STATE OF MINNESOTA

PRIVATE DETECTIVE AND PROTECTIVE AGENT SERVICES BOARD

April 29, 2014 Meeting Minutes

Location: 1430 Maryland Avenue East, St. Paul, Minnesota
Members Present: Drew Evans, Jim Hessel, Richard Hodsdon, Steve Wohlman
Members Not Present: Pat Moen
Attorney General Representative: Jacob Fischmann
Agency Staff: Greg Cook, Executive Director

The meeting was called to order at 10:03 a.m. by Evans.

Evans asked if the Board had reviewed the March 2014 meeting minutes and if any corrections needed to be made. With no corrections needed Hodsdon motioned to approve, Hessel seconded the motion. The motion passed with 3 votes; Wohlman abstained from the motion due to his absence at the February meeting.

Previous Contingencies and/or Renewals with Issues Completed:

#238 PAP ERMC II, L.P.
Cook explained that the renewal packet which was due on 2/1/2014 was not received until 2/28/2014. Cook advised that the license holder admitted error and that the renewal is complete so Cook is looking for the Boards to make a determination on the late submission. Wohlman motioned to approve the renewal with a Letter of Education and Conciliation; Hessel seconded the motion. The motion passed unanimously.

Current Contingencies

American Security Associates, LLC PAC 335:
Cook advised he needs more time to review this contingency. Cook advised that there are a few issues he needs to work with the license holder on regarding the Secretary of State filings, pre-assignment training issues, and the Bond.

Glenn Fladmark PDI #807:
Evans inquired if the issue with the renewal has been corrected. Cook advised that the license holder has provided documentation that he had completed the training hours that the Board required of him to make up for lack of training in 2013.

Charles Loesch PDI 742:
Evans inquired if issued with the renewal have been completed. Cook advised that all issues have been resolved and the renewal is complete.

Consent Agenda

Cook requested a motion of approval for the following reissuance's due in April 2014, as they have provided all materials and had no issues:

License Number	License Type	License Holder
649	PDC	Heartland Information Services
854	PDC	Boudreau Investigations, Inc.
982	PDC	HUB Enterprises
1061	PDC	Paper Trace Investigations

The Board reviewed the renewals listed above. Hessel moved to approve all the renewals on the consent agenda; Wohlman seconded the motion. The motion passed unanimously.

Renewals With Issues:

The Executive Director is asking the Board to determine if the following license holders should be:

A. Renewed upon remaining items corrected
   — AND/OR —
B. Granted a contingency
   — AND/OR —
C. Penalty imposed

Stroz Friedberg, LLC PDC #936:
Cook advised the Board that this renewal is complete, but during the renewal process it was discovered that an officer change had occurred and the Board was never notified. Cook advised that the license holder stated they have never had anyone that "officially" held the title of CEO, but they had always listed the founder and co-president Edward Stroz as the CEO on the applications because he was in charge of Operations for the company. Cook advised that on November 4, 2013 the company formally hired Michael Patsalos-Fox as CEO of Stroz Friedberg. Cook advised that the statutes require the license holder to notify the Board of any changes. Cook explained that the CEO is a little different than the Qualified Representative or Minnesota Manager, but that the CEO would still need to be reviewed and a back ground check would need to be completed. Wohlman inquired if the renewal is complete. Cook advised that the renewal is complete, and that there is no previous disciplinary history with the license holder.

Wohlman motioned to approve the renewal with a Letter of Education and Conciliation; Hodsdon seconded the motion. The motion passed unanimously.

Joe Collins PDI #1037:
Cook advised the Board that the license holder is requesting a contingency for personal reasons. Cook provided the Board with a letter the license holder sent providing his reasons for requesting the contingency.

The Board reviewed the license holder's letter. Wohlman inquired how long the contingency would be in place. Evans also questions, and inquired if the contingency would be for 60 days. Cook confirmed the contingency would be for 60 days.

Hodsdon motioned to approve the contingency; Hessel seconded the motion. The motion passed unanimously.

Lapsed Licenses:

- **Bares & Associates, Inc. (PDC #1001):** Lapsed status expired 4/1/2014.
  Cook advised the Board that the lapsed status expired on 4/1/2014, so the license holder is no longer licensed at this time.
- **Kern Innovative Security Solutions, LLC (PAC 327):** Lapsed status expires 6/1/2014
- **Charles Loesch (PDI 742):** Lapsed status expires May 1st, 2014 - Packet received 3/26/14.
  Cook advised the board that PDI #742 is taken care of now, and mentioned that it was discussed in another section above during the meeting.

Surrendered Licenses:

None at this time.

Training Course & Instructor Approvals:

Cook advised the Board that there were no training materials to be reviewed at this time. However, Cook advised the Board that MAPI was requesting approval for a spring training seminar coming up in May. Cook advised the Board that he had provided them with a brochure that discussed the seminars that will take place. Cook also advised the Board that the topics that were being discussed were very relevant, and the speakers were all very qualified.

After review of the brochure Wohlman motioned to approve the MAPI conference; Hodsdon seconded the motion. Evans made note that MAPI still needed to submit the proper paper work for training courses. The motion passed unanimously.

Cook also addressed the Board to advise that he is working on forming a training liaison group. This group would help to review training material that is sent in which will help speed up the process of approving training courses.

Officer Changes

License Holder Business Name:	Whelan Security
License Type/Number:	PAC #297
Type of Officer Change:	Minnesota Manager: From Pat Smith to Robert Spratt
Physical Address:	1700 West Highway 36, Roseville, MN 55113

Evans welcomed Spratt and asked him to provide a little bit of information on the officer change and also a brief background on himself.

Spratt advised that the previous Minnesota Manager, Pat Smith, had resigned back in February and Whelan had selected him to take Smith's place. Spratt advised that he working in the security industry since 1989 and he was also part of the previous training liaison group with the Board. Spratt stated he worked for American Security Corporation and ended his career there as the regional vice president of operations and sales. Spratt advised he began working as a general manager at Whelan in 2012 and was selected to be the new Minnesota Manager.

At this time none of the Board members had any questions for Spratt. Wohlman motioned to approval Spratt as the new Minnesota Manager for Whelan Security; Hodsdon seconded the motion. The motion passed unanimously.

