

**BOARD OF EMPLOYEE LEASING COMPANIES  
GENERAL BUSINESS MEETING MINUTES  
THE RITZ CARLTON SARASOTA  
1111 RITZ CARLTON DRIVE  
SARASOTA, FLORIDA 34236  
941-309-2000**

**MAY 16, 2012  
1:00 p.m. EST**

**I. CALL TO ORDER**

The meeting was called to order at approximately 1:13 p.m. EST by Mr. John Jones, Board Chair.

**II. ROLL CALL**

**MEMBERS PRESENT**

John Jones, Chair  
Abram Finkelstein, Vice Chair  
Eric Arfons  
Celeste Dockery

**MEMBERS ABSENT**

None

**STAFF PRESENT**

Rick Morrison, Executive Director, DBPR  
Mary Ellen Clark, Board Counsel, Office of the Attorney General  
Eric Hurst, Assistant General Counsel, DBPR  
Krista Woodard, Government Analyst, DBPR

**OTHERS PRESENT**

Mark Mark, Department of Financial Services, Workers' Compensation  
Michael Miller, Kunkel, Miller & Hament, P.A. and FAPEO  
Timothy Tack, Kunkel Miller & Hament, P.A.  
Kim Robbins, Paychex  
Kay Sessions, Integrity  
W. Corey Keith, Southeast Drivers  
Kathryn Dyndul, Pyramid Employer Services  
Todd Cohen, TriNet  
Tricia Russo, ADP TotalSource  
Bill Edwards, SCI

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

**III. THE PLEDGE OF ALLEGIANCE**

Mr. Jones led all in the Pledge of Allegiance.

**IV. REVIEW AND APPROVAL OF THE MARCH 21-22, 2012 GENERAL BUSINESS MEETING MINUTES**

MOTION: Ms. Dockery moved to approve the minutes.

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

**V. REVIEW AND APPROVAL OF THE APRIL 18, 2012 TELEPHONE CONFERENCE CALL MEETING MINUTES**

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

**VI. DISCIPLINARY PROCEEDINGS – Office of the General Counsel**

- | <b>A. SETTLEMENT STIPULATIONS</b> | <b><u>Case #</u></b> |
|-----------------------------------|----------------------|
| <b>1. Acline Consulting, Inc.</b> | <b>2011-045337</b>   |
| <b>2. Richard Schaub</b>          | <b>2011-045328</b>   |
- (PCP: Dockery and Reeves – March 22, 2012)*

Mr. Hurst presented the case explaining it stems from violations involving failure to maintain positive net working capital for the December 2010, March 2011 and June 2011, and September 2011 quarterly reports, failure to maintain a positive net working capital for the 2010 annual financial statement and failure to maintain positive net worth for the March 2011 and June 2011 quarterly reports.

Mr. Hurst stated the settlement stipulation provides for imposition of an administrative fine of \$3500.00 and costs of \$110.68 with joint and several liability for the payment of the fine and costs.

MOTION: Mr. Finkelstein moved to adopt the terms of the settlement stipulation as the final order of the board.  
SECOND: Mr. Arfons seconded the motion and it passed unanimously.

*Ms. Dockery was recused from the vote due to her participation on the probable cause panel.*

- |  |                    |
|--|--------------------|
| <b>2. Compass Employment Services, LLC</b> | <b>2010-051939</b> |
| <b>3. James Richard Hicks</b>              | <b>2010-051936</b> |
- (PCP: Jones and Landrum – November 17, 2011)*

Mr. Hurst presented the cases explaining they stem from violations involving failure to timely submit the June 2010 quarterly report and the Annual Financial Statement for 2009. He stated that he is dismissing counts 3-7 as outlined in the Administrative Complaint.

Mr. Hurst stated the settlement stipulation provides for imposition of an administrative fine of \$2250.00, costs of \$512.25, with joint and several liability for payment of the fine and costs and dismissal and withdrawal of Counts 3-7 as outlined in the Administrative Complaint.

