



Inner View

The Bi-Monthly Newsletter of California Staffing Professionals

November/December 2002

From the CSP Boardroom



*Iris Brody Lopez, CAC
CSP State President*

Dear Members:

As the year winds down, I want to say “thank you” to all of you who continue to make California Staffing Professionals a strong and vital organization. We have made great strides over the past several years and it makes me proud to

be associated with professionals who are advocates for our industry.

I was honored to represent California at the American Staffing Association’s (ASA) Leadership Day in Orlando, Florida. As a chapter of ASA, California was recognized with two Superior Merit Awards—one for our Legislative Chair, Joe Mackey, and the other to the entire state organization for “superior achievement in chapter relations on behalf of the staffing services industry, the community, and the American Staffing Association.” It was a proud day for all California Staffing Professionals.

Our second annual Owners Only Retreat was a huge success. We had 70 owners in attendance at the Monte Carlo Resort in Las Vegas. Thank you Kathryn Shepherd for chairing, Richard Tuck for facilitating, Jim Dowgialo and Mike Niedle for their exper-

tise and to the four sponsors (Capital Tempfunds, TraxStar Technologies, DuPre Insurance Services and InfoLink Screening Services) who helped us keep our costs low. Our lobbyist, Alan Edelstein, gave an insightful talk about what’s going on in our State’s legislature and how it could affect our industry. Each year there have been more and more bills presented to the legislature that could have a negative impact on our industry.

Bill Schmech, Political Action Committee (PAC) Chair has done an outstanding job of raising money for our PAC. With the support of ASA who gave us a \$5,000 matching grant, we have pledges totaling \$19,850. \$4,200 came from the State Board members at our last board meeting in San Francisco, and an additional \$10,650 was pledged at the Owners Only Retreat. There are serious issues in front of us that we will need to fight. If you haven’t done so already, please mail your pledge dollars to our Executive Director, Lynn Ebro. Checks should be made payable to CSP PAC. Thank you to all who showed support.

All of our chapters would like to see your participation at chapter meetings. Our volunteer chapter board members work hard to put on good programs and would like your support with attendance.

The holidays are quickly approaching. It’s a time when we should be grateful for what we have and give thanks to those who have served us well. I wish you all a healthy and prosperous year end.

2002-2003 CSP State Board of Directors Executive Committee



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CSP Receives Two Superior Merit Awards from American Staffing Association

The outstanding efforts and achievements of individual state chapters of ASA were formally recognized at the *Chapter Leadership Council Awards Luncheon* on October 2 in Orlando. To qualify for an award, each chapter submitted details of their activities in the areas of chapter management, programming, legislative activities, communications, member services, and interaction with the ASA (26 chapters received Merit Awards and Superior Merit Awards). CSP was the recipient of both the Chapter Superior Merit and Legislative Superior Merit Awards.



CSP State President Iris Brody Lopez (center) receives Superior Merit Awards from Richard Wahlquist (ASA President & CEO) and Judy Zacha (ASA Immediate Past Chairman of the Board).

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Fee Collection Issues — Common Pitfalls

By James J. Dowgialo, JD
Law Offices of James J. Dowgialo

NOTE: This is a general discussion about complex legal issues; and thus a lawyer should be consulted regarding a specific situation or problem.

In these “slow” business times, fee collection from “deadbeat” clients is becoming an increasing problem. Here are two important issues which cost virtually nothing to implement but can facilitate collections:

ATTORNEYS’ FEES

There is a common misunderstanding that, after a lawsuit, the loser pays the winner’s attorneys’ fees in addition to the judgment. However, with some statutory exceptions, the general “American Rule” in most states, including California, is that each party pays its own fees in a lawsuit, except if the parties have an underlying contract provision which allows an award of fees to the prevailing party. Thus, staffing firms should talk to their counsel about adding a provision in their service agreement that allows for an award of attorneys’ fees.

