

**BOARD OF EMPLOYEE LEASING COMPANIES  
TELEPHONE CONFERENCE CALL MEETING MINUTES  
WEDNESDAY, SEPTEMBER 20, 2006  
10:00 a.m. EST  
MEET-ME-NUMBER: (888) 808-6959**

**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

**MEMBERS ABSENT**

None

**STAFF PRESENT**

Richard Morrison, Executive Director, DBPR  
Krista B. Woodard, Government Analyst II, DBPR  
Lois Tepper, Board Counsel, Office of Attorney General

**OTHERS PRESENT**

Tasha Carter, Government Analyst II, DFS  
Michael Miller, Kunkel, Miller & Hament, P.A. and FAPEO  
Timothy Tack, Kunkel, Miller & Hament, P.A.  
Tim Tucker, NAPEO  
Amanda Snowden, Esquire  
April Williams  
Peggy Roberts  
William Perez  
Donald Hess  
LouAnne Fletcher  
Richard Kirsch  
Bruce Miller  
John Porreca  
Abram Finkelstein

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

Ms. Woodard advised that Mr. Eric Hurst was not in attendance due to a previously scheduled conference.

**III. REVIEW AND APPROVAL OF THE AUGUST 16, 2006 TELEPHONE CONFERENCE CALL MEETING MINUTES**

MOTION: Ms. Lanza moved to approve the minutes.

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

#### IV. REVIEW AND CONSIDERATION OF EMPLOYEE LEASING COMPANY AND CONTROLLING PERSON APPLICATIONS

- A. EvolveHR I, Inc.
- B. EvolveHR II, Inc.
- C. EvolveHR III, Inc.

##### Donald A. Hess, Controlling Person Applicant

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 along with the certificate of insurance, the applicant submitted a letter from the insurance agent advising of workers' compensation coverage.

Ms. Woodard advised that she had received notification from the Department of Financial Services (DFS) advising that the policy, as submitted, was a non-employee leasing policy with a total payroll of only \$250,000.

Mr. Mike Miller and Mr. Rick Kirsch were present representing the applicants.

Mr. Kirsch addressed the board stating that he is the Director of Underwriting and the managing general agent for Lighthouse Programs, LLC and that SUA Insurance Company is aware that the Evolve applications are for employee leasing companies and that they fully anticipate that there will be payroll in excess of \$250,000.

Ms. Lanza asked Ms. Tasha Carter how she was able to determine that the policy submitted did not pertain to employee leasing.

Ms. Tasha Cater with the Department of Financial Services within the Division of Workers' Compensation addressed the board stating that the policy was submitted to her division as a non-employee leasing policy showing a total payroll of only \$250,000. Ms. Carter further stated that all of the policy information is submitted electronically and is uploaded into the division's database.

Ms. Carter stated all of the information is submitted and coded into the system by the carrier. She stated the policy can either be coded as a non-employee leasing policy, employee leasing company only or for the employee leasing company and client companies.

Mr. Kirsch stated when NCCI submitted the information electronically, it must have coded the information incorrectly or misunderstood the reading of the policy.

Ms. Woodard presented the controlling person application of Mr. Hess 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 represented the applicants stating the applicants would subject themselves to the jurisdiction of the board if the workers' compensation issue is not satisfactorily corrected and should anything derogatory be revealed on the criminal history reports for Mr. Hess.

MOTION: Mr. Moore moved to approve the applications with the condition that the workers' compensation issue be satisfactorily corrected and should anything derogatory be revealed on the criminal history reports that Mr. Hess would

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

- D. Progressive Employer Services VI, LLC**
- E. Progressive Employer Services VII, LLC**
  - Steve F. 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 member. She stated that all exhibits were submitted and complete. She further stated that workers' compensation coverage was confirmed by the Department of Financial Services (DFS) on June 9, 2006.

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

- F. South East Employee Leasing Services, Inc.**
  - John A. Porreca, CO 171**

Ms. Woodard presented the application stating all exhibits were submitted and complete. She further stated that workers' compensation coverage was confirmed by DFS on September 6, 2006.

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

- G. William A.N. Cleary, Controlling Person Applicant**
  - AmStaff Human Resources, Inc. I – GL 17**
  - AmStaff Human Resources, Inc. VIII – GM 242**
  - C.U. Personnel Solutions, Inc. – GM 30**

Ms. Woodard presented the application stating that all exhibits were submitted and complete. She further stated that the FDLE, FBI, and credit reports were clear.