MOTION: Ms. Dockery moved to adopt the terms of the settlement stipulation as the final order of the board.  
SECOND: Mr. Arfons seconded the motion and it passed unanimously.  
*Mr. Jones was recused from the vote due to his participation on the probable cause panel.*

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|---------------------------|--------------------|
| <b>5. STS Group, Inc.</b> | <b>2011-045726</b> |
| <b>6. Robert Cassera</b>  | <b>2011-057806</b> |
- (PCP: Dockery and Reeves – March 22, 2012)*

Mr. Hurst stated these cases were being pulled from the agenda and will be presented at a future meeting.

**B. MOTION FOR WAIVER OF RIGHTS AND FINAL ORDER**

**1. Pyramid Employer Services III, Inc. 2010-051018**  
*(PCP: Reeves and Landrum – July 20, 2011)*

Mr. Hurst presented the case explaining it stems from violations involving failure to timely submit the September 2010 thru March 2011 quarterly reports, failure to submit the audited or reviewed Annual Financial Statement for 2010, failure to timely submit the 2010 annual assessment fee, failure to maintain positive net worth for the June 2010 quarterly report and failure to maintain positive net worth and working capital for the Annual Financial Statement for 2009.

MOTION: Mr. Jones moved that the Respondent has waived its rights to a hearing.  
SECOND: Mr. Finkelstein seconded the motion and it passed unanimously.

MOTION: Mr. Finkelstein moved to adopt the allegations of fact and conclusions of law contained in the administrative complaint as those of board.  
SECOND: Mr. Arfons seconded the motion and it passed unanimously.

Ms. Kathryn Dyndul was present, sworn in and addressed the board. After discussion, the following motion was made.

MOTION: Mr. Finkelstein moved to revoke the license and retain jurisdiction over the license to impose any additional discipline deemed appropriate and for the licensee to appear at the October 2012 meeting with evidence that all liabilities have been paid and to submit information on the collateral of the workers' compensation policy for review within 120 days.  
SECOND: Mr. Arfons seconded the motion and it passed unanimously.

**2. Kathryn Saunders Dyndul 2010-050981**  
*(PCP: Reeves and Landrum – July 20, 2011)*

Mr. Hurst presented the case explaining it stems from violations involving failure to timely submit the September 2010 thru March 2011 quarterly reports, failure to submit the audited or reviewed Annual Financial Statement for 2010, failure to timely submit the 2010 annual assessment fee, failure to maintain positive net worth for the June 2010 quarterly report and failure to maintain positive net worth and working capital for the Annual Financial Statement for 2009.

MOTION: Mr. Finkelstein moved that the Respondent has waived its rights to a hearing.  
SECOND: Ms. Dockery seconded the motion and it passed unanimously.

MOTION: Ms. Dockery moved to adopt the allegations of fact and conclusions of law contained in the administrative complaint as those of board.  
SECOND: Mr. Jones seconded the motion and it passed unanimously.

MOTION: Mr. Finkelstein moved to revoke the license and retain jurisdiction over the license to impose any additional discipline deemed appropriate and for the licensee to appear at the October 2012 meeting with evidence that all liabilities have been paid and to submit information on the collateral of the workers' compensation policy for review.  
SECOND: Mr. Arfons seconded the motion and it passed unanimously.

### **C. VOLUNTARY RELINQUISHMENT OF LICENSE**

*Mr. Hurst stated that no one is recused from these cases because they have not been before the probable cause panel. He stated that in lieu of the probable cause proceedings, the Respondents have executed a Voluntary Relinquishment of Licensure.*

**1. Prosperitas Associates, Inc. 2011-045709**

*(PCP: N/A)*

Mr. Hurst presented the case explaining it stems from failure to submit the 2010 Annual Financial Statement and failure to submit the March 2011 thru September 2011 quarterly reports.

