

**BOARD OF EMPLOYEE LEASING COMPANIES
GENERAL BUSINESS MEETING MINUTES
DOUBLETREE GRAND KEY RESORT
3990 SOUTH ROOSEVELT BLVD.
KEY WEST, FLORIDA 33040**

**DECEMBER 15, 2004
8:30 a.m. EST**

I. CALL TO ORDER

The meeting was called to order at approximately 8:30 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. (via telephone)
Ryan S. Moore

MEMBER ABSENT

Kelly Lanza

STAFF PRESENT

Anthony B. Spivey, Executive Director, DBPR
Krista B. Woodard, Government Analyst II, DBPR
Renese Jones, Administrative Assistant II, DBPR
Mary Ellen Clark, Board Counsel, Office of Attorney General
Eric Hurst, Assistant General Counsel, DBPR

OTHERS PRESENT

Michael Miller, Kunkel, Miller & Hament, P.A. and FAPEO
Steve Politis, Comp Solutions PEO
Timothy Tack, Kunkel, Miller & Hamet, P.A.
Jennifer Spurgin, Tilson HR of Florida, Inc.
Thomas Natoli, Norris Associates
David Preston, Counsel for Thomas Natoli
Will Tenney, TENNCOM Group
Al Hernandez, Agricultural Employer Services
David Fernandez, Co-Advantage Resources
Thomas Ruke, AES
Jason Syrek, NILOC Staff Leasing
Bruce Lazar, NILOC Staff Leasing
Jeff Connley, DSK Group, Inc.

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

Ms. Woodard informed the board that Ms. Lanza called and advised that she would not be able to attend the meeting.

III. REVIEW AND APPROVAL OF THE NOVEMBER 17, 2004, TELEPHONE CONFERENCE CALL MEETING MINUTES

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

IV. DISCIPLINARY PROCEEDINGS – Office of the General Counsel

A. SETTLEMENT STIPULATION	<u>Case #</u>
1. Vance Yarter	2004-007013
Equity Concepts	2004-002080
(PCP: Lanza and Crum, August 18, 2004)	

Mr. Eric Hurst presented the case explaining that it stems from violations involving failure to submit quarterly reports for the quarters ended June 30, 2003, and September 30, 2003, failure to maintain positive working capital for the quarters ended December 31, 2003 and March 31, 2004, and failure to maintain workers' compensation coverage.

Mr. Hurst stated the settlement stipulation provides for following: Suspension of the Respondent's company license until all deficiencies in net worth and working capital are cured; Respondent will not provide employee leasing services in the State while on suspension; Respondent will meet all reporting requirements during the time of suspension and file all current and outstanding quarterly and annual financial reports; Respondent will provide proof of workers' compensation coverage; and Respondent will appear before the Board and demonstrate that all requirements have been complied with before the suspension is lifted by the Board. He further stated the stipulation provides for costs in the amount of \$148.10.

Mr. Rodriguez asked why the licenses weren't being revoked and a fine imposed. He stated he felt the Respondents were "getting off easy" with the terms of the stipulation as presented.

Ms. Dockery stated imposition of a fine was appropriate for the charges listed in the administrative complaint.

After further discussion, the following motions were made:

MOTION: Mr. Rodriguez made a motion to reject the settlement stipulation.
SECOND: Ms. Dockery seconded the motion and it passed unanimously.

MOTION: Mr. Rodriguez moved to revoke the Respondents' licenses and impose a fine in the amount of \$15,000 (\$5,000 per count).
SECOND: Mr. Moore seconded the motion and it passed unanimously.

Ms. Clark advised the Board that a timeframe for acceptance or rejection of the terms would need to be included in the Counter-Stipulation.

Mr. Moore stated 30 days to accept or reject the terms of the Counter-Stipulation should be sufficient. The board agreed to the 30-day timeframe.

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

A. Bay HR, Inc.

**Robert Larkin, CO 582
Howard S. Brill, CO 554**

Ms. Woodard presented the group member application stating all exhibits were submitted and complete. She further stated instead of the certificate of insurance, the applicant submitted a letter from the insurance agent citing workers' compensation coverage once license approval is granted.

MOTION: Mr. Moore moved to approve the application.

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

B. Co-Advantage Resources IV, Inc.

**Dayne Williams, CO 298
Bruce Goin, CO 449
Benjamin Hewitt, CO 458**

Ms. Woodard presented the group member application stating all exhibits were submitted and complete. She further stated workers' compensation coverage was confirmed by the Department of Financial Services on November 23, 2004.

MOTION: Mr. Moore moved to approve the application.

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

C. J.C. Barnett Insurors, Inc. d.b.a. DSK Management Group, Inc.

Jeffrey G. Connley, CO 483

Ms. Woodard presented the company application stating all exhibits were submitted and complete. She further stated instead of the certificate of insurance, the applicant provided a letter from the insurance agent advising of workers' compensation coverage once license approval is granted.

Mr. Rodriguez asked if Mr. Perry was an actual agent and authorized to bind coverage.

