

**BOARD OF EMPLOYEE LEASING COMPANIES
GENERAL BUSINESS MEETING MINUTES
THE FLORIDAYS RESORT ORLANDO
12562 INTERNATIONAL DRIVE
ORLANDO, FLORIDA 32821**

**NOVEMBER 14, 2014
9:00 A.M.**

I. CALL TO ORDER

The meeting was called to order at approximately 9:15 a.m. EST by Mr. Abram Finkelstein, Board Chair.

II. ROLL CALL

MEMBERS PRESENT

Abram Finkelstein, Chair
Eric Arfons
Scott Buchanan
Suzette DiMascio
Philip Stamatyades

MEMBER ABSENT

John Jones, 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
Joseph Whealdon, Prosecuting Attorney, DBPR
Tenesha Riley, Government Analyst I, DBPR

OTHERS PRESENT

Robin Delaney, Department of Financial Services
Michael Miller, Kunkel, Miller & Hament, P.A. and FAPEO
Timothy Tack, Kunkel, Miller & Hament, P.A.
Torben Madson, Kunkel Miller & Hament, P.A.
Jay Morgan
Virginia Dorris
Jed Michel
Timothy Cline
Zachary Stoumbus

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

III. THE PLEDGE OF ALLEGIANCE

Mr. Finkelstein led all in the Pledge of Allegiance.

IV. REVIEW AND APPROVAL OF THE OCTOBER 15, 2014 TELPEHONE CONFERENCE CALL MEETING MINUTES

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

V. DISCIPLINARY PROCEEDINGS – Office of the General Counsel

A. HEARINGS IN WHICH THERE ARE NO DISPUTED ISSUES OF MATERIAL FACT

1. Azure Payroll Services, LLC **2013-034379**
PCP: Jones and Seltzer – September 18, 2014

Mr. Whealdon presented the case explaining it stems from violations involving failure to timely submit the 2013 2nd and 3rd Quarterly Reports and failure to timely submit appropriate notification of a change of ownership within thirty days after the purchase or acquisition of control.

MOTION: Mr. Arfons moved to adopt the allegations of fact contained in the administrative complaint.

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

MOTION: Mr. Arfons moved to adopt the conclusions of law contained in the administrative complaint as those of board.

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

MOTION: Mr. Finkelstein moved to impose an administrative fine of \$1,000 and costs of \$60.47.

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

2. Emergent HR, Inc. **2013-041055**
3. Michael T. Fagan **2013-041053**

PCP: Jones and Seltzer – September 18, 2014

Mr. Whealdon presented the case explaining it stems from violations involving inclusion of companies that were not Florida-licensed employee leasing companies in its combined 2012 Annual Financial Report.

MOTION: Ms. DiMascio moved to adopt the allegations of fact contained in the administrative complaint.

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

MOTION: Mr. Finkelstein moved to adopt the conclusions of law contained in the administrative complaint as those of board.

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

MOTION: Mr. Finkelstein moved to impose an administrative fine of \$1,500 and costs of \$134.54.

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

4. **GPS Financial Services, Inc.** **2013-049420**

5. **GPS PEO, Inc.** **2013-049400**

6. **AMS Staff Leasing, Inc.** **2013-049404**

PCP: Jones and Seltzer – September 18, 2014

Mr. Whealdon presented the cases explaining they stem from violations involving failure to file cross-guarantees in a timely manner, failure to maintain workers' compensation coverage, failure to report a group member in their combined 2012 Annual Financial Report, failure to report group member GPS PEO, Inc. on the combined 2013 June, September, and December Quarterly Reports, failure to submit its 2013 Annual Report in a timely manner, engaging in business under a fictitious name without prior written authorization from the board, and failure to timely submit its March 2014 Quarterly Report.

MOTION: Ms. DiMascio moved to adopt the allegations of fact contained in the administrative complaint.

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

MOTION: Mr. Finkelstein moved to adopt the conclusions of law contained in the administrative complaint as those of board.

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

MOTION: Mr. Finkelstein moved to impose an administrative fine of \$6,000, costs of \$171.73, with joint and several liabilities for the payment of fines and costs and suspension of the licenses until such time as its 2013 Annual Financial Report, 2014 1st Quarter Report, and the fine and costs imposed are received by the Board office.