From this author’s experience, the most important benefit of such fee provision is not to collect fees in a lawsuit; rather, such provision goes a long way toward forcing the “deadbeat” client to pay all, or a substantial part of, the debt since most businesses do not relish having to ultimately pay the attorneys’ fees for both sides if a lawsuit were filed, especially when the main reason the client refuses to pay is to leverage their refusal into a steep fee discount.

LATE CHARGES

At the risk of oversimplifying the issue, the California Supreme Court has approved business creditor’s use of a monthly 1½% charge on unpaid bills, as long as it is stated properly. To uphold such charge, the court strained its interpretation to avoid the obvious obstacle of the state’s usury laws by holding that such monthly charge is not interest but merely a “charge” which the debtor voluntarily incurs by failing to pay the underlying bill on time.

As with the attorneys’ fee provision, the most important benefit of having such charge is not to collect extra money; instead to encourage business debtors to pay bills on time. Of course, to have greatest effect from such provision, the firm should state such monthly charge in its work service agreement and temp time cards, and they should actually add the amount of the accruing “late

charge” to each re-bill to the customer, so that the client can see the increasing expense (18%/year) that its payment delay is costing.

© 2002 James J. Dowgialo



Jim is a California attorney who has been practicing business law, including litigation, in San Francisco for over 26 years. He has represented and advised staffing firms throughout the state for many years, and is keenly aware of their specific problems. In addition to his regular contributions to “*Inner View*,” he is the legal author for “*Staffing Industry Report*.” Jim is an associate member of CSP and may be reached by phone at 415-362-1300.

On October 31, our California Court of Appeal ruled that an employer is not liable, under State law, to an employee who is sexually harassed by the employer’s customer, as long as there had been no prior pattern of harassment by that customer which had been known and tolerated by the employer.

The Seven Deadly Mistakes of Credit Management

By Wilson Cole

Adams, Evens & Ross, Inc.

Any time you or your business extends credit, you run the risk that some or all of the loaned funds will not be repaid. On the other hand, choosing to not extend credit at all may forsake tens of thousands of dollars of business revenue for fear of potentially losing a couple thousand dollars in credited funds. Proper credit management is the art of effectively balancing this risk. A credit manager must neither be afraid of risk nor focus too much on loss.

1 The first and foremost mistake made by credit managers is their not requiring personal guarantees on the credited monies. In some cases, this is neither necessary nor practical, e.g., your client is The Coca-Cola Company. But, for monies loaned on credit to closely-held or medium-sized companies, the credit manager should obtain a personal guarantee.

2 The second “deadly mistake” made by a credit manager is not requiring a UCC-1 filing. Again, in some cases, this is not practical. But, once the credited amount rises above \$10,000, the credit manager should at the very least have his or her creditor business become a secured creditor.

3 Third, a creditor company should add to their credit application the following sentence: “The parties agree that any litigation arising from this extension of credit shall be conducted in _____ County, _____ (State), which shall have exclusive jurisdiction over any such legal proceedings.” The rationale for including such verbiage is that it forces an out-of-state debtor business to spend its time and money, including local counsel, to come to your local jurisdiction. Just its inclusion may very well encourage settling rather than litigating a disputed matter.

4 Fourth, credit managers often fail to do due diligence on a potential debtor business and yet it is so easy to do. Simply go to the appropriate Secretary of State Office, or its online Web site, and look up how long the company to whom you wish to extend credit has been in business and who are its owners. This is a simple yet important way to ensure the veracity of the business’s self-promotion.

5 The fifth “mistake” made by credit managers is in their not reviewing a company’s credit application, other paperwork, especially those from small- to medium-size companies. A company could be a low risk now, but in 12 months becomes an unreasonable risk.

A simple check is to review every six to 12 months the top three creditors of each company to whom you extend credit. If the debtor business is not paying someone else, it may only be a matter of time before they stop paying you.