New License Applicants – Present:

Applicant Business Name:	Avalon, Inc.
Qualified Representative:	Daniel Blackwell (formerly Daniel Seman)
Physical Address:	1070 Grand View Court Northeast 406, Minneapolis MN 55421
Type of License Applying For:	Corporate Protective Agent
Scope of Business:	Protective Agent Services

Evans welcomed Daniel Blackwell and his attorney, Adam Huhta, to the Board meeting. Evans stated that there were some significant concerns that the Board members had concerning various aspects of the background investigation that was completed by the Executive Director regarding the application and he asked if they were

prepared to answer questions of the Board members concerning that background, and if they were adequately prepared to answer those questions for the Board at this time. Blackwell responded “Yes.”

Evans stated that Executive Director Cook had some initial questions. Cook asked Blackwell “Up to the end of Avalon Fortress license, how long have you been licensed?” Blackwell responded “I believe since 1982.” Cook asked “therefore you have read and understand all the statutes, correct?” Blackwell responded “To the best of my ability.”

Cook stated that the sale of Avalon Fortress was on August 17th, 2012 and that the Board had addressed it at the last board meeting Blackwell was present. Cook asked if Blackwell was the CEO from that point on. Huhta stated that he did not think the executive functions changed. Ownership changed, but did not think anything in the officer positions actually changed.

Cook asked Blackwell “At the November 26 meeting he understood that he did not have a license at that time, correct?” Blackwell responded “Correct.”

Cook asked “Are you currently insured for security guard services?” Blackwell responded “Yes.”

Cook stated that he did not want to get into the personal aspects of the current Order of Protection (OFP) placed against Mr. Blackwell, but as far as licensure goes he did have questions and concerns. Cook asked “The OFP stated you were to surrender all your weapons, correct?” Blackwell responded “Correct.”

Cook asked “Are you armed now?” Blackwell stated “No.” Cook stated he had to ask. Cook then asked “Were you planning on offering armed protection?” Blackwell stated “No.”

Cook stated “There has been over 20 wage claims against you. Some of them have dropped off because they were old, but there’s still a number that are completely not paid and I am just asking how you planned on paying back your former employee’s.” Huhta asked “Which former employee’s and what company?” Cook stated” There’s a number of different Avalon ones, but they are all against Dan Seman. It’s a general question. Does he have a plan to pay back his former employee’s? It’s a simple question. Blackwell responded “I’m not even aware of that.” Cook then stated he should check with the Department of Labor.

Cook then informed the Chair that he was done at that time. Evans then asked any of the members of the Board have any questions at this time.

Wohlman then stated “I’d just like to start out by thanking the Executive Director Greg Cook on his outstanding job of putting together this background investigation. Finding these facts are actually in comparison to none that I have seen in the 17 years of sitting on this Board. I have never seen anything like this before. With the magnitude of information that presented itself, yet to do it in a timely manner Greg you are commended on that. Cook thanked Wohlman for the comment.

Wohlman stated further that he also want to thank Kelly Guralnik for her part in helping out on the project. He stated that he knew she did a lot of hard work on the endeavor. Wohlman stated that Cook did it with some pressure put on him and that he actually read some of the notes, emails, and letters that were sent to him.

Wohlman addressed Blackwell and stated “Mr. Seman - Blackwell was the owner and qualified representative of Avalon Fortress, Ltd. On the application I found several misstatements. First of all on there it asked “Have you ever held a comparable license in any other state?” You answered it “no.” You were licensed in the state of Wisconsin. Documented proof shows that.”

Huhta stated “I’ve gone round and round with Mr. Blackwell on whether or not he ever had a Wisconsin license and I think before the Board we took a position that he hadn’t had a license in Wisconsin before. He can’t find any evidence of it and doesn’t have it anymore,” Wohlman stated “We have the evidence.”

Huhta responded “No. It took some digging on our part and I think he was licensed in Wisconsin at one time but he doesn’t remember being licensed there.” Wohlman asked “You just don’t recall?” Huhta responded “No.”

Hodsdon then stated to Evans “Mr. Chair, if the question is directed to the applicant I would prefer to hear from the applicant rather than his counsel. I have no problem with his counsel advising him but his counsel is not the person applying for the license.” Wohlman stated “That’s correct. I concur with that statement. Thank you very much.”

Evans stated “I would agree with that Mr. Blackwell. You can consult with your counsel but these are questions directed at you as the applicant by this Board.” Huhta responded “Sorry, I didn’t mean to step on the Boards toes. “Evans replied “It’s not you stepping on the Boards toes, but it’s Mr. Blackwell’s job and this is a question concerning whether or not he has held a license. He’s held the license. We all have a lot of stuff that goes on in our lives but we typically know when we hold professional licensure in different states, so that is why we are trying to clarify some of these items. I’d ask that Mr. Blackwell answer the questions.”

Wohlman continued with his interview and stated “I noticed that looking at your work history on the application for Mr. Blackwell it does not compare with the original application that you submitted. Which one of them is wrong?” Blackwell responded “I don’t understand the question.”

Wohlman stated “Your previous work history that you showed on the application does not compare with the application that you filled out when you filled out the application for Avalon Fortress Limited. So which one of the applications is wrong? Was it the first one or the second one?” Blackwell responded “I’d have to see the application and what I filled out.” Wohlman asked “You don’t recall what you filled out on the application?” Blackwell responded “Yeah, I do but that was 6 months, 7 months ago.” Wohlman asked “Do you remember what your previous work history was?” Blackwell responded “My previous work history was with Avalon Fortress Security Corporation.”

At that point Cook interjected and stated “Mr. Chair if I may assist Mr. Blackwell here on this one. Mr. Blackwell, did you ever work for California Plant Protection?” Blackwell responded “Oh gosh yeah. Back in the eighties” Cook asked “Yes or No?” Blackwell responded “Yeah. I’m sorry was that the question?” Wohlman stated “He’s got the document in front of him.”

Cook continued with his questioning asking “Did you ever work for Burlington Northern?” Blackwell responded “BNSF, yes I did.”

Cook asked “Did you work for the US Marshall’s office?” Blackwell responded “Yes, I did.”

Cook asked “Did you ever work for the Somerset Police Department in Wisconsin?” Blackwell responded “Yes, I did.”

Cook asked “Did you ever work for the Minneapolis Park Police?” Blackwell responded “Yes, I did.”

