

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

**WEDNESDAY, NOVEMBER 17, 2004
10:00 a.m. EST**

MEET-ME-NUMBER: (850) 410-0968

I. CALL TO ORDER

The meeting was called to order at approximately 10:03 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

None

STAFF PRESENT

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

OTHERS PRESENT

Lisa Johnson, Senate Banking and Insurance Committee
Tasha Carter, Department of Financial Services
Michael Miller, Kunkel, Miller & Hament, P.A. and FAPEO
Timothy Tack, Kunkel, Miller & Hament, P.A.
Bonnie Miller, PEP
Ellen Brady, PEP
Scott Buchanan
Robbin Syrek, NILOC Staff Leasing, LTD
Jason R. Syrek, NILOC Staff Leasing, LTD
Janice Norris, Norris Associates, Inc.
Gordon Berger, Berger Collier & Loewenthal, LLC
Bruce Lazar, Esquire, Eastman and Smith, LTD
Fred Sandlin
Thomas Natoli
David Preston, Esquire
Ann Daniels, Eastman and Smith, LTD
Larry Bennett
Robert Sarver

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

Ms. Woodard informed the board that Mr. Spivey would not be participating in the conference call due to a family emergency.

III. REVIEW AND APPROVAL OF THE OCTOBER 13, 2004 GENERAL BUSINESS MEETING MINUTES

MOTION: Mr. Crum moved to approve the minutes.

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

IV. EMPLOYEE LEASING COMPANY AND CONTROLLING PERSON APPLICATIONS

A. NILOC Staff Leasing, LTD

Robbin R. Syrek, Controlling Person Applicant

Jason R. Syrek, Controlling Person Applicant

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

Ms. Woodard advised the only outstanding item relating to the company's application is contract approval by board counsel.

Ms. Woodard presented the controlling person's application for Robbin Syrek stating all exhibits were submitted and the criminal history reports from the Florida Department of Law Enforcement (FDLE) and the Federal Bureau of Investigations (FBI) and the credit reports were received and clear.

Ms. Woodard presented the controlling person's application for Jason Syrek stating all exhibits were submitted and complete. She stated further that the credit report for Mr. Syrek revealed a bankruptcy that had been discharged.

Mr. Rodriguez and Ms. Dockery stated they had concerns about the discharged bankruptcy of Jason Syrek.

Mr. Jason Syrek was present and represented by Mr. Bruce Lazar and Mr. Gordon Berger.

Mr. Jason Syrek stated the bankruptcy was filed as a result of debt incurred during his college years to pay tuition and books.

Mr. Crum asked if the creditors were ever paid.

Mr. Syrek answered "no".

Ms. Lanza voiced concern with the difference in carriers listed on the Workers' Compensation and Release Authorization form and the letter from the FWCJUA.

Mr. Syrek stated that FWCJUA would be the carrier for workers' compensation once approved for licensure. He further stated that Providence Property and Casualty was the

carrier at the time the application was filed and it was for the state of Georgia.

After further discussion, the following motions were made.

MOTION: Mr. Moore moved to approve the application of NILOC Staff Leasing, LTD, pending receipt of the contract approval from board counsel.

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

MOTION: Ms. Lanza moved to approve the controlling person application of Mr. Robbin Syrek.

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

MOTION: Ms. Lanza moved to approve the controlling person application of Mr. Jason Syrek.

SECOND: Mr. Moore seconded the motion.

The motion failed with Ms. Dockery, Mr. Rodriguez and Mr. Crum opposing.

Mr. Lazar asked if there was any other background information, such as past job experiences or home ownership, that Mr. Jason Syrek could present to the board to satisfy their concerns that his past credit history with the bankruptcy has not repeated itself.

Mr. Rodriguez stated that even with the additional information, the creditors were never paid and it does not change his position. He further stated he was sympathetic to the fact that the debt was incurred during college, however, others have incurred debt to pay for a college education and had to pay for it whether it took eight or ten years to do so.

Mr. Lazar stated he completely understood the board's decision, but asked once again if the board would consider further inquiry into Mr. Syrek's financial history to establish that Mr. Syrek has had a "sound" financial history for the past 15 years.

Ms. Dockery stated the board would be willing to review additional information pertaining to Mr. Syrek's application, if he thinks it would compel the board to change their decision.

