STATE OF MINNESOTA
PRIVATE DETECTIVE AND PROTECTIVE AGENT SERVICES BOARD
MEETING: December 29th, 2015
LOCATION: 1430 Maryland Avenue East, St. Paul, MN 55106
MEMBERS PRESENT: Steve Wohlman, Rick Hodsdon, Pat Moen, Jim Hessel
ATTORNEY GENERAL REPRESENTATIVE – Pete Magnuson
EXECUTIVE DIRECTOR – Greg Cook

Hodsdon called the Minnesota Private Detective and Protective Agent Services Board Meeting to order at 10:00 am on December 29th, 2015.

1. REVIEW OF NOVEMBER 2015 MEETING MINUTES & DECEMBER 2015 AGING REPORTS

Hodsdon questioned if the Board Members had a chance to review the November 2015 Meeting Minutes and the December 2015 Aging Reports. Wohlman stated that he had made a couple of suggestions earlier and it had been taken care of. Wolman stated that he would move for approval of the minutes. Hessel seconded. The motion carried.

2. CURRENT CONTINGENCIES

PAC 154 – Brinks, Inc. [Due in December 2015]

Cook stated that Brink's was late with their packet due to having trouble with getting their FBI checks done and having a change in staff. Cook stated that as of this date, their contingency ends. Cook informed the Board that a letter of explanation and a disciplinary history had been provided for them. Cook advised that Brink's did have some disciplinary actions in the past and that was provided to the Board.

Hodsdon asked the Board how they wanted to handle the situation. Hodsdon noted Brink's email from October 22, 2015. Cook mentioned that October was when their renewal was due.

Hodsdon questioned if everything else had been resolved. Cook noted that they were having trouble fingerprinting one employee due to bad prints. Hodsdon mentioned that Wohlman had requested a disciplinary history on Brink's. Wohlman noted that they do have a history of disciplinary actions. Cook mentioned that the cover sheet gives an overview of the history of the company. Behind the cover sheet is further documentation.

Moen questioned how many employees Brink's has in Minnesota. Cook stated that there were 29. Wohlman questioned if everything else was in order. Cook stated it was except that the CEO that had listed in their packet was different than the one the agency had in their database. The agency couldn't locate where Brink's sent a notification letter.

Wohlman stated that he didn't see where a Letter of Education and Conciliation would do anything in this instance. Wohlman suggested a penalty be involved. Wohlman made a motion to lift Brink's contingency with a $200.00 administrative penalty. Hessel seconded. The motion carried.

PDC 879 – Kolbach [Due in December 2015]

Cook noted that Mr. Kolbach's packet was late due to medical reasons. Cook stated that his packet was received and had a slight issue with the bond number, but everything had been resolved. Hessel made a motion to lift the contingency. Moen seconded. The motion carried.

PDC 998 PT & C Forensics [Due in January 2016]

Cook stated that PT & C Forensics had done an officer change and when the agency sent them their new certificate, the license listed the expiration date as two years from the officer change—which is incorrect. Cook noted that the company did not think they needed to do their renewal even though the agency had sent them a renewal packet. Cook stated that the agency would take half the blame for the error. Cook mentioned that PT & C Forensics did provide everything with no issues and that they did expedite the packet within in one week. Hodsdon complimented the company for getting it in so quickly. Hessel motioned to lift the contingency. Moen seconded. The motion carried.

3. RENEWAL CONSENT AGENDA

Cook is requesting a motion of approval for the following reissuance's as they have provided all materials and have no issues. Files are available for review:

LICENSE HOLDERS
PAC 1102 – SOS Security, LLC
PDC 1011 – Gilbertson Investigations, LLC
PDC 1034 – Ryan R. Robison & Company, Inc.
PDI 800 – Anthony Doppler
PDI 841 – King Richard Cole
PAC 259 – Mydatt Services, Inc.
PDC 867 – DECO, Inc.
PDC 1101 – Phantom Investigations, LLC
PDI 696 – Scott S. Andreasen
PDI 1007 – Bruce Sederstrom

Moen made a motion to move the consent agenda for the renewals listed. Wohlman seconded. The motion carried.

***4.* RENEWALS WITH ISSUES:**

PAC #257 – Securitas Critical Infrastructure

Cook explained that Securitas Critical Infrastructure did have an issue with completing their background checks on their Affidavit of Training. Cook also noted that Securitas Critical Infrastructure is a different entity than Securitas Security Services USA. Cook stated that Securitas Critical Infrastructure protects nuclear power plants among other various things.

Cook stated that the company's Qualified Representative Nathan Macho had explained to him that they had taken over the contract from G4S and when they did that they took on all the employees and did not run background checks on all of them. Cook noted that in previous board meetings it was decided that per statute when one company takes over another and takes on the employees, they must be background checked through them as well. Cook noted that Macho assured him that these employees must be cleared through the Department of Defense before setting foot on the property of a nuclear facility. Cook stated this is about them meeting the agency's regulations. Cook noted that he did invite Mr. Macho to the meeting, but he couldn't make it due to family obligations. Cook suggested granting them a contingency as Macho would be willing to come to a future meeting to discuss the issue. Cook also noted that a Letter of Explanation was provided for the Board.

Wohlman moved to grant a contingency. Hessel and Moen seconded. The motion carried.

PAC 270 – Per Mar Security and Research Corporation

Cook noted that their packet was late and that there were no other issues. He stated that the agency did provide the Board with a disciplinary history on the company. Moen questioned how late the packet was. Cook stated a week. Hessel stated that he didn't think a penalty should be applied and made a motion to renew the license. Moen seconded. The motion carried.