Wohlman asked “Why would you not include that on the application?” Blackwell responded “Well I thought I did, and if I didn’t, then I didn’t include it.”

Wohlman asked “You sold your company on August 17th, 2012, is that correct?” Blackwell responded “Yes” Wohlman asked “When did you notify the Board of it?” Blackwell responded “I don’t believe I notified the Board

of it" Wohlman asked "Why would you not notify the Board of that?" Blackwell responded "I cannot say that, I do not have an answer for that."

Wohlman asked "When you sold the company you sold the shares and everything is that correct?" Blackwell responded "Yes" Wohlman stated "You sold the company for the amount of $1,000"Blackwell responded "That's correct." Wohlman stated "100,000 shares" Blackwell responded "Yes."

Wohlman asked "Were there any liabilities at the time of the sale?" Blackwell responded "I don't recall." Wohlman asked "Do you have any open liens, or anything like that on taxes?" Blackwell responded "I do." Wohlman asked "Do you know how much it is?" Blackwell responded "Not off hand, but we are in the offer and compromise stage with the IRS. I owe nothing to the State of Minnesota."

Wohlman stated "On November 26th, in a meeting before us you stated at that time, as Dan Seman, there was no unlicensed activity that was going on. Have you engaged in any unlicensed activity before or after that time?" Blackwell asked for clarification "Which is it?" Wohlman stated "Both, before or after that time?" Blackwell responded "I don't believe so."

Wohlman stated "We have some police reports that came in where there were incidents involving two of what you call 'monitors.' One of them was a Mr. Austin Seman. Do you know Mr. Austin Seman?" Blackwell responded "I do, he is my son. He is also a licensed police officer." Wohlman stated "The other was a Mr. E J Seiler. In the police report both of them had referred to themselves as guards." Blackwell responded "I am not aware of that."

Wohlman stated "They were described in the police report that their actions were going way beyond what a monitor would be doing. A clear definition of a 'monitor' is one who advises, or warns and in a school situation, it's usually a student that is chosen to help keep order and record of attendance. They are the people that, if they see something going on they call for security or they call the police or whatever they are told to do. I clearly think that your monitors went above and beyond monitoring." Blackwell asked "Can you determine the situation that this occurred in? Where did this occur?"

Cook then stated "This has to do with Blaine Police Report ICR #14-060049 dated March 25th, 2014. This was at Paladin Academy. That is one of your accounts?" Blackwell responded "No longer." Cook asked "At that time it was one of your accounts" Blackwell responded "Yes."

Cook stated "This is a charter school that I believe is schooling for troubled teens. You do have a couple staff members there, and a fight broke out. There have been a number of fights at the place, and your guards got into a physical altercation. In the interview with the Blaine detective, both Austin your son, and the other individual, Earl Seiler, described their services as 'security,' and their job positions as 'security officers.' I am just making you aware." Blackwell responded "OK, thank you."

Wohlman stated "Now we'll move along with the past history of the Board. On April 30, 2012, you were asked what you knew about a company called Arnage. You stated, and I'm going to quote "I don't know anything. Only that Arnage helped to provide some business services." On July 20, 2012, Avalon's manager of finance at that time, and their human resources person, sent an accounts receivable report to Blaine High School where on the top of its heading it stated Avalon Security an Arnage Company. Can you explain that to me?"

Blackwell responded "My best explanation of that is Arnage Services. Arnage was a financial wing and services group of Avalon that provided, I don't know, can I discuss with my attorney real quickly. It's more complicated. Arnage basically handled payroll services, insurance, vehicles, etc. To that, Arnage never provided any type of security services. It was not owned by me."

Wohlman asked “Who owns Arnage?” Blackwell responded “Arnage is no longer a corporation. At the time it was owned by Sarah F. Gordon, Austin Seman, my son, and my other son Colt Seman. Wohlman asked “Why would you make the statement I don’t know anything about it?” Blackwell responded “The Company’s functions changed over time from the beginning to the end of it.”

Wohlman stated “I’m going to go on to the next part here as far as your past history with the Board. While you were licensed previously, you have had quite an extensive history with us. In 2001 you failed to give notice and you were fined for change in a corporate officer that you did not notify us about. On 6/2006 you failed to comply with training; you were fined for it. On 6/2008 you had a major penalty for non-compliance with criminal history checks on your employee’s. On 11/2008 you were non-responsive to the Board when the Board was questioning you and you were fined for it. Then on 12/2008 you were again non-responsive to the Board and you were fined for it. Then in 2010, actually it was August of 2010, again you had another major one and that was failed to comply with the criminal background checks. If you were to be licensed, what would change and why?”

Blackwell responded “Well Steve, I’d like to respond to your questions. These are major what, $499 fines?” Wohlman stated “Some of them, the major ones are called $499 fines.” Blackwell stated “Correct. The previous Executive Director Ms. Marie Ohman had a pattern, and you’ll check on the Board record with this, of my continuous harassment from her. Due to infractions, serious infractions, such as no middle initial in my name on my bond, and that being returned for not having….”

At that point Wohlman stated that the bond does not go through Marie Ohman; it goes through the Attorney General’s office.” Blackwell responded “Well I do understand that.”

Blackwell continued his statement “…But the bond was returned to me for not having a period behind my middle initial. OK, these are considered serious infractions to your Board. I respect the Board. Mr. Cook is the best thing that ever happened to this Board since its inception. A lot of these major infractions I did not respond to in the past, I wanted to continue business and just move on with life. Of course I could have retained counsel and as being informed, I could have argued all of them and more than likely would have been victorious. A lot of these were administrative issues. I apologize for not responding to the Board in 2010, and 2008. I apologize for that. Going forward let it be known to all the Board members that I no longer want to be in the security guard industry. That is not my expertise. I do not want to do that anymore. I am simply seeking a license to provide security services for a fee if and when the occasion occurs with a client I am consulting they require a presence. I would only then hire, as I do, off-duty police officers to fill the vacancy. That is only if it comes up. That is the only thing I am going for. I am only insured now, as Mr. Cook is aware, to provide my employee termination services which I am an expert in and have been for quite some time. Going forward, I will have no employee’s, so it will just be me and I think I can manage myself.” Wohlman concluded stating “I have no further questions.”