Mr. Gordon Berger advised Mr. Jason Syrek to ask the board for a continuance of consideration of his application until the December 15, 2004 meeting, thereby waiving the 90-day application requirement found in Section 120.60, Florida Statutes, so that he could provide additional information into his past credit history.

Mr. Syrek asked the board for a continuance of his application until the December 15, 2004 board meeting, waiving the 90-day application requirement.

MOTION: Mr. Crum made a motion to continue discussion of Mr. Jason Syrek's controlling person application until the December 15, 2004 board meeting.

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

**B. Alfred Wayne Brown, Controlling Person Applicant
Total Leasing Company, Inc. – EL 219**

Ms. Woodard presented the application stating all exhibits were submitted and complete and the FDLE, FBI and credit reports were returned clear. She further stated that Mr. Brown was previously licensed as a controlling person and that license expired on April 30, 2002.

Ms. Woodard advised the board there was a complaint pending against Mr. Brown and that Mr. Brown had given written permission for this information to be discussed at the meeting.

Mr. Moore asked if the complaint was under investigation or if it had been satisfied.

Ms. Woodard informed the board that the complaint is presently under investigation.

Ms. Lanza asked would it be appropriate to license someone presently under investigation.

Mr. Rodriguez stated he would prefer not to license the applicant until the case has been settled.

Ms. Dockery asked if the complaint had been investigated and where exactly is it in the complaint process.

Mr. Wilson informed the board that the complaint was received on October 7, 2004 and was still in Regulations.

Ms. Lanza stated as a matter of practice the board should not approve an application for license when there is an investigation pending.

Ms. Dockery asked if this matter could be addressed at the December 15, 2004 meeting.

Mr. Wilson informed the board that he would have this case ready for review by the Probable Cause Panel at the December 2004 meeting.

The board agreed to table discussion of this application until the January 19, 2005 board meeting.

**C. David C. Smith, Controlling Person Applicant
Southern Resource Services, Inc. – GL 67**

Ms. Woodard presented the application stating that all exhibits were submitted and complete and the criminal history reports from the FDLE and FBI were returned clear.

MOTION: Mr. Crum moved to approve the application.

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

Mr. Mike Miller asked if Mr. Smith was approved to be the controlling person for the group leader and the group members of Southern Resource Services, Inc.

Ms. Woodard advised that Mr. Smith only indicated the group leader on his application for license.

Mr. Robert Sarver was present and represented Mr. Smith stating he was positive that Mr. Smith wanted to be a controlling person for the group leader and group members and asked if the board would reconsider their motion to include approval of the group members as well.

Ms. Clark advised Mr. Sarver that Mr. Smith would need to put in writing his request to be the controlling person for the other companies.

MOTION: Mr. Crum moved to amend his previous motion to include the group members as well as the group leader once written notification has been received.

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

V. CHANGE OF OWNERSHIP APPLICATIONS

A. AEM, Inc. – EL 270 Fred J. Sandlin, Controlling Person Applicant

Ms. Woodard presented the change of ownership application stating that Fred Sandlin would be the new owner and controlling person for the company.

Ms. Woodard reported that all exhibits were submitted and complete for the controlling person application for Mr. Sandlin. She stated the report received from the FDLE revealed an arrest that occurred 30 years ago, and the credit report revealed civil and federal cases against Mr. Sandlin.

Mr. Sandlin was present and represented by Mr. Mike Miller.

Mr. Rodriguez asked if the court cases were ERISA related.

Mr. Sandlin answered "yes".

Ms. Dockery asked Ms. Clark if Mr. Sandlin answered incorrectly to the question on the application that asks about convictions, being found guilty of or entering a plea of guilty or no contest to a crime.

Ms. Clark stated Mr. Sandlin did in fact answer the question incorrectly. His answer should have been "yes".

Mr. Sandlin stated he had completely forgotten about the incident but was willing to make an amendment to his answer to reflect "yes" to the question.

Mr. Miller stated Mr. Sandlin would be willing to submit a sworn statement about his forgetting of the arrest that occurred over 30 years and would make an amendment to his answer to reflect "yes" to that particular question.

After further discussion, the following motion was made.

MOTION: Ms. Dockery made a motion to approve the change of ownership and controlling person applications contingent upon receipt of the sworn statement from Mr. Sandlin.