5. **LAPSED LICENSES:**

PDI 960 - Michael Sackmann
Cook informed the Board that he had received no response to multiple correspondence and a letter was returned stating 'mailbox closed'. Cook informed the Board the license will be moving into expired status and there was no board action required.

6. **EXPIRED: None.**

7. **SURRENDERED LICENSES:**

David L. Bjerga – PDI 1100.
Paradis' Mail Service, Inc. – PAC-E 306

8. **TRAINING COURSE & INSTRUCTOR APPROVALS:**

Cook advised that as always the training packets were available to Board for review.

TYPE	PROVIDER	INSTRUCTORS	COURSE NAME	HRS
PPA	ADC LTD. NM	Charles Smith	Initial Firearms Training	12
CPA	ADC LTD. NM	Charles Smith	Continued Firearms Qualifications	6
IA	ADC LTD. NM	Charles Smith	S/W MP 40 Caliber	6
CA	ADC LTD. NM	Charles Smith	S/W MP 40 Caliber	6
IA	Capital Armament Co., LLC	Chris McCann	Pistol	24
CA	Capital Armament Co., LLC	Chris McCann	Pistol	24
CPA	EPG Security	Brian Moran	Report Writing	6
IA	EPG Security	Brian Moran	Hand Gun	6
CA	EPG Security	Brian Moran	Hand Gun	6
CPA	EPG Security	Brian Moran	Basic Radio 101	6
CPD	Leading Edge Legal Ed	Sabine Hilten	Recording Laws: Audio and Visual	6

PPA	UPA Security	Ibrahim Farah & Martin Wick	Preassignment Training	12
CPA	UPA Security	Ibrahim Farah & Martin Wick	CEU Officer Training	6
PPA	Delta Protective Services	Ian Menzies	Preassignment Protective Agent	12
CPA	Delta Protective Services	Ian Menzies	Continuing Protective Agent	6
IA	Delta Protective Services	Ian Menzies	Initial Armed	20
CA	Delta Protective Services	Ian Menzies	Continuing Armed	6
IA	Capital Armament Co.	Chris McCann	Initial Armed	24
CA	Capital Armament Co.	Chris McCann	Continuing Armed	24

PROVIDER	INSTRUCTORS
Per Mar Security Services	Jon Salzman
Centerra Group, LLC	William Gary III
American Security LLC	Joseph Alf
GSSC	Joseph Kessel

Cook noted that American Security had sent the agency material to approve a training instructor in September 2015. Their next renewal would be May 2017. Cook stated that, as the Board was aware, those were heavy workload months and the agency did not get to training at that time. Cook explained that when prioritizing the workload training items fall behind applications and renewals because those items have statutory guidelines in how long it takes to complete. Training does not. Applicants, renewals and officer changes incur a large fee. Training does not. Cook stated that they did write a letter to Jahnz expressing their displeasure and requested a six month extension for them to meet the requirements to get their employees through the training.

Wohlman noted it was two months of a wait and they are requesting six months. Hodsdon questioned if it was in-house training. Cook affirmed. Hodsdon noted that this was a separate issue from getting their instructor approved. Hodsdon suggested that they split the two issues and start with the approval of the training courses and the instructors.

Wohlman made a motion to approve the training courses and instructors as listed. Hessel seconded. The motion carried.

Hodsdon questioned if their request for extension could be accomplished by a 60 day contingency. Cook affirmed. Hodsdon mentioned that they have rules of when these things are supposed to happen and that he wasn't sure they had authority to waive the rule. Hodsdon noted that there was no Board action at this point.

9. OFFICER CHANGES.

License Holder Business Name:	AlliedBarton Security Services, LLC
License Type/Number:	PAC 307
Change from:	Suvankar Ganguly
Change to:	Benjamin Atkins
Type of Officer Change (MM, QR, CFO, CEO):	QR

Hodsdon questioned if any representative of the company was present. Cook affirmed that Mr. Atkins was present and stated that he had appeared before the Board two separate times in the last couple of months. Cook noted that there were no issues and that he is well qualified. Wohlman moved to approve the officer change for AlliedBarton Security Services. Hessel seconded. The motion carried.

License Holder Business Name:	PhotoFax, Inc.
License Type/Number:	PDC 1099
Change from:	Gerald Marko
Change to:	Karen DeBoer
Type of Officer Change (MM, QR, CFO, CEO):	MM

Cook noted that Ms. DeBoer is also the Qualified Representative of the company, and is just taking over the Minnesota Manager position. Hodsdon mentioned that the background was clear and that there were no issues. Hessel motioned for the approval of the officer change. Moen seconded. The motion carried.

10. NEW LICENSE APPLICANTS – Tabled. Files available for review:

PDC: Caroline Lowe Investigations – With recent documentation submitted applicant would like to know if she still needs to travel to the Board meeting. Please see letter and additional documentation previously sent and in binder.

Applicant Business Name:	Caroline Lowe Investigations
Type of License Applying For:	PDI
Physical Address:	455 Spanish Moss Lane, Arroyo Grande, CA 93420
Corporate Officers:	Caroline Phillips Rhodes

Hodsdon noted that Ms. Lowe had applied previously and a question was raised about how much of her investigative reporting experience translates to investigative services. Hodsdon stated that the Board was provided a narrative from Ms. Lowe explaining her hours of experience. Wohlman motioned to remove the application from the table. Hessel seconded. The motion carried.

Hessel noted that he knew Lowe for several years and worked with her as a police officer. Hessel stated that he didn't think there were any problems in his opinion. Hodsdon noted that Lowe would just need to figure out her local address. Hessel questioned if Lowe was a California resident. Cook affirmed and stated that she would need to meet the requirements and provide either a registered agent or a physical office address. Wohlman made a motion to grant a license to Caroline Lowe Investigations. Hessel seconded. The motion carried.