Mr. Hurst stated that the Subject would cease operations and has executed a Voluntary Relinquishment with no right of reapplication. He further stated that the Subject waived the finding of probable cause and confidentiality and agreement to pay of costs of \$58.01.

MOTION: Mr. Jones moved to accept the voluntary relinquishment and for the inclusion of the investigative report to be attached to the Final Order.

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

**2. Prosperitas Associates II, Inc. 2011-057888**

*(PCP: N/A)*

Mr. Hurst presented the case explaining it stems from failure to submit the 2010 Annual Financial Statement and failure to submit the March 2011 thru September 2011 quarterly reports.

Mr. Hurst stated that the Subject would cease operations and has executed a Voluntary Relinquishment with no right of reapplication. He further stated that the Subject waived the finding of probable cause and confidentiality and agreement to pay of costs of \$58.01.

MOTION: Mr. Jones moved to accept the voluntary relinquishment and for the inclusion of the investigative report to be attached to the Final Order.

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

**3. Chris E. Rose 2011-057885**

*(PCP: N/A)*

Mr. Hurst presented the case explaining it stems from failure to submit the 2010 Annual Financial Statement and failure to submit the March 2011 thru September 2011 quarterly reports.

Mr. Hurst stated that the Subject would cease operations and has executed a Voluntary Relinquishment with no right of reapplication. He further stated that the Subject waived the finding of probable cause and confidentiality and agreement to pay of costs of \$45.22.

MOTION: Mr. Jones moved to accept the voluntary relinquishment and for the inclusion of the investigative report to be attached to the Final Order.

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

*The meeting recessed at 2:30 p.m. and reconvened at 2:45 p.m.*

**VII. REVIEW AND CONSIDERATION OF EMPLOYEE LEASING COMPANY AND CONTROLLING PERSON APPLICATIONS**

- A. Southeast Drivers II, LLC (EL Applicant)**  
Denny Wilson, CO 551  
Mark Ruggieri, CO 965  
James Knight, CO 334

Mr. Jones presented the company application for Southeast Drivers II, LLC.

Ms. Dockery asked for updated financials for the company and for the applicant to provide clarification of the ownership of the company.

Mr. Miller waived the 90-day deemer clause and asked the board to table discussion until the June 2012 meeting so that they could provide the requested information.

- B. Maria Barkman Black, Controlling Person Applicant**  
ADP TotalSource CO XXII, Inc. – GL 118  
ADP TotalSource, Inc. – GL 104  
ADP TotalSource I, Inc. – GL 33  
ADP TotalSource Services, Inc. – GL 4  
*(Group Members are included in list of companies)*

Mr. Jones presented the controlling person application of Ms. Maria Black.

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

- C. Monisha De Quadros, Controlling Person Applicant**  
ADP TotalSource CO XXII, Inc. – GL 118  
ADP TotalSource, Inc. – GL 104  
ADP TotalSource I, Inc. – GL 33  
ADP TotalSource Services, Inc. – GL 4  
*(Group Members are included in list of companies)*

Mr. Jones presented the controlling person application of Ms. Monisha De Quadros.

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

- D. Kevin Neal Hill, Controlling Person Applicant**  
Paychex Business Solutions, Inc. – GL 7  
Paychex PEO I, Inc. – GM 455  
Paychex PEO II, Inc. – GM 456  
PBS of America, Inc. – GM 46  
PBS of Central Florida, Inc. – GM 14

Mr. Jones presented the controlling person application of Mr. Kevin Hill.

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

- E. David John Imbrogno, Controlling Person Applicant**  
ADP TotalSource CO XXII, Inc. – GL 118  
ADP TotalSource, Inc. – GL 104  
ADP TotalSource I, Inc. – GL 33  
ADP TotalSource Services, Inc. – GL 4  
*(Group Members are included in list of companies)*

Mr. Jones presented the controlling person application of Mr. David Imbrogno.

MOTION: Mr. Finkelstein moved to approve the application.

