STATE OF MINNESOTA

PRIVATE DETECTIVE AND PROTECTIVE AGENT SERVICES BOARD

MINUTES

August 27, 2013

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

In the absence of Evans the Board voted to have Richard Hodsdon act as Chairperson. Wohlman motioned to approve Hodsdon as Chair, Hessel seconded. The motion passed unanimously. The meeting was called to order at 10 a.m. by Hodsdon.

Review of July 2013 Meeting Minutes

The draft minutes of the July 30, 2013, meetings were reviewed. Wohlman moved to approve the minutes; Hessel seconded. The motion passed unanimously.

Previous Contingencies:

The following renewals are complete and the agency is requesting that the Board lift the contingencies on the following license holders:

Licensee's with Contingencies Lifted
PDI #921 William Gowin

Cook advised there was a gap insurance coverage and provided Gowin's explanation of this lapse. Cook advised that Gowin has not had any related issues in the past and advised that all other items are taken care of. Wohlman moved to lift the contingency and send a Letter of Education and Conciliation; Hessel seconded. The motion passed unanimously.

Consent Agenda

Cook is requesting a motion of approval for the following reissuance's due in August 2013 as they have provided all materials and have no issues.

Licensee's Presented with Reissuance	Licensee's Presented with Reissuance
PAC #218 - ABM Security	PAI #322 – Tom Kohrs
PDC #370 – Trial Resources, Ltd	PDC #1047 – Global Options Services, Inc.
PDI #965 – Gerald Marko	PDI #967 – Terry Wiggin

Wohlman motioned to approve consent agenda items for renewal; Hessel seconded. The motion passed unanimously.

Renewals Requesting Contingencies

Cook requested contingencies on the following renewals:

Licensee's with Renewals Requesting Contingencies
PAC #13 – Rochester Armored Car
PDC - #966 – EPI Investigations
PDC #1046 – Metro Private Investigations

Renewals With Issues:

PDC #1048 – The Insight Group

Cook advised that the Minnesota Manager, David Glendenning, did not take the required preassignment training. Cook was informed that he misunderstood the requirements and though that his on the job training took the place of the preassignment training and is planning to complete it. Hodsdon asked Cook if all other renewal items were in order and Cook advised they were. Wohlman motioned for a 90 day contingency; Hessel seconded. The motion passed unanimously.

Lapsed and Surrendered Licenses:

PAC #278 – SecureForce, LLC

Cook advised that the renewal packet was sent on 6/7/13 to license holder Joseph Szorcsik and that Szorcsik had confirmed receipt. As of 8/1/13, the application due date, the agency had not received the application. On 8/7/13 Cook contacted Szorcsik to find out the status of the application and Szorcsik advised that he had requested a contingency via email. Cook advised that he did not receive the email and asked Szorcsik to resend it to him but Cook still has not received it. Cook sent a certified letter to Szorcsik informing him of the situation and advising him that he will be informing the Board of the status of the renewal application at the August 27th, 2013 Board Meeting at which time they may decide to take disciplinary action. Cook advised the Board that as of 8/24/13 he still has not received any correspondence from Szorcsik. Cook informed the Board that he believes that Szorcsik is in the process of shifting his clients and is planning to get out of the business. Wohlman asked Fischmann how long the license remains in lapsed status and Fischmann replied it would be lapsed for 60 days from the expiration date and is then expired and the license holder would need to complete a new application. Hessel asked Cook if the expiration date was 8/27/13, the date of the Board Meeting, and Cook confirmed. Hessel suggested that should the license holder choose to renew the license before the 60 days are up that a penalty should be reviewed. In addition, a letter must be sent to Szorcsik informing him that he must stop conducting any business operations because his license is currently lapsed. Wohlman stated that their license would be in lapsed statutes and requested that Cook send a certified letter to the address provided informing the license holder of the lapsed status.

PAC #332 – Diamond Security Services

Cook advised that the renewal packet was sent on 6/7/13 but received no confirmation of it being received. After following up with the Minnesota Manager, Daniel Miller, Cook was informed by Miller that he has not heard from Diamond Security Services since they were licensed on 8/29/11. Cook advised he tried several times to contact the company using the information they provided but was unsuccessful. Cook stated that when he tried the phone numbers provided he received messages that stated the numbers were disconnected. Cook stated that he discovered that the original Qualified Representative left the company. Cook stated that he sent a certified letter to the license holder informing them of the situation and advised that he will be informing the Board of the

status of the renewal application at the August 27th, 2013 Board Meeting at which time they may decide to take disciplinary action. As of 8/24/13 Cook has not received any response from the license holder. Cook advised the Board he believes they may no longer be in business, and that the original contract they were working on when they got licensed failed to develop. Wohlman stated that their license would be in lapsed statutes and requested that Cook send a certified letter to the address provided informing the license holder of the lapsed status.