Applicant Business Name:	Fairline Services, LLC
Type of License Applying For:	Protective Agent Corporation
Physical Address:	9697 East River Road, Coon Rapids, MN 55433
Local Address:	N/A
Corporate Officers:	
CEO	Austin Seman
CFO	Zachary Greseth
QR	Austin Seman
MM	Austin Seman

Hodsdon stated that this applicant, Fairline Services, LLC, had been tabled from the previous month. He mentioned that they were seeking a Corporate Protective Agent license and that Austin Seman was present. Wohlman made a motion to removed Fairline Services, LLC from the table. Moen seconded. The motion carried.

Cook read the Tennessen Warning to the applicant. Seman stated he understood the Tennessen Warning and that he would decline to make an opening statement. Magnuson addressed Seman stating that it was his understanding that a letter and a recording were sent to Seman by email. Magnuson questioned if Seman had received them. Seman affirmed. Magnuson questioned if he had an opportunity to review the documents before the Board meeting. Seman affirmed. Magnuson questioned if Seman understood that he may be questioned regarding the contents of the documents and recording for the meeting. Seman affirmed. Magnuson questioned if Seman needed more time before responding to questions from the Board regarding the documents. Seman stated he did not need more time. Magnuson questioned if Seman was prepared to go forward in the meeting. Seman affirmed.

Hodsdon stated that a number of documents were provided: a letter from the President and CEO of Statewide Protective Agency reporting, what they believe to be, unlicensed activity conducted by the applicant (Austin Seman), addressed to the Executive Director, a consent form dated 12/15/15 bearing the signature of that individual authorizing the use of the information, an email sent to the Executive Director from a Daniel Seman, a screenshot of a LinkedIn post, a financial document from Avalon Company, Inc., a narrative of last month's Board Meeting, an additional applicant analysis from 11/24/15 by the Executive Director, a copy of Austin Seman's POST license, a letter dated 9/10/15 signed by Daniel Seman, questions and answers from Fairline during the licensing process, an email dated 6/24/15 to the Executive Director from a potential client and an attached document of the professional services agreement, a document from Austin Seman dated 6/23/15, a screenshot of Fairline Defense Inc. advertising security services, an email dated 8/17/15 to the Executive director from Fugitive Recovery regarding the application of Fairline, LLC, a transcript recording, and a fax from Chief Art Blakey of the MN State Fair including a policy and procedure of that agency.

Hodsdon noted that some allegations were made at the previous meeting by another applicant. Hodsdon asked Seman to give some context of the recording. Seman stated that Nadeau showed up to the residence he was working at and started asking him questions. Seman stated he had been up for a long time. Wohlman questioned what date this took place. Seman stated that he was not sure. Seman stated that he began to feed Nadeau a 'bunch of lines of crap'. Seman stated that he didn't owe him anything and didn't

have to tell him the truth as to why he was there. Seman stated that he fed him a lot of stuff that was not true.

Seman questioned if Statewide Protection Agency was a Protective Agent license holder. Cook affirmed. Seman questioned if Nadeau recording him went beyond the scope of him using his license. Cook stated he would not give any opinions, but that he did know that Minnesota was a one-party recording state. Seman noted that at that time, Nadeau was acting as a security guard as well and questioned if he was also doing an investigation. Hodsdon stated that for it to fall in the scope of licensing, one must receive compensation for their services. Hodsdon stated that he was not aware of an instance where Nadeau was compensated by the Board or by any other entity. Cook stated he was not compensated. Hodsdon noted for the record that Nadeau was not compensated. Hodsdon stated that anyone can investigate or record anything if they are not being paid for it. Seman stated that he was being paid by the owner of the house. Hodsdon stated he was not paid to investigate. Seman stated that we do not know that. Hodsdon stated that if Seman had some basis to that, he could submit it to the Board in a separate proceeding. Seman affirmed.

Seman stated that he had grown up knowing Nadeau and that he was the closest thing to his father, Dan Seman, as far as mannerisms, personality, and the way he runs his business. Hodsdon questioned what Seman was doing there that night. Seman stated he was working there doing security. Seman noted that in the last meeting he did state that he was working for his father, Dan Seman, doing security unlicensed. Hodsdon questioned if Seman was working directly. Seman stated that he was working under Avalon doing security for that account.

Cook questioned Seman who paid him for his services. Seman stated Avalon, but he had actually not been paid for those hours. Wohlman questioned if Seman knew he was doing unlicensed activity. Seman affirmed and stated that he had admitted that before as well. Wohlman questioned Seman again if he knew he was committing unlicensed activity. Seman affirmed. Seman stated he was just an employee working so that he could pay his house payment.

Wohlman stated that was the only question he had because Seman just admitted to the Board that he knew he was doing unlicensed activity. Seman noted that he believed he admitted that at the last meeting as well.

Cook stated that he wanted to clarify something for Chief Blakey and the State Fair Police. Cook questioned if Seman was doing this as an off-duty police officer. Seman stated he was not. Cook questioned if Seman was aware there was a policy in the State Fair police that an officer cannot do security as an off-duty officer.

Wohlman questioned if Seman was wearing an Avalon uniform at the time. Seman stated he was not. Wohlman questioned what Seman was wearing. Seman stated khakis and a polo or jeans and a shirt. Wohlman questioned, if someone were to come up to the gate, how they would know that you were a security officer. Seman stated that they wouldn't and that particular account asked them to be plain clothed.

Cook questioned if Zach Greseth was working there for that as well. Seman affirmed stating that he did some hours there. Cook questioned if Greseth was or was not a State Fair Police Officer because it was stated so on the recording. Seman stated that he was not.

