



North Carolina Department of Public Safety

Alarm Systems Licensing Board

Roy Cooper, Governor
Eddie M. Buffaloe, Jr., Secretary

Caroline Brown, Chair
Paul Sherwin, Director

MINUTES OF THE NORTH CAROLINA ALARM SYSTEMS LICENSING BOARD

Date: November 21, 2024
Time: 10:30 a.m.
Location: Hampton Inn & Suites – Raleigh/Crabtree Valley
3920 Arrow Dr
Raleigh, NC 27609

Board Members Present

Caroline Brown
Mack Donaldson
Jamie Brown
Tommy Whisnant
Thomas Vermillion

Board Members Absent

Robert “Wike” Graham
Mary Wood

Board Staff Present

Director Paul Sherwin
Deputy Director Ray Bullard
Attorney Jeff Gray
Field Services Supervisor Kim Odom
ASLB Secretary Syconda Marrow
Registration Processor MiKaila DeV Vaughn
Agency Receptionist Cynthia Salomone

Visitors (2 in person, 5 virtual)

Jeremy Houghton
Ebony Jackson
Chad Essick
Damon Sanders
Eric Meyers
Seth Beddes
Tamara Rabenold

Call to Order

The November 21, 2024, meeting of the North Carolina Alarm Systems Licensing Board was called to order by Chair Caroline Brown at 10:30 a.m.

State Ethics Law

Attorney Jeff Gray read the following statement:

"In accordance with the State Ethics Act, it is the duty of every Board member to avoid both conflicts of interest and the appearance of conflict. If any Member has any known conflict of interest or appearance of

conflict with respect to any matter coming before this Board today, please identify the conflict or appearance of conflict and refrain from the deliberation and vote in that matter."

Welcome Guests

Chair Caroline Brown welcomed all guests.

Final Agency Decision(s)

Attorney Jeff Gray recused himself as counsel to the Board to present the final agency decision from the Office of Administrative Hearings for Jake Engle of Engle IT LLC (24 DOJ 02938). Mr. Engle was not present. This case was heard by Administrative Law Judge Lawrence R. Duke on August 27, 2024. This case involved whether Mr. Engle should be denied an alarm systems business license based on his lack of good moral character and temperate habits as evidenced by an unfavorable criminal history in violation of N.C. Gen. Stat. §§ 74D-2; 74-6D. Administrative Law Judge Duke recommended Mr. Engle be issued an alarm business license.

Motion: Mack Donaldson motioned to not accept the Administrative Law Judge's recommendation, and uphold the Board's original decision to deny Mr. Engle's alarm license. Jamie Brown seconded. The motion carried unanimously.

Attorney Jeff Gray recused himself as counsel to the Board to present the final agency decision from the Office of Administrative Hearings for Seth Beddes of Alder Holdings, LLC (23 DOJ 02590). Mr. Beddes was present virtually, as was his attorney, Chad Essick. This case was heard by Administrative Law Judge Linda F. Nelson on May 9, 2024. This case involved whether there is substantial evidence that Mr. Beddes' conduct constituted dereliction of duty or otherwise deceived, defrauded or harmed the public in the course of professional activities or services rendered on August 20, 2022, in violation of N.C. Gen. Stat. § 74D-10(a)(19); and, if so, whether the alarm license of Alder Holdings, LLC, and its Qualifying Agent (Mr. Beddes) should be suspended for three months. Administrative Law Judge Nelson recommended that the Board not suspend the alarm systems license held by Mr. Beddes.

Motion: Mr. Donaldson motioned to go into a closed session to discuss the final agency decision. Caroline Brown seconded. The motion carried unanimously. Closed session began 11:20 a.m.

Motion: Tommy Whisnant motioned to return to open session. Wike Graham seconded. The motion carried unanimously. Closed session ended at 11:22 a.m.

Motion: Mr. Brown motioned to accept the Administrative Law Judge's recommendation to not suspend the alarm systems license held by Seth Beddes and Alder Holdings, LLC for three months. Tom Vermillion seconded. The motion carried unanimously.

Approval of the September 2024 Meeting Minutes

Motion: Mr. Brown motioned to accept the September 2024 Board meeting minutes. Mr. Whisnant seconded. The motion carried unanimously.

Committee Reports

Grievance Committee: Grievance Committee members Mack Donaldson and Tommy Whisnant met on November 21, 2024, from 9:00 a.m. to 9:57 a.m. and heard three cases. Committee Chair Mack Donaldson presented the Grievance Committee report.

Motion: Mr. Whisnant motioned to accept the Grievance Committee report. Mr. Brown seconded. The motion carried unanimously.

See the attachment for the full Grievance Committee report.

Screening Committee: Ms. Brown reported the Screening Committee did not meet.

Training and Education Committee: Mr. Vermillion presented the Training and Education Committee report. The Committee reviewed three applications for new continuing education courses and one application to renew a continuing education course. The Committee recommended denying one course submitted by Maine Electrical Institute because the number of hours for the course (15) exceeded the maximum number of required hours to renew an alarm license (6). The Committee recommended approving all other courses.

Motion: Mr. Brown motioned to approve the Training and Education Committee report. Mr. Whisnant seconded. The motion carried unanimously.

See the attachment for the full Training and Education Committee report.

Old Business

Director Sherwin reported that the Private Protective Services Board (PPSB) had appointed several members to serve on the newly created joint committee between the ASLB and PPSB. He asked if the ASLB would like to appoint its members to the joint committee. Members Tommy Whisnant, Jamie Brown and Tom Vermillion volunteered to serve as members of the joint committee.

New Business

Motion: Mr. Donaldson motioned to accept the seven license applications recommended for approval. Mr. Vermillion seconded. The motion carried unanimously.

See the attachment for the full Screening Committee report.

Director's Report

Director Paul Sherwin presented the Director's Report. The report included information about personnel changes, the status of the Board's active licensees and registrants, and a Board finances update.

Motion: Mr. Brown motioned to accept the Director's Report. Mr. Whisnant seconded. The motion carried unanimously.

See the attachment for the full Director's Report.

Attorney's Report

Attorney Jeff Gray presented his Attorney's Report, which included updates about the status of consent agreements, pending administrative rules changes, and legislative updates.

Motion: Mr. Whisnant motioned to accept the Attorney's Report. Mr. Vermillion seconded. The motion carried unanimously.

See the attachment for the full Attorney's Report.

Good of the Order and Public Comment

None.

Adjourn

Motion: Mr. Donaldson motioned to adjourn the meeting. Mr. Vermillion seconded. The motion carried unanimously.

Meeting adjourned at 11:45 a.m.

Paul Sherwin, Director

Syconda Marrow, Board Secretary

ASLB Grievance After Report for November 21, 2024 9:00 am

	Case Number	Complaint Against	Allegation(s)	Grievance Committee Recommendation	Board Action
1.	2024-ASLB-011	Erick Koss Soundside Group 125 w water st Plymouth, NC 27962	NCGS 74D-2	Find a violation of NCGS 74D-2. Continue the cease and desist order previously issued to Erick Koss and Soundside Group. Refer this matter to the Screening Committee should Mr. Koss apply for a license.	Accepted
2.	2024-ASLB-015	William David Jobe Premiere Communications & Consulting, Inc. 516 S New Hope Rd Raleigh, NC 27610	NCGS 74D-8	Find violation of NCGS 74D-8. Enter into a consent agreement with William Jobe and Johnson and Premiere Communications & Consulting, Inc. in the amount of \$24,888.00 for 122 registration violations.	Accepted
3.	2024-ASLB-019	Frederick Bayha R and R Connectivity 3101 Nablus Dr Waxhaw, NC 28173	NCGS 74D-2	Find a violation of NCGS 74D-2. Continue the cease and desist order previously issued to Frederick Bayha and R and R Connectivity. Refer this matter to the Screening Committee should Mr. Bayha apply for a license.	Accepted