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

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

- A. Bankers Employer Services, Inc. – GL 129**  
TO: **DecisionHR Holdings, Inc.**

Mr. Jones presented the name change application.

MOTION: Mr. Jones moved to approve the name change application.

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

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

- A. Accountfirst Insurance Services, Inc. – EL 303**  
**B. HHG I, Inc. – EL 304**  
**C. SC of Florida II, Inc. – EL 260**  
**(CP Relinquishment – Jacob Harvey Hardin – CP 374)**

Mr. Jones presented the termination of operations applications.

MOTION: Mr. Jones moved to approve the termination of operations applications.

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

- D. Labor-Cost Management, Inc. – EL 79**  
**(CP Relinquishment – Donald F. Milan – CO 92)**  
**(CP-Relinquishment - Frank Milan, CO 217)**

Mr. Jones presented the termination of operations and controlling person relinquishment applications.

MOTION: Ms. Dockery moved to approve the termination of operation and controlling person applications.

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

### **X. REVIEW AND CONSIDERATION OF CONTROLLING PERSON RELINQUISHMENTS**

- A. Thad M. Jones, CO 937**  
**TLC Labor Source, Inc. – EL 399**

Mr. Jones presented the controlling person relinquishment of Mr. Thad M. Jones.

MOTION: Mr. Jones moved to accept the controlling person relinquishment.  
SECOND: Mr. Arfons seconded the motion and it passed unanimously.

## **XI. OLD BUSINESS**

### **A. Review of Audit Process – Jerry Wilson**

Mr. Wilson addressed the board giving an update of the audit program. He stated that as he looked at the statutes and the rules, the department has the authority to audit employee leasing companies.

He advised that he and his staff along with Mr. Jones created a template of what the audit would look like and consist of. He stated that since March 2012 he and his staff have been working on it and provided a copy of the checklist to the board members. He further stated that he has 1 to 2 staff members working on the audit and that they had began the audit process. He further stated that one staff person, Lisa Osteen, will be dedicated to working the audit process full-time.

Mr. Wilson stated they used the fourth quarter reports for 2011, which were due by March 15, 2012, as the test subjects for the initial audit. He further stated that 90% of the licensed companies complied with the quarterly submission and the 10% that did not comply were the test subjects for the first audit.

Mr. Wilson advised that his staff has started to contact the 10% non-compliant companies and began asking the questions as listed on the audit checklist. He stated that some of the companies were confused and thought the annual financial statement could substitute for the fourth quarterly report. He stated he educated the companies on the submission requirements. Mr. Wilson stated they have initiated around 20-25 cases for companies they could not find or had negative net worth or working capital.

Mr. Wilson stated his goal with the audit process is to provide a product that is as good or better than the quarterly reporting process.

Mr. Wilson stated he has developed working relationships with the workers' compensation division and have developed a spreadsheet that they are able to use to run reports and get immediate feedback on companies that have workers' compensation. He further stated they would be able to get up to the minute information on companies that have cancelled their workers' compensation.

Mr. Wilson stated he understood the board's concerns about the frequency of the audit which was initially suggested for annually, but he is looking at increasing the frequency of the audit.

Mr. Jones stated he has been speaking with Ms. Osteen and that he wanted to emphasize the need to be less not more burdensome with the audit process. He provided some insight into what the department should look for in the audit.

Mr. Jones asked Mr. Wilson what legal authority the department has to make sure that the companies comply with the audit.

Mr. Wilson stated that they could send a letter to the address of record advising that the company has been chosen for the audit and that they have not been able to contact them. He asked if the board would consider drafting a rule for failure to comply with an audit as some other boards have done.

Ms. Dockery asked if anyone had done any research or a study on the economic impact of the filing of the complaints and the revenue generated to the department and how it would affect the board. She

stated she is concerned that this audit process is not going to have an impact on the big companies but will affect small businesses. She advised that this process may be more burdensome to the smaller companies that just filing the quarterly reports.