Wohlman questioned if basically everything Seman stated on the recording was false. Seman affirmed stating that it was mostly lies and he didn't trust him and fed him a bunch of lines. Seman stated he was up for a long time, over 30 hours, and he was just coming to shoot the breeze. Seman stated that more of the

recording that he didn't give to us was that Nadeau has 500 employees and 26 squad cars. Seman stated that he didn't believe that to be true, but Nadeau had mentioned it.

Hessel questioned why Nadeau happened to show up there. Seman stated that the G4S guy stated he was really tired and didn't have the manpower for the particular type of work and asked Seman if he knew of any security companies. Seman stated that he told G4S to give Statewide a call. Seman stated that it was his fault.

Cook questioned Seman if he was subcontracted with G4S or if he was working directly with the client. Seman stated that they directly contacted Avalon. Seman repeated himself saying the client directly contacted Avalon. Cook questioned if Avalon contacted Seman and gave him that work. Seman affirmed. Cook questioned if Seman had documentation showing that. Seman affirmed. Cook questioned if it was in the form of an email. Seman stated he had the documentation in an email and in text. Cook questioned who sent the email to Seman. Seman replied that it was Sarah Gordon. Cook questioned what Gordon's position with the company was then. Seman stated that she runs the company—she has since his dad's stroke.

Hodsdon inquired what Seman meant by 'doing security-type work'. Seman responded that it was armed security and they were protecting the house. Seman stated that the patrons were out of town and their daughters were there overnight so they stayed there. Seman mentioned that they had worked for them for almost two years—he got to know them very well. Hodsdon questioned if it was armed security work. Seman affirmed. Hodsdon questioned if there was only one person per shift. Seman affirmed and stated that they had two outside as well. Seman stated that unlicensed activity wasn't something he was proud of, but he has to eat as well. He mentioned he didn't know of anyone that could up and quite their job at a moment's notice.

Wohlman stated that he didn't think they had any choice but to bring in Statute 326.3382 subpart 4, to deny the license for unlicensed activity. Cook questioned if that was for one year. Wohlman affirmed. Seman questioned if that was for an employee working for another company. Wohlman stated that Seman had admitted that he knew he was doing unlicensed activity. Seman affirmed and stated that under financial duress, he couldn't do anything about it.

Hodsdon stated that one of the distinctions the Board was struggling with last month was the level of knowledge of the individual. Hodsdon stated that it was one thing if you have a giant corporation. Hessel stated that Seman is working for someone that is unlicensed, so who is responsible for this—the person that holds the license, the person working for it, or both. Hodsdon stated both. Hodsdon noted that the Board has had individuals come before them before that gave them information when they found out they were working for an unlicensed entity, and they left. Hessel affirmed. Hodsdon stated that they gave the Board information and that they had to feed themselves too. Seman stated he knew the individuals and that he had actually moved to Florida as he got a corrections job before he left. He stated the Board was talking about Terry Voigt—that's how he found out he was unlicensed. Cook questioned that when Seman said 'he', did he mean his father, Dan Seman. Seman affirmed. Cook questioned when he found out he was unlicensed. Seman stated 2014. Cook questioned which month of 2014. Seman stated he didn't know what month, but a week before Terry came here. Cook questioned if Seman reads the Board Meeting Minutes at all. Seman affirmed. Seman stated he didn't know the exact month so he didn't want to say it. Cook understood and stated that they were just trying to get a time frame.

Seman stated that the Board talks about this being a convoluted situation. He stated this is not something he is proud of and this is why he filled out his own application. Seman stated this is why he came here and

is trying to do things the right way and not follow in the footsteps of his delinquent father. Seman stated that he wants to be completely removed from his shadow and be his own person as much as possible, which is the main reason he came. Seman stated that saving up the money even to put in the application is hard enough especially when in financial duress. Seman stated he was not proud of what he did, but fesses up for everything that he did. Seman stated he believes he is qualified for the position, but that it wasn't up to him, it was up to the Board.

Hodsdon questioned if Wohlman was making an observation or a motion. Wohlman stated that he was making an observation that if the Board doesn't follow the rule of law on this, then they will have another person coming before them with the same or similar situation—does the Board follow the rule of law for that one, or do they let it go? Wohlman questioned what the Board counsel thought of that.

Magnuson questioned what Wohlman was asking. Wohlman questioned if the Board was to follow the rule of law on this, or if they should make exceptions. Wohlman stated he didn't see where the Board could make an exception to the law. Wohlman questioned if the Board had the ability to make an exception to the law. Wohlman stated that he didn't think so.

Hodsdon stated the when he reads subdivision four, it doesn't say *may* be prohibited, it says *is* prohibited. Hodsdon noted that they have the rules of statutory construction that certain language is discretionary and some is mandatory. Hodsdon stated that he believes *is* is very similar to *shall*, which is not a discretionary provision. Magnuson stated that there is case law interpreting those words differently in different context. He stated it's hard to give the Board a blanket reading of what's mandatory language and what is not. Magnuson stated that the Board is in charge of interpreting and enforcing the statutes and rules. Magnuson stated that's all he could really counsel the Board on.

Seman questioned if he could say something. Hodsdon affirmed. Seman stated he would like a chance to not be crucified for his father's sins. He stated that even though this is outside of the security meeting, he is still being pursued by his father, the more he tries to get away. Seman stated that more lawsuits come from his father to him. Seman noted that he is trying to do his best to step away and separate himself.