Hodsdon then stated “I have some. One of them I am a little confused on. I am looking at a letter that was issued to Mr. Drew Evans dated February 18, 2014 from the office of State Representative Carolyn Laine. Apparently you reached out to the representative to express frustration with the licensing process. Or someone on your behalf did, is that accurate?” Blackwell responded “No, I reached out to every lawmaker in the State of Minnesota.”

Hodsdon stated “What I don’t understand is she wrote to Mr. Evans that while he waits, meaning you, so do many of his employee’s. ‘Mr. Seman was forced to lay off employees while his application is being processed’. Is she right about that?” Blackwell responded “She’s correct. All those employees that used to work for us are all now gone” Hodsdon asked “How many people did you layoff?” Blackwell responded “50.” Hodsdon asked “And laid them off from what?” Blackwell responded “Well from their jobs with Avalon Fortress Limited” Hodsdon stated “But you didn’t have anything to do with Avalon Fortress Limited. You didn’t own it since August 17th,

2012 right?" Blackwell responded "There was just a change in the ownership of who purchased the company. I still had my executive privileges such as Chief Executive Officer."

Hodsdon responded "Here is what I don't understand; you just told us you're gonna not have any employees, you're going to represent yourself and only yourself and manage only yourself. So, that doesn't seem consistent with what Representative Laine is saying when she wrote that along with Mr. Seman are laid off family members are waiting to get back to work" Blackwell responded "That was then, this is now."

Hodsdon continued "So as of February 18, 2014 your business model was to rehire 50 people and as of today your business model is to hire nobody is that accurate?" Blackwell responded "That is completely accurate, yes." Hodsdon asked "What caused you to change your mind from February 18, 2014 to today?" Blackwell responded "Well because I made the decision, Richard, not to go forward, to not hire security officers or security guards. I do not want to do that anymore. Hodsdon asked "Why?" Blackwell responded "Because it is not profitable."

Hodsdon continued stating "I am trying to get my head around this incident at the school as well. You haven't been licensed by this board since when, November 26, 2013?" Blackwell responded "Sure, correct" Hodsdon asked "How about before that?" Blackwell asked for clarification stating "Before that?" Hodsdon stated "Yeah, that is the last date as far as you are concerned that you held a license. Blackwell responded "Yes."

Hodsdon asked "You indicated Paladin Academy was a former account. What were the dates of that account" Blackwell responded "Oh I don't know, we were there for the beginning of the school year through last month." Hodsdon asked "By last month you mean March of 2014?" Blackwell responded Yeah, the beginning of April."

Hodsdon asked "How did that contract come about? How did you end up providing 'monitoring'?" Blackwell responded "It's an alternative school. Our people there are strictly there to monitor the hallway activity; it's inside a major mall. The Blaine police were also liaisons there, they had a licensed police officer there on site. We were retained by them at the beginning of the school year to just ensure we maintained our monitor service there."

Hodsdon asked "How did that contract or that connection happen? Blackwell responded "It was actually never a written contract, it was an oral agreement. Hodsdon asked "Between you and who?" Blackwell responded "Between the school and I"

Wohlman asked "Let me make sure we're clarifying something. The school never had a written contract with you?" Blackwell responded "That is correct" Wohlman asked "Never?"Blackwell responded "No, never. I never had a contract with them."

Hodsdon stated "I have a similar question to what was asked, along the same lines. I am looking at a transcript of a taped statement by Earl Jeffrey Seiler, statement given to Blaine police on March 25, 2014, 12:30 hours, where he specifically states 'I am a security officer here just preventing you know safety of the students and staff members for themselves.' Did you pay Mr. Seiler to work there?" Blackwell responded "Yes, of course." Hodsdon asked "So you paid him then to provide security services?" Blackwell responded "No I did not." Hodsdon asked "So he exceeded what you contracted to pay him to do?" Blackwell responded "I have no idea. I can't speak for EJ and what he said or why he said what he said." Hodsdon asked "You didn't have a falling out with him that would cause him to try to get you in trouble?" Blackwell responded "Absolutely not, he is a wonderful outstanding individual." Hodsdon stated "And you said Austin Seman, who also identifies himself in the same capacity in those statements, is your son. You get along fine with him, right?" Blackwell responded "Yes." Hodsdon asked "So they would have no reason to implicate you in unauthorized practice in this profession, right?" Blackwell responded "I can't imagine why they both would have said what they would've said. Austin is a police officer at the Minnesota State Fair."

Wohlman asked “Were you even aware of the incident?” Blackwell responded “I was aware of the incident, yes. I talked to the Blaine police about it.” Wohlman asked “Did you request copies of the police reports?” Blackwell responded “I did not think it was necessary. We’re not in a police or security role.” Wohlman asked “Did you know that your employee’s made statements to the police; the ICR’s?” Blackwell responded “I had no idea.” Wohlman asked “And you were still overseeing the day to day activity?” Blackwell responded “Yes. I was overseeing them. There was nothing to oversee.”

Hodsdon asked “Where else have you been providing services since November 2013? Have you been providing these so called monitoring services?” Blackwell responded “Well Richard, I’ll be honest with you. What do you have?” Wohlman asked “You don’t know?” Blackwell responded “Steve, it’s not on the tip of my tongue, ok.”

Cook asked Evans “Mr. Chair, if I may help Mr. Blackwell?” Evans concurred. Cook stated to Blackwell,“So we have Anoka Hennepin School District?” Blackwell responded “Correct.” Cook, “We have Paladin Academy” Blackwell responded in the affirmative. Cook, ”We have Lakewood Cemetery?” Blackwell responded in the affirmative. Cook stated he had a question about what you monitor there for. We also had Health Partners, Inc. Those entities?

Blackwell responded “Health Partners?” Cook stated “Health Partners, Inc. did contact me and asked me if Avalon, Inc. was licensed and I had to tell them you were not. They had stated that in January that you had come in to do an employee termination service and they believed you were armed at that time. And they provided me an invoice in which you stated security consulting.”

Blackwell responded “Which we do quite often for a lot of people because my specialty is employee terminations.” Cook stated “I understand, I’m just telling you what happened.” Blackwell responded “Well I can respond to that real quickly. No I am not armed. I have no reason to carry a weapon. That is why we call the police. I don’t even have a gun permit. Lakewood cemetery, do you want to address that?” Wohlman stated “Sure.” Blackwell stated “I’ve been at Lakewood Cemetery for 41 years. I started out there as a ground attendant in high school. Our job there now is we turn off all the 1,000 spigots and we check them to make sure there is no leakage. We plant, we help people with flowers. A lot of the customers there you know are very elderly. Pick up trash from the ground. Greet people.”