Training Course & Instructor Approvals

TYPE	PROVIDER	ADDRESS	INSTRUCTORS	COURSE NAME	HRS
Preassignment Protective Agent	Investigative Resource Group	4550 Central Avenue., #1628, Columbia Heights, MN 55421	Terry Wiggen	Protection Agent Preassignment Course	12
Continuing Education Protective Agent	Investigative Resource Group	4550 Central Avenue., #1628, Columbia Heights, MN 55421	Terry Wiggen	Protection Agent Refresher - 200	6
Continuing Education Protective Agent	BCA	1430 Maryland Avenue East Saint Paul, MN 55106	Aaron Richman	Adversary Planning and Targeting	7
Continuing Education Protective Agent	BCA	1430 Maryland Avenue East Saint Paul, MN 55106	Aaron Richman	Command Considerations to Terror Response	7
Continuing Education Protective Agent	IPC International	2111 Waukegan Rd. Bannockburn, IL 60015	Hirt, Bickett, Burchard, Bartosiewicz, Morowcznski, McGovern, Yurik, Pederson, Frankosky, Hagen, Frees, Will, Kessler, Dietz	Handcuffs PATH Course	4
Continuing Education Protective Agent	IPC International	2111 Waukegan Rd. Bannockburn, IL 60015	Same as above	Pepper Spray OCAT Course	4
Continuing Education Protective Agent	IPC International	2111 Waukegan Rd. Bannockburn, IL 60015	Same as above	1st Aid/CPR/AED American Heart Association	8

Wohlman moved to approve the courses listed above; Hessel seconded. The motion passed unanimously.

New License Applicants:

Universal Protection Services, LLC
Christopher Thornton, Qualified Representative & Minnesota Manager
1551 N. Tusin Avenue, Suite #650
Santa Ana, CA 92705
Applying for a Corporate Protective Agent License

Present with Thornton was David Ketchum. Hodsdon welcomed Thornton and Ketchum to the meeting. Thornton explained that Ketchum was a consultant with the company and in the future would become the Minnesota Manager. Hodsdon asked Fischmann if the bond has been approved. Fischmann advised he has not seen the bond, but Cook confirmed that the bond was approved by the previous Attorney General Representative. Hodsdon confirmed with Thornton that the application was for protective agent and asked Thornton to explain their business plans. Thornton advised that they currently have clients around the country that will be having needs for their services in Minnesota. Thornton stated their plans are to provide uniformed security officer services to high rise, retail, healthcare, and industrial businesses. Wohlman asked Thornton if his employees would be armed and Thornton advised that they are not looking to be armed in Minnesota right away but possibly in the future. Hodsdon asked Thornton if he is aware that training varies by state and Thornton advised he is aware of this and has review the training requirements for Minnesota and that all training will be done within the required time frame. Wohlman asked Thornton how he plans to train his employees and Thornton advised that in the beginning he will hire someone to train for him but in the future he will likely look into being certified to train his own employees. Hessel asked Thornton how many employees he plans to have and Thornton advised that he is hoping to have around a few hundred employees. Hodsdon asked Cook if there were any other issues with the application and Cook advised there were none.

Wohlman motioned to approve the protective agent license; Hessel seconded. The motion passed unanimously.

Neumann Protection and Consulting, LLC
Justin Neumann, Qualified Representative and Minnesota Manager
212 Palancar Ave
Mankato, MN 56001
Applying for a Corporate Protective Agent License

Hodsdon welcomed Neumann to the meeting. Hodsdon noted that Neumann is a Sargent for the Mankato Police Department and asked Fischmann if the bond is complete. Fischmann advised the bond is not complete but he will discuss the few small issues with Neumann after the Board Meeting. Hodsdon then asked Neumann about the nature of his business. Neumann stated that with his public safety position he has completed a great deal of work in security, loss prevention, risk analysis, and protective services. Hodsdon referred to the website that Cook had discovered advertising Neumann's services and advised that there is a potential for it to be considered a violations of statutes. Wohlman confirm to Neumann that you cannot advertise services until you have the license and the website appears to suggest that Neumann is available for services listed on the site. Neumann apologized and advised the Board that his intentions were not to advertise himself or to violate any rules. Wohlman advised the issue with the site is that it offers protective services and consulting and it appears to make Neumann look like a licensed protective agent. Neumann acknowledged that he can see how it may look that way. Wohlman asked Neumann if he has past experience in security audits and surveys and Neumann advised he did some work with them in grad school but it was not paid work. Hessel asked if Neumann planned to do anymore consulting and Neumann advised that is his plan, and that was his intentions for the website. Neumann planned to use the site to for consulting purposes but planned to inform people that he could only review and consult on the content but could not work for pay. Cook asked Neumann if he has accepted any fees for his work and he advised he has not. Wohlman asked Neumann what type of work he is looking to get into and Neumann advised his plans are protective services such as for limousine companies and that he is also looking into uniformed security guards. Wohlman asked if Neumann was looking to provide armed protection and Neumann stated probably, yes. Hodsdon asked Neumann how many employees he plans to have and Neumann advised right now it will just be him. Neumann advised that he enjoys his current job and that this would just be side work or a backup plan if something were to happen to him.