Hodsdon stated that for him, his father's comments have zero credibility. Hodsdon stated that he is far more concerned with the paper documents and the things that Seman has told the Board. Cook questioned if Seman's father had filed lawsuits against him. Seman affirmed and mentioned that he had unemployment claims lawsuits and that he had to go onto unemployment for three weeks. Seman stated that for his final paycheck and hours at that house, he never got paid for that. He stated he is going to small claims court and they've pushed and pushed it out and now he finally has a date for it. Seman stated that it is stuff like that that he's slowly struggling with. Seman stated he had won one employment claim against his father, and they are appealing it. He stated that it is a never ending cycle of his father being his father, in that he is a horrible guy. Seman stated that the Board had the chance to meet him—he's a liar and a crook and will use finances to make people do things that they don't want to do. Seman noted that he was a slave to that for a number of years and he finally got away and couldn't be happier.

Hodsdon question whom Seman meant by 'them' when he talked of the active litigation. Seman confirmed he was talking about his father and Sarah. Hodsdon questioned if he meant Sarah Gordon. Seman affirmed. Hodsdon questioned who was representing their interest at this point. Seman stated that he didn't know. Hodsdon stated he was trying to figure out who Seman is trading documents with. Seman stated that it isn't trading documents, but that's he's getting emails from the unemployment office saying that Avalon, Inc. is pursuing this unemployment claim. Seman stated that when it comes to the final paycheck or small

claims court, he went through the appeals process and Avalon, Inc. disputed it and pushed it out about three month. From there, Seman stated that he had to go to a small claims court now on the 11th or the 16th—he couldn't recall—but he is going to court with Avalon, Inc. there just to try to get his final paycheck from them.

Seman stated that they make slanderous statements and even say that he has a mental disability—which there's no basis. Seman stated that he got turned down a Wright County Sheriff's position due to their comments. He stated it's a very hard road to tow when he's constantly getting persecuted for the sins of his father, who isn't a good person. Seman stated that if this is going to be another situation like that, he will understand, take the beating and do his best to come back as hard as he can. Seman stated he does not expect any handout or for anything to be easy.

Wohlman stated that he understands what Seman is saying completely, but the problem is that the Board is bound by statute. Wohlman stated that he interpreted this, and didn't get much help from his counsel on that, but he did interpret that he is prohibited from applying for a license for a period of one year from the date of the finding of the violation.

Wohlman made a motion that the license be denied due to Statute 326.3382 subdivision 4 for a period of one year. Wohlman stated that the question the Board would still have with this is one year from what date we found this out. Wohlman stated that the information that was given to us would have been two months ago. Cook noted that Seman was refuting what he said at that time. Hodsdon stated that the Board had to make finding of a violation, and the one year commences as of that date.

Hodsdon stated that the last time this had happened, the Board made a finding at the date of the Board meeting of which the application was presented. Hodsdon mentioned that Seman said he did disclose that information to the Board at the last meeting. Wohlman affirmed. Hodsdon stated that Wohlman would need to put the date in the motion where he made that finding, either today or an earlier time, should you believe that there's any type of mitigation to put him in any similar situation as another applicant.

Hodsdon stated that the record should reflect that the finding was made last month. Wohlman affirmed. Hodsdon mentioned that would mean that his one year had already started. Cook noted that in the letter from Nadeau, the incident occurred on August 13, 2015. Wohlman stated that it becomes more of a fact for the Board when the admittance was actually done to the Board.Hodsdon stated that it is not one year from the violation; it is one year from the finding of the violation. Wohlman stated that was their exact finding. He mentioned that before, there was just the allegation, but the Board had the exact finding as of last month.

Wohlman stated that he would include in his motion that it to be one year from November 2015. Cook questioned the Board if they considered him to have qualified hours and if the unlicensed activity was the only issue. Wohlman affirmed. Hodsdon stated that given his employment history, he wouldn't have an issue with Mr. Seman's hours. Wohlman and Hessel agreed.

Seman questioned if this was for the sins of working for his father. Wohlman stated that he did have a problem when he heard the tape. Wohlman stated he didn't think that had to do with his father. Seman stated that was just him shooting the breeze after being up for thirty hours. Wohlman stated that there's shooting the breeze and then there are outright points that Seman made. Seman questioned the points. Wohlman stated there were quite a few.

Wohlman stated that when Seman said he was working for the State Fair. . . Seman stated that he believed he said that he wasn't working for any particular entity—those words exact. Seman addressed Wohlman and stated that he was sure that he had said that and asked him to look in the transcript.

Hodsdon questioned if Wohlman's motion was to be made effective as of November 30, 2015. Wohlman affirmed. Hodsdon stated that a motion had been made pursuant to the provisions of the Minnesota Statute 326.3382 subdivision 4 that it be effective of the finding of that date, engaging in the unlicensed practice of being a protective agent, which pursuant to the operation of law, disqualifies Mr. Seman from applying for a license for a period of one year; and the second would be a denial without prejudice for a one year period, effective that date, for him to come back and reapply. Wohlman stated that was correct. Hodsdon questioned if it was a fair statement of Wohlman's motion. Wohlman affirmed and questioned if Hodsdon put the date in there. Hodsdon stated the date of November 30, 2015. Wohlman affirmed. Moen seconded. The motion carried.

Hodsdon thanked Seman for appearing before the Board. Seman questioned if that meant that one year from this day, all those sins would be washed away and he'd be qualified for a license. Hessel commented it'd be one year from November. Hodsdon stated it'd mean one year from November 30, 2015, that provision of statute would no longer apply to Seman, assuming he doesn't have another issue. Hodsdon stated that if Seman was to work under someone else's license, which is licensed, that's more hours. Hodsdon stated that this was not a finding from his perspective. He stated that there's no dispute about the number of hours Seman had worked or his credentials. It was that provision of statute, from his view, that the Board does not have the discretion to waive. Seman stated that he understood and thanked the Board.