Wohlman asked “What about at night? Do you work there at night?” Blackwell responded “Well, we work there around the clock on weekends. Pretty much the same thing. It’s a cemetery of course as you can imagine it’s very desolate. We have no security functions whatsoever. We are basically a grounds keeper maintenance, somewhat of a ranger position.”

Wohlman asked “What if someone comes on the property. Do they have certain hours on the property or is it open 24 hours?” Blackwell responded “I think the cemetery is open from 7 a.m. to 8 p.m., seven days a week.” Wohlman asked “What if someone wants to come on the property after 8 p.m.?” Blackwell responded “Well, they’re welcome to come on the property after 8 p.m.” Wohlman asked “So you aren’t directing people to either leave, or anything like that, from the property after hours?” Blackwell responded “No, it’s a cemetery. There is nothing to hurt.”

Wohlman asked “Are they in uniform?” Blackwell responded “No we don’t wear uniforms.”

Hodsdon asked “So if our packet were to include a picture of someone in uniform that would not be one of your people?” Blackwell responded “We have patches on our shirts that say ‘monitor.’ They do not say security or security guard. The pictures you have in front of you are from an old website.” Hodsdon asked “Who is responsible for your current website?” Blackwell responded “That would be me.”

Hodsdon asked “Is it current and up to date?” Blackwell responded “No.” Hodsdon asked “You do know that it is also unauthorized practice to advertise to perform security services if you’re not licensed, right? It is the same gross misdemeanor as performing services.” Blackwell responded “I know that. I understand that.”

Hodsdon asked “You are currently the respondent in an outstanding domestic restraining order, is that still an active order?” Blackwell responded “Yes, but Richard I am not going to respond to any personal issues. That’s personal.” Hodsdon stated “That is fine. I am not worried about personal issues. The fact is, from everything I read, one of the reasons why you wouldn’t have a gun permit is because it would be a violation of a federal law for you to possess a firearm as a respondent in one of those. And I do have concerns as a Board member of issuing a license to somebody that as far as federal and state laws are concerned couldn’t even legally possessing a firearm much less serve in an armed security capacity.”

Blackwell responded “If I can respond. Richard, why would I need a gun?” Hodsdon responded “I think my obligations as a Board member are to look beyond the firearm issue as to whether or not one meets the professional fitness for duties of someone who obtains a license from this organization. Statutory provisions are that you demonstrate honorable character, honesty, integrity.”

Blackwell responded “Well , Richard, I believe Mr. Cook received an email last night from Ms. Gordon.” Cook stated “Yes I did.” Blackwell asked “What did that email say? And this of course is the woman who has the OFP against me.” Cook stated “I would read it except it’s personal. And to be honest she mentions personal things.” Blackwell responded “Sure. Can my attorney read it? He got a copy, also. I believe it should be for record.” Cook responded “Sure, I would be more than happy to make it for record.”

Hessel asked “Mr. Seman if I could ask one quick question. Have you ever carried a gun?” Blackwell responded “No.” Hessel asked “So if someone produced a picture of you with a shoulder holster on with a gun then someone would have photo shopped the picture?” Blackwell responded “Well, Jim, we have discussed this at many Board meetings before. That was a marketing photograph taken way back many years ago.” Hessel asked “Regardless, you’ve got a gun on you, correct?”

Blackwell responded “It was a firearm, yes. I had a permit to carry that firearm. I do not need to carry a gun in the capacity of what I do now.” Hessel stated “I was just bringing it up.” Blackwell responded “I understand you bringing it up, but this question has come up a dozen times in these Board meetings. I don’t need a firearm. If I need a firearm I’ll call the police department. That’s their job.”

Evans stated “Mr. Seman I have one question. I guess it piggybacks on what several other Board members have asked. I know you have some explanations and they’ve indicated that you have addressed the board on some of these violations in the past. However, one of the things that all of us do with the background investigation is look for patterns. One of the things I think we are continuing to see is there is a pattern of misinformation and misstatements. You have reasons for many of them and you’ve indicated that you have addressed them and as a licensing board I think we have an obligation to ensure that all members that hold a license in this state are forthright, honest, they display integrity and that they inform us of changes. You’ve changed your business; you’ve changed a number of things along the way that the Board is continually finding out about after the fact. So, I’ll ask again, what is it that if you were to be licensed by this Board that the Board could have assurances with your new business motto that you will be forthright and honest with this Board in all your doings and more importantly for the citizens of the state of Minnesota to know that your operating your business in a forthright and honest manner and complying with all the laws and regulations of this state?”

Blackwell responded “Well that is a fair question, Drew. I appreciate it. I think I have learned from my past mistakes and I apologize to the Board for the mistakes I have made. I have been licensed since the early 80’s. My business grew very quickly and very fast and that was a huge mistake. Going forward I have no desire to be in the security guard business. My competitors in the state have no worries there. Going forward, as I explained,

I will be in check of myself. And having no employee's going forward I think I'll do fine. Being that Mr. Cook is now doing a great job, I have no problem calling him and asking him for advice since he obviously answers his phone and answers his emails at all hours of the night. Going forward you can never guarantee anything but I will definitely do my best to be forthright and honest and ensure the state of Minnesota, which you represent, will be in no jeopardy whatsoever. This all should be noted, I have never had a client complain in my entire time in business; never had a client complain. I work diligently hard for all of my clients and to make sure they are happy with our services and provide them with excellent job skills which I have learned over the last, you know, 30 plus years. This is my life's work; this is what I have chosen to do for my life's work. I have no other occupation. If I am not licensed, I'm unemployed. I'm 56 years old and I am not capable of going out and getting a Wal-Mart greeter job. That's not gonna happen. Every bit of education I have had is in the security industry. None of these issues have ever come up with my background. As you are well aware I am a member of the FBI citizens' academy first class here in Minnesota; I'm still a member in good standings there. I do attend a lot of seminars to constantly improve my educational level. I am a member of the American Society of Industrial Security. I really don't seriously think there can be that many issues. I plan to go at least another 10 years, maybe 15 years before I retire. Let me re-emphasize I will not be in the uniformed security guard business that is not what I am seeking."