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

- H. Ted A. Kirchharr, Controlling Person Applicant**
  - AmStaff Human Resources, Inc. I – GL 17**
  - AmStaff Human Resources, Inc. VIII – GM 242**
  - C.U. Personnel Solutions, Inc. – GM 30**

Ms. Woodard presented the application stating that all exhibits were submitted and complete. She further stated that the FDLE, FBI, and credit reports were clear.

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

**I. Henry Britton Landrum III, Controlling Person Applicant**  
**AmStaff Human Resources, Inc. I – GL 17**  
**AmStaff Human Resources, Inc. VIII – GM 242**  
**C.U. Personnel Solutions, Inc. – GM 3**

Ms. Woodard presented the application stating that all exhibits were submitted and complete. She further stated that the FDLE, FBI, and credit reports were clear.

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

**J. William L. Perez, Controlling Person Applicant**  
**Matrix Employee Leasing, Inc. – EL 212**  
**Matrix Employee Leasing #2, Inc. – EL 283**

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 FBI.

Mr. Miller represented the applicant stating should anything derogatory be revealed on the criminal history report for Mr. Perez, he 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. Perez would appear before the board.  
SECOND: Mr. Moore seconded the motion and it passed unanimously.

**K. Martin Keith Scirratt, Controlling Person Applicant**  
**Administaff Companies, Inc. – EL 24**  
**Administaff Companies II, L.P. – EL 238**

Ms. Woodard presented the application stating it was tabled from the August 16, 2006 meeting at which time the board requesting additional information about the bankruptcy issue addressed in Mr. Scirratt's application. Ms. Woodard advised that information was included in the agenda material and reflects a discharge of debt.

Ms. Woodard further stated that all exhibits were submitted and complete and the only outstanding item is the criminal history report from the FBI.

Ms. Amanda Snowden represented the applicant stating should anything derogatory be revealed on the criminal history report for Mr. Scirratt, he would subject himself to the jurisdiction of the board.

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

**V. REVIEW AND CONSIDERATION OF DE MINIMIS EXEMPTION AND REGISTRATION APPLICATION**

**A. Sequent, Inc.**  
**(William F. Hutter, CEO)**

Ms. Woodard presented the application stating that all exhibits were submitted and complete. She further stated that 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: Ms. Dockery seconded the motion and it passed unanimously.

## **VI. REVIEW AND CONSIDERATION OF EMPLOYEE LEASING COMPANY NAME CHANGES**

### **A. AmStaff Human Resources, Inc. I – GL 17**

**To: Landrum Professional Employer Services, Inc.**

### **B. AmStaff Human Resources, Inc. VIII – GM 242**

**To: Landrum Professional Employer Services, inc. II**

### **C. C.U. Personnel Solutions, Inc. – GM 30**

**To: Landrum Professional Employer Services, Inc. III**

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

MOTION: Mr. Crum moved to approve the application.

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

### **D. Howard Leasing II, Inc. – EL 326**

**To: Howard Leasing II, LLC**

Ms. Woodard presented the application stating it is complete and there are no open or pending complaints against the licensee.

MOTION: Mr. Crum moved to approve the application.

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

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

### **A. Aramark Processing, LLC – EL 301**

### **B. GRM Group, Inc. – EL 210**

### **C. Outsource Group, LLC – DM 49**

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

MOTION: Mr. Moore moved to accept the terminations.

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

## VIII. REVIEW AND CONSIDERATION OF CONTROLLING PERSON RELINQUISHMENTS

**A. Robert W. Carpenter, CO 702**  
**Aramark Processing, LLC – EL 301**

**B. Jefferey Kyle Gilliam, CO 703**  
**Aramark Processing, LLC – EL 301**

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

MOTION: Mr. Moore moved to accept the relinquishments.

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

**C. Douglas O. Mishler, CO 545**  
**National Employee Leasing Co., Inc. – GL 36**  
**NELCO Benefit Group, Inc. – GM 73**  
**NELCO International, Inc. – GM 74**  
**NELCO Master Corporation, Inc. – GM 75**  
**NELCO Three, Inc. – GM 286**  
**NELCO Six, Inc. – GL 69**  
**NELCO Seven, Inc. – GM 142**  
**NELCO Eight, Inc. – GM 141**  
**NELCO One, Inc. – GM 287**  
**NELCO Two, Inc. – GM 285**

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

MOTION: Ms. Dockery moved to accept the relinquishment.

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

**D. Michael Andrew Perkins, CO 391**  
**AmStaff Human Resources, Inc. – GL 17**  
**AmStaff Human Resources, Inc. VIII – GM 242**  
**C.U. Personnel Solutions, Inc. – GM 30**

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

MOTION: Ms. Dockery moved to accept the relinquishment.