11. <u>NEW LICENSE APPLICANTS – Present:</u> NONE

12. **New Applicants: Consent Agenda:** NOTE: *These are applicants that have met all requirements. The file is available to the Board for review. If the Board determines that the applicant should come before the Board a request can be made to the applicant to appear at a future meeting.*

Applicant Business Name:	Project Service, Inc.
Type of License Applying For:	Corporate Protective Agent
Physical Address:	105 East "A" Street, Iron, Mountain, MI 49801
Local Address:	516 West 25th Street, Hibbing, MN 55746
Corporate Officers:	
CEO	Mark L. Cini
CFO	Mark L. Cini
QR	Mark L. Cini
MM	Michael E. Bianchi

Cook noted that this was a long-time company with well qualified individuals. He mentioned they did have one disciplinary action in Wisconsin which was provided to the Board. In Wisconsin they have agency licenses and each security guard is to be licensed individually. A long time ago they had an issue because some of the security guards working for them did not have their independent licenses. Hodsdon questioned if that was the only issue Cook found in their background. Cook affirmed. Wohlman made a motion to grant a license. Hessel seconded. The motion carried.

Applicant Business Name:	Elite Show Services, Inc.
Type of License Applying For:	Corporate Protective Agent
Physical Address:	2878 Camino Del Rio South, Suite 260, San Diego, CA 92108
Local Address:	330 2nd Avenue South, Ste. 150, Minneapolis, MN 55401
Corporate Officers:	
CEO	John Kontopuls
CFO	John Kontopuls
QR	John Kontopuls
MM	John Kontopuls

Hodsdon noted that it appeared everything was in order and that the Executive Director noted that the Qualified Representative and Minnesota Manager were well qualified with no issues. Cook noted that this was one of the quickest applications that the agency was able to process. Hessel made a motion to grant a license. Wohlman seconded. The motion carried. Hodsdon noted that his document shows the application was received November 30, 2015 and it shows tribute to the agency staff and to the licensees who get their act together. Hessel mentioned that it all boils down to get everything in at once what they were supposed to get in. Hodsdon affirmed and gave praise to the agency staff as well as the licensee.

13. **Additional Applications:** For those current license holders that wish to meet the requirements of dual licensing.

Applicant Business Name:	Empire Investigation & Protective Services, Inc.
Type of License Applying For:	PAC
Corporate Officers: CEO/CFO/QR	Paul Gherardi

Hodsdon stated that the documentation appeared to be all in order with no issues. Hessel made a motion to grant a license. Moen seconded. The motion carried.

14. REQUEST TO SPEAK TO THE BOARD: None.

15. OTHER ISSUES AND DISCUSSION:

Assistant Superintendent Jeff Hansen

Cook introduced to the Board Assistant Superintendent of the Bureau of Criminal Apprehension (BCA) Jeff Hanson and explained that he would be taking over the BCA's responsibility on the Board as Drew Evans had been promoted to Superintendent. Cook stated that Hansen had an extensive and impressive law enforcement career and would be of benefit to the Board. Hodsdon questioned Hansen if he knew when he would be with the Board. Hansen stated that he didn't know, but that Evans wanted him in on a couple meetings observing. Hodsdon stated that the Board looked forward to his participation.

Hillary Kost-Devary letter from attorney

Magnuson stated he would get the Board up to speed. He stated that the Board had extended an invitation to Ms. Kost-DeVary to appear at the November 30, 2015 meeting. She did not appear, but her attorney, Vince Reuter, from Ecklund & Blando, appeared. Magnuson stated that he and Reuter had a discussion. Reuter was wondering if there was a way that the Board could see fit to change its mind and issue a

license. Reuter had some concerns about the settlement agreement in which Magnuson asked him to put his concerns in writing and send them to him. Magnuson pointed out Reuter's response in his letter dated December 4, 2015. Magnuson noted that in the middle of the very first paragraph, it stated, "…additionally, please know that through the act of breaching the agreement, the Board also violated Minnesota Statutory Law and deprived my client of her due process rights. This letter is my client's final demand that the Board Immediately recognize Ms. Kost-DeVary's license pursuant to the agreement and applicable law." Magnuson stated that he didn't know if this needed Board action, but that this was the substance of the letter.

Hodsdon stated that he did note in the second paragraph that the letter indicates that part of the settlement agreement was that Ms. Kost attend and complete preassignment training. Preassignment training is specifically defined as the content by law. Hodsdon stated that she didn't do it, so he continued to fail to see how she completed the terms of the agreement.

Wohlman mentioned that she had an attorney to explain it to her if she didn't know. Hodsdon stated that in addition, one of the requirements of those who teach preassignment is to understand the rules, statutes, and regulations of this Board. Hodsdon stated that he believed this was one of the reasons the Board made part of the settlement a requirement to take that specific class. Wohlman affirmed. Hodsdon stated that he didn't know if counsel needed a formal action form the Board. Magnuson stated that he believed if the Board failed to take positive action, he would contact her counsel. Hodsdon questioned if there was a motion to reconsider and issue a license. For the record, there was no motion to reconsider.

Letter from Dan Seman, Avalon Security, to County Sherriff

Hodsdon stated that this was in regards to a document dated December 10, 2015 directed to the Wadena County Sheriff reportedly signed by Daniel Seman, Chief Executive Officer of Sherifftransport.com. Hodsdon stated that he identifies himself as well as an Avalon company. Hodsdon stated that he didn't know that any action would need to be taken at this put, and that this was just an informational item for the Board. Hodsdon questioned if the Board had any comments. No one commented.