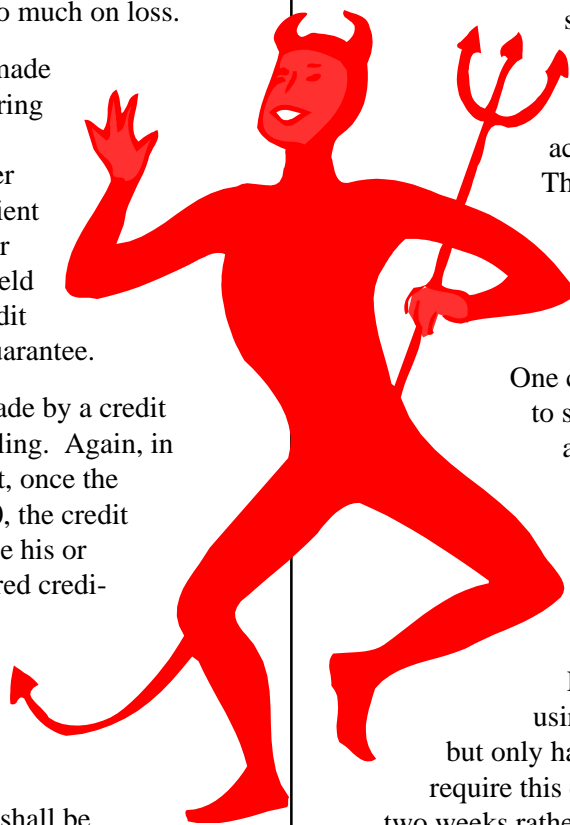
6 A sixth danger is having no procedure in place when an account goes bad after 60 or 90 days. The smart credit manager establishes set dates of follow-up after which letters go out or phone calls are made. Such follow-up may extend to bringing in counsel.

One common way to do this follow-up is to set up a relationship with a collection agency so that they can be an extension of your credit department.

7 Finally, credit managers should make use of credit limits. By setting limits, the creditor business increases its cash flow. For example, if a debtor business is using \$10,000 a month of your services, but only has a \$5,000 credit line, you can require this company to cut checks to you every two weeks rather than every four weeks. In short, ensure that debtor companies are not using your creditor company as a bank.

This article presents a general view of credit management, and is not intended as legal advice. As state laws vary in this regard, credit managers should check the laws in their particular state, including the retention of local legal counsel.

Wilson Cole is the president of Adams, Evens & Ross—the largest credit and collections firm that specifically collects for the Staffing Industry. You may call their office at 800-452-5287 to receive your free 1-year subscription to “Credit Alert!” the email that identifies the top companies that have not paid other Staffing or Employment firms for the previous 2 weeks.



Today's Definitions

CEO — Chief embezzlement officer

CFO — Corporate fraud officer

BULL MARKET — A random market movement causing an investor to mistake himself for a financial genius

BEAR MARKET — A 6 to 18-month period when the kids get no allowance, the wife gets no jewelry, and the husband gets no sex

VALUE INVESTING — The art of buying low and selling lower

P/E RATIO — The percentage of investors wetting their pants as the market keeps crashing

BROKER — What my broker has made me

STANDARD & POOR — Your life in a nutshell

STOCK ANALYST — Idiot who just downgraded your stock

STOCK SPLIT — When your ex-wife and her lawyer split your assets equally between themselves

FINANCIAL PLANNER — A guy whose phone has been disconnected

MARKET CORRECTION — The day after you buy stocks

CASH FLOW — The movement your money makes as it disappears down the toilet

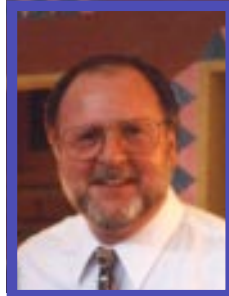
YAHOO — What you yell after selling it to some poor sucker for \$240 per share

WINDOWS 2000 — What you jump out of when you're the sucker who bought Yahoo @ \$240 per share

INSTITUTIONAL INVESTOR — Past year investor who's now locked up in a nuthouse

PROFIT — An archaic word no longer in use

New SBA Ombudsman Promises to Find Answers



Barry Gold

By Diane Skullr, CTS

CSP member companies and other small business owners who encounter difficulty with federal regulations may get help from the

national ombudsman in the U.S. Small Business Administration. The SBA is not just about small business loans. It is about focusing on the needs of small business.