Board Meeting Report

Board Date 11/21/2024

	Name Company Address	License	Committee Recommendation	Board Action
1.	Brendan Thomas Armstrong Trinity Wiring Solutions, LLC 3684 Centerview Drive Chantilly, VA 20151	Alarm	Approve	Accepted
2.	Robin Thomas Taylor Barrett Security Alliance 763 Piney Forest Road Danville, VA 24540	Alarm	Approve	Accepted
3.	Justin D Bremer Technologies 1387 E NEW CIRCLE RD Lexington, KY 40505	Alarm	Approve	Accepted
4.	Thomas Martin Futrell Jr. The Friendly Locksmith 109 Saddle Ridge Ct. Jacksonville, NC 28540	Alarm	Approve	Accepted
5.	Adam David Maitland Security Alliance 763 Piney Forest Road Danville, VA 24540	Alarm	Approve	Accepted
6.	Damon Lindsey Sanders Automated Systems Design, Inc 1075 Windward Ridge Pkwy Alpharetta, GA 30005	Alarm	Approve	Accepted
7.	James Zifilippo Atlas Fire and Security 8421 Old Statesville Rd. Charlotte, NC 28269	Alarm	Approve	Accepted



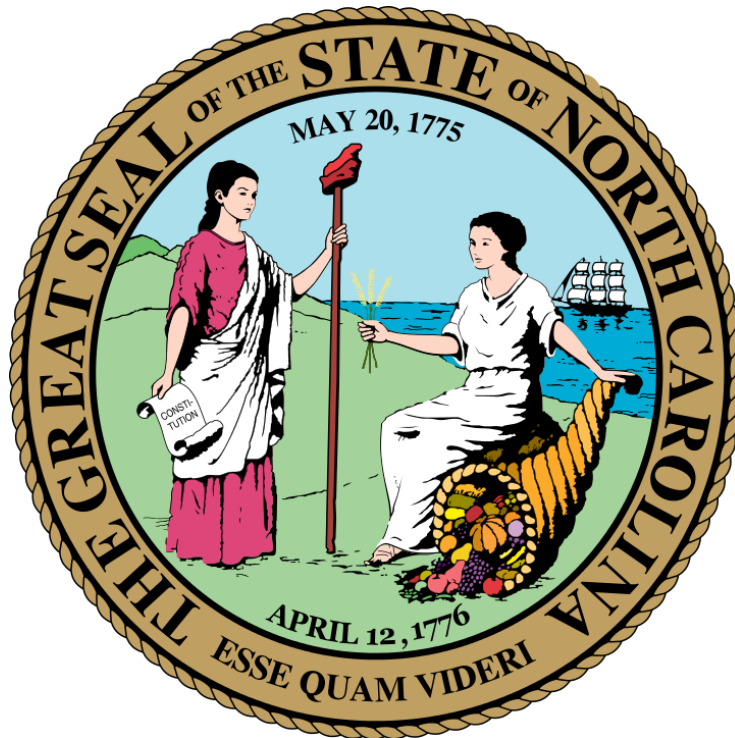
North Carolina Alarm Systems Licensing Board Continuing Education Committee Report - November 2024

Item #	Course Sponsor	Course Title	New or Renewal	# CEU's	Course Format	Committee Recommends	Comments
1	Lindsay LeBlanc/Maine Electrical Institute	2020 15-Hour NEC Code Update	New	15 Hours	Online	Deny	Course hours exceed six hours requirement.
2	Michelle Carpenter/JADE Learning	Security Alarm Installations	New	3 Hours	Online	Approve	
3	Donald Childers/Security Central	Commercial Networking and Alarm Communication	New	3 Hours	Classroom	Approve	
4	Sheryl Tricocci/ESA National Training School	Basic Math for Security Professionals	Renewal	1 Hour	Online	Approve	
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NORTH CAROLINA ALARM SYSTEMS LICENSING BOARD

November 21, 2024

DIRECTOR'S REPORT



Paul Sherwin, Director

DIRECTOR'S REPORT

- I. PPS information and updates, page 3**
- II. Registration and licensing summary, page 5**
- III. Budget summary, page 6**
- IV. Budget graphics, page 7**

PPS INFORMATION AND UPDATES

Personnel

Private Protective Services currently has one vacant position:

- Registration Processor

Cynthia Salomone started with Private Protective Services on September 30, 2024, as the agency's receptionist. Cynthia is a native of Rochester, New York, and moved to North Carolina in 2023. Previously, Cynthia worked for 20 years as the assistant office manager for an oral surgery office in Rochester. She holds an associate degree in business administration from Monroe Community College in Brighton, New York.

Operations

Registration Unit

- Registration applications received year-to-date: 4,091
 - Same period 2023: 4,129
 - Same period 2022: 3,754
 - Same period 2021: 3,854
 - Same period 2020: 3,713
 - Same period 2019: 4,277

Licensing Unit

- License applications received year-to-date: 338
 - Same period 2023: 402
 - Same period 2022: 321
 - Same period 2021: 416
 - Same period 2020: 359
 - Same period 2019: 445

Investigations Unit

- New license applicant background investigations completed year-to-date: 57
 - Same period 2023: 54
 - Same period 2022: 51
 - Same period 2021: 44
 - Same period 2020: 88
 - Same period 2019: 90
- Complaint investigations completed year-to-date: 24
 - Same period 2023: 27

- Same period 2022: 27
- Same period 2021: 28
- Same period 2020: 28
- Same period 2019: 28

OTHER

DPS Internal Audit recently concluded its annual audit of Private Protective Services. The audit reviewed records related to fixed assets (high-value items such as laptops and other office equipment), travel expenses, accounts payable, financial management, and operational and procedural compliance with the Board's law and rules requirements.

- Fixed assets: The audit found that PPS effectively manages its fixed assets and does so with appropriate segregation of duties for those involved in the ordering, purchasing, and tracking of such assets. However, the audit found PPS did not comply with a DPS policy that requires PPS staff to follow-up with the DPS Controller's Office – Fixed Assets Section every 30 days when fixed asset requests, such as additions or deletions, are pending.
- Accounts payable: The audit found PPS to be in compliance with accounts payable policies and procedures, including vendor payments and record-keeping.
- Travel: The audit found PPS to be in compliance with policies and procedures related to travel expenses and reimbursements. However, internal audit staff cautioned Director Sherwin on two items: (1) Ensure pre-travel authorization forms are always signed at least 30 days prior to the commencement of travel; and (2) Decline any travel reimbursement requests that are submitted more than 30 days after the travel concludes.
- Financial: The audit found PPS to be in compliance with financial management policies and procedures related to revenue collection, record-keeping, and segregation of duties. However, the audit did note one finding, in which PPS staff was not always depositing checks on the same days as receipt, as required by law. Director Sherwin has since received approval from the Office of State Treasurer to deposit checks within five days of receipt.
- Operations: The audit found PPS is appropriately processing applications and maintaining records in accordance with the Board's law and rules and other applicable statutes.

