

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

**WEDNESDAY, DECEMBER 21, 2005  
10:00 a.m. EST**

**MEET-ME-NUMBER: (850) 410-0960**

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

**MEMBERS ABSENT**

None

**STAFF PRESENT**

John T. Knap, Executive 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**

Tasha Carter, Department of Financial Services  
Michael Miller, Esquire, Kunkel, Miller & Hament, P.A. and FAPEO  
Rayburn Martin  
Beth Spangler  
Janice DiRose  
Richard Reiling  
Carl Lombardo  
Marc Fortune  
Manuel Rivero  
Tommy Ruke  
Richard Kiracofe  
John R. DiRose  
Donald Day  
Virginia Dorris

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

**III. REVIEW AND APPROVAL OF THE OCTOBER 19, 2005 GENERAL BUSINESS MEETING MINUTES**

MOTION: Mr. Moore moved to approve the minutes.

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

#### **IV. REVIEW AND APPROVAL OF THE NOVEMBER 8, 2005 GENERAL BUSINESS MEETING MINUTES**

MOTION: Mr. Moore moved to approve the minutes.

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

#### **V. EMPLOYEE LEASING COMPANY AND CONTROLLING PERSON APPLICATIONS**

##### **A. Airstream Services Corp.**

**Manuel L. Rivero, Controlling Person Applicant**

**Manuel Rivero, Controlling Person Applicant**

Ms. Woodard presented the company's application stating that all exhibits were submitted and complete. She further stated that workers' compensation coverage was confirmed by the Department of Financial Services (DFS) on November 28, 2005.

Ms. Woodard presented the controlling person application of Manuel L. Rivero stating that all exhibits were submitted and complete. She further stated that Mr. Rivero's credit report revealed one derogatory account of a tax lien, however, Mr. Rivero provided release of the lien information with his application materials. Ms. Woodard further stated the only outstanding item is the criminal history report from the Federal Bureau of Investigations (FBI).

Ms. Woodard presented the controlling person application of Manuel Rivero stating that all exhibits were submitted and complete. She further stated that Mr. Rivero's credit report revealed one derogatory account which was associated with his father's account. Ms. Woodard further stated the only outstanding item is the criminal history report from the FBI.

Ms. Lanza asked how the tax lien was associated with his father's account and if it had been cleared.

Mr. Rivero was present and stated it was associated due to the fact that he and his father shared the same name, and that the lien had been released.

Mr. Moore stated to Mr. Rivero that he noticed that United Health was the company's health carrier, and that he wanted Mr. Rivero to know that United Health does not write contracts with PEOs in Florida except for Administaff and ADP TotalSource, and that he may want to contact their agent.

Mr. Rivero thanked Mr. Moore for his information.

Mr. Rivero further stated should anything derogatory be revealed on his or his father's criminal history reports that they would subject themselves to the jurisdiction of the board.

MOTION: Ms. Lanza moved to approve the applications with the condition that should any derogatory information be revealed on the criminal history

reports that Mr. Manuel L. Rivero and Mr. Manuel Rivero would appear before the board.

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

- B. Allstates Employer Services, Inc.**
- C. Allstates Employer Services II, Inc.**
- D. Allstates Employer Services III, Inc.**
  - Diane Gregory, CO 644**
  - Robert Kimball, CO 645**

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

- E. Employer's Alliance III, LLC**
- F. Employer's Alliance IV, LLC**
- G. Employer's Alliance VI, LLC**
  - James C. Franklin, CO 576**
  - Thomas Newman, CO 718**

Ms. Woodard presented the applications stating they are for a group leader and group members. She stated that all exhibits were submitted and complete. She further stated that workers' compensation coverage was confirmed by DFS on December 1, 2005.

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

- H. Fortune Staffing, Inc.**
  - Marc Fortune, CO 384**

Ms. Woodard presented the application stating that all exhibits were submitted and complete and that workers' compensation coverage was confirmed by DFS on December 9, 2005.

MOTION: Ms. Dockery moved to approve the application.  
SECOND: Mr. Crum seconded the motion and it passed unanimously.

- I. HHG IV, Inc.**
  - Richard K. Reiling, Controlling Person Applicant**

Ms. Woodard presented the application stating that this company is currently licensed as a member of a group and wished to become a single-licensed company. She stated that all exhibits were submitted and complete and that workers' compensation coverage was confirmed by DFS on December 9, 2005.

Ms. Woodard informed that the applicant answered yes to question (1) (a) on the company background information questions, and provided explanation to the answer in the application materials.

Mr. Miller addressed the board in reference to the application stating that HHG IV, Inc. is already a member of a group and cannot be purchased right away by the applicant, and was hoping that the board would treat the application as a change of ownership as opposed to a new application. He further stated the negotiations are not complete until the board gives approval to remove the company from the group and make it a stand alone company that could be purchased by Reiling Capital.

Mr. Miller stated if the board treats the application as a change of ownership, if and when the deal was consummated, he would notify the board that it has been consummated.