Huhta stated "Could I just make a comment to the Board, and it addresses in part the question about penalty history. I got brought in to work with Avalon Fortress Security Corporation in late 2009 or 2010 when their penalty history was increasing. They had a lot of educational issues. Certification and training, things like that. They didn't have good policy and procedures in place at the time. I worked pretty hard with their HR people to get a better documentation system in place for a completely different company that had a completely different set of services that it was providing. They did have a lot more employees. One of the problems that they had is that they grew too quickly too fast. I got brought in to help them out on a lot of that and you'll notice that their penalty history dropped off significantly. I'm not saying that there haven't been any issues before over time but on those certification issues on the re-licensure we really nipped them in the bud. But now it's a fundamentally different business model that Mr. Seman plans to have."

Hodsdon stated "I have six concerns. The first one I mentioned being the existing order for protection. My colleague asked about the tax lien situation. I don't think it does anything for this industry to have, well…I can't tell the numbers, and apparently the applicant neither. It's anywhere from a couple million up to 8 million dollars. I think there is a clear pattern since November of 2013 of extensive unauthorized practice, aiding and abetting, directing, managing, facilitating. Whether it's at Paladin, or through Anoka Hennepin School, or various other sources. We haven't even talked about the police reports from the other incidents. Chippewa county Wisconsin, you have Blaine, and again I am not going to get into details for the privacy of the parties here; the applicant and the other person. But, there is an extensive history of officer involved interventions, domestic violence, and what Minnesota law would constitute as possible burglary. I am extremely troubled by that. We've already alluded to the fact that we have a history of inconsistent responses on the applications. And then last, but maybe least, is the past pattern of licensing irregularities over the course of time. So those are my thoughts"

At this time Huhta asked to follow up on the issue with respects to the email that Mr. Cook received from Sarah Gordon, the person who got the restraining order against Blackwell. Huhta began to read the email stating "Greg, and it was yesterday at 4:48 p.m., just so Greg knows it's the same email we're talking about, and it says:

'Greg, I would like to advise the board that I no longer feel that the personal issues that I discussed with the board be considered as part of the licensure consideration for Daniel Seman/Daniel Blackwell. As I have seen positive changes from Mr. Seman/Blackwell, I no longer feel that he should not be considered for relicense, signed -Sarah Gordon.'

Huhta then advised the Board that "Blackwell and Gordon had been involved in a personal relationship and as we all know there are two sides to every story." Huhta stated "An OFP is a pretty easy thing to get, and I want to

make sure the Board understands that no charges were ever pressed against Mr. Blackwell on any of the circumstances in any of the police reports. No charges were pressed by Sarah Gordon or with respect to the break-in that the Board referenced."

Hodsdon stated "I have been a prosecutor for enough years to know what happens on a domestic when a victim goes south. That doesn't mean it doesn't happen to them. The reality is the judge found, as a matter of law, that there was a credible threat of domestic violence. And you don't ring that bell from where I am coming from on this issue. So her recantation, if you want to call it that, how do I say this, is not the first time I have heard that and it doesn't mean it didn't happen. Any good prosecutor prosecutes criminal cases even if they are not cooperative. So, I appreciate that being part of the record but it doesn't change my concerns." Huhta responded advising that relationships are complex things to which Hodsdon agreed they are.

Hessel stated "Whatever Gordon has to say or doesn't have to say makes no difference whatsoever, absolutely no difference, on his part. Currently I am a licensed police officer, and have been for 47 years. I have been a PI for 23 years. After being involved on both sides of the business I have never had one complaint against me. I find it astounding looking at all these things that have come down." Blackwell responded stating that he appreciates what Hessel said, and being Hodsdon is a former prosecutor he also appreciates what Hodsdon said. Blackwell then advised the Board that it should be known that he has never been charged, never been arrested, and he has no criminal history.
Hessel stated "I understand that." Blackwell responded "I do hope you do understand that." Hessel stated "I do understand, and I realized that these are all complaints and allegations."

Blackwell stated "I have never been in a court of law, Richard; never been convicted by a jury of my peers. This is an emotional issue which has been rectified and everything is OK now. I've served this state for many, many years. I'm also a former licensed police officer with never a complaint against me. I'm asking for a license to continue my business and my life's work. That's all I am asking for. I will not have any employees; the only employee's I will retrieve are contract police officers that seek work off duty. That's it."

Wohlman stated "The problem is the license doesn't state' I'm going to have employees' or 'I'm not going to have employees.' It's a protective agent license, enabling you to do anything a protective agent is allowed to do. Blackwell responded "Well Steve I just stated that in a recording for your minutes that is not my intention. I understand what the license is; I've been licensed since the 80's. I do understand that."

Evans asked of the Board "Is there any further discussion or questions by the Board members?"

Cook stated "I would just like to clarify for the board that when it comes to allegations I did present it as such. I treat an allegation as an allegation. I do have here, by the way, the copy of the letter that Sarah Gordon sent me and this will be placed in the file." Huhta asked "I read it accurately didn't I?" Cook stated "You read it accurately."

Evans stated "More importantly for the Board members, at least from my perspective as the Chair of this Board, I believe is the OFP and I think there are some concerns that all of us share about that. However, we do understand that it's a personal issue. My issues actually revolve more around the professional history of your companies and the conduct that you have had in front of this Board. And again, you've noted that you've said certain things but you've also heard numerous times where you've either misstated something, had incorrect information in front of this Board, or that you haven't been completely forthright with some of this so when we hear you say as you say on a recording in front of this Board I think I along with some of the other Board members are concerned about what that may mean when we license you for a company that could hire additional employees and the issues that have arisen with your companies in the past regarding that."

Blackwell stated “Well Drew, in answer to that statement, those companies are no longer in existence. This is a new entity completely which specializes only in employee termination services. That’s it. Nothing else, nothing more.” Evans stated he understood. Blackwell stated further “So all the rest of those were past issues. Those companies are dead and gone.”