REGISTRATION AND LICENSING SUMMARY

Total active in Permitium: 7,574
(-3.2% from September 2024 meeting)

Registration		
	Alarm Registrant	6,779
Registration Total		6,779
License		
	Burglar Alarm Business	795
License Total		795

FINANCIAL REPORTS

Alarm Systems Licensing Board Financial Report

Fiscal Year 2025

July 1, 2024 - Oct. 31, 2024

ASLB Operating Fund Revenue and Expenditures

FYTD25 Revenue	\$ 225,123.96
FYTD25 Expenditures	\$ (175,706.17)
FYTD25 Fund Balance Increase/(Decrease)	\$ 49,417.79

ASLB Operating Fund Cash Flow

Beginning Balance (July 1, 2024)	\$ 954,110.92
FYTD25 Revenue	\$ 225,123.96
FYTD25 Expenditures	\$ (175,706.17)
Current Fund Balance	\$ 1,003,528.71

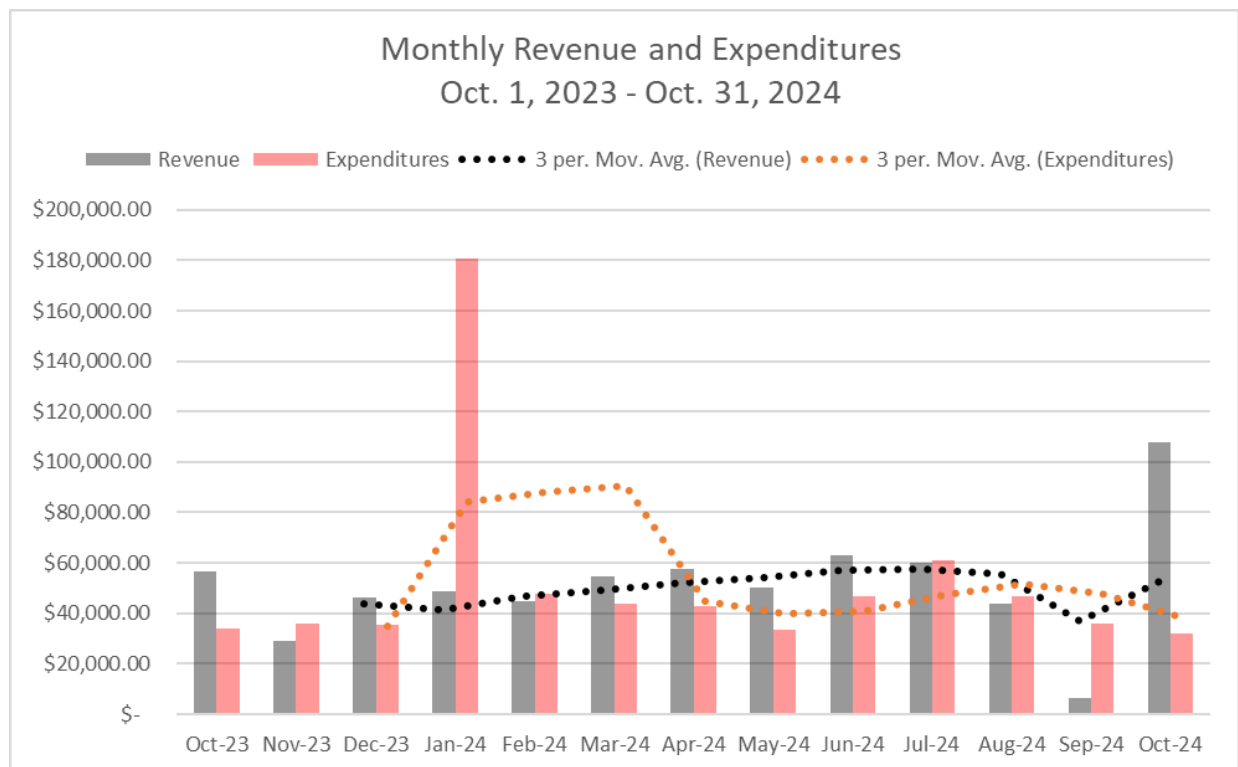
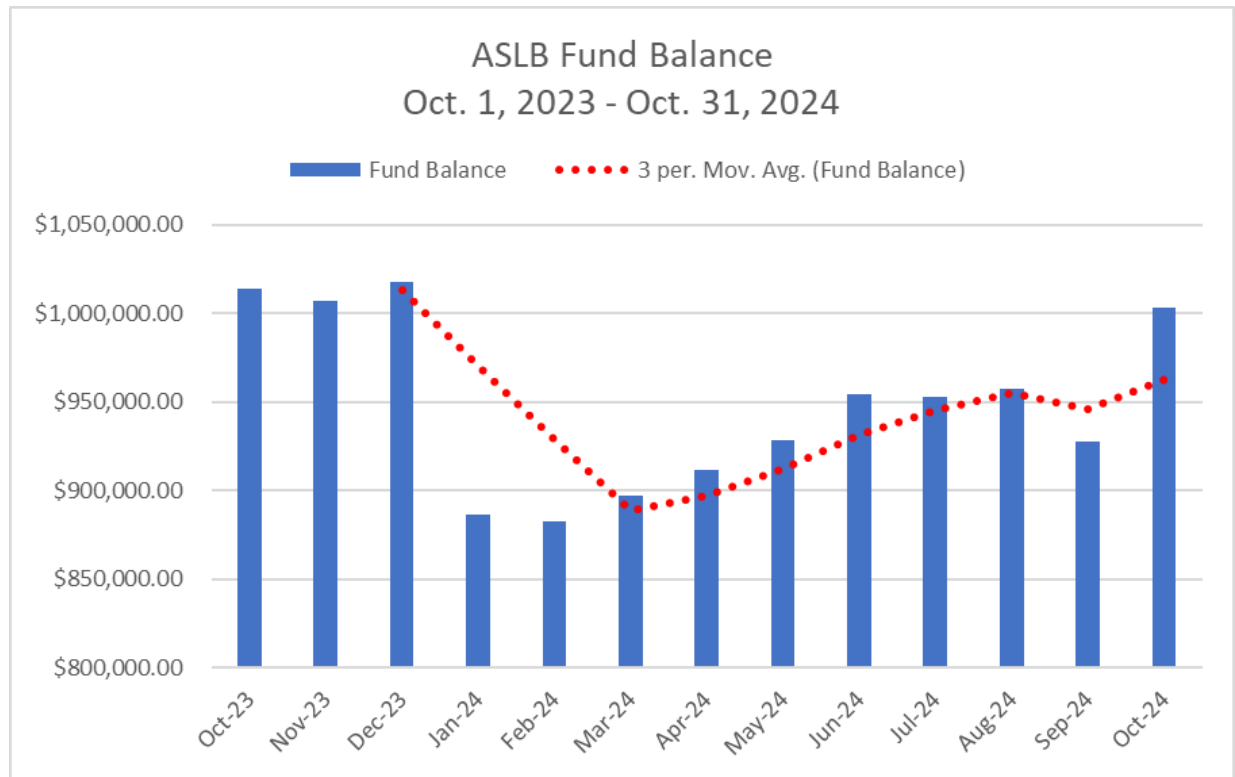
ASLB Education Fund Revenue and Expenditures