Ms. Lanza stated the application needs to be taken in two steps: first to remove the company from the group and then approve the company for licensure as a stand alone company, with Mr. Reiling as an additional controlling person of the company.

Ms. Dockery agreed with Ms. Lanza and stated once Mr. Reiling is licensed as a controlling person that he could apply for a change of ownership at a later date, bearing in mind that once he becomes a licensed controlling person of the company that he would bear just as much responsibility for the company as anyone else who owns and is licensed under this company.

Mr. Reiling was present and was asked by Mr. Miller if he did not mind being licensed as a controlling person for the company, at this meeting, and then at the next meeting filing an application for a change of ownership.

Mr. Reiling stated he was fine with that process.

After further discussion, the following motions were made.

MOTION: Mr. Moore moved to approve the application of HHG IV, Inc. becoming a stand alone licensed company and the termination of HHG IV, Inc. group member license.

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

Ms. Woodard presented the controlling person application of Mr. Reiling stating that all exhibits were submitted and complete and the only outstanding items are the criminal history reports from the Federal Department of Law Enforcement (FDLE) and the FBI.

Mr. Miller represented Mr. Reiling stating should anything derogatory be revealed on the criminal history reports that Mr. Reiling would subject himself to the jurisdiction of the board.

MOTION: Mr. Moore moved to approve the controlling person application of Mr. Reiling with the condition that should any derogatory information be revealed on the criminal history reports that Mr. Reiling would appear before the board.

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

## **J. Innovative Employer Solutions, Inc.**

Ms. Woodard presented the application stating it is for a group leader and that all exhibits were submitted and complete and that workers' compensation was

confirmed by DFS on November 28, 2005.

MOTION: Ms. Lanza moved to approve the application.

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

**K. Innovative Employer Solutions TWO, Inc.**

**L. Innovative Employer Solutions Three, Inc.**

**M. Innovative Employer Solutions Four, Inc.**

**N. America's HR Team, Inc.**

**Richard B. Kiracofe, CO 581**

Ms. Woodard presented the applications stating they are for group members of the previously approved group leader. She further stated that all exhibits were submitted and complete and that workers' compensation was confirmed by DFS on November 28, 2005.

MOTION: Mr. Moore moved to approve the applications.

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

**O. RealTime PEO, LLC**

**Donald L. Day, Controlling Person Applicant**

Ms. Woodard presented the company application stating that all exhibits were submitted and complete and that workers' compensation coverage was confirmed by DFS on December 9, 2005.

Ms. Woodard presented the controlling person application of Donald Day stating that all exhibits were submitted and complete and that the only outstanding items are the criminal history reports from the FDLE and the FBI.

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

MOTION: Ms. Dockery moved to approve the controlling person application of Mr. Day with the condition that should any derogatory information be revealed on the criminal history reports that Mr. Day would appear before the board.

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

**P. Simple Employer Solutions, Inc. dba Freedom HR Solutions**

**Ryan Moore, CO 681**

**Gary Wagner, CO 709**

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

Ms. Lanza stated for the record that Staff Outsource Solutions, a company that she is

affiliated with, will be doing business with Simple Employer Solutions, Inc. However, she has no financial interest in Simple Employer Solutions and it would not impair her ability to make a fair and impartial decision on the application.

Ms. Woodard asked Ms. Clark if Mr. Moore should make the same statement or abstain from the vote.

Ms. Clark asked Mr. Moore if he had to make a similar statement or to abstain from the vote.

Mr. Moore stated he was part owner and controlling person of the company.

Ms. Clark advised Mr. Moore that he had to make the disclosure, on the proper form, indicating that he had a financial interest in the matter being voted on. She informed Mr. Moore that she would provide him with a copy of the form for completion.

Ms. Clark advised Ms. Woodard that the form has to become a part of the minutes.

MOTION: Ms. Dockery moved to approve the application.

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

## **VI. DE MINIMIS EXEMPTION AND REGISTRATION APPLICATION**

### **A. Discovery Outsourcing, LLC (Carlos Lombardo and Karen Lombardo, Owners)**

Ms. Woodard presented the application stating that all exhibits were submitted and complete. She further stated that she faxed information to the board members and attorneys in regards to workers compensation and wanted them to review it.

Ms. Lanza stated that the application lists The Hartford as the carrier for the Florida operations.

Mr. Lombardo stated that Hartford was the carrier for the clients. He stated the company has individual client policies in Colorado, but if the clients are out-of-state, The Hartford handles the workers' compensation.

After further discussion, the following motion was made.

MOTION: Ms. Dockery moved to approve the application.

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

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

### **A. Allstates Employer Services, Inc. – EL 156**

### **B. Allstates Employer Services II, Inc. – EL 277**

Terminations for items "a" and "b" were not presented and pulled from the agenda.

