

**BOARD OF EMPLOYEE LEASING COMPANIES
GENERAL BUSINESS MEETING MINUTES
HYATT SARASOTA ON SARASOTA BAY
1000 BOULEVARD OF THE ARTS
SARASOTA, FLORIDA 34235
June 21, 2006
10:00 a.m. EST**

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
Ryan S. Moore

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. and FAPEO
Timothy Tack, Kunkel, Miller & Hamet, P.A.
Michael Stanley, AEM
Dominick Crea, PSP Group
Jed Michael, PSP Group
Michael Corley, Progressive
Starvos Tingirides
Glen Distefano, SUNZ Insurance
Cesar Martinez, NES
Carl Guidice, Strategic Outsourcing
Jay King, Simploy of Florida, Inc.
Mike Willson, Strategic Outsourcing
Tim Tucker, NAPEO
Jerry Lancaster, Providence P&C Insurance Company

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

III. REVIEW AND APPROVAL OF THE APRIL 19, 2006 GENERAL BUSINESS MEETING MINUTES

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

IV. REVIEW AND APPROVAL OF THE MAY 17, 2006, TELEPHONE CONFERENCE CALL MEETING MINUTES

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

V. DISCIPLINARY PROCEEDINGS – Office of the General Counsel

A. SETTLEMENT STIPULATIONS

1. **Vanguard Southeast, Inc., Case Number: 2005-037145**
2. **Ronald C. Creager, Case Number: 2005-037149**
3. **James W. Marlarney, Case Number: 2005-037209**
(PCP: Crum and Lanza, February 16, 2006)

Mr. Eric Hurst presented the cases explaining they stem from violations involving failure to timely submit a quarterly report for March 2005 and June 2005, and failure to timely submit the Annual Report for 2004.

Mr. Hurst stated that the settlement stipulation provides for an administrative fine of \$3375, costs of \$133.29, and joint and several liability for payment of the fine and costs.

The Respondents were represented by Mr. Mike Miller. Mr. Miller stated for the record the Respondents had already terminated their licenses and they never had employees in the state of Florida.

MOTION: Ms. Dockery moved to adopt the terms of the settlement stipulation as the final order of the board.
SECOND: Mr. Rodriguez seconded the motion and it passed.

Mr. Hurst noted that Mr. Crum and Ms. Lanza were recused due to their participation on the probable cause panel.

B. RECONSIDERATION

CASE #

- | | |
|---------------------------------------|--------------------|
| 1. Dominic Crea, | 2005-030507 |
| 2. Payroll Services Plus, Inc. | 2005-030502 |

Mr. Hurst explained that Mr. Crea's case is being presented as Respondent's Motion to Amend Final Order Revoking Controlling Person License. He stated the Payroll Service Plus, Inc. case is being presented as old business for reconsideration.

Mr. Eric Hurst stated in the Crea case, the Respondent failed to file a response to the Administrative Complaint within the time allowed by law. He stated the complaint stems from violations involving failure to submit the 2004 annual financial statement, failure to maintain net worth and net working capital requirements and failure to submit the March 2005 quarterly report.

Mr. Hurst stated a Final Order was entered against Mr. Crea on a Waiver Proceeding for an administrative fine of \$3000, costs of \$59.24, and revocation of the controlling person license.

Mr. Hurst informed the board that all of the obligations had subsequently been met bringing both licensees into compliance. He stated the case is before the board to reconsider this matter.

Ms. Clark made note for the record that the Final Order was filed on March 23, 2006 and Mr. Kunkel appealed the motion to the First District Court of Appeals that has relinquished jurisdiction of the matter to board for purposes of the board being able to consider the Motion to Amend the Final Order.

Mr. Mike Miller was present and represented the Respondents.

Mr. Miller stated the company has no employees in the state of Florida and no one is at risk. He further stated on June 7, 2005, a complaint was filed against the company and Mr. Crea. He stated a response was filed on June 15, 2005. He stated an administrative complaint was issued on September 13, 2005, and a response was filed on September 26, 2006. Mr. Miller stated as a result of the response, the Prosecuting Attorney amended the complaint and filed a corrected administrative complaint which was served on November 16, 2006.

Mr. Miller stated at that time, Mr. Crea and the company believed that an administrative fine would be imposed; so they were awaiting receipt of the fine.

Mr. Miller stated this is a situation wherein the December quarterly report reflected a negative, however, when the accountant performed the reallocation, there really was no negative balance.

Mr. Moore asked if that was the case and there are no employees in the state, why he would need a license.

Mr. Miller stated it is Mr. Crea's intention to have employees.

Mr. Miller stated the issue is the company still maintains its license, yet the complaints against the company and the controlling person did not process together.

Ms. Dockery stated she would like the opportunity to review the entire case again before making a decision. She stated she could not recall the reasoning behind the revocation of the license.