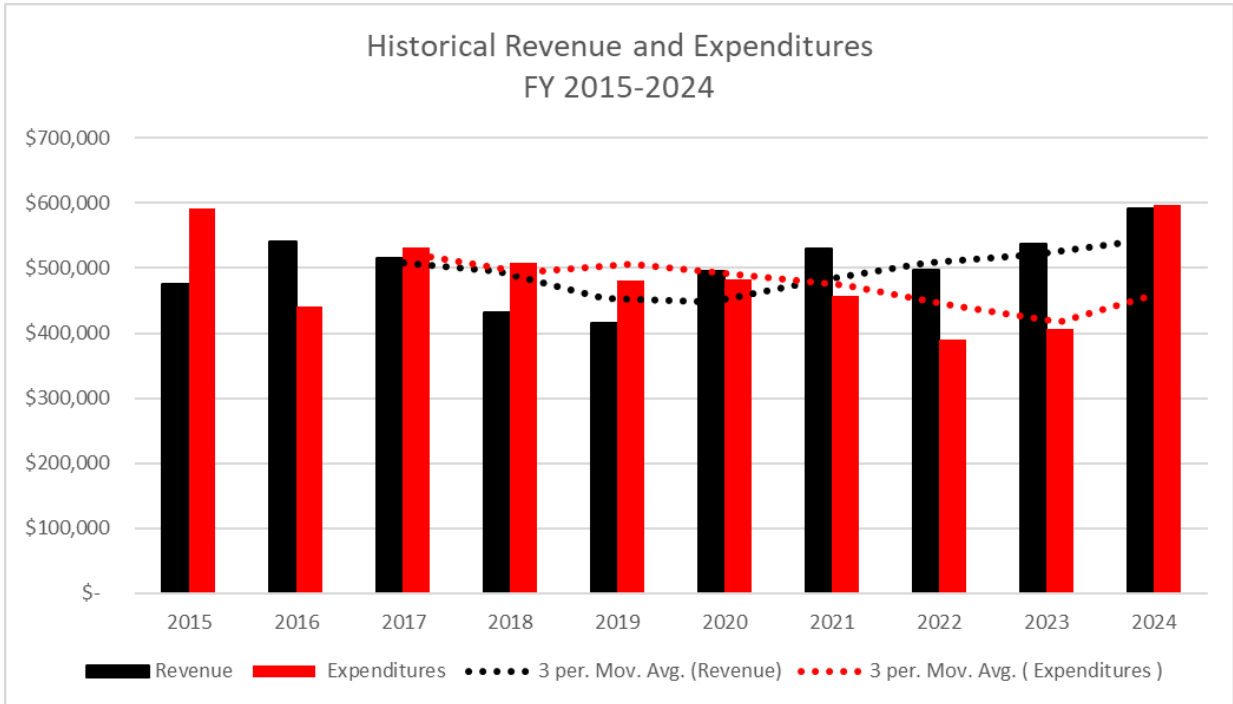
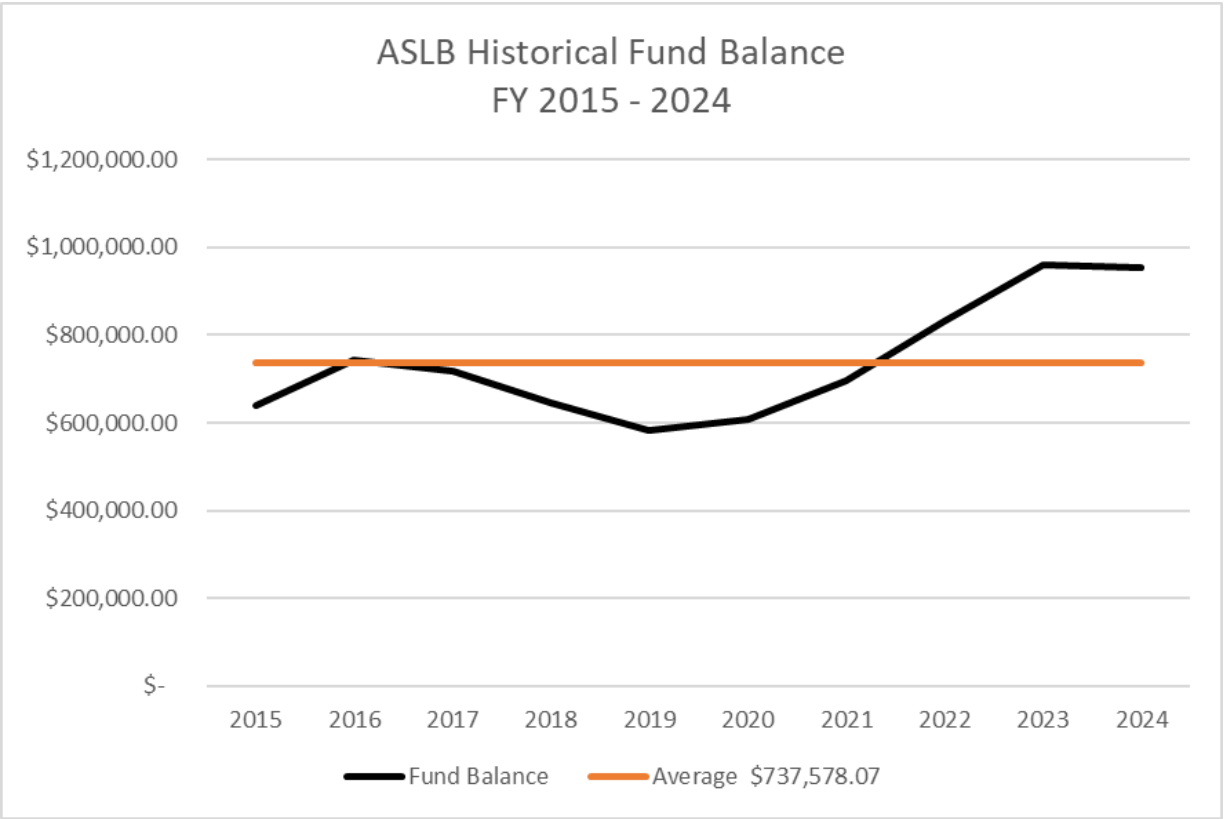
FYTD25 Revenue	\$ 1,150.00
FYTD25 Expenditures	\$ (15,000.00)
FYTD25 Fund Balance Increase/(Decrease)	\$ (13,850.00)

ASLB Education Fund Cash Flow

Beginning Balance (July 1, 2024)	\$ 94,134.68
FYTD25 Revenue	\$ 1,150.00
FYTD25 Expenditures	\$ (15,000.00)
Current Fund Balance	\$ 80,284.68

BUDGET GRAPHICS





ALARM SYSTEMS LICENSING BOARD

Raleigh, North Carolina

November 21, 2024

ATTORNEY'S REPORT



ALARM SYSTEMS LICENSING BOARD

Raleigh, North Carolina

November 21, 2024

I. CONSENT AGREEMENTS & CIVIL PENALTIES

On September 24, 2024, Christopher Fredette and Carolina Custom Sound LLC entered into a Consent Agreement in the amount of \$2,975.00 for registration violations. Payment has been received. (PAID IN FULL)

On September 26, 2024, Robert Willis and Griffiths entered into a Consent Agreement in the amount of \$2,000.00 for registration violations. Payment has been received. (PAID IN FULL)

On September 26, 2024, Mark Kobuszewski and Navco Security Systems entered into a Consent Agreement in the amount of \$680.00 for registration violations. Payment has been received. (PAID IN FULL)

On November 5, 2024, Michael McCloskey and KNC Technologies, LLC entered into a Consent Agreement in the amount of \$255.00 for registration violations. Payment has been received. (PAID IN FULL)

On November 7, 2024, Wendy Heiks and Genxvision Security Systems entered into a Consent Agreement in the amount of \$408.00 for registration violations. Payment has been received. (PAID IN FULL)

II. OFFICE OF ADMINISTRATIVE HEARINGS

See, Hearings List (attachment 1.)

III. PENDING LITIGATION

None.

IV. ADMINISTRATIVE RULES

None.

V. LEGISLATION

The Board's bill, the "Alarm Systems Licensing Act Modernization," was introduced on March 2, 2023 by Senator Warren Daniel as Senate Bill 345. A copy was attached as Attachment 2 to my May 2023 Attorney's Report.

It passed the Senate State and Local Government Committee with a favorable report and referred to the Senate Finance Committee where it was amended with an unrelated provision regarding the Machinery Act and received a favorable report.

It passed the Senate on June 28, 2023, on a vote of 46-0 and was referred to the House Rules Committee. It did not pass prior to the legislature's adjournment on October 30, 2023, however, it remained eligible for consideration in the "short session" this year.

Susanna Davis, Legislative Liaison for the Department of Public Safety, has diligently pushed for enactment. On June 26th Ms. Davis was successful in having the language from SB 345 amended in a bill that had already passed the Senate, Senate Bill 640, in a process called a "committee substitute." It passed the House later the same day and was referred to the Senate Committee on Rules. Unfortunately, the legislature adjourned two days later before it could be heard.

So, the Board's bill (along with some other language) is now **Senate Bill 640**. It is still eligible for consideration.

VI. FINAL AGENCY DECISIONS

Alder Holdings, LLC; and Seth Brewer Beddes (*see*, Attachment 2.)