Hessel motioned to approve the protective agent license; Wohlman seconded. The motion passed unanimously.

Change of Officers

Signal 88 Franchise Group, Inc.
Michael Olson, Qualified Representative & Minnesota Manager
5775 Wayzata Blvd, Suite 700
St. Louis Park, MN 55416

Corporate Protective Agent #325

Hodsdon welcomed Olson and asked for a background on Signal 88. Olson inquired if the Board understands the franchise business and explained that it is different than other business. Olson advised that he owns the franchise in Minneapolis but that the main Signal 88 is based out of Oklahoma. Hodsdon asked what the nature of the work is and Olson advised it is uniform security. Hodsdon asked Cook if Olson meets the 6,000 hour threshold. Cook explained that his calculations came to 3680 in loss prevention and 2240 as President of Signal 88 totaling 5920 hours. Hodsdon asked if the additional hours in August would have him surpass the 6000 hour criteria and Cook stated yes it would, but Cook was concerned with the quality of those hours in direct experience. Cook asked Olson to explain his duties as President to the Board. Olson advised he is encompassed in almost every aspect of the business. Olson is involved in sales, marketing operations and he works as a guard. Olson advised he never works less than 40 hours per week and most weeks he comes in around 50 to 60 hours. Cook asked if there will be another change in the Minnesota Manager and Olson advised he does not plan on it unless it becomes too much work for him to handle on his own. Cook advised that no one from any other area of Signal 88 is involved in the Minnesota, it is just Olson. Cook asked Olson if he currently conducts audits and surveys and Olson advised that he does. Cook asked Olson about his level of experience in loss prevention and Olson confirmed that he has extensive experience in loss prevention as well as security and active shooter training. Wohlman asked if Olson is unarmed and he advised that he is but he has been certified by EPS Tactical. Olson also advised that he is eligible to be POST licensed and that he plans to go back to take more Law Enforcement training when he has more time.

Wohlman motioned to approve the officer change; Hessel seconded. The motion passed unanimously.

Request to Speak to the Board

Mike Roberts, Private Eye Security, LLC

Roberts came before the board to address concerns regarding handgun carry permits in relation to private detective and protective agent licensing. Roberts asked the board if they could help clarify the exceptions listed in the Statues, specifically what is “the persons place of business” regarding when the carry permit is and is not needed. Hodsdon asked Roberts if his intentions were to ask the board to consider a rule modification or just asking them to interoperate the statue. Hodsdon informed Roberts that the Board has zero authority to modify statues. Hodsdon also informed Roberts that the rules state that no permit is needed for a protective agent to carry a weapon while on the job as long as they have completed the necessary training. Outside of work and for personal reasons that same person would need a permit to carry a weapon. Roberts advised he was trying to be proactive regarding the issues because it was something that recently came to his attention during a firearms recertification class. Roberts advised he can see where there could be a liability issue for protective agents in the interpretation of the statue. Roberts cited the following MN statues; 624.714 (specifically subdivision 9), 326.3361, MN Rules 7506.2700 and 7506.2300. Roberts noted that for example, problems could arise if a protective agent were to end up discharging their firearm when they did not have a valid permit to carry. Hodsdon agreed that there is concern for the way the rules are written and that it should be discussed again when all Board members are present. Hodsdon also suggested the issue is something that could likely be added to the work groups that the Board has in place to help modify the rules. The Board determined to table the discussion until the September Board meeting.

Hillary Kost, A Infidelity Investigations, Inc.

Kost came to the Board with two issues; payment issues with a penalty that was issued at the July 2013 Board meeting and possible overpayment of renewal fees. Kost advised that she knows she was late but is asking the Board if they can work with her on the due date. Kost requested an extension because her husband was recently diagnosed with a serious medical condition and she is the only one working right now. She stated that she can make smaller payments, but is not able to pay the full $499 by the due date of September 13, 2013. Hodsdon inquired about the historical practice for extensions on penalties and Wohlman advised it would need to be researched. Fischmann looked in the rules and advised that the dead line for payment of a penalty is 30 days and failure to pay is grounds for suspension. However, Fischmann did not see any wording that would lead him to believe that the Board was prohibited from accepting payments. Hodsdon advised that based on the Boards review of Kost's past history the penalty should remain the same but that Kost could make 3 monthly payments in order to pay the penalty. Kost advised that she could easily make a payment of $150 by September 13, 2013 and have the rest paid off in the next few months or less. Cook stated for clarification that the following payment schedule as one-third by September 13, 2013; one-third by October 13, 2013 and the remaining one-third by November 13, 2013. Kost agreed to the payment schedule. Wohlman moved to approve the changes made only to the payment of the penalty; Hessel seconded. The motion passed unanimously.

