

**BOARD OF EMPLOYEE LEASING COMPANIES
TELEPHONE CONFERENCE CALL MEETING MINUTES**

**WEDNESDAY, SEPTEMBER 15, 2004
10:00 a.m. EST**

MEET-ME-NUMBER: (850) 414-1709

I. CALL TO ORDER

The meeting was called to order at approximately 10:02 a.m. EST by Ms. Celeste Dockery, Board Chair.

II. ROLL CALL

MEMBERS PRESENT

Celeste D. Dockery, Chair
Carlos Rodriguez, Vice Chair
Frank W. Crum, Jr.
Kelly Lanza
Ryan S. Moore

MEMBERS ABSENT

Donna Bloomer

STAFF PRESENT

Jerry Wilson, Deputy Director, DBPR
Krista B. Woodard, Government Analyst II, DBPR
John Rimes, Board Counsel, Office of Attorney General
Mary Ellen Clark, Board Counsel, Office of the Attorney General
Eric Hurst, Assistant General Counsel, DBPR
Tom Barnhart, Counsel, Office of the Attorney General

OTHERS PRESENT

Tasha Carter, Department of Financial Services
Michael Miller, Kunkel, Miller & Hament, P.A. and FAPEO
Bonnie Miller
Barbara Pailley
Stavros Tingirides, Esquire
Timothy Tack, Esquire, Kunkel, Miller & Hament
Cherie Fretto
Edward Dougherty, Esquire
Tom Harrington
Brendan Carney
Scott Buchanan
Ton Newman

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

Ms. Dockery advised the board due to hurricane evacuations in the Pensacola, Florida area, Ms. Bloomer may not in attendance.

III. REVIEW AND APPROVAL OF THE AUGUST 18, 2004 GENERAL BUSINESS MEETING MINUTES

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

IV. DISCIPLINARY PROCEEDINGS – Office of the General Counsel

A. Motion for Amended Final Order and Settlement Stipulation

1. National Employer Solutions – Case No: 2003-084484

Mr. Hurst presented Mr. Ed Dougherty, counsel for National Employer Solutions, who presented the Motion for Amended Final Order and Settlement Stipulation.

Mr. Dougherty advised the board the motion presented was a more factual presentation of the agreement between the board and National Employer Solutions instead of the Final Order that was previously approved and entered which contained a Stipulation that allowed for costs of \$74.05, approval of a new entity, relinquishment of the license, and time allowance for National Employer Solutions to correct financial deficiencies that were outlined in the Administrative Complaint.

MOTION: Ms. Lanza moved to approve the Amended Settlement Stipulation.
SECOND: Mr. Rodriguez seconded the motion and it passed unanimously.

V. EMPLOYEE LEASING COMPANY AND CONTROLLING PERSON APPLICATIONS

A. A-1 Contract Staffing III, LLC

**B. A-1 Contract Staffing, Inc.
Melvin Klinghoffer, CO 432**

Ms. Woodard presented the applications stating they are applications for a group leader and group member and all exhibits were submitted and complete. She further stated that workers' compensation was confirmed by the Department of Financial Services on June 1, 2004 and July 23, 2004.

Ms. Woodard advised the first set of financial statements presented in the agenda materials met the board financial requirements and were consolidated to include A-1 Contract Staffing, Inc., but was not audited or reviewed.

She stated the reviewed financial statements for A-1 Contract Staffing III, LLC did not meet the financial requirements.

She further stated the audited financial statements for A-1 Contract Staffing, Inc. met the financial requirements.

Ms. Lanza asked if the consolidated financials had to be audited or reviewed.

Mr. Rimes answered "yes".

Mr. Rimes advised the board the applications have to be determined based on the audited and reviewed financial statements.

Mr. Rodriguez stated any new entity wishing to be licensed has to meet the requirements of the Statutes.

Ms. Dockery stated the Statute provides for cross guarantees and the company joining in does not have to meet the requirement.

Mr. Rimes stated the Statute allows and requires cross guarantees for the group, but does not know of a provision that would allow an entity to become licensed and join a group without meeting the minimal requirements. Once the entity is licensed is when the cross guarantee would take care of any deficiencies that may be presented during licensure providing the group itself remains solvent.

Mr. Miller asked if the Statute states "or provides sufficient guaranties".

Mr. Rimes stated that is the alternative methodology if the entity does not meet the financial requirements.

Mr. Miller asked if a cross guarantee would be considered "sufficient guaranty".

Mr. Rodriguez stated the intention of the cross guarantee was for all the members of the group, after licensure, to be able to support each other financially, should there be a shortfall of any of the members - not to allow an entity to be licensed without meeting the minimal requirements. .

Ms. Lanza stated she agreed with Mr. Rodriguez.

Mr. Rimes advised Rule 61G7-5.005, F.A.C. sets forth what kinds of guaranties are acceptable to meet the requirements.