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

7. **AMS Staff Leasing II, Inc.** **2014-006905**

8. **Aspen Staff Leasing, Inc.** **2013-049404**

PCP: Jones and Seltzer – September 18, 2014

Mr. Whealdon presented the cases explaining they stem from violations involving failure to submit its 2013 Annual Report in a timely manner, failure to file cross-guarantees in a timely manner, failure to maintain workers' compensation coverage, and failure to timely submit its March 2014 Quarterly Report.

MOTION: Mr. Arfons moved to adopt the allegations of fact contained in the administrative complaint.

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

MOTION: Mr. Arfons moved to adopt the conclusions of law contained in the administrative complaint as those of board.

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

MOTION: Mr. Finkelstein moved to impose an administrative fine of \$4,000, costs of \$100.28, with joint and several liabilities for the payment of fines and costs and suspension of the licenses until such time as its 2013 Annual Financial Report, 2014 1st Quarter Report, and the fine and costs imposed are received by the Board office.

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

B. SETTLEMENT STIPULATIONS

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| 1. Complete Personnel Logistics | 2013-022894 |
| 2. Jason Lucarelli | 2013-022923 |
| 3. Samuel Lucarelli | 2013-023233 |

PCP: Reeves and DiMascio – November 13, 2013

Mr. Whealdon presented the cases explaining they stem from violations involving failure to timely submit the 2012 and 2013 Annual Financial Statements, and failure to submit the 2012 4th Quarter Financial Report. .

Mr. Whealdon stated the settlement stipulation provides for imposition of an administrative fine of \$2000.00, costs of \$107.31, 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.

C. VOLUNTARY RELINQUISHMENT OF LICENSE

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| 1. Brendan Robert Peel Broomell | 2011-058397 |
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PCP: Dockery and Seltzer – February 20, 2013

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| 2. Brendan Robert Peel Broomell | 2012-026717 |
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PCP: Reeves and DiMascio - November 13, 2013

Mr. Whealdon presented the cases explaining they stem from failure to timely submit quarterly reports for quarters ended December 2011 and March 2012, failure to timely submit the 2010 and 2011 Annual Financial Statements, and failure to timely submit the annual assessment for 2012.

Mr. Whealdon stated that the stipulation provides for voluntary relinquishment of the controlling person license in the state of Florida but retains the right to reapply for licensure at a later date, certification that all unemployment compensation taxes, penalties, interest, and fees have been paid, personal appearance of Mr. Broomell at the board meeting where the stipulation is presented for board approval, and costs of \$128.09.

Mr. Broomell was presented represented by Mr. Zachary Stoumbos, Esquire.

Questions were asked of Mr. Broomell and after discussion, the following motions were made.

MOTION: Mr. Stamatyades moved to reject the voluntary relinquishment.

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

MOTION: Mr. Stamatyades offered a counter-stipulation which provided for no rights for reapplication for a license as a controlling person in the state of Florida.

The motion failed for the lack of a second.

MOTION: Mr. Finkelstein offered a counter-stipulation for voluntary relinquishment of the controlling person license, agreeing to not reapply for licensure as a controlling person in the state of Florida within five years of the entry of the Final Order, certification that all unemployment compensation taxes, penalties, interest, and fees have been paid, and costs of \$128.09.

SECOND: Mr. Arfons seconded the motion and it passed. Mr. Stamatyades voted in opposition.

Mr. Broomell and Mr. Stoumbos accepted the board's counter-stipulation.

3. **Georgia Falzone** 2013-041269

4. **Georgia Falzone** 2014-008228

PCP: N/A

Mr. Whealdon advised that he was pulling the above mentioned cases for Voluntary Relinquishment and would bring them back at a future meeting.

5. **Payroll Services Plus, Inc.** 2013-025287

PCP: Reeves and DiMascio – November 13, 2013

6. **Payroll Services Plus, Inc.** 2014-023722

PCP: N/A

Mr. Whealdon presented the cases explaining they stem from violations involving failure to submit the 2013 Annual Financial Report.