The new regional representative is our own Barry Gold from Barry M. Gold & Co. who has been a CSP member for many years. As a specialized Executive Search recruiter and as past-president of the Orange County chapter, Barry's insights into the bureaucracies we face will certainly be an asset in his discussions with the Department of Labor, EEOC, and other related departments.

For more information, visit www.sba.gov and click on the "national ombudsman" button or call Barry Gold at 949-660-5677.

CSP Annual Conference May 1-3, 2003



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MEMBER OF

American Staffing Association

Offer Letters & At Will Employment

A poorly written offer letter can create an unintended employment contract. Follow the 5 tips below to insure your offer letters maintain the employment-at-will status.

Are you aware that if you describe an employee's salary in an offer letter as "an annual rate" you could be creating a contract of employment for at least a year? Under the at-will theory, employers may terminate an employee who does not have a contract for any specific fixed duration at any time or for any lawful reason, and the employee also may quit at any time. Properly written, an offer letter does not cause problems and, in fact, can be reassuring to prospective employees and communicate important information. You reduce the potential for legal risks simply by taking extra care in how you word your offer letters.

THE AT-WILL PROBLEM

Employers are right to be careful about offer letters. A few state courts have determined that contracts or offer letters that refer to an employee's salary in terms of annual compensation also may call into question the at-will status by creating a stated duration of employment that lasts for at least a year. Accordingly, these courts have ruled that this language gives the employees greater job security and limits the employer's right to terminate at will. However, these cases usually have involved offer letters that made other additional promises of continued employment. For example, in *Williams v. Computer Resources, Inc.*, the court allowed an employee to go forward with a contract claim challenging his at-will status. The court found that the employer's poorly written offer letter created uncertainty regarding whether the parties intended to make a contract for a specific period of time and, thus, gave the employee greater job security. The court based its decision on the letter's wording. The letter stated that the "yearly" salary would be \$35,000, that raises would be based on yearly performance reviews, and that the employer looked forward to a long-term commitment.

On the other hand, courts have upheld the at-will status when the offer letter simply includes a reference to the annual salary. So, in *Hamilton v. Segue Software, Inc.*, the court determined that an offer letter stating the salary on an annualized basis was not either unequivocal or definite about the length of employment. According to the court, the reference to an annual amount did not provide a guarantee of employment, but instead "merely provide[d] a benchmark to evaluate one's pay."

ADVANTAGES OF A WRITTEN OFFER

These cases illustrate the potential problems an offer letter can create and underscore the need to pay special attention to the language. A poorly written letter may land you in court, while a carefully drafted one can be an effective employee relations tool by formalizing the offer and making it more tangible and professional. Furthermore, a written record outlining the offer, starting date, starting salary, and other pertinent information helps prevent misunderstandings about the conditions of employment.

An offer letter also provides proof that a bona fide offer of employment was made and establishes the date of the offer. This record is especially significant relative to the timing of medical inquiries and examinations, background checks, and drug testing.

FIVE TIPS FOR DRAFTING AN OFFER LETTER

Below are guidelines for drafting an offer letter so that it does not create a contract negating the at-will relationship:

1. Do not include any statements creating an expectation that employment is for a specific period of time or that termination will be only for specific reasons. For example, discussing bonuses the employee "will" receive at the end of the year can form the basis that the employee has a contract to work for a specific period.
2. Do not describe the employee's pay only on the basis of an annual rate. Use references to a weekly, biweekly, or monthly rate and then also include the phrase "equivalent to \$X on an annual basis."
3. Use phrases such as "generally" and "typically" when referring to terms and conditions of employment, particularly when referring to benefits and company policies. These generalized descriptions and other "hedge" language are less likely to be misinterpreted as binding promises.
4. Include a specific at-will statement so the employee understands that either party may terminate the relationship.
5. As a final precaution, have legal counsel review your standard wording used in offer letters for any statements that may jeopardize the at-will employment relationship.