Evans stated “But you continue to obtain significant tax liabilities associated with that and now you are asking us to license you to conduct business in the state of Minnesota under our licenses.” Blackwell responded “But Drew the tax liabilities are with the IRS not with the state of Minnesota. The IRS is under offer and compromise as you’re well aware what that is. So we worked out a mutual agreement to pay the IRS back.” Evans stated “However, you haven’t provided those details to the board and you said you are not aware of what they actually are.” Blackwell asked “Details such as what?” Evans stated “What your current tax liabilities are. What you owe the IRS. What you owe any other entities along the way.”

Huhta stated “We didn’t know you were going to ask about it.” Evans stated “Ok, so when did you enter into that agreement with IRS?” Blackwell responded “The agreement with the IRS is under an offer and compromise stage at this time.” Evans asked “So you have no agreement at this time?”

At that time Huhta advised the Board that he was not involved in items involving the IRS.

Evans asked “So you are working through that issue with the IRS?”

Blackwell responded “My CPA is working through an agreement with the IRS at our local office here in Brooklyn Center for an offer and compromise. That is already in effect and the offer has already been placed. So I think the tax liability, one of them is $89,000. It’s pretty relative of public information. I don’t know where your $8 million dollars came from. I mean that is quite extensive.”

Hodsdon stated “That’s why we asked the question, because we are hoping you could shed light on it. At least that was my thought.”

Cook stated “I can tell you in looking at the records it does get convoluted because it looks like they recombined some dollar amounts into new docket numbers so on and so forth. And I am not a tax lien expert myself. I just provided the public documents.”

Wohlman stated “Just the open liens, the one that shows open, that they’re still open, comes to $2,564,657.65. That’s just the ones showing open.”

Cook asked “Were some of those with the IRS, and some with the Department of Revenue for the State of Minnesota?” Wohlman confirmed. Cook stated “So there is some money owed to the State?” Blackwell replied “No, no. There is nothing owed to the State of Minnesota, whatsoever. And that is a true and accurate statement.”

Blackwell stated further “Our offer and compromise with the federal government is $500,000.”

Cook stated ”Just on that note, talking about tax liens and wage claims, the duty of this Board really comes down to not only public safety and consumer protection for the general public, but also employee protection at some point. I just hope you find a way to take care of some of your former employees who do have claims against you.”

Blackwell asked “Where do they have these claims against me at?” Cook responded “If you contact the Department of Labor they will provide you with all that information.” Blackwell responded “I have not been

informed, I have received no mail. I have received nothing from the Department of Labor. Cook stated “I’m informing you then.”

Huhta then stated “Just so the Board knows, the tax liens were linked to the Avalon Fortress Security as it was going through bankruptcy. Those are hold over from the bankruptcy days and there were some significant problems they were going through at the time and those turned into a personal obligation now.” Wohlman then stated “There are some after the bankruptcy days.” Huhta replied “It linked to Avalon Fortress Security Corporation.”

Wohlman asked “I have a question on an email. Dan you’ll have to answer this because I don’t think your attorney would know the answer to this one. You sent an email to Cook on February 4 that says ‘Greg I forgot. I also work for a number of law firms around the nation regarding crisis management situations. They have all offered to take up this crusade regarding the license process. This has no, I think that means ‘no’ but it’s ‘know’, reflection on you but would focus on the process of how the Board is operating. I am available to meet with you to discuss this in more detail.’ What does that mean? How are other attorneys from across the nation gonna take up the crusade of how this Board is operated?”

Blackwell responded “Well, to answer that Steve, when I expressed my concerns about licensing in the State of Minnesota, I do work with law firms all throughout the country, and they were all discussing the issues about how it’s funny how Minnesota is so strict on the licensing but South Dakota has zero licensing. With some of the other states that also regulate how I work. And this was involving unlicensed activity such as, non-licensed activity, such as crisis management or employee termination or labor issues that I work on. So one of the attorneys was just asking me if they felt they could be of any assistance, they would definitely be of assistance as I am to figure out a different way to come about the process. That was it.”

Hodsdon asked “What type of work do you do for law firms all across the nation?” Blackwell responded “We consult on labor issues that companies are going into possible strike with unions. And what is their best contingency. Very simple stuff. Even where to park cars and how temporary employees are going to come in.” Hodsdon asked “You get paid to do that?” Blackwell responded “Yeah, I get paid to do that.” Hodsdon stated “That sounds a lot to me like doing private investigation work all over the United States and I am not seeing that you have licenses to do it for those states either.”

Blackwell stated “Richard, how you view private investigating is not private investigating; it’s consulting services.” Hodsdon stated “Well a rose by any other name. But when I read the statutory definition of what you have to do, and the definition is in the statutes, about what constitutes being a private investigator or what constitutes being a protective agent. Well, I’ve read through these and those monitors who thought they were providing private security certainly seemed to meet the definition of something that requires a security officer.”

Blackwell stated “You know, Richard, I, thank you for bringing this up. Let’s discuss the statute of security; security guard. I’m sure you know this. A security guard means a person who wears or carries insignia that identifies the person as public security. We have no patches or badges that say security; they say monitor. Prevent or detect intrusion, unauthorized entry, or activity.”

Wohlman stated “Yeah, you guys were doing that.” Blackwell asked “Where at?” Wohlman stated “At the school. Go ahead, keep on going.” Blackwell stated “How were we doing that at the school, Steve? Define that.” Wohlman stated “When you were breaking up the fight.”

Blackwell stated “First of all, a fight took place; law enforcement was called. We should never have been involved in any of it, zero hands on anything. The law enforcement, Blaine police were called.” Wohlman stated “But your security officers were involved.”

Blackwell responded “I know nothing about this, I was not there,” Blackwell continued to read the statutes “number 3; control, regulate or direct the flow of movement. I have no idea what that means.” Wohlman stated “Movements of the public.” Blackwell responded “Such as an usher?” Wohlman stated “Wait a minute. You’re an expert witness with the State on this stuff and you do not know what this means?” Blackwell replied “Well yes, I am an expert witness, yes I am. For many, many years.” Wohlman stated “And you don’t know what any of these laws mean. Basically you’re telling me you do not know what that means?”

Blackwell continued to read the statutes “…Control, regulate or direct the flow of movements of the public.” Cook stated “It might pertain to traffic. Flow of students through a school.” Blackwell continued “Whether by vehicle or otherwise to assure protection of private property. He’s the lawyer not me (indicating Huhta).”