Mr. Whealdon stated that the Subject would cease operations as an employee leasing company within 30 days of the acceptance of the voluntary relinquishment and has executed a Voluntary Relinquishment with no right of reapplication.

MOTION: Mr. Finkelstein moved to accept the voluntary relinquishment.

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

7. **Dominick Crea** 2013-025234

PCP: Reeves and DiMascio – November 13, 2013

8. **Dominick Crea** 2014-023724

PCP: N/A

Mr. Whealdon presented the cases explaining they stem from violations involving failure to submit the 2013 Annual Financial Report.

Mr. Whealdon stated that the Subject would cease operations as a controlling person within 30 days of the acceptance of the voluntary relinquishment and has executed a Voluntary Relinquishment with no right of reapplication.

MOTION: Mr. Finkelstein moved to accept the voluntary relinquishment.
SECOND: Mr. Arfons seconded the motion and it passed unanimously.

9. **Philip Lawrence** 2012-037715
PCP: Dockery and Seltzer – February 20, 2013
10. **Philip Lawrence** 2013-008505
PCP: Dockery and Seltzer – April 17, 2013

Mr. Whealdon presented the cases explaining they stem from violations involving failure to timely submit the 2011 Annual Financial Report, failure to timely submit the quarterly reports for quarters ended December 2011, March 2012, June 2012, and September 2012, failure to pay unemployment taxes and associated penalty, interest, and fees, and failure to adequately maintain workers' compensation coverage.

Mr. Whealdon stated that the Subject would cease operations as an employee leasing controlling person within 30 days of the acceptance of the voluntary relinquishment and has executed a Voluntary Relinquishment with no right of reapplication and costs of \$189.82.

MOTION: Mr. Finkelstein moved to accept the voluntary relinquishment.
SECOND: Mr. Arfons seconded the motion and it passed unanimously.

11. **Employee Staff, LLC** 2012-037714
PCP: Dockery and Seltzer – February 20, 2013

Mr. Whealdon presented the case explaining it stems from violations involving failure to timely submit the 2011 Annual Financial Report, failure to timely submit the quarterly reports for quarters ended December 2011, March 2012, June 2012, and September 2012, failure to pay unemployment taxes and associated penalty, interest, and fees, and failure to adequately maintain workers' compensation coverage.

Mr. Whealdon stated that the Subject would cease operations as an employee leasing company within 30 days of the acceptance of the voluntary relinquishment and has executed a Voluntary Relinquishment with no right of reapplication and costs of \$54.45.

MOTION: Mr. Finkelstein moved to accept the voluntary relinquishment.
SECOND: Mr. Arfons seconded the motion and it passed unanimously.

12. **Charles David Wood, Jr.** 2013-049398
13. **Charles David Wood, Jr.** 2014-006932
PCP: Jones and Seltzer – September 18, 2014

Mr. Whealdon presented the cases explaining they stem from violations involving failure to file cross-guarantees in a timely manner, failure to maintain workers' compensation coverage, failure to report a group member in their combined 2012 Annual Financial Report, failure to report group member GPS PEO, Inc. on the combined 2013 June, September, and December Quarterly Reports, failure to submit its 2013 Annual Report in a timely manner, engaging in business under a fictitious name without prior written authorization from the board, and failure to timely submit its March 2014 Quarterly Report.

Mr. Whealdon stated that the Subject would cease operations as an employee leasing controlling person within 30 days of the acceptance of the voluntary relinquishment and has executed a Voluntary Relinquishment with no right of reapplication.

MOTION: Ms. DiMascio moved to accept the voluntary relinquishment.
SECOND: Mr. Finkelstein seconded the motion and it passed unanimously.

After further discussion, the following motion was made.

MOTION: Mr. Finkelstein moved to reconsider the previous motion and move discussion of the cases until the next in-person meeting.
SECOND: Ms. DiMascio seconded the motion and it passed unanimously.

14. John McAnnar

2013-034382

PCP: Jones and Seltzer – September 18, 2014

Mr. Whealdon presented the case explaining it stems from violations involving failure to timely submit the June and September 2013 Quarterly Reports.