Subscribers to the Personnel Policy Manual and HR Policy Answers on CD can find more information on offer letters in Hiring, Chapter 202, note 9, and more information on at-will employment in Employment-At-Will, Chapter 106. Source: <http://m1e.net/c?10612768-4z3JePj2ERP/Y%4081542-CPrJEaXKlgx5Q>

Selling Is Not The Same Ole Thing!

By David Rich



Selling in 2002 is not like it was in 1982, or even 1992 for that matter. Sure the basics are the same, but it's the application of the basics that have dramatically changed. For instance. Thanks to voice mail, email, and the fax machine, contacting potential customers is

easier than ever. Yet, it is harder to actually connect with them. Then when we do finally make the connection, customers want it quick and simple, and the buying cycle in most industries is becoming longer, not shorter.

So, how do we sell effectively in today's world? The answer lies in a couple of subtle shifts.

First: Don't seek to contact, seek to connect. You wouldn't expect to catch a fish merely by casting your line into a lake. You must have a hook and bait. Fish ignore the line; it's the bait they go after. Same with prospecting. In other words, you should make absolutely certain that your initial correspondence has a hook. It should be tailored to each customer. Generic calls, faxes, and emails are becoming increasingly less and less effective. You may only have one shot at connecting, so take your best shot. Do a bit of homework, and then state your case in a to-the-point manner. Lead in with the potential problem, rather than by launching right into features & benefits. Before every prospecting call, ask yourself this one very important question. What might be the potential problem that they are having that my product or service can help with? This will get you focused on them. Bottom line benefits will ultimately be the reason someone buys from you, but it is the problem that they will initially identify with.

Second: Don't practice consultative selling, be a consultant. The term consultative selling came into vogue in the 70's as an alternative to hard sell techniques. It was a softer, more questions based approach to selling, and it worked. While today, questions are still a sales person's most effective tool, customers are demanding more. We need to give it to them. Tell them what you know. Don't be afraid to impart direct information that will immedi-

ately help them. I'm not suggesting to tell them everything for nothing, but give them a taste of your expertise. Be a giver, not just a taker. I learned this lesson the hard way many years ago before, in fact, it was essential to the process. I had tried for months to get an appointment with this particular client, when finally he agreed to see me. On one condition: I would take 45 minutes giving him specific ideas on how I would help him build his business. I agreed, but I was afraid I was giving away the ship. After all, it's that knowledge I charge for. I met with him for only 30 of our agreed upon minutes when he stopped me and hired me on the spot. He was impressed with what I knew and that alone was sufficient to close the sale. I doubt that any of my dazzling support materials could have worked as well. I later asked him directly why he bought so quickly. He said because I didn't focus on me and my products, but rather focused on him and his challenges. This revelation soon became my standard way of doing business. I started offering a complimentary 45-minute training session with no strings attached. I figured if I was going to take an hour of my day and go meet with a potential customer, I might as well do what I do best. The time invested was about the same, yet the end results were significantly different. Seven out of ten complimentary sessions led to paid sessions. I'm not at all sure what my closing percentage was before, but I am sure it wasn't 70%! So, shorten the decision cycle by giving something of value and you will see a return.

These of course aren't all the new rules of selling, but they certainly are at the top of the list. The Internet has further added to the "want-it-now" mentality of the marketplace. We need to sell accordingly. Be professional, get to the heart of their concern, and give them immediate value. Selling may not be the same as it used to be, but making a sale is just as exhilarating!