Jake Carlton Engle (*see*, Attachment 3.)

**ASLB
MASTER HEARINGS LIST
as of November 1, 2024**

1.

OAH HEARING DATE	PETITIONER	TYPE OF APPLICATION	FAD HEARING DATE
November 28, 2017	Daniel Carl Hagerty / Guardian Eagle Security, LLC d/b/a AVSX Technologies 17 DOJ 06331	Letter of Reprimand (business license)	FAD served April 12, 2018. Petition for Judicial Review filed in Wake County Superior Court May 25, 2018.
February 27, 2024	Nathan Orion Taylor 24 DOJ 00314	Suspension of Alarm Systems Business License	May 2, 2024
February 27, 2024	Steven Daniel Smith 24 DOJ 00396	Suspension of Alarm Systems Business License	September 19, 2024
May 9, 2024	Seth Brewer Beddes/Alder Holdings, LLC 23 DOJ 02590	Suspension of Alarm Systems Business License	November 21, 2024
August 27, 2024	Jake Carlton Engle 24 DOJ 02938	Denial of Alarm Systems Business License	November 21, 2024

FILED
OFFICE OF ADMINISTRATIVE HEARINGS
09/13/2024 3:37 PM

STATE OF NORTH CAROLINA
COUNTY OF WAKE

IN THE OFFICE OF
ADMINISTRATIVE HEARINGS
23 DOJ 02590

Alder Holdings, LLC and Seth Brewer Beddes Petitioner, v. North Carolina Alarm Systems Licensing Board Respondent.	PROPOSAL FOR DECISION
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THIS MATTER came before Administrative Law Judge Linda F. Nelson on May 9, 2024, for a hearing in accordance with N.C. GEN. STAT. § 150B-40(e), following Respondent's request for the designation of an Administrative Law Judge to preside over this Article 3A contested case hearing.

APPEARANCES

For Petitioners:

Chad W. Essick
Colin R. McGrath
Poyner Spruill LLP
P.O. Box 1801
Raleigh, NC 27602

For Respondent:

Jeffrey P. Gray
Bailey & Dixon, LLP
P.O. Box 1351
Raleigh, NC 27602

ISSUE

Whether there is substantial evidence of record that Petitioners' conduct constituted dereliction of duty or otherwise deceived, defrauded or harmed the public in the course of professional activities or services rendered on August 20, 2022, in violation of N.C. GEN. STAT. § 74D-10(a)(19); and, if so, whether the alarm license of Alder Holdings, LLC, and its qualifying agent should be suspended for three months.

EXHIBITS ADMITTED INTO EVIDENCE

- For Petitioners:
1. Notice of Grievance Committee, Mtg and Zollie B. Sullivan Board Complaint
 2. Final Investigative Report, File Number 2021-ASLB-025
 3. Board Findings, 2021-ASLB-025
 5. Welcome Video Marked Pet. Ex. 5(a)-(h)
 6. Affirmation of Understanding
 7. Schedule of Equipment and Services
 8. Board Findings, 2017-ASL-011 and 2017-ASL-020
- For Respondent:
1. Final Investigative Report, File Number 2021-ASLB-025
 2. Board Findings, 2021-ASLB-025

WITNESSES

- For Petitioners: Adam Christian, President and General Counsel, Alder Holdings, LLC
- For Respondent: Paul Sherwin, Director, Board
Lee Kelly, Investigator, Board

STATUTE AND RULES AT ISSUE

N.C. GEN. STAT. § 74D-1, *et seq.*
14B N.C. ADMIN. CODE 17 .0101, *et seq.*

UPON CONSIDERATION of the sworn testimony of the witnesses presented at the hearing, the exhibits admitted into evidence, the entire record of this proceeding, and after having weighed the evidence presented and assessed the credibility of witnesses by considering, among other things, the demeanor of the witnesses, any interests, bias, or prejudice the witnesses may have, the opportunity of the witnesses to see, hear, know or remember the facts or occurrences about which the witnesses testified, whether the testimony of the witnesses is reasonable and whether the testimony is consistent with all other believable evidence in the case, the Undersigned finds as follows:

FINDINGS OF FACT

Parties

1. The North Carolina Alarm Systems Licensing Board (the "Board" or "Respondent") was established pursuant to N.C. GEN. STAT. § 74D-4 and is charged with the duty of licensing and registering individuals engaged in the alarm systems business.

2. Petitioner Alder Holdings, LLC, (“Alder”) holds a North Carolina alarm systems license through Petitioner Seth Brewer Beddes, its qualifying agent under N.C. GEN. STAT. § 74D-2(c).

Witnesses

3. Paul Sherwin is the Director of the Board. He is also the Director of Private Protective Services, the state agency that provides administrative support to the Board. Mr. Sherwin is responsible for supervising Board administrative staff and overseeing Board investigations. He is custodian of records for the Board. T. pp. 15-16. Mr. Sherwin was a credible witness.
4. Lee Kelly, a Board investigator, was assigned to investigate the complaint at issue in this matter (the “Complaint”) and prepared the Final Investigative Report (the “Investigative Report”) provided to the Board’s Grievance Committee. T. pp. 24-66. Mr. Kelly was a credible witness, except as otherwise noted herein.
5. Adam Christian is President and General Counsel of Alder. T p. 94. Mr. Christian oversees legal and compliance matters for Alder. He also assists the Alder CEO and CFO with company operations, including sales. T. pp. 94-129. Mr. Christian was a credible witness.

Alder’s Alarm System Business

6. Alder is a national alarm systems and monitoring company which operates in all 50 States with over 200,000 customers nationwide. T. p. 95.
7. Alder engages in door-to-door solicitations in approximately eight states, including North Carolina. T. p. 95.
8. Alder has provided alarm systems services to approximately 12,000 North Carolina residents since first obtaining a North Carolina license in November of 2016. T. p. 96.
9. Alder has employed approximately 200 people in North Carolina since 2016. T. p. 96.
10. Most of Alder’s sales in North Carolina have been conducted through door-to-door sales. T. p. 95.
11. Alder’s sales personnel are trained in internal policies and procedures intended to avoid confusion or misunderstandings between Alder sales personnel and prospective customers. T. pp. 97–98.
12. Tom Quinn is the Alder sales employee who engaged in the activity which is the basis of the Complaint. Mr. Quinn was employed by Alder outside of North Carolina until Alder acquired its North Carolina alarm systems in 2016. Since then, Mr. Quinn has been actively employed by Alder until going on inactive employment during the past year. T. pp. 104-05.
13. Mr. Quinn’s change in status to pursue a new career was unrelated to the filing of the Complaint. T. pp. 104-05.
14. Prior to July 31, 2020, Mr. Quinn was registered by Alder as an employee under N.C. GEN. STAT. § 74D-8. His registration had expired at the time of his actions at issue in this case.

due to a clerical error by another Alder employee. Pet. Ex. 2; T. pp. 41, 123-24. Alder renewed Mr. Quinn's registration when Mr. Beddes was alerted to the lapse by Mr. Kelly, during Mr. Kelly's investigation. T. pp. 20-21, 23-24, 123-24.

15. Lapses in registration of alarm company employees in North Carolina are fairly common. T. p. 23. The Board took no action against Alder for the lapse in Mr. Quinn's registration and did not find a violation of N.C. GEN. STAT. § 74D-8 for this lapse. T. p. 61.
16. The Board had received no complaints associated with Mr. Quinn's conduct, other than the Complaint. Mr. Quinn engaged in approximately 5,500 sales contacts and made approximately 1,300 sales while working for Alder in North Carolina. T. pp. 103-04.

