

**BOARD OF EMPLOYEE LEASING COMPANIES
TELEPHONE CONFERENCE CALL MEETING MINUTES
WEDNESDAY, MAY 17, 2006
10:00 a.m. EST
MEET-ME-NUMBER: (850) 414-1707**

I. CALL TO ORDER

The meeting was called to order at approximately 10:00 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

MEMBERS ABSENT

Ryan S. Moore (excused)

STAFF PRESENT

Richard Morrison, Executive Director, DBPR
Krista B. Woodard, Government Analyst II, DBPR
Lois Tepper, Board Counsel, Office of the Attorney General
Mary Ellen Clark, Board Counsel, Office of the Attorney General
Eric Hurst, Assistant General Counsel, DBPR

OTHERS PRESENT

Michael Miller, Kunkel, Miller & Hament, P.A.
Timothy Tack, Kunkel, Miller & Hament, P.A.
Lucien Latreille
Larry Kosta
Lana Kumar
Peter Van Son

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

Ms. Woodard advised that Mr. Moore was not able to attend due to a doctor's appointment. Ms. Dockery stated for the record Mr. Moore's absence is excused.

Mr. Morrison stated that Mr. Robert Wenzel and Mr. Dale Maloney had resigned from the board due to possible connections with the business of employee leasing.

Ms. Clark stated to clarify the issue of the resignation of the board members; she wanted to know if the Governor's Office had actually received a letter, in writing, from the two board members stating "I resign from the Board of Employee Leasing Companies hereby effective immediately?"

Mr. Morrison answered in the affirmative for Mr. Maloney, but stated that Mr. Wenzel was submitting his resignation via e-mail at 9:40 a.m.

Ms. Clark stated the reason she needed the clarification was because only if the Governor's Office had received said letter are they not counted for quorum purposes.

Mr. Miller stated he wanted to clarify that the language that may be applicable to the two board members has nothing to do with their character or anything of the sort. Chapter 468.521, states "the remaining two board members must be residents of the state, and must not be or ever have been connected with the business of employee leasing."

Mr. Miller asked what is meant by "or ever have been connected with the business of employee leasing?"

Ms. Dockery stated she would like for the board, at some point, to interpret that portion of the law, because in one of the two resignations, she did not believe that a resignation was necessary.

Mr. Miller stated he was informed by someone in DBPR that this section was not for interpretation by the board.

Ms. Clark stated unless there was a petition for a declaratory statement pending before the board, the board should not interpret that law.

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

A. Employers Pay-Care Services, Inc.

B. Payroll USA, Inc.

Lucien Latreille, CO 389

Ms. Woodard presented the applications stating they are for a group leader and group member. She stated that all exhibits were submitted and complete and that workers' compensation coverage was confirmed by the Department of Financial Services (DFS) on May 8, 2006 and April 10, 2006.

Ms Woodard informed that board counsel had questions about the contractual agreements to be utilized by the companies.

Ms. Clark informed that she and Ms. Tepper have questions about certain sections of the client service agreement as listed on page 33 of the agenda materials. Ms. Clark stated that Ms. Tepper noticed some language that previously did not exist or she had not noticed.

Ms. Clark made reference to section D listed in the second column on page 33 which states, "Pay-Care shall have no responsibility in such situations where Client retains its own workers' compensation policy other than to remit to the carrier such payments as Client forwards to Pay-Care." She stated this language disclaims responsibility of workers' compensation as required in Section 468.529(1), Florida Statutes.

Mr. Rodriguez, Mr. Crum and Ms. Lanza stated this language does not meet the requirements of Section 468.529(1), F.S.

Mr. Miller addressed the board stating that Mr. Lutreille does not allow clients to maintain their own policies anyway. He further stated that language has been deleted from the contract and faxed a revised version to Ms. Woodard and Ms. Tepper.

Mr. Miller further stated he is making the representation that all language in Section D has been deleted except for the first sentence.

Ms. Clark stated the next concern raised in regards to the contract was listed in Section E on page 33. She stated the sentence that states "however, Client acknowledges that Pay-Care assumes no liability in either providing or not providing such direction, control, assistance or responsibility" does not meet the requirements of Section 468.525(4) (a), F.S.

Ms. Clark advised that the fax from Mr. Miller had been received and both sections in questions have been removed, and with the appropriate deletions, board counsel would sign off on the contract.

MOTION: Ms. Lanza moved to approve the group leader application of Employers Pay-Care Services, Inc. with the contract as amended

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

MOTION: Ms. Lanza moved to approve the group member application of Payroll USA, Inc. with the contract as amended.

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

**C. Larry E. Kosta, Controlling Person Applicant
Trendsetter Staffing, Inc. – EL 199**

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

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

MOTION: Ms. Lanza moved to approve the application with the condition that should any derogatory information be revealed on the criminal history reports that Mr. Kosta would appear before the board.

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

**D. Roy C. King, Controlling Person Applicant
Gevity HR II, L.P. – GL 99
Gevity HR III, L.P. – GM 68
Gevity HR IV, L.P. – GM 39
Gevity HR V, L.P. – GM 45
Gevity HR VI, L.P. – GM 257
Gevity HR XII, Corp. – EL 272**

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

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

MOTION: Ms. Dockery moved to approve the application with the condition that should any derogatory information be revealed on the criminal history reports that Mr. King would appear before the board.
SECOND: Mr. Crum seconded the motion and it passed unanimously.

