

**BOARD OF EMPLOYEE LEASING COMPANIES  
GENERAL BUSINESS MEETING MINUTES  
THE RITZ CARLTON, SARASOTA  
1111 RITZ CARLTON DRIVE  
SARASOTA, FLORIDA 34236**

**SEPTEMBER 18-19, 2013  
11:00 A.M.**

**I. CALL TO ORDER**

The meeting was called to order at approximately 11:12 a.m. EST by Mr. John Jones, Board Chair.

**II. ROLL CALL**

**MEMBERS PRESENT**

John Jones, Chair  
Eric Arfons  
Scott Buchanan  
Suzette DiMascio  
Keith Reeves

**MEMBER ABSENT**

Abram Finkelstein, Vice Chair (*excused*)

**STAFF PRESENT**

Rick Morrison, Executive Director, DBPR  
Krista B. Woodard, Government Analyst II, DBPR  
Mary Ellen Clark, Board Counsel, Office of Attorney General  
C. Erica White, Prosecuting Attorney, DBPR  
Erin Moreno, Government Analyst I, BPR

**OTHERS PRESENT**

Mark Mark, Department of Financial Services  
Michael Miller, Kunkel, Miller & Hament, P.A. and FAPEO  
Timothy Tack, Kunkel, Miller & Hament, P.A.  
Tricia Russo, ADP Totalsource  
Brett Horowitz  
Jason Margolin  
Gail Farb, Kunkel, Miller & Hament, P.A.  
John Hament, Kunkel, Miller & Hament, P.A.  
Anne Chapman, Kunkel, Miller & Hament, P.A.  
Liz G., Kunkel, Miller & Hament, P.A.  
Don King  
Drew Lincoln  
Jeff Sjobeck  
Kirt Bennett  
Deb Bell  
R.B. Knapp

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

### III. THE PLEDGE OF ALLEGIANCE

Mr. Jones led all in the Pledge of Allegiance.

### IV. REVIEW AND APPROVAL OF THE FEBRUARY 20-21, 2013 GENERAL BUSINESS MEETING MINUTES

Mr. Jones advised that he served on the Probable Cause Panel for the Barbara Pailley and AS South cases and the records should reflect such.

MOTION: Ms. DiMascio moved to approve the minutes with the suggested corrections.

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

### V. REVIEW AND APPROVAL OF THE JUNE 5-6, 2013 GENERAL BUSINESS MEETING MINUTES

MOTION: Mr. Jones moved to approve the minutes.

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

### VI. REVIEW AND APPROVAL OF THE JULY 24, 2013 TELPEHONE CONFERENCE CALL MEETING MINUTES

Ms. DiMascio stated that the records should reflect that she was excused from attending that meeting due to a prior engagement.

MOTION: Mr. Arfons moved to approve the minutes with the suggested correction.

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

### VII. REVIEW AND APPROVAL OF THE AUGUST 21, 2013 TELEPHONE CONFERENCE CALL MEETING MINUTES

MOTION: Mr. Arfons moved to approve the minutes.

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

### VIII. DISCIPLINARY PROCEEDINGS – Office of the General Counsel

#### A. SETTLEMENT STIPULATIONS

##### 1. David Steven Sorensen

**2011-057847**

*PCP: Dockery and Seltzer – May 16, 2012*

Ms. White presented the case explaining it stems from violations involving failure to timely submit the 2009, 2010, and 2011 Financial Statements, failure to timely submit the March 2010 through December 2011 quarterly reports, and failure to timely submit the annual assessment fee for 2010 and 2011.

Ms. White stated the settlement stipulation provides for imposition of an administrative fine of \$5000.00, costs of \$74.14, and certification from Respondent that to the best of its knowledge that there are no outstanding tax liability to the United States or State of Florida and has no outstanding or unpaid claims for unemployment benefits in the state of Florida, and certification from Respondent that to the best of

its knowledge, presently there are certain outstanding claims for workers' compensation benefits in the state of Florida, but believes that these claims, which are subject to pending litigation, are covered by Respondent's applicable workers' compensation insurance policies.

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

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

**2. Paul James Sorensen**

**2011-057848**

*PCP: Dockery and Seltzer – May 16, 2012*

Ms. White presented the case explaining it stems from violations involving failure to timely submit the 2009, 2010, and 2011 Financial Statements, failure to timely submit the March 2010 through December 2011 quarterly reports, and failure to timely submit the annual assessment fee for 2010 and 2011.

Ms. White stated the settlement stipulation provides for imposition of an administrative fine of \$5000.00, costs of \$74.14, and certification from Respondent that to the best of its knowledge that there are no outstanding tax liability to the United States or State of Florida and has no outstanding or unpaid claims for unemployment benefits in the state of Florida, and certification from Respondent that to the best of its knowledge, presently there are certain outstanding claims for workers' compensation benefits in the state of Florida, but believes that these claims, which are subject to pending litigation, are covered by Respondent's applicable workers' compensation insurance policies.