Prior Complaints

17. Prior to the filing of the Complaint, Alder has been the subject of two complaints to the Board. T. p. 100. Both of these complaints were filed in 2017.
18. The first complaint, 2017-ASL-011, resulted in a letter of reprimand to Petitioners for violation of N.C. Gen. Stat. § 74D-10(a)(19). To Mr. Sherwin knowledge, no licensed alarm company has ever appealed a Board reprimand. T. p. 90. Mr. Christian testified for Petitioner that the complaint was the result of a confusion resulting from the Alder salesman dealing separately with a mother and daughter. T. pp. 100-101. Neither Mr. Sherwin nor Mr. Kelly, testifying for Respondent, has any knowledge of the complaint other than the fact of the issuance of the reprimand. T. pp. 60-64, 89.
19. The second complaint, 2017-ASL-020, resulted in a Board finding of no violation of N.C. GEN. STAT. § 74D-10(a)(19) and a consent agreement between the Board and Alder and Mr. Beddes. The consent agreement was not offered into evidence and is not part of the record in this matter. The Board collected fines from Alder in the amount of \$3,600. T. p. 89; Pet. Ex. 8. Mr. Sherwin could not explain the Board's action of imposing penalties where no violation was found. T. p. 90. Mr. Kelly was not aware of any of the details of this complaint or its resolution. The complainant in this matter chose to continue using Alder's services. Pet. Ex. 8; T. pp. 59, 89-90.

Ms. Sullivan's Purchase of the Alder Alarm System

20. On August 20, 2021, Mr. Quinn visited the home of Zollie B. Sullivan, an 84 year old woman living alone in Salisbury, for the purpose of selling Ms. Sullivan an Alder alarm system. At the time of Mr. Quinn's visit, Ms. Sullivan's alarm system company was CPI. Pet. Ex. 5(a) – (h); T. pp. 35-36, 58.
21. Neither Ms. Sullivan nor Mr. Quinn testified at the hearing of this matter. However, material portions of their interaction were recorded on an Alder computer tablet mid-day on August 20, 2021. The making of the video recording (the "Welcome Video") is a part of Alder's standard sales procedure, and the videos are maintained in Alder's ordinary course of business. T. pp. 106–09. Alder uses "Welcome" video recordings to help eliminate customer misunderstandings when purchasing Alder alarms systems. T. pp. 107, 111.

22. In various portions of the Welcome Video, Ms. Sullivan was asked questions to confirm her understanding of the agreement she made with Alder for purchase of an Alder alarm system and monitoring services. As shown in the Welcome Video played at the hearing, Ms. Sullivan used an interactive program on an Alder computer tablet. A prerecorded actor posed questions to Ms. Sullivan verbally, and the questions also appeared in writing on the tablet's screen. Ms. Sullivan was recorded in the upper corner of the video providing answers verbally, and then selecting the corresponding written answer on the screen. Thus, both the tablet screen and Ms. Sullivan can be seen in the video. Pet. Ex. 5(a) – (h).
23. In one segment of the Welcome Video, Ms. Sullivan was asked whether the Alder representative (Mr. Quinn) was wearing an Alder uniform and identification badge and whether the representative clearly identified himself as being an Alder representative. Ms. Sullivan verbally responded with “yes” and selected the written “yes” option on the screen. Pet. Ex. 5(a); T. p. 109.
24. Ms. Sullivan also was asked whether CPI was her current alarm company. She verbally responded with “yes” and selected the written “yes” option on the screen. Pet. Ex. 5(b).
25. When asked whether she understood that Alder was not affiliated with CPI, Ms. Sullivan verbally responded with “yes” and selected the written “yes” option on the screen. Pet. Ex. 5(c); T. p. 110.
26. When asked whether she understood that she would be cancelling her alarm system services with her then-current company, CPI, and would be receiving services from a new alarm system company, Alder, Ms. Sullivan again responded “yes” and selected the written “yes” option on the screen. Pet. Ex. 5(d); T. p. 111.
27. Ms. Sullivan was asked in another segment of the Welcome Video to identify reasons for choosing Alder. Mr. Quinn can be heard for the only time in the video, off-camera, politely explaining that Ms. Sullivan could choose as many options—or none—as she felt applied. From several options presented on the screen, she selected “Technology,” “Equipment,” “Service,” and “Relationships.” Pet. Ex. 5(e); T. p. 112.
28. In another segment of the Welcome Video, Ms. Sullivan was asked whether she signed and fully understood the terms in her agreement with Alder. Again, she responded verbally with “yes” (twice) and selected the written “yes” option on the screen. Pet. Ex. 5(f); T. p. 113.
29. Ms. Sullivan also verbally agreed and acknowledged on the screen that she had read, understood, and signed a written Affirmation of Understanding. Pet. Ex. 5(g). In the Affirmation of Understanding, which bears Alder's name and logo, Ms. Sullivan agreed that at no time did her sales representative, Mr. Quinn, state or imply that he “was with or affiliated with any other alarm company other than Alder including” her previous alarm system provider. T. pp. 114-115; Pet. Ex. 6, 7 and 8. By signing the Affirmation of Understanding, Ms. Sullivan affirmed the statement that “I bear sole responsibility to cancel my previous or existing alarm monitoring agreement with CPI.” T. p. 115; Pet. Ex. 6.
30. Finally, Ms. Sullivan was asked to confirm that her new agreement with Alder had a term of 60 months and a monthly monitoring rate of \$39.99. Her answer, both verbally and by selecting an option on the screen, was “yes.” Pet. Ex. 5(h); T. p. 114.

31. In each segment of the Welcome Video, Ms. Sullivan appears to understand fully the question she is being asked and the response she gives. She does not appear coerced or coached.
32. Ms. Sullivan signed a document captioned "Schedule of Equipment and Services" acknowledging what type of equipment was installed in her home, that it was explained to her, and that it was installed to her satisfaction. Pet. Ex. 7.

The Complaint

33. Sometime after installation, Ms. Sullivan apparently thought that her Alder alarm system was not operating properly. With the assistance of Board staff, Ms. Sullivan contacted an Alder representative, Ray Cruz by telephone. Mr. Cruz attempted to assist Ms. Sullivan with the operation of her alarm system on September 9, 2021. T. pp. 37, 41, 117.
34. Sometime after the conversation with Mr. Cruz, Ms. Sullivan asked her prior alarm company, CPI, to replace her Alder alarm system with a CPI alarm system. Pet. Ex. 1.
35. After CPI replaced Ms. Sullivan's Alder alarm system with a CPI alarm system, the Complaint was filed. The Complaint is on a form provided by the Board. The entries on the form are typed. Next to the form prompt "Your Name" is typed "Zollie B. Sullivan." Next to the form prompt "Name of Licensee" is typed "Seth Beddes, QA, Tom Quinn, salesperson/technician." Pet. Ex. 1, p. 2.
36. How the Complaint was filed is unclear. Both Messrs. Sherwin and Kelly testified that they did not know how the Complaint was received by the Board. T. pp. 35, 45-46, 67-68. The complaint form contains a mailing address, a telephone number and an email address. Mr. Sherwin testified that the Complaint could have been made online, or orally or completed and mailed or emailed to the Board. T. pp. 67-69.
37. The Investigative Report stated that the Complaint was filed on October 12, 2021. Pet. Ex. 2; T. pp. 47-48.
38. The Complaint contained the date "September 22, 2021" in the blank provided next to the prompt "Date(s) of Alleged Violation." Pet. Ex. 1. This date is not the date of the Alder sale to Ms. Sullivan, August 20, 2021, nor the date the Complaint was filed. T. pp. 47-48.
39. Mr. Kelly testified that he did not know what the date, September 22, 2021, signified, but testified that it could have been the date the Complaint was filled out. He also agreed to the suggestion by Petitioner's counsel that it could have been the date that CPI reinstalled its system. T. pp. 47-48.
40. After receiving a copy of the Complaint from the Board and learning that CPI had come to her house and switched her equipment and system back to CPI, Alder cancelled her agreement and refunded her money. T. pp. 58-59.
41. Although the form of the Complaint provides a space for Ms. Sullivan to sign the document and thereby certify "that all statements and allegations set forth in the complaint are true and accurate to the best of [her] knowledge," the Complaint is undated and unsigned. Pet. Ex. 1.