David Rich is a nationally recognized speaker/author specializing in the staffing industry. You can subscribe to his weekly email article club by visiting his website at: www.eRichIdeas.com or by calling 1-800-717-RICH. David is a Certified Speaking Professional (CSP) and will be addressing our conference attendees in May 2003 in Las Vegas, Nevada.

Member News

Newly Accredited California Consultants



Congratulations to the following recruiters and staffing professionals who passed the California Accredited Consultant (CAC) exam on October 26 and earned their CAC designation. These individuals have shown a big commitment to their profession!

Alexis Calderon M.P.A.
 Alison York The Specialists Group LLC
 Amy Magruder ABA Staffing, Inc.
 Andrea Unks The Eastridge Group
 Angelica Arias DEC Health Care Personnel
 Ani Tascian Kearney Boyle & Associates
 Carmen Kelley On the Move Staffing Services
 Christiane Hoffman San Diego Insurance Staffing
 Cindy Coelho-Bunker River City Staffing
 Claudia Toutjian Archco Staffing
 Dan Alipio Spherion
 Danny Frerich Lander International
 David Payne Secure Staffing Service, Inc.
 Doug Bunker River City Staffing
 Geoff Mahalak TSS Personnel Agency, Inc.
 Janet Ames Search Associates, Inc.
 Jennifer Martin Tech Finders Co.
 John McLaughlin ABA Staffing, Inc.
 Kimberly Clark Professional Staffing Ventures
 Kristen Reza TemPositions
 Kristin Hinds San Diego Insurance Staffing
 Laurie Lewis River City Staffing
 Lea Aguilar BBN Tel Resources
 Leslee Thaxton Claim Net
 Lezlie Cane Taub & Associates
 Marsha McKim M.P.A.
 Melissa McGuirk ABA Staffing, Inc.
 Michelle Castro San Diego Insurance Staffing
 Natalie Lue Wollborg Michelson
 Samuel Farley River City Staffing
 Stacey Taub Taub & Associates
 Stacy Mackey XL Staffing, Inc.
 Susan Broxon Sundog Search Partners
 Therese Andrews Elite Medical Staffing
 Tina Fox Ajilon Finance

High Score - Northern California
Danny Frerich

High Score - Southern California
Lezlie Cane



New Members • Welcome!

September 19-October 31, 2002

- K&M International • Corona
- Cerebral Connections • San Jose
- Modern Recruitment • Los Angeles
- ABS Personnel Services • Anaheim
- Technical Works, Inc. • City of Industry
- Newman Search • Sausalito
- Preferred Healthcare Registry • San Diego
- Direct Resources • Vista
- Magley & Associates • San Francisco
- Source One Staffing • Irwindale
- One Call-On Call • Canyon Lake
- First Team Staffing Group • Anaheim
- Confluent • San Francisco

We're Glad You Joined, Ingrid Arciniaga!

Ingrid Arciniaga, President/CEO

Technical Works, Inc.

13200 Crossroads Parkway North #260

City of Industry, CA 91746

562-908-1041 • Fax 562-908-1042

ingrid@technicalworksinc.com

Ingrid Arciniaga has over eight years' experience in the technical staffing industry and over three years' experience as a business owner in the industry. Technical Works specializes in technical placements and has diversified their services to also include clerical, industrial and transportation staffing. Welcome to CSP!

Next CAC Exam • April 19, 2003

If you always wanted to become an accredited consultant, your next opportunity is April 19, 2003.

Save the Date!

Member News

Gannett Joins CareerBuilder

On October 2, CareerBuilder, LLC and Gannett Co., Inc., announced that Gannett has acquired a one-third interest in CareerBuilder joining media companies Knight-Ridder, Inc. and Tribune Company as owners. The companies also announced that more than 90 Gannett newspapers will become CareerBuilder affiliates and that CareerBuilder will power the career channel on USATODAY.com.