Mr. Moore stated he knew of Mr. Perry and that he is an agent authorized to bind workers' compensation coverage.

MOTION: Mr. Moore moved to approve the application.

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

D. Tilson HR of Florida, Inc.

Brent R. Tilson, Controlling Person Applicant

Ms. Woodard presented the company application stating all exhibits were submitted and complete. She further stated instead of the certificate of insurance the applicant submitted a letter from the insurance agent advising of workers' compensation coverage once license approval is granted.

Ms. Woodard presented the controlling person application stating the only outstanding

item is the criminal history report from the Federal Bureau of Investigations (FBI).

Mr. Moore asked if Mr. Harry Tilson was a controlling person.

Mr. Miller was present and represented the applicant stating that Mr. Harry Tilson was not a controlling person due to the fact that his duties do not include signing checks and contracts for the company, however, should his duties change he would submit an application for licensure.

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

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

E. Carl W. Guidice II, Controlling Person Applicant
Strategic Outsourcing, Inc. – GL 58
Strategic Outsourcing, Inc. of FL – GM 58
SOI-19 of FL, Inc. – GM 175
SOI-23 of FL, Inc. – GM 198
FLSUB-34, Inc. – GL 103
FLSUB-37, Inc. – GM 252
FLSUB-38, Inc. – GM 253
FLSUB-43, Inc. – GM 254
FLSUB-44, Inc. – GM 255

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

Mr. Mike Miller was present and represented Mr. Guidice stating should anything derogatory be revealed on the criminal history reports that Mr. Guidice would subject himself to the jurisdiction of the board.

MOTION: Mr. Moore moved to approve the application with the condition that should any derogatory information be revealed on the report that Mr. Guidice would appear before the board.

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

F. Jason R. Syrek, Controlling Person Applicant
NILOC Staff Leasing, LTD – EL 311

Ms. Woodard presented the application explaining that it had been presented to the board at the November 17, 2004 meeting. She stated at that meeting, the board tabled discussion of the application until Mr. Syrek could appear before the board to discuss the

issue of the bankruptcy that was listed on his credit report.

Mr. Syrek was present and represented by Mr. Bruce Lazar.

Ms. Dockery asked what was his occupation after graduation until October 2002.

Mr. Syrek advised the board he was a Social Worker with the state of Michigan.

Mr. Rodriguez asked when the bankruptcy was finalized.

Mr. Syrek stated in May 2001.

Mr. Rodriguez stated he was still hesitant to issue a controlling person's license to someone that has filed bankruptcy. He further stated his discomfort of issuing a license to someone that would have to manage a business' finances and can't manage their own personal finances.

Mr. Moore stated he had read Mr. Syrek's testimonies and letters of recommendation and was comfortable with issuing the license.

After further discussion, the following motion was made:

MOTION: Mr. Moore moved to approve the application.
SECOND: Ms. Dockery seconded the motion.

The motion passed with a vote of two to one with Mr. Rodriguez opposing.

VI. REVIEW AND CONSIDERATION OF CHANGE OF OWNERSHIP APPLICATION

A. GRM Group, Inc. – EL 210 (Michael Sparkman, CO 342, CP Relinquishment)

Ms. Woodard presented the application stating that William Harper, CO 593, Steve Harper, CO 647, Robert Liess, CO 646, and William Quinn, would be the new owners and controlling persons for the company. She further stated that Mr. Michael Sparkman, current controlling person, wishes to relinquish his license upon approval of the change of ownership.

MOTION: Mr. Moore moved to approve the application and the controlling person relinquishment.
SECOND: Mr. Rodriguez seconded the motion and it passed unanimously.

B. HHG IV, Inc. – GM 265

Ms. Woodard presented the application stating it would be an addition to the existing group of Services to Agriculture I, GL 79. She further stated that John Klopstad, CO 500, M. Thomas Ruke, CO 594, and James Hahn would be the new owners and controlling persons for the company.

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

C. MRG Leasing Group V, Inc. – GM 246

Ms. Woodard presented the application stating it would be an addition to the existing group of Co-Advantage Resources, Inc., GL 82. She further stated that Dayne Williams, CO 298, Benjamin Hewitt, CO 458, Bruce Goin, CO 449, Russell Newton, Mark Lowrey,

John Riley, and William Robinson, Jr. would be the new owners and controlling persons for the company.

MOTION: Mr. Moore moved to approve the application.

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

**D. Norris Associates, Inc. – EL 276
Thomas John Natoli, Controlling Person Applicant**

Ms. Woodard presented the applications explaining they were previously presented to the board at the November 17, 2004 meeting. She stated at that meeting the board tabled discussion of the applications until Mr. Natoli could appear before the board to answer questions pertaining to his controlling person application.

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

Mr. Rodriguez asked what was Integrity Leasing.

Mr. Natoli stated it would be the new name of Norris Associates, Inc. if the change of ownership were approved.

Mr. Miller and Mr. Timothy Tack was present and represented First Financial and Norris Associates stating Mr. Natoli was not included in the allegations in the EEOC complaint.