E. Clifford M. Sladnick, Controlling Person Applicant
Gevity HR II, L.P. – GL 99
Gevity HR III, L.P. – GM 68
Gevity HR IV, L.P. – GM 39
Gevity HR V, L.P. – GM 45
Gevity HR VI, L.P. – GM 257
Gevity HR XII, Corp. – EL 272

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

IV. REVIEW AND CONSIDERATION OF CHANGE OF OWNERSHIP APPLICATIONS

A. DecisionHR 30, Inc. – GL 57
DecisionHR USA, Inc. – GM 247
DecisionHR, Inc. – GM 232
DecisionHR V, Inc. – GM 233
DecisionHR I, Inc. – GM

Ms. Woodard presented the applications stating that First Advantage Corporation and First American Corporation would be the new owners of the companies. Ms. Woodard advised that all controlling persons would remain the same.

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

V. REVIEW AND CONSIDERATION OF CONTROLLING PERSON RELINQUISHMENTS

A. Gregory M. Nichols – CO 569
Gevity HR II, L.P. – GL 99
Gevity HR III, L.P. – GM 68
Gevity HR IV, L.P. – GM 39

Gevity HR V, L.P. – GM 45
Gevity HR VI, L.P. – GM 257
Gevity HR XII, Corp. – EL 272

Ms. Woodard presented the relinquishment stating that there are no open or pending complaints against the licensee.

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

B. Sal John Uglietta – CO 676
Gevity HR II, L.P. – GL 99
Gevity HR III, L.P. – GM 68
Gevity HR IV, L.P. – GM 39
Gevity HR V, L.P. – GM 45
Gevity HR VI, L.P. – GM 257
Gevity HR XII, Corp. – EL 272

Ms. Woodard presented the relinquishment stating that there are no open or pending complaints against the licensee.

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

VI. REPORTS

A. Office of the Attorney General – Mary Ellen Clark and Lois Tepper

Ms. Clark directed the board's attention to the summary rules report contained in the agenda materials. She stated the only rule in play is Rule 61G7-10.0014(2) (c) that was previously noticed for withdrawal. She further stated included in the materials was the notice to the Florida Administrative Weekly indicating that provision is not being withdrawn.

Ms. Clark stated in that same rule are the revisions she drafted based on the board's decision at the last meeting to incorporate the new form. She further stated changes were made to have the form submitted quarterly instead of annually.

Ms. Clark stated she was comfortable with the form with the exception of two things. She stated the first item of concern was the language of "trade secret" posted on the top of the form. She stated she remembered the conversation from the last meeting about why companies would want to argue that information is a trade secret; however, it is not the board or the department's place to place the wording "trade secret" on the form. She stated that would be a notice upon the individual or company who wishes to make that claim. She stated she is directing "trade secret" to be removed from the form.

Ms. Clark also advised the other item was a grammatical error in the spelling of workers' compensation in the third paragraph of the form.

Ms. Dockery stated she would suggest changing the name of the form to Workers' Compensation Compliance Form as opposed to Annual Compliance Form.

The board agreed to the changes as presented by Ms. Clark and Ms. Dockery.

MOTION: Ms. Dockery moved to approve the form as presented with the noted corrections and approval of the additions and deletions to the rule. She further moved that the board would not need to review the form again if the noted changes are made.

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

Mr. Miller asked if the rule would be published soon enough to be effective for the June 30th quarter.

Ms. Clark stated she would work to get the changes published in the FAW as soon as possible, but whether or not they will be effective by June 30th is unclear, but that does not stop anyone from using the form that everyone heard voted upon.

VII. NEW BUSINESS

A. Proposed 2006-2007 Board Meeting Schedule

MOTION: Ms. Dockery moved to approve the proposed 2006-2007 Board Meeting Schedule.

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

Mr. Miller stated he has a few issues he would like for the board to consider. He stated there is a large PEO that would like to delete its group leader and have the remaining four companies stay in the group, and have one of those companies appointed as the group leader.

Mr. Miller stated the first issue is the company previously filed consolidated financial statements and it will not be able to file this type because the parent company is not a member of the group. He asked if the board wanted new financial statements or if internally generated numbers are sufficient.

Ms. Clark directed the board's attention to Rule 61G7-10.002, F.A.C. which is the Reporting of Change of Status, so that when the board members are analyzing the situation, they can look at the known quantities to see where this issue fits.

Mr. Miller stated his second issue is if the companies would need to submit a new application to appoint one of the existing licensed companies as a group leader. He asked if it would be sufficient to submit a letter designating one of the other companies as the group leader.

Ms. Woodard informed that the department cannot issue a license to another company based on a letter of designation. She advised that she has conferred with members of the department and a new application would need to be submitted due to the fact that the department considers that as a new license.

After further discussion, Ms. Clark stated if the board is that unsure of how to handle the situation, it may be an appropriate subject for a petition for a declaratory statement.

Mr. Miller stated this particular company would not want to go through that expense because it is prepared to do the combined financials if they have to.

Ms. Clark stated the company may want to submit the combined financial statements along with the new application for presentation to the board, if they wanted the board to give a binding answer. Otherwise, they would need to do it in the form of a petition for a declaratory statement. She stated there is clearly not a quick and simple answer to this matter.

VIII. OLD BUSINESS

None

IX. ADJOURNMENT

MOTION: Mr. Crum moved to adjourn.

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

The meeting adjourned at 11:03 a.m.