIDERATION OF CHANGE OF OWNERSHIP APPLICATIONS

- A. **Employer's Alliance III, LLC – GL 115**
Employer's Alliance IV, LLC – GM 302
Employers Alliance V, LLC – GM 251
Employers Alliance VI, LLC – GM 301
Fortune-HR, LLC – GM 331
Employer's Alliance, LLC – GM 224

- B. **Employer's Alliance VII, LLC – GL 181**
Employer's Alliance VIII, LLC – GM 476
Employer's Alliance IX, LLC – GM 477
Employer's Alliance, LLC – GM 224

(CP Relinquishment - Norek Thomas Newman, CO 718)

Ms. Dockery and Mr. Tack presented the change of ownership, controlling person relinquishment applications, and the pending discipline.

MOTION: Mr. Jones moved to issue a letter of guidance for the pending disciplinary cases.
SECOND: Mr. Finkelstein seconded the motion and it passed unanimously.

MOTION: Mr. Jones moved to approve the change of ownership applications and the controlling person relinquishment.
SECOND: Mr. Finkelstein seconded the motion and it passed unanimously.

VI. REVIEW AND CONSIDERATION OF EMPLOYEE LEASING COMPANY NAME CHANGES

- A. **Employee Leasing Guy II, LLC – GM 505**
TO: VistaPEO, LLC

Ms. Dockery presented the name change application.

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

- B. **HCBR Group of FL, LLC – GM 508**
TO: ESS Employee Leasing, LLC

Ms. Dockery presented the name change application.

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

VII. REVIEW AND CONSIDERATION OF CONTROLLING PERSON RELINQUISHMENTS

A. Robert J. Sinkhorn, CO 1102 Sheakley HR, LLC – EL 443

Ms. Dockery presented the controlling person relinquishment of Robert Sinkhorn.

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

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

B. Jeffrey John Sjobeck, CO 1057 CoAdvantage Resources 24, Inc. – GL 8 CoAdvantage Resources 13, Inc. – GL 36 CoAdvantage Resources 11, Inc. – GL 69 CoAdvantage Resources, Inc. – GL 82 Co Advantage Resources 29, Inc. – GL 147 CoAdvantage Resources 52, Inc. – EL 346 CoAdvantage Resources 40, Inc. - GL 187 CoAdvantage Resources 60, LLC – DM 53 MS PEO I, LLC – GL 226 *(Group Members are included in list of companies)*

Ms. Dockery presented the controlling person relinquishment of Jeffrey Sjobeck.

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

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

VIII. OLD BUSINESS

None

IX. NEW BUSINESS

Ms. Dockery expressed concern over the amount of last minute materials received at the board meeting for pending applications, etc.

Ms. Norr advised the board that under section 120.60(1), F. S., if an applicant believes the agency's request for additional information is not authorized by law or rule, the agency, at the applicant's request, shall proceed to process the application. This provision does not permit an applicant to insist that an incomplete application come before the board and then provide last minute supplemental information to the board to complete the application.

The Board emphasized that applications need to be complete at the time of the meeting agenda deadline, and last minute supplemental information may not be considered due to lack of time for the Board members to thoroughly review those materials.

Ms. Norr also advised that the Department has changed the form for person requesting to relinquish his/her controlling person's license.

Mr. Morrison informed that the verbiage used to relinquish a controlling person's license is now "Voluntary Null and Void."

After discussion, the following motion was made.

MOTION: Ms. Dockery moved to change Rule 61G7-10.002, F.A.C. to properly reflect the new form, names and effective dates that are currently being used by the Department.

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

Ms. Norr asked if these changes would have an adverse impact on small business or 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. Finkelstein moved that the proposed changes to Rule 61G7-10.002, F.A.C. would not have an adverse impact on small business or 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. Jones seconded the motion and it passed unanimously.

X. PUBLIC COMMENTS

NONE

XI. ADJOURNMENT

MOTION: Mr. Finkelstein moved to adjourn the meeting at 12:12 p.m.

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

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