

# DEFENSIVE DRIVING BOARD

## Meeting Agenda - Thursday, February 15, 2018

Arizona Supreme Court -1501 West Washington Street

Phoenix, Arizona 85007 – 10:00 A.M. – Conference Room 109

General Inquiries Call: (602) 452-3378 (Certification and Licensing Division Line)

Members of the Public May Attend Meeting in Person

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For any item listed on the agenda, the Board may vote to go into Executive Session for advice of counsel and/or to discuss records and information exempt by law or rule from public inspection, pursuant to the Arizona Code of Judicial Administration, Code Section 1-202(C).

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**CALL TO ORDER** ..... *Daniel Edwards, Chair*

**1) REVIEW AND APPROVAL OF MINUTES** ..... *Daniel Edwards, Chair*

*1-A: Review, discussion and possible action regarding the regular session minutes for the meeting of December 14, 2017.*

*1-B: Review, discussion and possible action regarding the executive session minutes for the meeting of December 14, 2017.*

**2) PENDING COMPLAINTS**..... *Division Staff*

*2-A: Update regarding the status of pending complaints.*

**3) INITIAL CERTIFICATION AND ELIGIBILITY**..... *Division Staff*

*3-A: Review, discussion and possible action regarding pending applications for initial defensive driving instructor certification for the following applicants:*

1. Fredrick Eder
2. Valerie Vinyard
3. John Samaan

**4) RENEWAL CERTIFICATION APPLICATIONS.....Division Staff**

4-A: *Review, discussion and possible action regarding pending applications for renewal of defensive driving school certification concerning I Drive Safely, LLC and Driversed.com.*

**5) CERTIFICATION AND ELIGIBILITY .....Division Staff**

5-A: *Review, discussion and possible action regarding request to be placed on inactive status from safertraffic.com, LLC.*

**6) ADMINISTRATIVE ISSUES .....Division Staff**

**CALL TO THE PUBLIC ..... Daniel Edwards, Chair**

**ADJOURN..... Daniel Edwards, Chair**

**DEFENSIVE DRIVING BOARD**  
**Agenda Summary – Thursday, February 15, 2018**

**1) REVIEW AND APPROVAL OF MINUTES**

*1-A: Review, discussion and possible action regarding the regular session minutes for the meeting of December 14, 2017.*

Attached for the Board's review and approval are the regular session minutes of the December 14, 2017 meeting.

**DEFENSIVE DRIVING BOARD**  
**Agenda Summary – Thursday, February 15, 2018**

**1) REVIEW AND APPROVAL OF MINUTES**

*1-B: Review, discussion and possible action regarding the executive session minutes for the meeting of December 14, 2017.*

Attached for the Board's review and approval are the executive session minutes of the December 14, 2017 meeting.

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**2) PENDING COMPLAINTS**

2-A: *Update regarding the status of pending complaints.*

As of February 15, 2018, there are currently 8 open complaints.

**DEFENSIVE DRIVING COMPLAINTS**  
**COURTOOLS MEASURE 4**  
**AGE OF PENDING CASELOAD**  
**Shaded Areas Indicate Cases within Time Standard of 22 Months**

<b>Age (Months)</b>	<b>Number Cases</b>	<b>Percent</b>	<b>Cumulative Percent</b>
<b>0-4</b>	4	50%	50%
<b>5-9</b>	2	25%	75%
<b>10-14</b>	2	25%	100%
<b>15-19</b>			
<b>20-22</b>			
<b>23-35</b>			
<b>36-50</b>			
<b>Over 50</b>			
<b>Total</b>	<b>8</b>	<b>100%</b>	<b>100%</b>

# **DEFENSIVE DRIVING BOARD**

## **Agenda Summary – Thursday, February 15, 2018**

### **3) INITIAL CERTIFICATION AND ELIGIBILITY**

3-A: *Review, discussion and possible action regarding pending applications for initial defensive driving instructor certification for the following applicants:*

The following applicants have applied for initial individual defensive driving instructor certification. The applicants have successfully passed the program examination and have submitted complete applications demonstrating that they meet the minimum education and experience requirements.

The Division recommends approval of initial defensive driving instructor certification for the following applicants:

1. Fredrick Eder
2. Valerie Vinyard
3. John Samaan

# **DEFENSIVE DRIVING BOARD**

## **Agenda Summary – Thursday, February 15, 2018**

### **4) RENEWAL CERTIFICATION APPLICATIONS**

*4-A: Review, discussion and possible action regarding pending applications for renewal of defensive driving school certification concerning I Drive Safely, LLC and DriversEd.com.*

This matter concerns the renewal of schools 005, I Drive Safely, LLC, and 053, DriversEd.com. Both schools are owned by parent company eDriving, Inc, and the Designated Principal for both schools is Celia Stokes, CEO of eDriving.