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

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

**3. LRA Global HR, Inc.**

**2012-037273**

**4. John Walker Hardin**

**2012-037275**

*PCP: Dockery and Seltzer – April 17, 2013*

Ms. White presented the cases explaining they stem from violations involving failure to timely submit the 2011 Annual Financial Statements, failure to maintain positive net working capital for the 2011 Annual Financial Statement, failure to timely submit the June 2012 Quarterly Report, and failure to maintain positive net worth in the December 2012 Quarterly Report.

Ms. White stated the settlement stipulation provides for imposition of an administrative fine of \$4000.00, costs of \$112.57, 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. Buchanan seconded the motion and it passed unanimously.

**5. Charles Schellenger**

**2012-044221**

**6. Denward Speer**

**2012-044206**

*PCP: Dockery and Seltzer – April 17, 2013*

Ms. White presented the cases explaining they stem from violations involving failure to maintain positive net working capital for the 2011 Annual Financial Statement and failure to maintain positive net working capital in the September 2012 Quarterly Report.

Ms. White stated the settlement stipulation provides for imposition of an administrative fine of \$1500.00, costs of \$106.38, 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: Ms. DiMascio seconded the motion and it passed unanimously.

7. **Clarissa Thompson**

**2012-034566**

8. **Michael Jones**

**2012-034570**

*PCP: Dockery and Seltzer – February 20, 2013*

Ms. White presented the case explaining it stems from violations involving failure to timely submit the 2011 Financial Statement, failure to timely submit the September 2010 through September 2012 quarterly reports, failure to timely submit the annual assessment fee for 2011, failure to adequately maintain workers' compensation coverage, and maintaining an outstanding federal tax liability in the amount of \$980,635.

Ms. White stated the settlement stipulation provides for imposition of an administrative fine of \$1000.00, costs of \$136.53, with joint and several liabilities for payment of the fine and costs.

MOTION: Ms. DiMascio moved to adopt the terms of the settlement stipulation as the final order of the board.

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

*The meeting recessed at 12:15 p.m. for lunch.*

*The meeting re-adjourned at 1:45 p.m.*

## **B. VOLUNTARY RELINQUISHMENT OF LICENSE**

1. **Harry Hedaya**

*PCP: N/A*

**2012-039075**

2. **Professional Payroll Solutions**

*PCP: N/A*

**2013-028117**

3. **Frank Puissegur**

*PCP: N/A*

**2013-028122**

4. **Richard K. Reiling**

*PCP: N/A*

**2013-028120**

Ms. White advised that she was pulling all of the cases for Voluntary Relinquishment and would bring them back to the November 2013 meeting.

**C. MOTION FOR RECONSIDERATION**

**1. Venture Resources Group, LLC**

**2012-042345**

PCP: N/A

Ms. White presented the case explaining the request to reconsider this case due to an action taken by the board back at the March 2013 telephone conference call meeting.

MOTION: Mr. Jones moved to withdraw the previous action of the voluntary relinquishment from the March 2013 meeting.

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

*Mr. Jones paused the meeting for a moment to welcome Ketuih Reeves back to the board. He advised that Mr. Reeves would be replacing Celeste Dockery.*

*Mr. Jones publically thanked Ms. Dockery for her many years of service and dedication to the board and more specifically to the employee leasing company industry.*

*Mr. Jones also advised that he and Mr. Finkelstein were re-appointed to the board for another term and that a new consumer member was also appointed to the board and would hopefully be on the next telephone conference call meeting.*

**IX. REVIEW AND CONSIDERATION OF EMPLOYEE LEASING COMPANY AND CONTROLLING PERSON APPLICATIONS**

**A. CPE HR, Inc. (EL Applicant)**

**Harold Walt, Controlling Person Applicant**

Mr. Jones presented the company application of CPE HR, Inc. and the controlling person application of Harold Walt.

Mr. Reeves advised that the IRS 8821 form needed to be corrected to add corporate tax and 940 to the form.

MOTION: Mr. Jones moved to approve the applications pending receipt of the corrected IRS 8821 form.

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

**B. Kirt04, Inc. (EL Applicant)**

**Kirt L. Bennett, Controlling Person Applicant**

Mr. Jones presented the company application of Kirt04, Inc. and the controlling person application of Kirt Bennett.

MOTION: Mr. Arfons moved to approve the applications.

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

**C. Donald G. King, Controlling Person Applicant  
Impact Outsourcing Solutions, Inc. – GL 194  
Impact Outsourcing Solutions I, LLC – GM 520**

Mr. Jones presented the controlling person application of Donald King.

