

**BOARD OF EMPLOYEE LEASING COMPANIES  
GENERAL BUSINESS MEETING MINUTES  
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION  
1940 NORTH MONORE STREET  
TALLAHASSEE, FLORIDA 32399-0767**

**FEBRUARY 16, 2005  
8:30 a.m. EST**

**I. CALL TO ORDER**

The meeting was called to order at approximately 8:33 a.m. EST by Ms. Celeste Dockery, Board Chair.

**II. ROLL CALL**

**MEMBERS PRESENT**

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

**MEMBERS ABSENT**

Carlos Rodriguez, Vice Chair

**STAFF PRESENT**

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

**OTHERS PRESENT**

Andrew Sabolic, Department of Financial Services, Division of Workers' Compensation  
Tasha Carter, Department of Financial Services, Division of Workers' Compensation  
Michael Miller, Kunkel, Miller & Hament, P.A. and FAPEO  
Robert Skrob, FAPEO  
Veronica Jackson, Florida Home Builders Insurance Agency  
Bruce Miller, South East Employee Leasing  
Andrew Dyndul, Pyramid Employer Services  
Kathryn Dyndul, Pyramid Employer Services  
Vance Yarter, Equity Concepts  
Wayne Detmar, Equity Concepts  
JD Lancortes

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

**III. DEPARTMENTAL PRESENTATIONS**

Mr. Spivey welcomed the board to Tallahassee stating that representatives from the Division of Workers' Compensation and Mr. Richard Law, Board Consultant, had prepared small presentations for the board.

**A. Department of Financial Services, Division of Workers' Compensation**

Mr. Andrew Sabolic, Bureau of Compliance Chief, and Ms. Tasha Carter, Government Analyst, were present and addressed the board concerning Rule 61G7-10.0013, Florida Administrative Code, Notification of Initiation and Termination of Contractual Relationship.

Mr. Sabolic advised the board that the Division of Workers' Compensation has implemented electronic reporting of the initiation and termination of contractual agreements between employee leasing companies and client companies. He advised that electronic reporting is less time consuming, less costly, allows for more accurate and timely reporting, and better management of the files.

He informed the board that his reason for the presentation was to make a request of the board to consider changing the language to Rule 61G7-10.0013, F.A.C. to allow electronic reporting of the termination and initiation agreements.

Ms. Dockery asked if he wants the rule to reflect that all initiations and termination agreements will be done electronically.

Mr. Sabolic stated that is what his division is asking.

Ms. Dockery asked for staff to report at the April 2005 meeting what it would take to convert the paper format of the Initiation and Termination form into an electronic version or online version.

Ms. Clark asked if there was a contact person at the Division of Workers' Compensation that DBPR could contact with the specifics of the program.

Mr. Sabolic stated DBPR could contact anyone in the information technology section or himself.

**B. Mr. Richard Law, CPA**

Mr. Law addressed the board with regards to field reviews.

He informed the board the last time he performed a field review was over three years ago, but was advised by board staff that the board is now requesting filed reviews again.

Mr. Law stated if the board wanted field reviews done before the fiscal year end of June 30, 2005, he would need that information as soon as possible.

Mr. Spivey informed that board staff has identified some files for review and would provide that information to Mr. Law as soon as possible.

Ms. Lanza asked what would trigger a field review.

Mr. Law replied stating suspicious quarterly filings with large deficits in either net worth and/or net working capital and miraculous recoveries in these deficits on the next quarterly filing would trigger a field review.

Ms. Dockery thanked Mr. Law for his services to the board.

**IV. REVIEW AND APPROVAL OF THE JANUARY 19, 2005, TELEPHONE CONFERENCE CALL MEETING MINUTES**

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

**V. DISCIPLINARY PROCEEDINGS**

**A. INFORMAL HEARING**

**Case #**

- |   |                    |
|---|--------------------|
| <b>1. Equity Concepts</b>                     | <b>2004-002080</b> |
| <b>Vance Yarter</b>                           | <b>2004-016874</b> |
| <b>(PCP: Lanza and Crum, August 18, 2004)</b> |                    |

Ms. Clark advised the board that due to the absence of Mr. Rodriguez and the recusing of Mr. Crum and Ms. Lanza, there would not be sufficient number of members present to have a quorum. She stated due to the quorum issue, no final action could be taken today, but Mr. Yarter could address the board.

Ms. Clark further stated if the parties involved had been able to reach an agreement, the board could have considered waiving the quorum for purposes of considering an agreement, but where there is no agreement and the board members are acting in the capacity of quasi-judicial members in an informal hearing, it is required to have a quorum.

Ms. Clark asked Mr. Hurst if DBPR had entered a settlement agreement that was rejected at the December 15, 2004 meeting.

Mr. Hurst answered in the affirmative.