Mr. Whealdon stated that the Subject would cease operations as a controlling person within 30 days of the acceptance of the voluntary relinquishment and has executed a Voluntary Relinquishment with no right of reapplication.

MOTION: Mr. Finkelstein moved to accept the voluntary relinquishment.
SECOND: Mr. Arfons seconded the motion and it passed unanimously.

The board recessed for lunch at 12:00 p.m. and re-convened at 1:45 p.m.

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

- A. HRSmarter III, LLC. (GM Applicant)**
- B. HRSmarter IV, LLC (GM Applicant)**
Carl Guidice, CO 1096

Mr. Finkelstein presented the group member applications for HRSmarter III and IV, LLC.

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

- C. PEO Processing Consultants, Inc. (GM Applicant)**
Richard A. Garcia, CO 1093

Ms. Woodard advised that the applicant has requested to table discussion of the application until the December 2014 meeting.

D. Total Employee Staffing, Inc. (GM Applicant)
Alfred W. Brown, CO 731
Judy Chavers, CO811

Mr. Finkelstein presented the group member application for Total Employee Staffing, Inc.

MOTION: Mr. Arfons moved to approve the applications.

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

E. Howard Leasing VIII, Inc. (EL Applicant)
Charles J. Howard, CO 746
Charles P. Howard, CO 747

Mr. Finkelstein presented the employee leasing company application for Howard Leasing VIII, Inc.

MOTION: Mr. Arfons moved to approve the applications.

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

F. Integrity Employee Leasing VI, Inc. (GM Applicant)
Thomas John Natoli, CO 729
Toby Lee Starr, CO 895
Sandra Kaye Sessions, CO 896

Mr. Finkelstein presented the group member application for Integrity Employee Leasing VI, Inc.

MOTION: Mr. Arfons moved to approve the applications.

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

G. Virginia Anne Dorris, Controlling Person Applicant
Century Employer Organization, LLC – GL 171
Century Employer Organization I, LLC – GM 438
Century Employer Organization II, LLC – GM 439
Century Employer Organization III, LLC – GM 440

Mr. Finkelstein presented the controlling person application for Virginia Dorris.

MOTION: Mr. Finkelstein moved to approve the application.

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

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

A. Delta Administrative Services, LLC
(David A. Lawrence, Owner)

Mr. Finkelstein presented the company application of Delta Administrative Services, LLC.

Mr. Finkelstein advised that the IRS 8821 form needed to be corrected to include the corporate tax.

MOTION: Mr. Finkelstein moved to approve the application pending receipt of a corrected IRS 8821 form.

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

B. Lever 1, LLC

(Gregory Gragg, Jacque Gragg, Daryl Mattox, Erica Brune, and Michael Schuler, Owners)

Mr. Finkelstein presented the company application of Lever 1, LLC.

Mr. Finkelstein advised that the IRS 8821 form needed to be corrected to include the corporate tax.

MOTION: Mr. Finkelstein moved to approve the application pending receipt of a corrected IRS 8821 form.

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

VIII. REVIEW AND CONSIDERATION OF CHANGE OF OWNERSHIP APPLICATIONS

A. Essential HR, Inc. – GL 195

Essential HR II, Inc. – GM 251

Gay Lynn Hanson, Controlling Person Applicant

**** Controlling Person Relinquishment ****

Karen A. Meredith, CO 1059

Mr. Finkelstein presented the controlling person application for Gay Lynn Hanson.

MOTION: Mr. Arfons moved to approve the application.

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

Mr. Finkelstein presented the notification of change of ownership for the Essential HR, Inc. and Essential HR II, Inc. and the controlling person relinquishment for Karen Meredith.

MOTION: Mr. Arfons moved to accept the notifications of change of ownership and controlling person relinquishment.

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

B. Azure Payroll Services, LLC – EL 408

**** Controlling Person Relinquishment ****

John McAnnar, CO 958

Mr. Finkelstein presented the notification of change of ownership for the Azure Payroll Services, LLC and the controlling person relinquishment for John McAnnar.

MOTION: Mr. Finkelstein moved to accept the notifications of change of ownership and controlling person relinquishment contingent upon receipt of the payment of the fines and cost from the case that was recently settled.