In September 2015, eDriving submitted renewal applications for both I Drive Safely and DriversEd.com. Upon review of the files in June 2015, the division requested additional information, including additional school member applications required to complete background checks. One individual specifically requested was Justin Lipton, who was reported as Vice President of DriversEd.com on an “Information Update to Initial Application”, submitted prior to the renewal cycle. The Regulatory Compliance Lead for eDriving responded with indication that Mr. Lipton and another individual were “taking other roles in the company and not directly associated with the Arizona Defensive Driving School.”

The division communicated to the Regulatory Compliance Lead in October 2016 the need for school member applications for all members, regardless of participation in day-to-day functions of the schools. It was emphasized that during this time period, the Regulatory Compliance Lead emailed “documentation to describe the ownership of I Drive Safely as well as Interactive Solutions dba Driversed.com.” The documents titled “Forth Amended and Restated Limited Liability Company Agreement of I Drive Safely, L.L.C” and “Amended and Restated Company Agreement of Interactive Solutions LLC” (Company Agreements) both indicated that Mr. Lipton was appointed as Vice President of the companies, and were signed by Mr. Lipton as “Authorized Person”.

In October 2016, the Director of Operations for eDriving indicated that the Regulatory Compliance Lead was no longer an employee of eDriving and requested a telephone conversation with the division to discuss outstanding issues. An email was sent to the Director of Operations providing detailed information regarding previous communications with the Regulatory Compliance Lead, including that (1) the renewal applications required school member applications for all the schools’ business members, officers, owners, directors, partners, and managers that were stakeholders in the business entity, regardless of day-to-day operational knowledge, and (2) the division had requested and had yet to receive a superseding document to the Company Agreement removing Justin Lipton as vice president. The Director of Operations responded indicating that Mr. Lipton was “a member of the board of directors, however does not have day to day operational knowledge of the workings of either company.” eDriving subsequently submitted two new School Renewal Applications for the 2015 Renewal Period,

signed by the designated principal. The division sent the Director of Operations another email, stating in part that if Mr. Lipton was no longer involved with the schools, the division would need copies of amended corporate documents to reflect the change; otherwise, a school member application was necessary for Mr. Lipton. eDriving supplied corporate filings for all states in which it held certified schools, which did not list Mr. Lipton, with the exception of Florida, in which the corporate filing listing him as manager for I Drive Safely and DriversEd.com was updated on December 8, 2016, removing him as a manager. In this submission, corporate documents superseding the Company Agreements from 2015 were not provided. After further email communication, eDriving submitted a School Member Application for Mr. Lipton on December 8, 2016, identified as “member of the board.”

In the months between December 2016 and February 2017, eDriving attempted to setup telephone conferences with the division, but due to conflicts in schedules, telephone conferences and meetings were not held. In March 2017, the division staff assigned to these renewals went out on medical leave and did not return to work. During this time, it is believed that eDriving attempted to contact the staff to continue discussions.

Between June 2017 and October 2017, eDriving and the division resumed communication regarding the renewal applications, which is available in the board materials.

On August 3, 2017, the division interviewed the Director of Operations and Chief Strategy Officer of eDriving, who indicated they were unaware of Justin Lipton’s exact role in relation to the schools and the existence of any superseding corporate documents; the Director of Operations indicated that she did not have visibility into all the documents or all of the proceedings inside the corporation. They additionally stated that they had been seeking telephone communication with the division on these issues for several months without success, because they were uncertain as to whether officers and members outside the day-to-day operation needed to be disclosed as part of the renewal application. The question was also raised as to whether officers and members required for the renewal application extended to the parent company board and the equity holders. In the interview, the Chief Strategy Officer indicated they now understood the concern about Justin Lipton and would determine whether a superseding corporate document exists.

The division later met with the Designated Principal, both by telephone and in person. On October 11, 2017, after a meeting with Designated Principal regarding the school member issues, specifically regarding Mr. Lipton, the division received a “Joint Unanimous Written Consent” for both I Drive Safely and eDriving, removing Justin Lipton as Vice President, with an execution date of March 30, 2016. The Joint Unanimous Written Consent was signed by the Designated Principal.

After further discussion with eDriving concerning its responsibilities to the division as a regulated entity, a consent agreement has been drafted, granting approval of the 2015 renewal application, with conditions as set forth in the agreement provided in the board materials. The division recommends the board accept the consent agreement.



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### **5) CERTIFICATION AND ELIGIBILITY**

5-A: *Review, discussion and possible action regarding request to be placed on inactive status from safertraffic.com, LLC.*

On October 5, 2017, School 057, safertraffic.com, LLC, contacted the division requesting to have its certificate transfer to inactive status. The school completed its last student on October 17, 2017.

Under ACJA 7-201(E)(8), a certificate holder may transfer to inactive status upon request to the board. Although the division received the request for the board in early October, the division failed to place it on the agenda for the October 19, 2017 meeting. Had the board the opportunity to review and voted to grant the request for inactivity, the school would not have been required to submit a renewal application for the 2017-2018 renewal period. At this time, the school's certificate has expired.

The division recommends that the board grant the certificate holder's request for inactive status retroactive to October 19, 2017.