Ms. Dockery asked if the expense of the CPA, that would be doing the audits, has been taken into consideration into the economic impact.

Mr. Finkelstein stated he agreed with Ms. Dockery that this process may be more onerous than the quarterly filings.

Mr. Wilson stated he is very familiar with the budget process and that doing investigations and regulation is an expense and it would go higher because it would be more labor intensive.

Mr. Wilson stated he does have a budget for an expert for those companies that would warrant an on-site audit.

Mr. Finkelstein asked if every company would get audited and how often.

Mr. Wilson replied stating he was not sure how fast his staff could complete an audit.

Ms. Dockery asked if Ms. Osteen was the auditor and a CPA and asked for her background.

Mr. Wilson stated she was the auditor but not a CPA. He stated she was an investigator and worked in the legislative offices for some other agencies.

Ms. Dockery asked if Ms. Osteen has an accounting or insurance background to know what questions to ask.

Mr. Wilson stated he was not sure, but understands her questions. He stated she does have a partner working with her that does have a financial background.

Ms. Dockery stated her reason for asking those questions were because if the board was going to be deceived one way, it could be deceived another way.

Mr. Finkelstein stated he still had questions about the frequency of the audit and what information can be asked for.

Ms. Clark stated that Chapter 468.535, F.S. grants the authority for the department to "make investigations, audits, or reviews within or outside this state as it deems necessary." She stated that is what Mr. Wilson is talking about and it is some really broad authority. She further stated she did not see a limitation on what the department could ask for.

Ms. Clark stated that Mr. Wilson stated that at a minimum they would perform an audit at least once a year and as it deems necessary more than once.

Mr. Finkelstein asked Mr. Wilson what he was expecting as an outcome of this meeting, if he was expecting a vote on the quarterly reports today.

Mr. Wilson stated he wanted to introduce an alternative to the quarterly reporting requirement.

After a very lengthy discussion from the board and members of the industry, the board made the following motions.



MOTION: Mr. Finkelstein moved to notice Rule 61G7-10.001, F.A.C. for rule development.

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

MOTION: Mr. Finkelstein moved to suspend prosecution for violations of failure to timely file quarterly reports so long as they are ultimately received and there were no financial deficiencies indicated in the reports.

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

## **XII. NEW BUSINESS**

Mr. Miller asked for a copy of the audit procedures for FAPEO's review.

## **XIII. REPORTS**

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

Mr. Hurst stated that the Prosecuting Attorney's report was included in the agenda materials.

### **B. Executive Director – Rick Morrison**

Mr. Morrison gave a synopsis of the Operating and Unlicensed Activity Accounts ended March 31, 2012.

### **C. Chairperson – John Jones**

Mr. Jones asked if any member of the board would like to volunteer to assist with the audit process.

Ms. Dockery stated she would volunteer to assist Mr. Wilson and his staff with the audit process. She also advised that Mr. Keith Reeves has offered his assistance with the process due to his accounting background.

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

#### **1. May 2012 Rules Report**

Ms. Clark informed that after two years of work, the changes to Rule 61G7-5.001, F.A.C. will be effective on May 29, 2012.

Ms. Clark further advised that there are two matters that have to be discussed in reference to Rule 61G7-10.002, F.A.C. She stated that section "e" and "f" need to be changed. She advised that her proposal for changes were provided at the March 2012 board meeting and there was much discussion but no one has come forward with any proposed language.

Ms. Clark stated there were two ways to proceed, make all the changes to Rule 61G7-10.002 and skip sections "e" and "f" although she doesn't think it would survive JAPC review because both sections are no longer supported by the statute or the board could come up with the language.

Mr. Jones asked board members to review, for tomorrow discussion, the proposed forms for change of ownership as provided by Mr. Morrison because the forms and the rule go hand-in-hand.

**XIV. RECESS**

MOTION: Mr. Jones moved to recess the meeting to the next day, May 17, 2012 10:00a.m.  
SECOND: Ms. Dockery seconded the motion and it passed unanimously.