Introduction of Resolution – Steve Wohlman

Hodsdon asked Wohlman to bring the Board up to speed on his resolution. Wohlman stated that he would first read the resolution to get it into the minutes. Wohlman stated this was from the sponsors of the complaint committee, which are himself and Hessel. He stated that they had discussed this months before each time they received a complaint.

Wohlman read, "Whereas the Complaint Committee as well as the Board has seen more and more contingencies needing to be served for license renewals and, whereas, in some of these cases there have been serious violations for failure to comply with law and rule and, whereas, in many of these cases, companies have actually benefited financially for not following rule and law. Whereas, in the cases of companies not vetting their employees properly as set up by rule and law may have a substantial adverse effect on the integrity of the business of private detective and protective agent services as well as to public health, safety, and welfare.

Therefore be it resolved that, one, starting January 2016, any company that is renewing their license has to go into contingency status because of any circumstances within the control of the applicant, will have to pay a penalty of $50.00." Wohlman stated that he gave the rule that states that that can be done by rule in the State of Minnesota. Wohlman stated that he wouldn't read the whole rule; he would go onto the next one.

Wohlman read, "Number two, be it further resolved that any company that does not adhere to law and rule on preassignment training will receive a penalty of $150.00 per each occurrence." Wohlman stated that would be per employee. Wohlman stated that the way he figured out the penalty calculation was the general

hours of preassignment training multiplied by the minimum wage, $9.00 an hour, it equals $108.00. Wohlman stated that the expense of the penalty has to outweigh the expense of the training.

Wohlman read, “Further it be resolved that any company does not adhere to law and rule on continuing training will receive a penalty of $100.00 per each occurrence.” Wohlman mentioned that the penalty calculation for that was the same, the general hours of continuing training, six hours, multiplied by the minimum wage, $9.00, equaling $54.00. He stated that they would be saving $54.00 and in the other case, $108.00 for not doing the training. Wohlman explained that the expense of the penalty has to outweigh the cost of the training.

Wohlman read, “Further be it resolved that any company that does not adhere to law and rule on properly vetting their employees through BCA and FBI background checks will receive a penalty of $500.00 per each occurrence.” Wohlman noted Rule 7506.0170 subpart 6 is where he was taking this from, which does not have to go into an administrative hearing at the $500.00. Wohlman stated, “Mr. Chairman, I, Steven Wohlman, move the adoption of the afore stated resolution.”

Hodsdon questioned, for the purposes of discussion, if there was a second to Wohlman’s motion. Moen seconded and stated that for the purposes of discussion, she had some specific concerns. Magnuson stated that Minnesota Statute 326.3388 discusses administrative penalties and the first sentence states, “The Board shall, by rule, establish a graduated schedule of administrative for violations of sections 326.32 to 326.339 or the board’s rules”. Moen stated that that was precisely her concern, that this would require some rule. Moen stated that she applauded Wohlman for having a specific graduated schedule for penalties. Moen state that this had been a concern of hers for years. She stated she didn’t think they needed to have any rule pertaining to the contingent license and the fee there that’s set forth by rule already.

Moen stated that, in regard to the other three items, she thought the items would well establish for guidance as far as any penalty consideration going forward. Wohlman questioned if everyone understood what he meant by each occurrence. Moen affirmed. Hessel and Wohlman stated that it was per individual. Wohlman noted that they are turning in all of their information on a certain date, which is the discovery of it. Wohlman stated that from a practical sense of any other law, if he was to walk into a Sheriff’s office right now and admit the theft at the grocery store in September, the robbery of the liquor store in November, and the theft at the jewelry store in December, he would be charged with three separate crimes.

Moen stated that the beauty of doing it by occurrence is that she had always had concerns about some of the small licenses coming forward, that the receive penalties that are from their perspective—much greater than a large company, which would look at this as cost of doing business. Wohlman affirmed. Moen stated that this gives some proportionality.

Wohlman stated that he owns a company and what they are looking at is return on investment. Wohlman stated that if over a two year period, he had 100 employees and he didn’t put them through the preassignment training, and pay them, he would be saving himself minimally $108.00. Wohlman stated that when he would get to the board, the most they’d fine him would be a letter of education and conciliation for his first occurrence; he would save himself $10,000.00 that year for a letter of education and conciliation. Wohlman stated that he would get a fine of $499.00. He stated he would take that with no problem. Wohlman pointed out that this was what was happening, which is why the board is seeing so much of it. Wohlman noted that it was cost-effective for them to violate the law.

Moen stated that brought up another concern that she had with regard to the particular resolution. Moen stated she was concerned that it would be construed that this penalty would be the only penalty and would not give the board the latitude of revocation or more serious action. Moen stated that she thought when the board would do this as a rule; they would have to be very specific that it would be a minimum amount. Hodsdon stated that he had made the same note. Hodsdon stated that he thought they would need to do it

by rulemaking to create this much structure. Hodsdon referred to their guidelines in place that could be incorporated. Hodsdon stated that he agreed with everything Wohlman had said.

Hodsdon stated that if there was a chronic violator, he wouldn't want the only thing to happen to him be this—he'd want to make sure it was clear that it was a minimum. Hodsdon suggested using the word licensee in place of company. Wohlman stated he did agree with that. Wohlman stated that under number one, where it said 'therefore be it resolved, starting January 2016, any licensee' rather than 'any company'. Wohlman noted that there are individual licenses too. He stated he would concede to that.

Wohlman stated the he personally felt that this was already covered by rule and what they would be doing would be enforcing that rule. Wohlman stated each one of the rules place in there were already on the book; they would just be enforcing them. Cook questioned if they did happen to go into a rule change if the Attorney General Representative would be assisting in that process. Magnuson stated he believed they could assist with the rulemaking process.