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

B. Meristaff, Inc. – EL 22
NAME CHANGE TO: Encore Business Solutions, Inc.

Ms. Woodard presented the application stating that Mr. Edgar Rawls would be the new owner and controlling person for the company. She further stated the company wishes to change its name to Encore Business Solutions, Inc.

MOTION: Ms. Lanza moved to approve the change of ownership and name change applications.

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

C. Norris Associates, Inc. – EL 276
Thomas J. Natoli, Controlling Person Applicant

Ms. Woodard presented the change of ownership application stating that Mr. Thomas J. Natoli would be the new owner and controlling person for the company.

Ms. Woodard presented the controlling person application stating that all exhibits were submitted and the only outstanding item is the criminal history report from the FBI.

Ms. Woodard informed the board that she had received a fax from Mr. Bruce T. Smith, Chief Executive Officer of First Financial Employee Leasing, advising of a complaint filed against Mr. Natoli with the Florida Commission of Human Relations.

Mr. Rodriguez stated the situation was very unfortunate, but he was uncomfortable approving the license based on the information received that stated Mr. Natoli was soliciting clients as an unlicensed controlling person.

Mr. Miller interjected that Norris Associates, Inc. is a licensed employee leasing company and that Mr. Natoli could solicit clients as a sales associate.

Mr. Natoli was present and represented by Mr. David Preston.

Mr. Crum asked if Mr. Natoli was an officer of First Financial for ten years and what capacity he acted in.

Mr. Natoli responded stating he was employed with First Financial for almost nine years as an account executive in sales and then promoted to vice president of sales and marketing, and on January 1, 2001 he was named President of the company.

Mr. Crum asked Mr. Natoli if he left First Financial to start his own company.

Mr. Natoli stated the reason he left was philosophical reasons based on disagreements between he and "key" members of the company. He further stated he did not leave to start his own company or to purchase Norris Associates, Inc.

Mr. Crum asked if the charge of sexual harassment was a result of something that happened at First Financial.

Mr. Natoli stated the allegations occurred while he was employed at First Financial.

Ms. Lanza asked if Mr. Natoli should have been licensed as a controlling person when he was the President of First Financial.

Ms. Clark stated it is based upon his duties as President if he would have to be licensed as a controlling person.

Mr. Miller represented First Financial stating Mr. Natoli's duties did not include authorization to sign service agreements or checks. Those duties were performed by the owners.

Mr. Crum asked if the sexual harassment case had anything to do with Mr. Natoli leaving the company.

Mr. Natoli stated he was not made aware of the charges until October 15, 2004.

Ms. Dockery asked Mr. Natoli if he was the Chief Executive Officer of Integrity Leasing, Inc.

Mr. Natoli stated the information Ms. Dockery was reviewing was incorrect. His intentions are to make a corporate name change of Norris Associates, Inc. to Integrity Leasing, Inc. if approval of the change of ownership and his controlling person licenses are granted.

After further discussion, the board agreed to table discussion of the change of ownership and controlling person applications of Norris Associates, Inc. and Mr. Natoli until the December 15, 2004 board meeting.

VI. TERMINATION OF EMPLOYEE LEASING COMPANY OPERATIONS

- A. EPIX VI, Inc. – GL 63**
- EPIX V, Inc. – GM 195**
- EPIX VII, Inc. – GM 4**
- EPIX VIII, Inc. – GM 5**
- EPIX XVII, Inc. – GM 248**
- (Thomas Scott Taylor, CO 465, Controlling Person Relinquishment)**
- (John Gibson, CO 633, Controlling Person Relinquishment)**

Ms. Woodard presented the terminations and controlling person relinquishments stating there were no complaints open or pending against the licensees.

MOTION: Mr. Moore moved to accept the terminations and controlling person relinquishments.

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

- B. Excel Administrative Solutions, Inc. – GL 34**
- C. Excel Benefits, Inc. – GM 69**
- D. Excel Personnel, Inc. – GM 70**
- E. Excel Human Resources, Inc. – GM 96**

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

MOTION: Ms Lanza moved to accept the terminations.
 SECOND: Mr. Moore seconded the motion and it passed unanimously.