42. The Complaint identified Ms. Sullivan as the complainant and asserted that Mr. Quinn told her “he was here to update my CPI system since it had not been updated in 6 yrs.” The Complaint also asserted that the complainant “was told that there would not be any added expense, however once finished there was a 5-yr contract.” Pet. Ex. 1.
43. The Complaint also contained an assertion that “[p]art of the system was not connected to anything just stuck on wall” and that the Alder system had since been replaced by a reinstalled CPI system. Pet. Ex. 1.
44. Finally, the Complaint alleged poor customer service by Alder in the period following the installation of her Alder system. Pet. Ex. 1.

The Investigation

45. Following the Board’s receipt of the Complaint, Mr. Kelly was assigned to investigate. Mr. Kelly prepared the Investigative Report. Pet. Ex. 2.
46. The Investigative Report and Mr. Kelly’s testimony contained inconsistencies and unsupported assumptions, indicating that the investigation was incomplete and tainted with bias, rather than that Mr. Kelly was dishonest or attempting to withhold the truth.
47. The Investigative Report stated, and Mr. Kelly testified, that he interviewed Ms. Sullivan and Mr. Beddes and attempted to speak to Mr. Quinn by telephone but was unable to reach him. Pet. Ex. 2, p. 5; T. p. 27.
48. The Investigative Report stated that “[o]n December 12, 2021, this investigator spoke to Ms. Sullivan. Ms. Sullivan stated...”. Pet. Ex. 2, p. 5. The Investigative Report continued for four paragraphs suggesting that the four paragraphs were a summary of Ms. Sullivan’s statements made in this conversation. T. p. 65.
49. The summary contains the following: Ms. Sullivan was convinced that the Alder System was not working properly. While she expressed dissatisfaction with her failure to reach Mr. Quinn or any other Alder employee, she then contradicted herself and said she spoke with Mr. Cruz from Alder. Ms. Sullivan was not satisfied with the opinion Mr. Cruz offered that the alarm was not set loud enough. Ms. Sullivan was told by CPI that the Alder System was not properly installed. She had CPI reinstall the CPI system and expressed satisfaction with the reinstalled system. Pet. Ex. 2, p. 5.
50. Mr. Kelly testified that he interviewed Ms. Sullivan several times and that the summary was not of the one conversation on December 12, 2021, as indicated in the Investigative Report, but “every time I spoke with her, I just put the information in this [summary].” T. p. 52. The Investigative Report does not include the dates of any other interviews or conversations. Pet. Ex. 2. Mr. Kelly interviewed Ms. Sullivan solely by telephone. T. p. 65.
51. Mr. Kelly testified that he spoke to someone at CPI about Ms. Sullivan, but the Investigative Report does not list a CPI representative as a person contacted during the investigation. T. p. 40; Pet. Ex. 2, p. 3.
52. Mr. Kelly stated that he learned from “CPI” that Ms. Sullivan was still under contract with CPI and that CPI was not aware that Ms. Sullivan had replaced CPI equipment with Alder

- equipment. T. p. 40. This information from CPI conflicts with the statement in the Complaint and the Investigative Report that CPI had reinstalled a CPI system before the investigation began. Pet. Ex. 1, p. 2; Pet. Ex. 2, p. 3.
53. Mr. Kelly did not confirm with the CPI representative if the Alder System was operating improperly, which was Ms. Sullivan's main complaint recorded in the telephone interview summary and the main complaint contained in the Complaint. T. p. 48.
 54. Mr. Kelly did not ask Ms. Sullivan who prepared the Complaint for her. T. p. 47.
 55. Mr. Kelly did not request from Ms. Sullivan evidence of her claim of lack of proper customer service by Alder. T. pp. 48-50.
 56. Mr. Kelly admitted that his testimony regarding the malfunctioning of the Alder system and Alder's failure to provide proper customer service was based entirely on what he was told by Ms. Sullivan. T. p. 50.
 57. Mr. Kelly agreed that the statement in his Investigative Report that "Ms. Sullivan stated Alder Holdings, LLC told her they were hired by CPI to upgrade their system since it had not been updated in six years" was not supported by the Complaint nor by his summary of his telephone interview with Ms. Sullivan contained in the Investigative Report. Pet. Ex. 2, p. 1; T. p. 51.
 58. The Investigative Report also stated that "[i]t has been alleged that a representative, Mr. Tom Quinn of Alder Holdings, LLC did intentionally lie to Ms. Sullivan, a CPI customer, for the purpose of obtaining a contract for alarm monitoring services with Alder Holding [sic], LLC." Pet. Ex. 2, p. 1. Mr. Kelly testified that Ms. Sullivan never told him that Mr. Quinn lied to her. T. pp. 53-54. Mr. Kelly was not asked who had "alleged" that Mr. Quinn lied to Ms. Sullivan.
 59. Mr. Kelly testified about an element of his interview with Ms. Sullivan in which she seemed to be recounting lies Mr. Quinn told her, which lies are not recounted in the summary of her interview contained in the Investigative Report, nor in the Complaint itself. Mr. Kelly stated "She [Ms. Sullivan] said that a gentleman from Alder's came to her residence and had information about her saying that he was hired by CPI to change out their system, to upgrade the system. They asked us to come and do their – they're a subsidiary of ADT – excuse me – of CPI." But then Mr. Kelly continued as follows "She said no one ever told her any of that and she didn't know, but he had a lot of information about her. And she understood that, you know, the only way he could have – Mr. Tom would have had that information what would have been if that would have happened, that CPI could have had given him the information to come do a change-out to upgrade her system." T. p. 36.
 60. Mr. Kelly's testimony suggests he gave Ms. Sullivan a scenario to agree with and she rejected it, "no one ever told her any of that," politely adding that she understood how that could have happened but then returned to discussing her complaint that the Alder alarm did not go off when she thought it should. T. pp. 36-37.
 61. This Tribunal finds that there is insufficient competent evidence that Ms. Sullivan alleged that Mr. Quinn or anyone employed by Alder lied to her or attempted to deceive her. This Tribunal finds that Ms. Sullivan's only allegation was that the Alder alarm did not go off when she thought it should. The Board did not investigate this allegation.

62. The Investigative Report stated that Mr. Beddes provided the Welcome Video to Mr. Kelly on April 29, 2022. The Investigative Report ambiguously described the Welcome Video as “the audio tape of the conversation with the Sullivans [sic] and the staff for Alder,” Pet. Ex. 2, p. 6, indicating that Mr. Kelly was confused about what Mr. Beddes had given him.
63. When Mr. Kelly discovered he could not open the Welcome Video using his computer, he completed and submitted the Investigative Report to the Board Grievance Committee without viewing the Welcome Video. Mr. Kelly did not view the Welcome Video until it was shown by Mr. Beddes at the meeting of the Grievance Committee to consider this matter. T. pp. 57-58.
64. The Investigative Report listed the two complaints against Alders received by the Board in 2017, discussed above at paragraphs 17-19. Pet. Ex. 2, p. 7. The description of Action 2017-ASL-020 in the Investigative Report begins “violation of 74D-2(a); 74D-10(a)(7)(17)(19)” yet the Board found no violation of these statutes. Pet. Ex. 8, p. 2. Mr. Kelly testified that he was not aware that no violation was found. Neither was Mr. Kelly aware that following the other complaint, resulting in a reprimand for Alder, the complainant opted to remain an Alder customer. T. pp. 60-61; Pet. Ex. 8, p. 1.