Mr. Eric Hurst presented the cases explaining they stem from violations involving failure to submit quarterly financial statements 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.

He further stated at the December 15, 2004 meeting, the board considered a settlement stipulation that placed a number of restrictions on the licensees that would allow them to keep their license in the state of Florida, but not be active until all deficiencies have been cured.

The board rejected that stipulation and entered a counter-stipulation providing for the revocation of the licenses, imposition of an administrative fine of \$15,000 for each case and costs incurred. The board also imposed a 30-day time limit to accept or reject the offer.

Mr. Hurst stated instead of accepting or rejecting the offer, Mr. Yarter has elected to appear before the board and present his case.

Mr. Yarter was present and sworn in by the court reporter.

Mr. Yarter addressed the board stating he thought an agreement had been reached in the cases, but apparently that had changed.

He stated the issue of capital came about during the purchase of insurance from AIM in Georgia on November 1, 2002 for a deposit of \$250,000. On November 21, 2002 the state of Florida issued a cease and desist order for fraudulent workers' compensation.

Mr. Yarter advised the board on November 21, 2002, his company was handling \$750,000 a week in payroll that had to cease immediately. He further stated since that time there has been no business in the state of Florida.

Mr. Yarter also advised deficit problems with capital arose when the insurance company they were with prior to November 1, 2002, Great American, set exaggerated reserve amounts and performed an audit that changed codes without physically inspecting what the clients were doing.

Mr. Yarter informed that board he and his company has filed lawsuits against AIM and Great American.

Mr. Hurst stated in the previous settlement stipulation, it allowed the licenses to be maintained in a suspended status for up to two years, but the company failed to renew the licenses and are now null and void.

Mr. Yarter explained to the board the situation surrounding the renewal of the licenses and provided proof of the renewed licenses with expiration dates of April 30, 2006.

Ms. Woodard confirmed that the licenses are currently active.

Mr. Wayne Detmar, CEO of Equity Concepts, was present, sworn in by the court reporter, and addressed the board in regards to the lawsuits against AIM.

Mr. Detmar advised the board that there is a current restraining order against AIM.

Ms. Dockery asked Mr. Detmar who cured the deficiencies in capital... Mr. Detmar or Equity Concepts?

Mr. Detmar answered stating he and Mr. Yarter due to the fact Equity Concepts did not have the capital.

Ms. Dockery asked why the company failed to submit the quarterly financial reports.

Mr. Detmar stated no quarterly reports were filed due to non-activity in the business. He stated when he met with the board in a previous meeting, he was advised to submit the missing financial reports, and has done so.

Ms. Dockery asked if there was a plan of action to recover the deficit and did they have references to what workers' compensation carrier they would utilize if they were allowed to practice again in Florida.

Mr. Detmar stated he would be able to provide to the board a plan of action with the references to workers' compensation carriers and the outcome of the litigations in Texas.

After further discussion, Ms. Dockery apologized for not being able to take final action on the matter due to quorum issues and moved to table the matter until the April 2005 meeting. Mr. Moore seconded the motion.

## **VI. EMPLOYEE LEASING COMPANY/CONTROLLING PERSON APPLICATIONS**

### **A. Pyramid Employer Services III, Inc. Andrew H. Dyndul, CO 149**

Ms. Woodard presented the application stating all exhibits were submitted and complete. She further stated workers' compensation coverage was confirmed by the Department of Financial Service (DFS) on February 2, 2005.

Ms. Woodard informed the board the applicant answered "yes" to questions 1(c) and (e) on the company background form, and provided explanation to the answers.

Mr. Dyndul was present, sworn in, and represented by Mr. Mike Miller.

Ms. Dockery asked what was the issue surrounding the late quarterly financial filings.

Mr. Dyndul advised it was due to the death of the controlling person at that time.

MOTION: Ms. Lanza moved to approve the application.

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

### **B. Total Leasing CO., Inc. Alfred W. Brown, CO 731 Gene H. Brown, Controlling Person Applicant**

At the request of the applicant's attorney, Mr. Mike Miller, this application was pulled from the agenda.

### **C. Kathryn S. Dyndul, Controlling Person Applicant Payroll and Comp Administration (PACA), Inc. d.b.a. Pyramid Employer Services – EL 217**

Ms. Woodard presented the application stating that all exhibits were submitted and complete and the only outstanding item is the criminal history report from the Federal Bureau of Investigations (FBI).

Ms. Woodard also informed the board that Ms. Dyndul has requested to be controlling person for Pyramid Employer Services III, Inc.

Ms. Lanza asked if there was a form that Ms. Dyndul would need to compete to be added to the Pyramid Employer Services III, Inc.

Ms. Woodard stated Ms. Dyndul would need to submit a letter with her intentions to become a controlling person for the company and remit a fee of \$5.