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

**E. Bonnie Vermillion, CO 305**  
**Atlantic Professional Employers, Inc. – EL 140**

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

MOTION: Mr. Crum moved to accept the relinquishment.

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

**F. Allan I. Waters, CO 704  
Aramark Processing, LLC – EL 301**

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

MOTION: Mr. Crum moved to accept the relinquishment.

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

**VII. REPORTS**

**A. Office of the Attorney General – Lois Tepper**

Ms. Tepper advised the board that there were three (3) rules in play at this time.

She advised that the first is the form which was submitted regarding workers' compensation. She stated she has included in the agenda materials the letters from and to the Joint Administrative Procedures Committee (JAPC).

She stated JAPC still believes the board does not have statutory authority to allow clients to carry their own workers' compensation coverage, but that the employee leasing company must carry the coverage.

She stated that she had heard from a representative of NAPEO that they would be of assistance in drafting language. She stated she advised that she would have to bring the matter back to the board to provide instruction whether to dispute the interpretation or to agree that JAPC is correct and to withdraw the rule.

Mr. Miller stated that FAPEO want to meet with JAPC and that FAPEO is adamant that a client can maintain its own policy, under the current statutory language.

Ms. Dockery stated she felt the board should pursue the rule change.

Abram Finkelstein addressed the board stating that the FWCJUA's position on this matter is exactly contrary. He stated FWCJUA feels that a client can maintain its own policy and that it mandates all policy holders to include all employees to be reported under that policy. He advised that he had spoken with Mike Cleary and Leo Canton.

Mr. Rodriguez stated he could not support the rule as it stands. He stated his main concern is and still remains the verification of coverage of these client based policies.

Tim Tucker of NAPEO suggested of the board to continue to pursue the form and to preserve the rule. He further stated it is not fair to penalize PEOs for misunderstandings of rules.

Ms. Lanza stated she felt the board should get clarification from JAPC.

After further discussion, the following motion was made.

MOTION: Ms. Dockery made a motion to continue to pursue the rule and to get the form approved.

SECOND: Ms. Lanza seconded the motion.

The motion failed with Mr. Rodriguez, Mr. Crum and Mr. Moore opposing.

Further discussion ensued and the board made the following motion.

MOTION: Mr. Rodriguez moved to continue dialogue with Mr. Harold with expert assistance, for clarification of the issue of whether individual policies are allowed, in the current statute and for Ms. Tepper not to pursue the rule change or draft a response until the board meets again.

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

Ms. Tepper stated that Rule 61G7-5.0033, Florida Administrative Code (FAC) was approved by the board on August 16, 2006. She advised that the new language was included in the agenda materials. The board made no changes.

Ms. Tepper stated she provided suggested language for discussion for Rule 61G7-10.0012, F.A.C, and wanted to know if the proposed language addressed the board's concerns.

Mr. Miller asked if the board was looking for the sale of a majority of the business assets.

Ms. Tepper stated she could change the language to reflect "Sale or transfer of majority of business assets" and to strike through the language in the parentheses.

Ms. Tepper asked what would be the definition of majority.

Mr. Rodriguez stated majority would be defined as payroll dollars. The other members of the board agreed.

MOTION: Mr. Rodriguez made a motion to make the suggested changes and to bring the new proposed language to the October 2006 meeting.

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

#### **G. Executive Director – Richard Morrison**

Mr. Morrison addressed the board regarding the anonymous correspondence that was mailed to each board member regarding a certain employee leasing company and insurance carrier.

Mr. Morrison stated the matter does not fall within the jurisdiction of the board or this Department. He stated this is a Department of Financial Services issue and he has forwarded the information to them for handling.

He advised that he offered his assistance to DFS in the investigation.

Ms. Dockery stated the board did respond to this concern at the May 2006 meeting and a letter was drafted to DFS with the board's concerns addressed in the letter.

Ms. Dockery stated the procedures of the board would need to be followed, if in deed it was a matter to be handled by the board. She stated by sending this correspondence to all of the board members and not appropriately filing a complaint with the board, the information was tainted.



Mr. Morrison stated the board has not received a response from DFS in regards to the board's letter of concern.

Mr. Morrison reviewed the June 30, 2006 financial reports with the board advising of a healthy cash balance. He advised that he attended a meeting in which a suggestion of adjusting the fees with a waiver or adjustment were discussed.

Mr. Morrison stated he would bring projections to the October 2006 meeting for board discussion.

**H. Chairperson – Celeste Dockery**

No Report.

**X. OLD BUSINESS**

None

**XI. NEW BUSINESS**

None

**XII. ADJOURNMENT**

MOTION: Mr. Moore moved to adjourn the meeting at 11:55a.m.

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