After further discussion, the following motion was made:

MOTION: Mr. Rodriguez moved to approve the applications pending receipt of a guaranty for A-1 Contract Staffing III, LLC from A-1 Contract Staffing, Inc., the guarantor.

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

**C. Global Strategies of Naples, Inc.
Brendan J. Carney, CP Applicant**

Ms. Woodard presented the application stating all exhibits were submitted and complete. She further stated instead of the certificate of insurance, Florida Workers' Compensation Joint Underwriting Association (FWCJUA) submitted a letter citing workers' compensation coverage once approval is granted.

Ms. Woodard advised the board the only outstanding item relating to the controlling person's application is the report from the Federal Bureau of Investigations (FBI).

Mr. Moore asked if the State Unemployment Tax Act (SUTA) rating listed on the unemployment form is for Global Strategies of Naples or Global Café and how did it transfer over.

Mr. Miller stated Global Strategies of Naples purchased Global Café and the changes are reflected on the Division of Corporations' web site.

Mr. Moore stated that he thought the purchase of SUTA ratings could only happen between related entities and not non-related companies.

Mr. Miller stated the Department of Revenue, not the Department of Business and Professional Regulation, determines the SUTA rate.

Mr. Rodriguez asked if we should notify the Department of Revenue of the licensure of this company as an employee leasing company.

Mr. Rimes advised that it was not inappropriate for the board to notify the Department of Revenue of the licensure of this company as an employee leasing company so that they may make appropriate investigations into the SUTA rates for the company.

MOTION: Ms. Dockery moved to approve the applications with the condition that should any derogatory information be revealed on the report that Mr. Carney would appear before the board.

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

D. Paychecks Plus, Inc.
Cherie M. Fretto, CP Applicant
Barbara J. Pailley, CP Applicant

Ms. Woodard presented the applications stating all exhibits were submitted and complete. She further stated that along with the certificate of insurance, the applicant submitted a letter of assumption of workers' compensation coverage.

Ms. Woodard reported the only outstanding items relating to the controlling person applications are the reports from the Federal Bureau of Investigations (FBI).

Ms. Woodard informed the board that Ms. Pailley answered "yes" to one of the background questions, but provided explanation of her answer.

Mr. Moore asked for clarification on the racketeering suit against Ms. Fretto listed on her credit report.

Mr. Miller stated the suit stemmed from situations involving HAZAR wherein Ms. Fretto won a \$3 million judgment in her favor and the case was dismissed.

Ms. Dockery asked Ms. Fretto what was her relationship to HAZAR.

Ms. Fretto stated she sold her company to HAZAR.

Mr. Rimes advised the board should they wish to see the Order of Dismissal or the actual judgement against HAZAR wherein the dismissal is listed they could do so.

MOTION: Mr. Rodriguez made a motion to approve the company application and the controlling person application of Ms. Pailley.

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

MOTION: Mr. Rodriguez made a motion to table discussion of Ms. Fretto's controlling person's application until the October 13, 2004 board meeting, pending receipt of the additional information regarding the racketeering case.

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

**E. Norek T. Newman, Controlling Person Applicant
Employer's Alliance II, LLC – GL 95
Employer's Alliance V, LLC – GM 251
Employer's Alliance, LLC – GM 224**

Ms. Woodard presented the application stating that all exhibits were submitted and complete. She further stated Mr. Newman answered "yes" to one of the background questions, but provided explanation to his answer.

MOTION: Ms. Dockery moved to approve the application.

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

**F. John B. Sansoucie, Controlling Person Applicant
US Personnel VIII, LP – EL 207**

Ms. Woodard presented the application stating that all exhibits were submitted and complete and the only outstanding items are the reports from the Florida Department of Law Enforcement (FDLE) and the FBI.

Mr. Rimes advised that there may be a timeframe problem with the application being that the application was received around the first of July and there are still deficient items. He further stated that the board would have to deny the application or table discussion of the application until the October 2004 meeting, if Mr. Sansoucie waives the 90-day timeframe in writing.

Mr. Miller stated he did not represent Mr. Sansoucie, but would call him and see if he would be willing to waive the 90-day timeframe and wait to have the board review the information when it is received.

Mr. Miller informed the board that no one answered when he called. However, he did leave a message for Mr. Sansoucie to contact the board office regarding his application.

MOTION: Ms. Dockery moved to table discussion of the application until the October 2004 board meeting with the condition that Mr. Sansoucie provides the Department with a 90-day waiver, in writing, within one week.

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

VI. CHANGE OF OWNERSHIP APPLICATIONS

A. HHG I, Inc. (informational only)

Mr. Rimes stated this application was being presented for informational purposes only. He informed the board there was partial change in ownership, but not a change in control of the company.