VII. CONTROLLING PERSON RELINQUISHMENTS

- A. Robert Michael Fotsch – CO 270**
 - FLSUB –34, Inc. – GM 103**
 - FLSUB-37, Inc. – GM 252**
 - FLSUB-38, Inc. – GM 253**
 - FLSUB-43, Inc. – GM 254**
 - FLSUB-44, Inc. – GM 255**
 - SOI-19 of FL, Inc. – GM 175**
 - SOI-23 of FL, Inc. – GM 198**
 - Strategic Outsourcing Inc. of FL – GM 119**
 - Strategic Outsourcing, Inc. – GL 58**

Ms. Woodard presented the relinquishment stating there were no complaints pending against the licensee.

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

- B. Robert Minkhorst – CO 638**
 - Gevity HR II, LP – GL 99**
 - Gevity HR III, LP – GM 68**
 - Gevity HR IV, LP – GM 39**
 - Gevity HR V, LP – GM 45**
 - Gevity HR VI, LP – GM 257**
 - Gevity HR XII, LP – EL 272**

Ms. Woodard presented the relinquishment stating there were no complaints pending against the licensee.

MOTION: Mr. Crum moved to accept the relinquishment.
 SECOND: Ms. Lanza seconded the motion and it passed unanimously.

- C. Peter R. Stewart - CO 680**
 - ADP TotalSource, Inc. – GL 104**
 - ADP TotalSource DE IV, Inc. – GM 225**
 - ADP TotalSource MI VI, LLC – GM 209**
 - ADP TotalSource MI VII, LLC – GM 210**

ADP TotalSource Services, Inc. – GL 4
ADP TotalSource FL XI, Inc. – GM 11
ADP TotalSource FL XIII, Inc. – GM 10
ADP TotalSource FL XVII, Inc. – GM 140
ADP TotalSource MI XXX, Inc. – GM 186
ADP TotalSource I, Inc. – GM 33
ADP TotalSource II, Inc. – GM 48
ADP TotalSource FL XXIX, Inc. – GM 180
ADP TotalSource of CO XXIII, Inc. – GM 187

Ms. Woodard presented the relinquishment stating there were no complaints pending against the licensee.

MOTION: Mr. Moore moved to accept the relinquishment.

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

VIII. REPORTS

A. Executive Director – Anthony B. Spivey

None

B. Chairperson – Celeste Dockery

Concern was expressed by Ms. Dockery that every month she and board staff are receiving calls from applicants, insisting their deficient applications to be placed on the board's agenda for review.

Ms. Dockery asked for guidance as to how to handle the calls.

Ms. Mary Ellen Clark, Board Counsel, advised that a firm policy needs to be in place that only complete applications would be presented to the board for review.

Board members and staff agreed that only complete applications would be presented to the board for review.

IX. NEW BUSINESS

Mr. Miller informed the board that Ms. Lisa Johnson of the Senate Banking and Insurance Committee and Ms. Tasha Carter of the Department of Financial Services, Workers' Compensation Bureau was listening in on the call and may have comments.

Ms. Carter stated she had no comments to make at that time, but is scheduled for a presentation for the December 2004 meeting in Key West.

Mr. Miller informed the board that Ms. Johnson has been gathering information for a report, due to the Senate Committee on November 30, 2004 pertaining to issues involving the regulation and disciplinary procedures of Professional Employer Organizations (PEOs) and the regulation of temporary staffing agencies.

He further stated Ms. Johnson's focus is on getting a requirement that PEOs give 7 to 10 days notice to their clients before terminating a contract.

Ms. Dockery asked Mr. Miller to provide board members with a copy of the report once it becomes available.

Mr. Miller posed a question to the board as to what happens to cross guarantees of a group member that terminates its position in one group and becomes a member of another group.

Mr. Crum stated the company should submit a letter to the board that they are no longer a member of one group and the remaining groups no longer guarantee the member that is leaving.

Mr. Miller asked if the prior guarantees would be released.

Ms. Lanza stated new cross guarantees would need to be submitted from the purchaser and seller of the company that includes the new group member. She further stated the group member that is leaving would need to prepare proforma financial statements that shows the viability of the new group and proforma financial statements for the viability of the remaining members of the other group.

The board agreed with Ms. Lanza's recommendation.

X. OLD BUSINESS

None

XI. ADJOURNMENT

MOTION: Ms. Dockery moved to adjourn.

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

The meeting adjourned at 12:10 a.m.