Mr. Rodriguez stated he thinks the reason for the revocation was due to Mr. Crea not appearing to a previous meeting. He stated no one was present to answer any questions posed and no one responded to the administrative complaint.

MOTION: Mr. Moore moved to enter a new final order against both entities, set aside the previous Final Order, impose an administrative fine of \$3000, costs of \$603.67, joint and several liability for payment of the fine and costs, a reprimand of both licenses and one year of probation during which they must remain current with all filings and maintenance of positive net worth and working capital.

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

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

- A. Progressive Employer Services VII, LLC**
- B. Progressive Employer Services V, LLC**
- C. Progressive Employer Services VI, LLC**
 - Steve Herrig, CO 463**
 - Michael Corley, CO 711**
 - Teresa Dick, CO 710**
 - Patrick Del Medico, CO 753**

Ms. Woodard presented the applications stating they are for a group leader and group members. She stated that all exhibits were submitted and complete and that workers' compensation coverage was confirmed by the Department of Financial Services (DFS) on June 9, 2006.

Ms. Woodard informed the board that this was one of the unique situations that the board discussed at their last telephone conference meeting wherein a group leader wished to remove itself from the group, license a new group leader, and add new members to the group.

Mr. Stavros Tingirides and Mr. Michael Corley were present to represent the applications.

Mr. Tingirides addressed the board stating Progressive Employer Services, LLC, the current group leader, has been inactive for a few years, and that there are no liabilities and the controlling persons are still active and working with other companies. He stated the new company which will become the new group leader is a dormant company currently with no employees.

Mr. Rodriguez stated the issue the board had was getting new audited financial statements that would reflect the status of the new company going into the group.

Mr. Tingirides stated audited financial statements for the current company was included in the application information that was submitted to the board. He stated there have been no activities or transactions since that time. He further stated if a new audit was completed it would reflect the same information as the one supplied.

Ms. Dockery stated it is not a matter of what the board wants to see but a matter of what the statute requires.

Mr. Miller stated he does not think that a new application is necessary, in this situation, based upon the board's ominous rule as it is currently written.

Mr. Tingirides stated after review of the Change of Status criteria as written, he does not think that it addresses when a group leader leaves a group of two or more.

Mr. Crum stated the issue is that the board needs to look at its practice of what happens when companies add and drop companies from a group, i.e. what does the group look like now, how will the change affect the group, etc.

After a lengthy discussion, Mr. Tingirides withdrew the group leader application of Progressive Employer Services VII, LLC and the group member application of Progressive Employer Services VI, LLC. Mr. Tingirides asked the board to review the application of Progressive Employer V, LLC as the new group leader due to the fact that audited financials were prepared, reviewed by staff and have been found to be in compliance.

MOTION: Ms. Dockery moved to approve the group leader application of Progressive Employer V, LLC.

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

**D. Simploy of Florida, Inc.
Joseph Jay King, Controlling Person Applicant**

Ms. Woodard presented the application stating that all exhibits were submitted and complete. She further stated that workers' compensation coverage was confirmed by DFS on June 19, 2006.

Ms. Woodard presented the controlling person application of Mr. King 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. Miller was present and represented the applicant 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. Lanza moved to approve the applications with the condition that should anything derogatory be revealed on the criminal history reports that Mr. King would appear before the board.

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

**E. SOI-23 of FL, Inc.
Gilberto Aleman, CO 708
Anthony Danon, CO 787
Carl Guidice, CO 727**

Ms. Woodard presented the application stating is to become the new group leader for the group which includes GM 303, GM 304, and GM 305. She further stated that all exhibits were submitted and complete. She further stated that workers' compensation coverage was confirmed by the DFS on June 9, 2006

MOTION: Ms. Dockery moved to approve the application.

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

**F. John Edward Walker Hardin, Controlling Person Applicant
SC of Florida II, Inc. – EL 260**

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

Mr. Mike Miller was present and represented the applicant stating should anything derogatory be revealed on the reports that Mr. Hardin 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 reports that Mr. Hardin would appear before the board.

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

**G. Edward Alan Prater, Controlling Person Applicant
Magellan Human Resources, Inc. – GL 116
Magellan Employment Solutions, LLC – GM 306**

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 the FBI.

Mr. Mike Miller was present and represented the applicant stating should anything derogatory be revealed on the reports that Mr. Prater 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 reports that Mr. Prater would appear before the board.

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

**H. Michael A. Stanley, Controlling Person Applicant
AEM, Inc. – EL 270**

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 the FBI.

Mr. Stanley was present and represented by Mr. Michael Miller.

Mr. Stanley stated should anything derogatory be revealed on the reports that he would subject himself to the jurisdiction of the board.

Mr. Jerry Lancaster of Providence Property and Casualty Insurance Company asked if Mr. Stanley was an owner of AEM, Inc.