After further discussion, the following motion was made:

MOTION: Mr. Moore moved to approve the change of ownership and controlling person applications.

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

VII. REVIEW AND CONSIDERATION OF TERMINATION OF EMPLOYEE LEASING COMPANY OPERATIONS

A. Co-Advantage Financial Services, Inc. – GM 261

Ms. Woodard presented the termination stating there were no complaints open or pending against the licensee.

MOTION: Ms. Dockery moved to accept the termination.

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

B. EPIX III, Inc. – EL 78

Ms. Woodard informed the board this item was being pulled from the agenda.

C. HHG IV, Inc. – GM 265

Ms. Woodard presented the termination stating there were no open or pending complaints against the licensee.

MOTION: Mr. Moore moved to accept the termination.

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

VIII. REVIEW AND CONSIDERATION OF CONTROLLING PERSON RELINQUISHMENTS

A. Jason W. Mitchell – CO 715 Afford-A-Staff, Inc. – EL 160

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

MOTION: Ms. Dockery moved to approve the application.

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

IX. REPORTS

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

No Report.

B. Executive Director – Anthony B. Spivey

Mr. Spivey introduced Ms. Renese Jones to the Board. He stated Ms. Jones is responsible for making hotel accommodations, contract administration and travel arrangements and reimbursements.

1. Expert Witness Contract – Richard Law, CPA

Mr. Spivey advised that at a previous meeting the board asked about having audits performed and if there was a contract in place with Mr. Law that allows him to do so. He stated a copy of Mr. Law's contract was included in the agenda materials and Section 4 of the contract allows Mr. Law to perform audits.

Ms. Dockery asked if there was a procedure in place as to how to perform audits or how to chose the companies that would be included in the audit.

Mr. Spivey stated there was no language in the rules for doing a random audit. He stated in the past, the audit was based on board members or staff reviewing documents and if a need is presented, an audit was performed.

Ms. Clark informed the board that the Laws and Rules of the Board authorizes audits at their and staff discretion.

2. Financial Report – Operating Account – June 30, 2001-2004

3. Financial Report – Operating Account – 1st Quarter 04/05

4. Financial Report – Unlicensed Activity Account – 1st Quarter 04/05

Mr. Spivey reviewed the financial statements for the years 2001 through present with the board. Mr. Spivey stated at a previous meeting, the board requested him to compile a report as to the board's financial status in regards to how the cash sweep affected the board and how this could be avoided in the future.

Mr. Spivey stated that other boards try to maintain a zero balance to avoid future sweeps.

Mr. Rodriguez asked if privatization would control how the funds of the board are used.

Ms. Clark informed the board that there would need to be a substantial amount of cash in the board's account to sustain the board for privatization should it be an option.

Discussion of privatization was terminated at this point.

Ms. Dockery stated she would like for the annual assessment for this year to be by-passed.

Ms. Clark stated she would notice rule development for Rule 61G7-5.002, Florida Administrative Code for the January 2005 meeting. Ms. Dockery stated she would work with Ms. Clark in drafting language.

Mr. Miller stated he would speak to the Florida Association of Professional Employer Organizations (FAPEO) for input.

C. Office of the General Counsel – Eric Hurst

Mr. Hurst reported that the prosecuting attorney's report was included in the agenda materials.

Ms. Clark asked how many cases were more than a year old.

Mr. Hurst stated none of the files were more than a year old.

D. Chairperson – Celeste Dockery

No Report.

X. CORRESPONDENCE INFORMATION ONLY

A. Monthly Report – October 2004

B. Correspondence from Mr. Robert "Bud" Kneip, Ph.D., FAPEO

Mr. Spivey informed the board that the monthly report and letter from Mr. Kneip was for informational purposes only.

XI. NEW BUSINESS

A. Rule 61G7-5.002, F.A.C., Annual Assessment on Gross Florida Payroll

1. Electronic Data Sharing of UCT-6 Information

Mr. Spivey informed the Board that staff has been in discussions with the Agency for Workforce Innovation, Division of Unemployment about electronic data sharing of UCT-6 information.

Mr. Spivey stated a contract has been written and we are awaiting completion of the technical aspect of the program to be developed.

He stated this program would assist Ms. Woodard in the retrieval of quarterly wage information as she prepares for collection of the annual assessment. He further stated this program would eliminate a lot of staff time in writing letters as they relate to the annual assessment.

Mr. Spivey stated he would work with the Office of Attorney General to develop the language.

B. Abandoned Application Rule Discussion

The board discussed abandoned applications advising staff that the applicants should be mailed a letter stating if their deficiencies are not cured within 30 days of the letter, their applications will be forwarded to the board for consideration.

XII. OLD BUSINESS

None

XIII. ADJOURNMENT

Upon conclusion of the general business meeting, the following motion was made:

MOTION: Ms. Dockery moved to adjourn the meeting at 11.05 a.m. so that the Probable Cause Meeting could begin at 11:15 a.m.

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