Mr. Miller was present and represented Ms. Dyndul stating she would provide the letter of her intentions to become controlling person for Pyramid Employer Services III, remit the \$5 fee, and subject herself to the jurisdiction of the board should anything derogatory be revealed on the criminal history report from the FBI.

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

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

- D. Dante Terzo, Controlling Person Applicant**  
**ADP Total Source, 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 MIXXX, Inc. – GM 186**  
**ADP TotalSource I, Inc. – GL 33**  
**ADP TotalSource II, Inc. – GM 48**  
**ADP TotalSource III, Inc. – GM 86**  
**ADP TotalSource FL XXIX, Inc. – GM 180**  
**ADP TotalSource of CO XXIII, Inc. – GM 187**

Ms. Woodard presented the application stating all exhibits were submitted and complete and the criminal history reports from the Florida Department of Law Enforcement (FDLE) and FBI were returned clear.

MOTION: Ms. Lanza moved to approve the application.

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

## **VII. CHANGE OF OWNERSHIP APPLICATION**

### **A. Professional Benefit Solutions, Inc. (Laurie Andrea, CO 528, CP Relinquishment)**

Ms. Woodard presented the application stating that Mr. Craig Vanderburg, CO 588, and Mr. James Baiers, CO 585, would be the new owners and controlling person for the company. She further stated that Ms. Laurie Andrea, the current controlling person, wishes to relinquish her license upon approval of the change of ownership.

MOTION: Ms. Dockery moved to approve the application and the controlling person relinquishment.

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

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

- A. MRG Leasing Group, Inc. – GL 101**  
TO: Professional Employer Plans VII, Inc.
- B. MRG Leasing Group II, Inc. – GM 243**  
TO: Professional Employer Plans VIII, Inc.
- C. MRG Leasing Group III, Inc. – GM 244**  
TO: Professional Employer Plans IX, Inc.
- D. MRG Leasing Group IV, Inc. – GM 245**  
TO: Professional Employer Plans XI, Inc.

Ms. Woodard presented the applications stating they were complete.

MOTION: Mr. Moore moved to approve the applications.

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

- E. Norris Associates, Inc. – EL 276**  
TO: Integrity Employee Leasing, Inc.

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

MOTION: Ms. Lanza moved to approve the application.

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

**IX. REVIEW AND CONSIDERATION OF TERMINATION OF EMPLOYEE LEASING COMPANY OPERATIONS**

- A. EPIX III, Inc. – EL 78**

Ms. Woodard presented the termination stating it had been presented to the board at the January 19, 2005 meeting. She stated at that meeting the board tabled discussion of the termination until Mr. Hurst could provide more information surrounding the termination.

Ms. Clark informed the board the company is protesting the submission of the assessment fee because it was their desire not to renew the license and should not have been made to pay it.

Ms. Clark advised the company did renew the license and on time, therefore the assessment was due.

The company is now requesting the board to accept the termination and refund the assessment fee.

MOTION: Ms. Lanza moved to accept the termination and deny the request for refund of the assessment fee.

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

- B. PBS of North Florida, Inc. – GM 80**
- C. PBS of South Florida, Inc. – GM 81**
- D. PBS of Southern California, Inc. – EL 182**

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

MOTION: Ms. Dockery moved to accept the terminations.

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

**X. DEFICIENT EMPLOYEE LEASING COMPANY AND CONTROLLING PERSON APPLICATIONS FOR REVIEW AND CONSIDERATION**

Mr. Spivey informed the board at previous meetings the department asked the board to review and consider applications that have been deficient over 90 days. The board requested a letter be sent to applicants advising of their deficiencies and that the deficiencies must be cured within 30 days of the letter or the application would be presented to the board for review.

Mr. Spivey stated the letters were mailed and no actions have been taken by the applicants.

He advised that there are approximately 30 deficient applications for review and suggests tabling review of these applications until future meetings wherein the board would have sufficient amount of time to review the applications.

Ms. Dockery asked if the applications could be reviewed today.

Ms. Clark advised that the applications would have to be copied and fully reviewed by the board because the board would have to vote and provide the actual reason for denial.

Ms. Dockery asked if the board could review five files at future meetings until all have been reviewed.

Ms. Clark stated that would be fine due to no time urgency.

Ms. Lanza asked if staff could prepare a summary of each file as to the indication of the deficiencies with the applications.

Ms. Dockery stated the last deficiency mailed to applicant should be sufficient review and summary.

Ms. Woodard stated she would prepare summary notes for the files.

MOTION: Ms. Dockery moved to table discussion of the applications and requested board staff to agenda five files for each meeting until all have been reviewed.

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



## **XI. REPORTS**

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

#### **1. February Employee Leasing Rules Report**

Ms. Clark informed the board included in their agenda materials was a table summary of the rules that are currently in progress.

She stated that the rules that have been pending since August 2004 were to become effective March 1, 2005.