The meeting recessed at 6:13 p.m.

**BOARD OF EMPLOYEE LEASING COMPANIES  
GENERAL BUSINESS MEETING  
THE DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION  
1940 NORTH MONROE STREET  
TALLAHASSEE, FLORIDA 32399  
850-487-1395**

**MAY 17, 2012  
10:00 a.m. EST**

**I. CALL TO ORDER**

The meeting was called to order at approximately 10:10 a.m. EST by Mr. John Jones, Board Chair.

**II. ROLL CALL**

**MEMBERS PRESENT**

John Jones, Chair  
Abram Finkelstein, Vice-Chair  
Eric Arfons  
Celeste Dockery

**MEMBERS ABSENT**

None

**STAFF PRESENT**

Rick Morrison, Executive Director, DBPR  
Krista Woodard, Government Analyst II, DBPR  
Mary Ellen Clark, Board Counsel, Office of the Attorney General  
Eric Hurst, Prosecuting Attorney, DBPR

**OTHERS PRESENT**

Mark Mark, Department of Financial Services, Workers' Compensation  
Michael Miller, Kunkel, Miller & Hament, P.A.  
Timothy Tack, Kunkel, Miller & Hament, P.A.  
Todd Cohen

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

**III. THE PLEDGE OF ALLEGIANCE**

Mr. John Jones led all in the Pledge of Allegiance.

**IV. REPORTS (cont.)**

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

**1. May 2012 Rules Report**

Ms. Clark informed that after two years of work, the changes to Rule 61G7-5.001, F.A.C. will be effective on May 29, 2012.

Ms. Clark stated that the board has been working quite some time on Rule 61G7-10.002, F.A.C. and at the March 2012 she suggested withdrawing the rule and noticing it for rule making because there were

too many changes that needed to be made. She advised that her proposal for changes were provided at the March 2012 board meeting.

Ms. Clark advised that Rule 61G7-10.002, F.A.C. was re-noticed for rule development on April 27, 2012 and the board needed to come up with language that they would like to see go forward.

Ms. Clark stated there were two ways to proceed, make all the changes to Rule 61G7-10.002 and skip sections "e" and "f" although she doesn't think it would survive JAPC review because both sections are no longer supported by the statute, or the board could come up with the language.

After a lengthy discussion about the rule language and forms, Ms. Clark stated she would bring to the June 2012 meeting the proposed language changes to Rule 61G7-10.002, F.A.C. and forms for board review and approval.

Ms. Clark also mentioned an e-mail that she received from Ms. Patricia Nelson with OFARR asking for the Board's Regulatory Plan for 2012.

Ms. Clark recommended a committee of one to be delegated the authority to work with her and the department on the preparation of a draft list for OFARR. The board agreed and appointed Mr. Finkelstein as the committee of one to work with Ms. Clark and the department on the drafting of the list for OFARR.

## **V. ELECTIONS**

Ms. Dockery stated that she would like to nominate John Jones as Chair. Mr. Finkelstein seconded the nomination. With no further nominations, Mr. Jones was elected as Chair of the board.

Ms. Dockery stated she would like to nominate Abram Finkelstein as Vice Chair. Mr. Jones seconded the motion. With no further nominations, Mr. Finkelstein was elected as Vice Chair of the board.

## **VI. PUBLIC COMMENTS**

Mr. Jones stated the board is still in need of board members and if anyone knew of someone willing to serve to please apply.

Ms. Clark asked if the June meeting could be an in-person meeting due to the work that needs to be done on the rules.

After discussion, the board agreed to change the June 2012 meeting to an in-person to begin at 9:00 a.m. on June 27, 2012. The city and site of the meeting will be determined by board staff based on availability.

## **VII. ADJOURNMENT**

MOTION: Ms. Dockery moved to adjourn.

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

The meeting adjourned at 12:48 p.m.

*Transcripts and/or recordings of the meeting can be obtained upon request.*