MOTION: Mr. Jones moved to approve the application.

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

**D. Kevin A. Simons, Controlling Person 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)***

Mr. Jones presented the controlling person application of Kevin Simons.

MOTION: Mr. Reeves moved to approve the application.

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

**E. Jeffrey J. Sjobeck, Controlling Person Applicant  
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  
CIP PEO I, Inc. – GL 187  
*(Group Members are included in list of companies)***

Mr. Jones presented the controlling person application of Jeffrey Sjobeck.

MOTION: Mr. Jones moved to approve the application.

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

**X. REVIEW AND CONSIDERATION OF CHANGE OF OWNERSHIP APPLICATIONS**

**A. Merit Resources, Inc. – GL 156  
LKI Group, Inc. – GM 382  
Merit Resources II, Inc. – GM 384  
Merit Holdings, Inc. – GM 385  
Reliant Insurance Company Limited – GM 383**

Mr. Jones presented the change of ownership applications for the group leader and group member companies.

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

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

\*\*\* **Dennis M. Creveling, Controlling Person Applicant** \*\*\*

\*\*\* **Ronald Keller, Controlling Person Applicant** \*\*\*

Mr. Jones presented the controlling person applications for Dennis Creveling and Ronald Keller.

MOTION: Mr. Reeves moved to approve the controlling person applications

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

**(CP Relinquishment – Joseph Lane, Sr., CO 596)**

Mr. Jones presented the controlling person relinquishment for Joseph Lane Sr.

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

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

**XI. REPORTS**

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

**1. Prosecuting Attorney's Report**

Ms. White reported that the prosecuting attorney's report was included in the agenda materials and she also provided an updated/current report in the board members' folders.

**B. Executive Director – Richard Morrison**

Mr. Morrison gave a synopsis of the following reports:

- Financial Report – Operating Account – 06/31/2013
- Financial Report – Unlicensed Activity Account – 06/30/2013
- Financial Projections thru June 2017
- Monthly Enforcement thru August 31, 2013

**C. Chairperson – John Jones**

No Report.

**D. Office of the Attorney General – Mary Ellen Clark**

**1. September 2013 Rules Report**

**2. Rule 61G-10.002, F.A.C.**

**a. DBPR EL 4513 – Controlling Person Relinquishment Agreement**

**b. DBPR EL 4514 - Termination of Employee Leasing Company Operations**

Ms. Clark advised that the paperwork for Rule 61G7-10.002, F.A.C. was still in process and that there is a proposed change to the rule on page 1460 of the agenda materials. She informed that it has come to her and the board staff's attention that form DBPR 4514 needed to be added to paragraph one. She further advised that the previous language was approved at the February 2013 meeting, but it has yet

to take effect because DBPR has to incorporate the board's two major applications into their department's Rule 61-35.

Mr. Michael Miller stated that he has an issue with the language "purchasing employee leasing company" in sections (d) and (e) of the rule.

Ms. Clark asked that the board allow the current changes to the rule to take effect before making other changes.

After further discussion, the following motion was made:

MOTION: Mr. Jones moved to approve the proposed changes to Rule 61G7-10.002, F.A.C and notice the rule for change.

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

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 61G7-10.002, 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.

**XII. OLD BUSINESS**

None

**XIII. NEW BUSINESS**

**A. Proposed 2014 BELC Meeting Dates**

TELEPHONE CONFERENCE CALL SCHEDULE

**Dates:** January 14, 2014

March 19, 2014

July 23, 2014



August 20, 2014

October 15, 2014

December 17, 2014

**Time:** 10:00 a.m. or soon thereafter

### **TRAVEL SCHEDULE**

**Locations:** *Subject to Change*

**Dates:** February 11-12, 2014 (Tallahassee, FL) *(11<sup>th</sup> @1:00 p.m. & 12<sup>th</sup> @ 9:00 a.m.)*

April 16-17, 2014 (Tampa, FL)

June 4-5, 2014 (Palm Beach, FL) *(The Omphoy)*

September 17-18, 2014 (St. Augustine, FL)

November 13-14, 2014 (Orlando, FL)

**Time:** 9:00 a.m. or soon thereafter

**MOTION:** Mr. Jones moved to approve the proposed meeting schedule for 2014.

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

#### **B. Memo from Richard law pertaining to Rule 61G7-5.0033, F.A.C. - Consolidated and Combined Financial Statements**

The Board agreed to table discussion of this matter until a future meeting.

#### **XIV. PUBLIC COMMENTS**

NONE

#### **XV. ADJOURNMENT**

**MOTION:** Mr. Reeves moved to adjourn the meeting at 3:42 p.m.

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

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