Mr. Miller stated he did not think that Mr. Stanley was an owner at all.

Mr. Lancaster asked if Mr. Armendeo was an owner.

Mr. Miller stated he did not know the answer to that question.

Mr. Lancaster asked who may know the owners of the company.

Mr. Miller stated it would be in the board's records at the department, but he believed the owner is Yaniv Amar.

Mr. Lancaster asked if most of the business of AEM, Inc. came from Presidion.

Mr. Miller stated he did not know, but wanted to know the relevance of his questions.

Mr. Lancaster stated the relevance of his questions is that Presidion is an insured of his company and the business as he understands went from Presidion, Presidion was left with debts some of which are to his company.

Mr. Lancaster stated he is concerned with someone being approved as a controlling person of a company that is moving their business if they have ownership in both companies. He further stated he thinks the board should be concerned also.

Mr. Lancaster stated he has heard about people moving from one entity to another and nothing being said about what is being left behind. He stated there seems to be no concern of this matter by the board and that bothers him.

Her further stated if this board is allowing other entities to become members or controlling persons of these companies and they are taking business from a company that has lost money, that owes taxes and liabilities to insurance companies and moves from there to another company, he thinks there is a problem.

Mr. Miller asked Mr. Lancaster if he felt that was relevant to Mr. Stanley's application.

Mr. Lancaster stated he felt it was relevant pursuant to Chapter 468.525, Florida Statutes, that states, "a person with controlling interest has a good reputation for fair dealings and respect for the rights of others and for the laws of this state and nation." He stated if Mr. Stanley is a part of that situation described, there is a problem. He further stated he does not know that to be true and that he is not saying that is truth.

Mr. Rodriguez stated those issues matter and that based on the information in the application there does seem to be some connection with AEM, Inc. and Presidion. He asked if there is any disciplinary action underway or have there been any actions taken against Presidion or its controlling persons, because he understands Mr. Lancaster points, however, unless there has been some action taken, the board may not be in a position to do anything.

Mr. Lancaster stated he has never met Mr. Stanley before and has nothing against him, but if the board knew Mr. Stanley was an officer of the other company and was looking to become controlling person of another company that Presidion has interest in or has had business transferred over, and left the other company in debt in Presidion, would the board be concerned.

Mr. Rodriguez stated the board would be concerned, but asked Mr. Lancaster if he has filed any action against Presidion.

Ms. Dockery stated there are certain rules that define good moral character and if there is any proof of information of that nature.

Ms. Clark stated she felt Mr. Rodriguez correctly addressed the point that if there is a problem that it does need to be investigated and discipline pursued if appropriate. She further stated what needs to happen is that a complaint needs to be filed.

Ms. Clark asked Mr. Lancaster if he had filed a complaint against the individual that he has concerns about.

Mr. Lancaster stated he was not aware of this happening until he came to the meeting.

Ms. Clark stated given that he has concerns, it seems as if he may want to file a complaint.

Ms. Clark stated the board could defer action on this application and if a complaint gets filed, they could defer action pending outcome of the complaint.

Mr. Lancaster stated he did not file a complaint because he was not aware of any changes in the companies and that he was not sure if he was going to file a complaint.

Mr. Stanley addressed the board stating he has no attachment to Presidion and that his background includes working for Walt Disney World in Orlando Florida, Watkins Motor Lines, and Workers' Temporary Staffing that was acquired by Wellington Companies. He stated as part of

that acquisition, he became affiliated with AEM, Inc. and was asked if he became controlling person, would he take a financial management position within the company.

After further discussion, the following motion was made:

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

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

VII. REVIEW AND CONSIDERATION OF DE MINIMIS EXEMPTION AND REGISTRATION APPLICATION

A. VS Management of NY, Inc. (Michelle Silverman and Gary Silverman, Owners)

Ms. Woodard presented the application stating that 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.

MOTION: Ms. Lanza moved to approve the application.

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

VIII. REVIEW AND CONSIDERATION OF CHANGE OF OWNERSHIP APPLICATIONS

A. Magellan Human Resources, Inc. – GL 116 Magellan Employment Solutions, LLC – GM 306 (Richard A. Garcia, CO 318, CP Relinquishment)

Ms. Woodard presented the applications stating USIG Employee Leasing, Inc. and Mr. Edward Prater would be the new owners for the company. She further stated that Mr. Richard Garcia, the current controlling person, wishes to relinquish his license upon approval of the change of ownership.

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

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

B. SEMCO IV, Inc. – GL 105 SEMCO V, Inc. – GM 201

Ms. Woodard presented the applications stating Mr. Steve Herrig would be the new owner and Mr. Herrig and Mr. Michael Corley would be the controlling persons.

Ms. Woodard advised that the applicants are requesting retro-approval of May 1, 2006.