“We are delighted to be a part of CareerBuilder. CareerBuilder is a superb online service and has proven itself as one of the nation’s leading recruitment resources,” said Douglas H. McCorkindale, Gannett chairman, president and CEO. “Combining CareerBuilder with the resources of our 94 newspapers, 22 television stations, and related websites will further advance our position as the leading recruitment solution in our local markets.”

“The addition of Gannett strengthens CareerBuilder’s position as the most powerful integrated job solution in the U.S.,” added Bob Montgomery, CareerBuilder’s CEO.

In print, CareerBuilder will now deliver help wanted ads to a combined Sunday circulation of 15 million through more than 130 newspapers. Online, CareerBuilder will be exposed to nearly 26 million monthly visitors through the Gannett, Knight Ridder and Tribune newspaper websites.

“Recruitment is a local proposition,” said Tony Ridder, Knight Ridder chairman and chief executive officer. “Combining newspapers’ long history in help-wanted advertising with CareerBuilder’s online solutions creates a best-of-breed print and online resource in each of our newspaper markets.”

CareerBuilder is a leading online source for maximizing recruitment dollars and optimizing job searches with superior products, customer service and technology. With a unique combination of national, local and niche audiences, CareerBuilder makes it easy for recruiters to reach the most qualified candidates with industry-leading market research data and support. Job seekers can search for the right job from more than 400,000 continuously updated postings, representing more than 25,000 of the top employers in virtually every industry, field and location.

CSP members enjoy significant discounts for résumé database access and job postings. For complete information, contact Lynn Ebro, CSP Executive Director, at lynn@cspnet.org or call toll-free 800-799-9725.

The Girls Have Arrived!



Carrie Scott (PeopleSource) gave birth to twin baby girls on September 10th. They are both doing great and are stable after some time in NICU. Amanda was born at 2 lbs. 5 ounces and Nicole was born at 4 lbs. 12 ounces.

Membership Directory

The 2002-03 Membership Directory is in the process of being replicated onto CD and will be mailed to all active members as soon as it is available. The Directory lists all companies that were members as of October 15, and the information in the Directory will be current as of that date. In addition to a listing of all members, the Directory is an invaluable resource for finding members who place candidates in the 36 industries that CSP tracks.

OPAC® System Upgrade

Biddle Consulting Group, Inc., developer of the OPAC® System has added testing for PowerPoint, personality testing (HPI), more advanced Excel testing, and specialized Legal & Medical tests as part of their pre-employment testing and training software. A “small office” system is also available. Biddle has been providing testing & training solutions for over 10 years with OPAC®. For more information, call toll free 1-877-672-2718.

California Clients Must Pay Workers' Comp Claims

If your workers' compensation carrier goes bankrupt and fails to pay your employees' claims, can your customer's carrier be made to pay them? The answer, at least in California, appears to be "yes." In a ruling handed down October 31, an administrative law judge of the California Workers' Compensation Appeals Board (WCAB) ruled that the state agency established to pay worker claims when insurance carriers become insolvent was relieved of responsibility where a staffing firm's carrier became insolvent because "other" insurance coverage (i.e., the customer's) was available to pay the claims.

The case involved Remedy Temp, Inc. whose insurance carrier, Reliance National Indemnity Company, became insolvent several months after Remedy switched carriers. The California Insurance Guarantee Association (CIGA), which is supposed to pay claims when an employer's insurance carrier becomes insolvent, refused to pay because it held that Remedy's customers had coverage that was available to pay the claims. Remedy initiated legal proceedings to compel CIGA to pay the claims.

Remedy argued, among other things, that California law (section 3602 of the labor code) relieves staffing firm customers from workers' compensation liability for workers assigned to them by a staffing firm if the customer contracts with the firm to cover those workers. In effect, the law allows a customer to fully discharge its obligation to provide coverage through the staffing firm's carrier and, when it does so, the insurance maintained by the customer to cover its regular workforce is not "other" coverage that is legally available to pay the claims of workers assigned by the staffing firm. Remedy also argued that California law (insurance code section 11663) provides that the insurer of the general employer (Remedy) is solely liable for workers' compensation benefits when the temporary worker was never on the special employer's (i.e., the customer's) payroll.