- C. **America’s HR Team, Inc. – EL 262**
- D. **Employer’s Alliance II, LLC – GL 95**
- E. **HHG IV, Inc. – GM 265**
- F. **Innovative Employer Solutions, Inc. – EL 231**
- G. **Pay Centers of America, Inc. – EL 267**
- H. **SHR-Southeast, Inc. dba SpectrumHR – EL 252**
- I. **Sunwest PEO of Florida VI, Inc. – EL 229**
- J. **Sunwest PEO of Florida II, Inc. – EL 174**
- K. **Sunwest PEO of Florida VII, Inc. – EL 255**
- L. **Sunwest PEO of Florida, Inc. – EL 21**
- M. **Vanguard Southeast, Inc. – EL 285**

Ms. Woodard presented the terminations for items “c” through “m” stating that there are no open or pending complaints against the licensees.

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

**VIII. REVIEW AND CONSIDERATION OF EMPLOYEE LEASING COMPANY NAME CHANGES**

- A. **Taber Chadwick, Inc. dba Freedom HR**  
**TO: Taber Chadwick, Inc.**

Ms. Woodard presented the application stating it is complete.

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

Ms. Dockery abstained from the vote due to Mr. Chadwick being her husband.

- B. **Total Employee Leasing, Inc. – GM 289**  
**TO: Total LC, Inc.**

Ms. Woodard presented the application stating it is complete.

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

## **IX. REPORTS**

### **A. Office of the Attorney General – Mary Ellen Clark**

Ms. Clark informed the board that she has been assigned to the Board of Accountancy, in addition to her existing boards, and has noticed a conflict in meeting dates for the February 15, 2006 Board of Employee Leasing meeting.

She stated that she will be attending a national conference for the Board of Accountancy on February 13-15, 2006 and was asking if the Board of Employee Leasing would consider changing its February meeting to convene on February 16, 2006.

She further stated she would be very appreciative if the board would rearrange the schedule so that she would be in attendance at the meeting due to some very important issues to be discussed at that meeting, i.e. workers' compensation coverage, etc.

The board agreed that it would be imperative that Ms. Clark attend the February meeting due to important issues being discussed and made the following motion.

MOTION: Ms. Dockery moved to change the date of the February 15, 2006 general business meeting to convene on February 16, 2006.  
SECOND: Mr. Moore seconded the motion and it passed unanimously.

### **B. Office of the General Counsel – Eric Hurst**

No Report.

### **C. Executive Director – John T. Knap**

Mr. Knap informed the board that the Department is aggressively trying to fill the consumer member positions and that he would keep the board abreast of any appointments.

### **D. Chairperson – Celeste Dockery**

No Report.

## **X. NEW BUSINESS**

Mr. Moore stated he spoke with a workers' compensation judge in Sarasota, Florida about contracts between the PEO and the carrier. He stated the judge suggested the board contact the Division of Administrative Hearings (DOAH) and ask for Mr. Bob Cohen, Executive Director, to address the board at its February 2006 meeting regarding the workers' compensation issues.

Ms. Dockery asked if a letter could be drafted to Mr. Cohen asking him to attend the



meeting in February to address the workers' compensation issues.

Ms. Clark stated if it is the board's belief that the DOAH judges have been ruling on these matters, that all of their rulings are public record. She further stated, in general, she does not believe that a judge is going to be willing to give legal opinions, but instead they rule on specific cases in front of them and then the orders are public record.

Mr. Moore stated he did not think the judge was giving him a ruling, but an expression of an opinion as to what they look at in different cases.

Ms. Lanza asked Mr. Miller if FAPEO would be willing to do research to find out if there is any case law pertaining to this issue.

Mr. Miller stated he would have to ask.

Ms. Ginny Dorris asked the board what happens when the Department of Insurance issues a stay on an insurance company stating they cannot write any additional premiums, and the PEOS continue to write additional business on the insurance company. She stated this type of business is giving the PEO industry a "black eye."

Ms. Dockery stated in the past that anyone could call the Department and ask an investigator to check into the matter.

Mr. Rodriguez stated he was not sure if the board had the authority to do anything to an insurance company that was told not to write any more business and the PEOs involved continue to write business on that carrier; however, Department of Insurance may be able to do something.

Ms. Lanza stated the question remains if this department has the jurisdiction to tell a PEO not to write any new business through an insurance company that has been issued a stay.

The board agreed that situation seems to fall within the jurisdiction of the Department of Insurance.

Ms. Tasha Carter stated she would check on it and will provide a status report at the next meeting.

Ms. Dockery asked Ms. Woodard to provide Ms. Carter with a list if the board members' e-mail addresses.

Ms. Dorris also asked the board if there was a way to speed up the investigative process of unlicensed activities within the department.

Ms. Dockery advised Ms. Dorris to contact Eric Hurst with any disciplinary or investigative matters.

## **XI. OLD BUSINESS**

None

**XII. CORRESPONDENCE**

Ms. Dockery mentioned the email from Britt Landrum in support of including an alternative licensing provision in the Florida Statutes.

**XIII. ADJOURNMENT**

MOTION: Mr. Crum moved to adjourn the meeting.

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

The meeting adjourned at 11:13 a.m.