Cook asked Huhta “Are you a licensed attorney in the State of Minnesota, Sir?” Huhta stated “I am.” Huhta stated he was also licensed in Wisconsin and used to be licensed in Missouri and in Illinois, too but just went inactive.” Cook stated “I had to ask.”

Blackwell continued to read the statutes “…Protect of individual from bodily harm…I don’t do that.” Wohlman stated “OK.” Blackwell responded “Well Steve you keep saying OK, I’m going on; this is your chance to debate me.” Wohlman stated “I would debate you on the school. Why would your people jump-in in the middle of it and even said that the one was going to beat up the other one. You can read the police reports.” Blackwell responded “Well Steve as a police officer there is a thing called heat of the moment.”

Wohlman requested Blackwell to continue with the reading of the statutes. Blackwell continued stating “Enforce policies and rules of a security guards employer, well I am not a security guard employer, related to crime reduction, which I have no part of, to the extent that enforcement falls within the scope of the security guard duties. Once again, I am not a security guard owner or security, I have no security guards.”

Hodsdon stated “Well, my perspective, I’ve not looked at the issues of security guard, I am looking at the MN statute 326.338 subdivision 4 which defines unauthorized practice. A person who for a fee, reward, or other valuable consideration undertakes any of the following acts is considered to be engaged in the business of protective agent. And, I’m looking at your monitors and I think that they are doing 2, 4 and 5. And they did that within the last 2 or 3 days. And these are your employees. You’re engaged in unauthorized practice and this is only one example. That is what I talk about unauthorized practice; I’m not talking about the other issues of security guard. I’m talking about protective agent statute.”

Blackwell responded “Well Richard, I’ll start from the bottom (continues to read statutes); Providing management and crowd control for the purpose of safety and protection. If you review the records from the Board meetings when I worked for the Minnesota Vikings and the Minnesota Gophers we provided ushers and ticket takers. That was brought up about controlling crowds; we never controlled crowds. This was debated with you. It’s not even taxable in Minnesota.” Wohlman stated “I do recall that and I believe there was an instance where the usher and ticket takers were also doing searches of packages. And that’s why you were before us.”

Evans stated “Like many in this room, I have been to many Minnesota Gophers games, I’ve been to many Minnesota Vikings games; the ushers control the crowds in those facilities.” Huhta stated “The monitors function isn’t to control the crowds.” Evans stated “And that is what the statute is telling you, and that is what we’re getting at.” Huhta replied “And that’s what I am saying. The monitors in Blaine and Paladin, as I understand it, don’t control the crowd.”

Evans asked “Why would the school hire them then? To call and to intervene when there is public safety, even if you call the police or whoever you are saying that you call, they are intervening to control the student’s movement through the hallways, to monitor it for issues, to provide public safety within that school. You’ve told us that. So I think that we’re telling you as a Board, I think everybody up here agrees that when we look at

unauthorized practice the practice that you just described to us is in violation of this statute from the Board's perspective."

Blackwell responded "Well I respectfully disagree with that observation, OK. I think these two gentlemen were in the heat of the moment. They are both young gentlemen that were involved." Evans stated "One that is your son, who has probably been around your company since he was born, correct." Blackwell responded "Yeah, my son is a licensed police officer in the State of Minnesota." Evans stated "And I understand that and you have explained that to us but he's described himself as a security guard, the other employee described himself as a security guard."

Hodsdon stated "The mall security, according to these reports, stated they were security; in fact according to the reference we have they were quite surprised that they weren't licensed to provide security functions. Their job was to keep students from wandering out into the mall during school hours. And that seems to me like controlling movements. They are driving around the parking lots; they are driving around cemeteries. That sounds to me like someone who is." Blackwell interrupted and asked "What parking lot are we driving around?" Hodsdon responded "Lakewood Cemetery, and the Blaine high school parking lot they were monitoring." Blackwell responded "At the Blaine parking lot, Richard, we collect parking fee's there for the school district. We collect money."

Hodsdon asked "In a uniform?" Blackwell asked "A uniform that says what?" Hodsdon responded "It can say whatever it wants." Blackwell stated "It says 'monitor.' No it can't say whatever it wants, Richard. If you go back to the statute it basically says security guard; insignia that says security guard." Huhta stated "As I understand it their function in the parking lot is to collect fees; that's it."

At that time, Evans asked the Board if it was prepared to take action on this particular applicant's license. Several Board members acknowledge there are no more questions. Evans asked if there was a motion from any of the Board members.

Hodsdon stated "Yes, I will move to deny the license as applied for. The basis of my denial is on the record of the six items that I raised. The record should reflect that I have read each and every piece of paper in each and every one of these ring binders (Hodsdon motioned to four (4) three (3) inch binders), including the letter of accommodation and letters of recommendation, which were provided by our Executive Director. I have considered the supplemental material, the email from Ms. Gordon. Notwithstanding all of that, that's my motion."

Wohlman stated "I will second that." Evans asked "All in favor of denying this applicant license at this time say 'Aye'." All Board members said "Aye." Evans asked if anyone opposed the motion. No Board members opposed. Evans then stated "The motion carries and the application has been denied."

Cook then thanked Mr. Blackwell for coming.

Request to Speak to the Board:

None at this time.

Other Issues and Discussion:

A. **Conviction: unlicensed activity: Daryll Shaw Chisago County:**
   Cook advised the Board that the above was convicted in Chisago County.

B. **Richard Setter – Requesting waiver of pre-assignment for employee:**

Cook inquired if the Board had a chance to review the letter sent by Richard Setter requesting approval to waive pre-assignment training for an employee. The Board noted that the employee is POST eligible and that there did not seem to be any concerns about waiving the training.

Cook addressed the Board and congratulated Kelly Guralnik as she had passed her Skills and P.O.S.T. tests and was now qualified to be a police officer. Cook stated that for the record, and if any police department is doing their due diligence of a background investigation and came upon these meeting minutes, he gives Mrs. Guralnik the highest of recommendations. The Board agreed and wished Mrs. Guralnik success in her career.

At this time Evans asked if there were any other items that needed to be address. With no other items needing attention, Wohlman motioned to adjourn the meeting; Hessel seconded the motion. The meeting adjourned at 11:22 a.m.

The next meeting is scheduled for Tuesday, May 27, 2014 at 10 a.m.
There will be a Complaint Committee meeting following the Board meeting.