Inexplicably, while acknowledging that the express purpose of section 3602 was to "avoid the cost of duplicate coverage" and that Remedy and its customer had fully complied with the law, the WCAB ruled that because the customer was a joint employer, its workers' compensation policy constituted "other" coverage available to pay the claims and CIGA did not have to pay. The WCAB said section 11663 did not apply in this case because the insurer of the general employer, having become insolvent, was no longer in the picture. Remedy has announced it will appeal the ruling and will seek to continue the "stay" in effect since the case began which prevents customers from having to pay claims while the case is pending.

It is not immediately clear what, if any, impact this ruling will have on the staffing industry in California or in other states. The ruling has no legally binding effect outside of California. But the ruling could raise generalized customer concerns regarding their potential workers' compensation liability even though the case involves an insurance carrier's insolvency—not an everyday occurrence. Customers may seek stronger verification of the financial viability of staffing firm carriers and some may seek indemnification against such liability.

Members Respond to PAC Funds Needs, but We Still Need Help!

By Bill Schmeh, CAC
PAC Committee Chair

At the outset of 2002, our PAC funds were nearly depleted. Through the generosity of many CSP members, significant steps were made to replenish the PAC fund. We are anticipating another active legislative year. If you haven't already contributed, please do so. Those firms making a contribution of \$2,000 or more will be designated GOLD CIRCLE members and acknowledged appropriately.

To support our PAC, mail your contribution (payable to CSP PAC) to:

CSP PAC
17025 Harvest Point Way
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**BY LAW, CONTRIBUTIONS ARE NOT
TAX DEDUCTIBLE.**

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GOLD CIRCLE MEMBERS

The Eastridge Group of Staffing Companies
Kimco Staffing Services, Inc.
The People Connection
The Plus Group, Inc.
Sharp Staffing
Spherion Staffing Group

GOLD CIRCLE members have contributed a minimum of \$2,000 to the PAC fund in 2002.

Thank you!

2nd Annual Owners Only Retreat — A Success Story

Seventy staffing and recruiting company owners invaded the fabulous Monte Carlo Resort and Casino last month for the 2nd Annual Owners Only Retreat....and departed with renewed enthusiasm and LOTS of ideas to take back to their respective businesses.



Owners met as a group for special presentations such as the one by Michael Neidle of Optimal Management (right)

Once again, CSP member Richard Tuck facilitated this event and received a “perfect 10” from the attendees. Richard has an incredible knack for moving a conversation forward and directing a group of all “A-type” personalities. New for 2002 was the addition of two



speakers—Jim Dowgialo who updated the group on legal issues that impact their business, and Michael Neidle who addressed the state of the industry and positioning your business for acquisition.

The attendees unanimously agreed that the opportunity to talk to other owners in a “safe environment” was invaluable. As one owner stated, “The uninhibited free flow of ideas between owners, and the respect and camaraderie we all had for each other was the best part of the retreat.”

Special thanks to our four sponsors who had an opportunity to spend two days with staffing company owners and help us keep the costs to a minimum:

Capital Tempfunds
Dupre Insurance Services
InfoLink Screening Services
TraxStar Technologies

The retreat was a phenomenal success due, in great part, to the efforts of this year’s committee chair, Kathryn Shepherd. She spent countless hours compiling information and arranging for all of the details. Thank you, Kathryn!

If you are the owner of a staffing or recruiting company and you missed this year’s retreat, don’t miss our 3rd annual retreat which will undoubtedly be in the Fall of 2003 (stay tuned for details!). We know that most of this year’s attendees will be back next year for more great networking and business ideas!



The Owners Only Retreat featured 20 roundtables over the two-day event with topics for everyone!