Mr. Miller explained the company is still being operated by the same people, but there were some internal changes that required notification to the board.

Mr. Rimes advised the board no action was needed, but for the records of the board to reflect that notification of the changes was received.

VII. EMPLOYEE LEASING COMPANY NAME CHANGES

A. Decision PEO II, Inc. – GM 232 TO: DecisionHR, Inc.

Ms. Woodard presented the application stating the application is complete.

MOTION: Ms. Dockery moved to approve the application.

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

B. Employer's Alliance, LLC (informational only) Employer's Alliance V, LLC (informational only)

Ms. Woodard informed the board the applications being presented were for informational purposes only. The licensees were notifying the board of a fictitious name being added to the current licenses. The actual name of the company would remain the same.

Mr. Rimes advised the board no action was needed, but for the records of the board to reflect that notification of the changes was received.

C. Progressive Employer Services, Inc. – GL 94 TO: Progressive Employer Services, LLC Progressive Employer Services III, Inc. – GM 259 TO: Progressive Employer Services III, LLC Progressive Employer Services IV, Inc. – GM 258 TO: Progressive Employer Services IV, LLC Leaderboard, Inc. – EL 281 TO: Progressive Employer Services V, LLC

Ms. Woodard presented the applications stating the applications are complete.

Ms. Dockery asked if these changes were considered a change in the entity being that they were changing from an incorporated company to a limited liability corporation.

Mr. Rimes advised the board that statutory mergers had taken place and the current

companies became these entities. He stated there were minor changes in ownership, but control of the companies did not change, and did not require additional information such as historical sketches.

Mr. Rimes asked Stavros Tingirides, counsel for the licensees, if the new entities would maintain their same federal identification numbers. He stated the reason for wanting to know this information is for tracking purposes only.

Mr. Tingirides stated he did not know.

MOTION: Ms. Lanza moved to approve the applications pending receipt of information about the companies' federal identification numbers.

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

VIII. TERMINATION OF EMPLOYEE LEASING COMPANY OPERATIONS

A. Advantage Employer Solutions – EI 279

B. Employer's Alliance II, LLC – GL 95

Ms. Woodard presented the terminations stating there are no complaints open or pending against the licensees.

MOTION: Mr. Moore moved to accept the terminations.

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

C. Staff Management Solutions, Inc. – EL 232

Ms. Woodard presented the termination stating there is one complaint pending against the licensee.

Mr. Rimes asked Mr. Hurst the status of the complaint.

Mr. Hurst advised the board the complaint against Staff Management Solutions, Inc. is ready to be presented to the Probable Cause Panel at the October 13, 2004 board meeting.

Ms. Lanza asked if the Panel could meet before the October meeting, possibly via telephone conference, so that the termination can be presented to the board at the October meeting.

The members of the panel agreed to schedule a meeting, via telephone conference, to discuss the case against Staff Management Solutions, Inc.

Discussion of the termination of Staff Management Solutions, Inc. was tabled until the October 13, 2004 board meeting.

IX. CONTROLLING PERSON RELINQUISHMENTS

A. Marshall Ross Glass - 311

Professional Employer Plans, Inc. – GL 65
Professional Employer Plans II, Inc. – GM 133
Professional Employer Plans III, Inc. – EL 273
Professional Employer Plans VI, Inc. – EL 280
Professional Employer Services, Inc. – GM 134
GRM Group, Inc. d.b.a. PEP X – EL 210
Staff Management Solutions, Inc. – EL 232
Advantage Employer Solutions, Inc. – EL 279

Ms. Woodard presented the relinquishment stating that there is one complaint pending against the licensee regarding Staff Management Solutions.

MOTION: Mr. Moore moved to accept the relinquishment of Mr. Glass as controlling person for all of the companies listed except for Staff Management Solutions, Inc.

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

Discussion of the relinquishment of Mr. Glass regarding Staff Management Solutions, Inc. was tabled until the October 13, 2004 board meeting.

X. REPORTS

A. Executive Director – Anthony B. Spivey

None

B. Chairperson – Celeste Dockery

None

C. Office of the Attorney General – John Rimes and Mary Ellen Clark

Mr. Rimes informed the board he has been reassigned to the Real Estate Commission and Ms. Mary Ellen Clark would become the board counsel at the October 13, 2004 board meeting.

He stated Ms. Clark has worked with the board at numerous other meetings and is very well versed in the Statutes and Rules of the board.

Ms. Clark addressed the board stating that she was excited and glad to be working with the board officially.

Ms. Dockery welcomed Ms. Clark to the board and expressed the board's appreciation to Mr. Rimes for his service to the board since its inception.

VIII. NEW BUSINESS

None

IX. OLD BUSINESS

None

X. ADJOURNMENT

MOTION: Mr. Moore moved to adjourn.

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

The meeting adjourned at 11:20 a.m.