Mr. Miller stated he is requesting to withdraw the retro-approval due to its irrelevance.

Mr. Moore stated the retro-approval was of interest to him because this purchase was announced in the local paper two months ago, and the public is aware of the transaction. He further stated the public's perception is that this transaction has taken place and there are liabilities now in place for this transition without proper procedures actually have taken course.

Ms. Dockery stated this happens a lot in the Sarasota/Bradenton area and she was told to file a complaint when this happens.

Ms. Dockery stated there is a statute that states there has to be approval before stock or assets can change.

Mr. Miller stated it does not address assets. He stated there is no prior approval required for an asset purchase. He stated the statute addresses prior approval for stock purchases.

MOTION: Ms. Dockery moved to approve the applications.

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

IX. REVIEW AND CONSIDERATION OF EMPLOYEE LEASING COMPANY NAME CHANGES

- A. Crum Staffing II, Inc. dba Crum Services – GL 100
TO: Crum Staffing II, Inc. dba FrankCrum**
- B. Crum Resources II, Inc. dba Crum Services – GM 235
TO: Crum Resources II, Inc. dba FrankCrum**
- C. Ameristaff III, Inc. dba Crum Services – GL 45
TO: Ameristaff III, Inc. dba FrankCrum**
- D. Ameristaff IV, Inc. dba Crum Services – GM 194
TO: Ameristaff IV, Inc. dba FrankCrum**
- E. Ameristaff of Florida, Inc. dba Crum Services – GM 28
TO: Crum Resources VII, Inc. dba FrankCrum**
- F. Crum Staffing, Inc. dba Crum Services – GM 19
TO: Crum Staffing, Inc. dba FrankCrum**
- G. Crum Resources VI, Inc. dba Crum Services
TO: Crum Resources VI, Inc. dba FrankCrum**

Ms. Woodard presented the applications stating they are complete and there are no open or pending complaints against the licensees.

Mr. Crum advised that the names were being change to honor his dad, the late Frank Crum Sr.

MOTION: Mr. Rodriguez moved to approve the applications.

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

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

A. Payroll and Comp Administration (PACA), Inc. – EL 217

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

MOTION: Mr. Crum moved to accept the termination.

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

B. Progressive Employer Services, LLC – GL 94

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

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

- C. **SafeHarbor Employer Services I, Inc. – EL 234**
- D. **Strategic Outsourcing, Inc. – GL 58**

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

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

XI. REVIEW AND CONSIDERATION OF CONTROLLING PERSON RELINQUISHMENTS

- A. **James P. O'Drobinak, CO 766**
 - Advantech Solutions I, LLC – GL 66**
 - Advantech Solutions II, LLC – GM 136**
 - Advantech Solutions III, LLC – GM 256**
 - Advantech Solutions IV, LLC – GM 211**
 - Advantech Solutions VII, LLC – GM 212**
 - Services to Agriculture III, Inc. – GM 236**
 - Taltech Resources, LLC – EL 286**

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

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

XII. REPORTS

- A. **Office of the Attorney General – Mary Ellen Clark/Lois Tepper**

1. June 2006 Employee Leasing Rules Report

Ms. Tepper directed the board's attention to the rules report contained in the agenda materials. Ms. Tepper informed that Rule 61G7-10.0014(3) (a) (b), Florida Administrative Code (F.A.C.) was in the process of being sent out for signatures. She further stated the first date it could be adopted would be June 26, 2006, and if adopted it would have an effective date of July 16, 2006.

Ms. Clark stated the board should address the correspondence from Whit L. Brown. She advised that Mr. Richard Law did submit a response to the board for review. She advised that Mr. Law believes the rule is too restrictively written, now that the FIN (46R) has changed. She stated that Mr. Law recommends the board to notice for rule development Rule 61G7-5.003(1), FAC to address the expressed concerns in the letter from Mr. Brown.

The board agreed for Ms. Tepper to notice for rule development Rule 61G7-5.003(1), FAC and Rule 61G7-10.002, FAC, to include what should be done when there is an asset purchase.

B. Executive Director – Richard Morrison

Mr. Morrison advised the board of the July 3, 2006 deadline for financial disclosure and that the department has implemented an unlicensed activity complaint hotline. He also mentioned the inclusion of the Monthly Enforcement Report.

C. Office of the General Counsel – Eric Hurst

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

Mr. Hurst asked the board to provide him with any suggestions for persons willing to serve as expert witnesses fro employee leasing. He advised that the current expert has renewed her contract for one year as opposed to the normal two-year term.

D. Chairperson – Celeste Dockery

No Report.

XIII. NEW BUSINESS

None

XIV. OLD BUSINESS

None

XV. ADJOURNMENT

MOTION: Mr. Crum moved to adjourn.

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

The meeting adjourned at 12:45 p.m.