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

- C. **AMS Staff Leasing II, Inc. – GL 52**
AMS Staff Leasing, Inc. – GM 106
- D. **GPS Financial Services, Inc. – GL 167**
GPS PEO, Inc. – GM 423
- E. **Emergent HR, Inc. – EL 429**
**** Controlling Person Relinquishment ****
Michael T. Fagan, CO 1011

Ms. Woodard advised that these applications were being pulled from the agenda and will be presented at a later date.

IX. REVIEW AND CONSIDERATION OF EMPLOYEE LEASING COMPANY NAME CHANGES

- A. **Emergent HR, Inc.**
TO: Emergent HR, LLC

Mr. Timothy Tack advised that they were withdrawing this name change request.

X. REPORTS

- A. **Office of the General Counsel – Joseph Whealdon**
 - **Prosecuting Attorney’s Report**

Mr. Whealdon advised that there were 80 public and 95 private cases in the General Counsel’s office that were being processed.

- B. **Office of the Attorney General – Mary Ellen Clark**
 - **November 2014 Rules Report**

Ms. Clark stated that the rules report was included in the agenda materials. She advised that there was one rule in process, Rule 61G7-10.0015, that will become effective on November 19, 2014.

- C. **Chairperson – Abram Finkelstein**

No Report.

D. Executive Director – Richard Morrison

- Financial Report – Operating Account – 09/30/2014
- Financial Report – Unlicensed Activity Account – 09/30/2014
- Rule 61G7-5.002, F.A.C. - Annual Assessment on Gross Florida Payroll

Mr. Morrison gave a synopsis of the financial reports contained in the agenda materials. He advised that the board was still in a deficit but he wanted to propose a suggestion that would take the board out of a deficit.

Mr. Morrison introduced a proposed change to the language in Rule 61G7-5.002, F.A.C. He is suggesting a 50% increase in the annual assessment amounts to help offset the deficiency in the board's operating accounts.

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

MOTION: Ms. DiMascio moved to notice Rule 61G7-5.002 for rule development and approve the proposed language to increase the annual assessment fees.
SECOND: Mr. Finkelstein seconded the motion.

The motion failed due to opposition voted upon by Mr. Arfons, Mr. Buchanan, and Mr. Stamatyades.

XI. OLD BUSINESS

- **Draft Release Authorization and Compliance Certification for Authorizing Employee Company Accredited by ESAC Form**

Mr. Morgan addressed the board advising that included in the agenda materials was a copy of the draft release authorization and compliance certification form for use for companies that are accredited by ESAC.

Ms. Clark advised that this form was being presented for informational purposes only as this is what would be the form utilized between ESAC and their clients.

XII. NEW BUSINESS

- **Rule 61G7-5.0033 – Consolidated and Combined Financial Statement**

Mr. Miller presented the proposed language change to Rule 61G7-5.0033, F.A.C. to address the matter of including non-Florida licensed employee leasing companies and other entities in combined financial statements.

Mr. Finkelstein asked if the new language had been provided to Mr. Law for his evaluation and/or comments.

Mr. Miller stated that it had not but he would provide it to him.

After further discussion, Mr. Finkelstein asked Mr. Miller to forward the proposed new language to Mr. Law for review and asked Mr. Morrison to invite Mr. Law to attend the December 2014 telephone conference call meeting to provide his input

- **Rule 61G7-10.001 – Examination of Financial Records; Verification of Compliance**

Ms. Clark advised that this rule needed to be noticed for Rule Development as section (4) of the rule has now been eliminated due to Rule 61G7-10.0015, F.A.C.

MOTION: Mr. Finkelstein moved to approve the propose language change to eliminate section (4) of Rule 61G7-10.001, F.A.C. and to notice it for rule development.

SECOND: Ms. DiMascio 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. Finkelstein moved that the proposed amendments to Rule 61G7-10.001, F.A.C. would not have an adverse impact on small business.

SECOND: Mr. Arfons 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. Finkelstein 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. Arfons 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.

XIII. PUBLIC COMMENTS

NONE

XIV. ADJOURNMENT

MOTION: Mr. Arfons moved to adjourn the meeting at 3:15 p.m.

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

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