She further stated at the January 19, 2005 meeting, the board asked her to notice language change for Rule 61G7-5.002, F.A.C. that would decrease the annual assessments by 50%.

She informed that this language change was noticed in the Florida Administrative Weekly on February 4, 2005 and should become effective March 28, 2005, should no one request a hearing.

Ms. Clark also advised that board staff has been working with the Agency for Workforce Innovation (AWI), in developing a program that would provide Gross Florida Payroll information electronically versus manually that will assist with the annual assessment for this year.

She further stated in these discussions with AWI, it was noted that Rule 61G7-5.002(2), FAC, would need to be repealed or changed to reflect the process of gathering data electronically for the assessment versus manual submission of the Florida Unemployment Compensation Tax returns (UCT-6).

Ms. Clark advised she is not asking the board to take action on that change today due to the fact that this rule is currently in process to change the assessment amounts and if they wanted to file another notice to change the rule, it would delay the effective date of the previous assessment change. She further stated it is critical that the first change takes effect prior to April 1, 2005.

Ms. Clark stated as a result of this program, the UCT-6 form will not be required this year and the board does not have the ability to change the rule at this minute. She further stated the board should consider not enforcing the rule effective April 1, 2005 and at the April 2005 meeting to take action to repeal Rule 61G7-5.002(2), FAC because there will no longer be the need to submit the hardcopy of the UCT-6 form.

Ms. Dockery asked that this matter be placed on the April 2005 agenda.

Ms. Clark stated she would include it with her rules report.

Mr. Mike Miller asked if the proposed changes would affect the UCT-6 submission requirement on new licensure applications. He asked if the requirement was in rule or an application requirement.

Ms. Clark advised staff to report at the April 2005 meeting proposed changes to the application package.

Ms. Clark also reminded the board of the presentation by the Department of Financial Services (DFS) requesting language change to Rule 61G7-10.0013, FAC. She stated more discussion between DBPR and DFS pertaining to the changes will be required prior to changing the rule.

**B. Chairperson – Celeste Dockery**

No Report.

**C. Executive Director – Anthony B. Spivey**

No Report.

**D. Office of the General Counsel – Eric Hurst**

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

**XII. CORRESPONDENCE/INFORMATION ONLY**

**A. Unlicensed Activity Report for 2004**

The board reviewed the unlicensed activity report for 2004. No discussion.

**B. Memorandum from Laura P. Gaffney, Chief Attorney**

Ms. Clark informed the Board that she tried to contact Ms. Gaffney regarding this issue, but was not able to meet with her. She advised that she did not think that it was appropriate to ask this type of question to board; especially for the Board to respond in writing given that legal memorandum is not a recognized activity of the board.

She further stated that it would be ok for Ms. Gaffney to contact one of the Board members, Probable Cause Panel members, or one of the expert witnesses via the telephone.

Ms. Lanza stated she would speak with Ms. Gaffney.

**C. Proposed 2005/2006 Board Meeting Schedule**

Mr. Spivey asked the board to review the proposed board meeting schedule and advise if there are any conflicts with the dates.

Ms. Lanza asked why the in-person meetings begin at 8:30 a.m. and the telephone conference calls begin at 10:00 a.m.

Ms. Dockery stated in the past the difference in times was due to travel of out-of-town guests.

Ms. Lanza asked if it would be a problem if the in-person meetings and the telephone conference call meetings begin at 10:00 a.m.

The members of the board agreed to convene all meetings at 10:00 a.m. effective the April 2005 meeting.

**XIII. NEW BUSINESS**

None

**XIV. OLD BUSINESS**

None

**XV. ELECTION OF OFFICERS**

Ms. Clark advised the board that she was not aware of when the vacancies on the board would be filled. However, consideration needs to be given to the fact that quorum issues will continue to be a factor if two of the present members continue to serve on the Probable Cause Panel.

She advised the board they should consider contacting past board members to serve on the Probable Cause Panel thereby eliminating a quorum problem should one of the board members be absent.

Mr. Moore stated he knew of applicants that have submitted their applications to the Governor's Appointment Office, but was told they will be contacted at a later date.

Mr. Mike Miller suggested contacting Mr. William "Bill" Holt to serve on the panel. He stated Mr. Holt lives in the Tampa area and probably would not mind serving again.

Ms. Dockery asked Mr. Miller to give Mr. Holt's contact information to board staff to contact about serving on the panel.

After further discussion, the board voted to re-elect Ms. Celeste Dockery as Chair and Mr. Carlos Rodriguez as the Vice Chair.

The board also voted to change the make-up of the Probable Cause Panel to include a current board member and a past board member.

**XVI. ADJOURNMENT**

MOTION: Ms. Dockery moved to adjourn.

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

The meeting adjourned at 10:13 a.m.