Kost stated the possibility that she over paid in renewal fees during the previous two renewal periods. Kost stated that her and her husband were the only ones working under her company, and that nothing had changed with her business in the last several years. She stated she was instructed by the agency she needed to pay $710 for renewal in 2011 because she had 1-10 employees. This renewal period she paid $540 because she was the only one working and less than 30 hours per week. She was not sure how much she paid in 2009 but said she was looking into it. Cook advised the Board that the fee schedule is very confusing and many license holders have trouble determining what they should be paying. Cook stated that Rule 7506.0140 states "Count as one employee each person who regularly works an average of 30 or more hours per week performing duties as described in Minnesota Statutes, section 326.338, subdivisions 1 and 4". Hodsdon advised that anyone working for the company in addition to the license holder should be considered an employee. Cook advised that it is a concern and the confusion needs to be taken out of the process. Cook advised that many other license holders determine their payments based on the rule. Hessel agreed that the schedule is confusing and that corrections need to be made. Cook suggested revising the schedule to reflect '0-1' employees at the first tier of the renewal schedule and splitting the difference between what is stated for 0 employees,$540 and 1-10 employees,$710 which would come to $625 for private detectives and $565 for protective agents. At this point Hodsdon suggested that the Board table the discussion until the September meeting when the full Board was present. Hessel motioned to table the discussion; Wohlman seconded. The motion passed unanimously.

Other Issues and Discussion:

Training:

Cook advised the Board that there have been several positive responses regarding updates to the training material and the database is currently being revised with these responses. Cook stated he has received no responses regarding the older material. The deadline given to the trainers was September 1, 2013. Cook stated the agency will complete its revisions upon receiving all responses after that date.

Private Detective vs. Protective Agent Licensing (Continued):

Cook advised that based on the research conducted by the attorney general representative the statutes specifically state a private detective license does not cover the license holder to do protective agent work, and they would need to have both licenses. Cook stated the biggest concern among license holders is the fee involved to have both licenses as Minnesota has some of the highest licensing fees. Cook proposed that license holders who have been doing protective agent work under a private detective license be offered the option to

apply for a protective agent license for 50% of the original fee, the application will be expedited and no Board appearance be required. He proposed that this take effect as of January 1st, 2014 and that each license holder would need to apply for the protective agent license when their private detective renewal comes due (not an application deadline of January 2014). Cook advised that a letter would be sent informing the license holders of this, and any protective agent work under a private detective license, after the license holder's renewal period, would be considered unlicensed activity. Hodsdon advised that he does not feel this issues needs to be tabled until all Board members a present, and that he feels this is a very common sense way of dealing with the issue. Cook asked Hodsdon to allow him to send letters to the license holders via the post office and not require him to send certified letters because of the time and cost that would come from this; Hodsdon agreed. Wohlman moved to approved; Hessel seconded. The motion passed unanimously.

Revision of Fees:

Cook advised that based on his communication with Fischmann they have determined that the Board can revise fee's without legislative approval.

Affidavit of Training Issues:

Cook advised that there seems to be some issues with the way some of the license holders are filling out the Affidavit of Training. Cook advised that there will need to be some auditing of training in the future, but is suggesting that the form be changed. Cook suggested that the affidavit should include all employees and not just current employees. Cook stated that some license holders are hiring and terminating/laying off employees in between renewal periods which bypasses having to fill out the affidavit. In that situation there is no way to see if these employees received proper training and met background requirements. Cook stated this is not only a public safety issue, but a consumer protection issue as well. Cook stated that he realizes this will cause more work on both the license holders as well as the agencies workload and will research a way to assist the license holders in properly documenting their employees. Hodsdon advised that the Affidavit of Training can be modified without the Boards approval.

Budget Update:

Cook gave the Board a brief update on the numbers from the fiscal year 2012. Cook stated the agency received $141,000 from fees of which was provided to the general fund. Cook stated they have reduced expenses in payroll drastically as well as a significant reduction in other expenses. Cook provided and example of 92 percent reduction in postal costs with the use of email communication.

At 11:47 a.m. Wohlman motion to adjourn the meeting, Hessel seconded. The motion passed unanimously.

Next meeting is scheduled for September 24, 2013 at 10 a.m.