Wohlman stated he personally felt that all of the rules were already set in place; they would be just enforcing them. Cook stated that from the Executive Director and staff standpoint, they are dealing with these renewals and some from very large companies. Cook mentioned that recently the board dealt with a company that 86 out of their 101 employees were not background checked and they make a lot of money. Hessel commented that Wohlman brought up a good point about how much money these companies are saving by not doing that. Cook stated they only had to pay $499.00 in penalties. Cook stated that the agency was struggling with correcting the renewals every month. Cook stated the agency has tried working with the license holders, does work with the license holders, and will continue to work with the license holders, but he doesn't feel they see the seriousness of complying with all of the rules and statutes. Cook informed the board that in the past years, they did about $10,000 to $14,000 penalties a year and the last three years, they did about $1,000 average. Hodsdon questioned if the money all goes to the general fund. Cook affirmed. Hodsdon stated that he didn't want the industry to think that this was being proposed to help the budget or this organization.

Wohlman stated he would give a worst case scenario with companies that haven't vetted their people and haven't done the background checks—some of these are the ones that are doing security at our sports pavilions. He stated what if one of those, who didn't have a background check done on them, brought in an explosive and blew up a facility and they found it out. It would go through the press and everything else would also get involved as it would be national news. Wohlman stated the board would be questioned on what they had done in the past with this. Hodsdon stated that no one was disagreeing with Wohlman's points other than technical things like specifying it being a minimum and changing a word. Hodsdon questioned at what point, decision-making guidelines cross the point of being done by rule. Hodsdon stated that he struggled with that as well as Moen and possibly their counsel.

Wohlman stated he always liked applying common sense to the principle of what's being done. Wohlman stated that by reading the statutes and rules already in place, he had just applied common sense to it from a business aspect. He stated he is a business owner and can see where he could save himself money. Moen commented that people do. Wohlman stated they were doing it every day. Hodsdon stated he didn't believe anyone was disagreeing with the points Wohlman made. He mentioned that he would like to go in this direction, but he stated a formal resolution, which seemed like a shortcut to rulemaking, may not be the way to get them where they want to go. Hodsdon suggested the board table the topic for one month to allow counsel to receive work direction to get the board as far legally with what Wohlman proposed and see what the board could do without rulemaking. Hodsdon stated they wanted some assurances that this could be done without exceeding their lawful authority. He stated if they can't get that extreme, whatever they do, whether it's their sentencing guidelines they had created, Hodsdon agreed with Wohlman that they have clear statutory authority over these contingencies with people who are dragging their feet. Hodsdon stated that was already in the rule. Hodsdon stated he thought the points were very well taken with continuing education and backgrounding, but he didn't know if the board could get to a point where there could be

some kind of assessment of a penalty or consequence Wohlman described per occurrence. Hodsdon stated he really liked the idea.

Wohlman stated it needed to be looked at as every time an occurrence is to happen, they can be fined for that. Wohlman stated there were companies doing this with up to 100 employees where their background checks are all different dates and different occurrences, so why would they not be fined per occurrence. Wohlman stated that would stop it, because they would look at the return on investment and realize they are better off complying than not complying. Hodsdon mentioned that no one was disagreeing with Wohlman.

Moen questioned that the board had been using a proposed penalty schedule and was curious how this resolution would compare with the penalty schedule. Moen questioned if the board would need to further review and revise that schedule in light of the resolution. Wohlman stated he thought they could go along with the schedule as is except for the first three rows.

Hodsdon agreed. He stated he would still like to have the board counsel look at it and figure out if they could do it per occurrence. Wohlman stated the board had done this in the past. Hodsdon mentioned many people have gotten in trouble for what they used to do too. Wohlman stated he knew the board had done it in the past.

Moen stated she believed it was appropriate to table the resolution to the next meeting for further review. She stated that she didn't know how this worked procedurally seeing as she seconded the original motion. Hodsdon stated that anyone, from a Robert's Rule standpoint, can move to table, even the author of the motion. Hodsdon stated Moen was moving to table the item in search of legal requirements. Moen affirmed. Wohlman seconded and stated he would like to make an amendment to the resolution; that the word 'company' be struck and the word 'licensee' be put in there. Hodsdon stated that procedurally, if Wohlman temporarily withdrew his motion to table, the board could make the two technical amendments and then reconsider the tabling motion. Moen stated she withdrew her motion to table. Wohlman affirmed. Hodsdon stated the author wished to amend his resolution to change the word from 'company' to 'licensee'. Hessel seconded the amendment. The motion carried. Moen stated she had a separate motion with respect to each of the penalties to be indicated as a minimum penalty. Hodsdon stated Moen's motion would be to put the financial dollar amount at a minimum penalty of. Wohlman seconded. The motion carried. Moen made a motion to table for further consideration until the next meeting. Hessel seconded. The motion carried.

January meeting will be moved.

Cook informed the board he was still struggling to find a location. He mentioned that POST Board was busy and the BCA building was full for that week. Cook stated he had a list of rooms from training to look through. Cook noted there might be a slight chance they would need to move the date around. Hodsdon stated he was sure the Executive Director would keep them advised. Moen questioned if the date or location of the meeting was changed, would it be posted. Cook stated it would need to be posted on the. He stated as long as he does it on the public website for a public meeting that would meet criteria. Hodsdon noted it met county regulation as long as they were to do it in a timely enough manner.

Wohlman made a motion to adjourn the meeting. Hessel seconded. The meeting adjourned at 11:28 am.

Next meeting place and date to be determined.