Competitor Litigation and Televised Exposé

65. Mr. Sherwin testified about a lawsuit between Alder and a competitor, ADT, in which ADT alleged Alder employees were engaging in fraudulent “change-outs,” i.e., posing as ADT employees and changing ADT customers’ systems to Alder systems. T. pp. 82–84. Mr. Sherwin also testified about an exposé produced for national television which purported to expose an Alder employee engaged in this practice. T. pp. 73-74. In both cases, the alleged fraudulent activities took place outside of North Carolina several years before the sale to Ms. Sullivan. None of the alleged bad actions involved Mr. Quinn or Mr. Beddes.
66. The Tribunal allowed Ms. Sherwin’s testimony over Petitioners’ objections of irrelevancy and hearsay. The Tribunal agrees that the testimony was hearsay of a particularly unreliable sort. However, the testimony was admitted, not for the truth of Alder employees engaging in “change-outs,” but for its value in tending to show why the Board investigated Alder for engaging in a fraudulent “change-out” rather than the allegations Ms. Sullivan actually made about a faulty alarm system and poor customer service.

The Grievance Committee Hearing

67. On May 19, 2022, this matter went before the Board’s Grievance Committee. Pet. Ex. 3.¹ In keeping with Board practice, the Grievance Committee was made up of two members of the Board who make recommendation to the full Board based on the results of the investigation presented to them and information presented by the licensee accused of improper action. Also, in keeping with Board practice, it was not an evidentiary hearing. T. p. 70-72; Pet. Ex. 1, p.1.

¹ The date of the Grievance Committee hearing is unclear. The Re-notice of Committee Meeting indicates it was to be heard on May 19, 2022. Pet. Ex. 1. The Board Findings, dated September 22, 2022, state that the Grievance Committee met on September 15, 2022. Pet. Ex. 3. This Tribunal assumes that the actual date was May 19, 2022.

68. After reviewing the Investigative Report and the Welcome Video, the Grievance Committee recommended that the license of Alder and Mr. Beddes be suspended for a period of three months for violating N.C. GEN. STAT. § 74D-10(a)(19). The Grievance Committee did not recommend action against Alder for the lapse of Mr. Quinn's registration. *See*, Pet. Ex. 3.

The Board's Decision

69. On September 15, 2022, the Board accepted the Grievance Committee's recommendation to suspend Petitioners' license for three months for violation of N.C. GEN. STAT. § 74D-10(a)(19). Pet. Ex. 3.
70. The suspension of Petitioners' North Carolina alarm license for three months effectively puts Alder out of business in North Carolina. T. p. 88.
71. The Board took no action against Alder for failure to renew Mr. Quinn's registration. *See* Pet.'s Ex. 3 (suspending Petitioners' alarm license for three months based *solely* on a violation of N.C. GEN. STAT. § 74D-10(a)(19) and not on a violation of N.C. GEN. STAT. § 74D-8); T. p. 61. Consequently, the registration issue is not before this Tribunal.

CONCLUSIONS OF LAW

1. The parties are properly before this Tribunal. Subject matter jurisdiction and personal jurisdiction are proper, and there is no objection to Administrative Law Judge Linda F. Nelson presiding over this matter.
2. N.C. GEN. STAT. § 74D-10(a)(19) provides, in pertinent part, that:
- (a) The Board may, after notice and an opportunity for hearing, suspend or revoke a license or registration issued under this Chapter if it is determined that the licensee or registrant has:
- ...
- (19) Engaged in conduct that constitutes a dereliction of duty or otherwise deceives, defrauds, or harms the public in the course of professional activities or services.
-
3. N.C. GEN. STAT. § 150B-41 provides as follows:
- “Except as otherwise provided, the rules of evidence as applied in the trial division of the General Court of Justice shall be followed; but, when evidence is not reasonably available under such rules to show relevant facts, they may be shown by the most reliable and substantial evidence available.”
4. N.C. GEN. STAT. § 150B-42 provides, in pertinent part, as follows:
- A decision or order shall not be made except upon consideration of the record as a whole or such portion thereof as may be cited by any party to

the proceeding and shall be supported by substantial evidence admissible under G.S. 150B-41.

5. N.C. GEN. STAT. § 150B-2 defines “substantial evidence” as “[r]elevant evidence a reasonable mind might accept as adequate to support a conclusion.” N.C. GEN. STAT. § 150B-2 (2024).
6. “Substantial evidence . . . is more than a scintilla or a permissible inference.” *Devalle v. N.C. Sheriffs’ Edu. & Training Stds. Comm’n*, 289 N.C. App. 12, 887 S.E.2d 891, 895 (2023), *disc. review granted*, 900 S.E.2d 664 (2024).
7. The Board’s decision to suspend Alder’s license was not supported by substantial evidence, as required by N.C. GEN. STAT. § 150B-42.
8. Ms. Sullivan, the complainant, did not testify at the hearing and provided no affidavit or signed statement of any kind.
9. Mr. Quinn, the Alder sales employee who sold the Alder alarm system to Ms. Sullivan, also did not testify at the hearing.
10. Since the only two people with personal knowledge of the sales transaction at issue in this case, Ms. Sullivan and Mr. Quinn, did not testify, the contemporaneous Welcome Video is the most reliable evidence available of the sales transaction details.
11. The Board’s evidence against Alder has no probative value. The Board’s case is based on a strained interpretation of the allegations contained in an unsigned, uncertified, and unverified Complaint and on a summary of a telephone interview, or interviews, of Ms. Sullivan, which summary was never reviewed or approved by Ms. Sullivan. The Board’s interpretation of Ms. Sullivan’s allegations, contained in the Investigative Report, i.e., that Mr. Quinn sought to and did deceive Ms. Sullivan by posing as an agent of CPI, is not an interpretation which a reasonable mind might accept as the correct interpretation.
12. Assuming *arguendo* that Ms. Sullivan alleged that Mr. Quinn sought to deceive her and that he succeeded in convincing her that he was an agent of CPI updating a CPI system rather than installing an Alder system, that allegation is refuted by the Welcome Video.
13. Since the Grievance Committee and the Board may have been influenced by knowledge of past competitor lawsuits and a televised exposé, testimony about the competitor lawsuits and the exposé was admitted on the limited issue of whether the Board’s decision to suspend Alder’s alarm license for three months based on a violation of N.C. GEN. STAT. § 74D-10(a)(19) was arbitrary and capricious. T. pp. 82, 90-91.
14. The hearsay testimony admitted about a competitor’s lawsuit against Alder and the televised exposé about Alder’s sales practices may explain how or why Ms. Sullivan’s allegations were interpreted by the Board as allegations that Petitioners engaged in a fraudulent “change-out.” It also may explain the decision to revoke Petitioners’ license without substantial evidence of wrongdoing.
15. In sum, the record is devoid of substantial competent evidence that Petitioners violated N.C. GEN. STAT. § 74D-10(a)(19) in the actions taken in connection with selling an alarm system to Ms. Sullivan or in the Alder’s subsequent dealings with Ms. Sullivan. Consequently, no disciplinary action against the Petitioners’ license is warranted.

16. In addition, assuming *arguendo*, that Petitioners violated N.C. GEN. STAT. § 74D-10(a)(19), Petitioners' alarm license should not be suspended. The Board found that Alder previously violated N.C. GEN. STAT. § 74D-10(a)(19) based on a single prior incident which resulted only in a letter of reprimand from the Board. Pet. Ex. 8. As admitted by Mr. Sherwin, suspension of a company's alarm license is a severe measure because suspension of a company's alarm license for three months effectively puts the company out of business. It thus requires the many Alder customers to acquire new alarm systems or go without. The escalation from a single reprimand to the loss of all business in North Carolina and the damage to Alder's business reputation in the remaining forty-nine (49) States where it operates is capricious.

PROPOSAL FOR DECISION

Based on the foregoing Findings of Fact and Conclusions of Law, the Undersigned hereby finds and concludes that Respondent's finding that Petitioners violated N.C. GEN. STAT. § 74D-10(a)(19) is **not** supported by substantial evidence of record.

The Undersigned therefore recommends and proposes that Respondent **not** suspend the alarm systems license held by Petitioners.

NOTICE

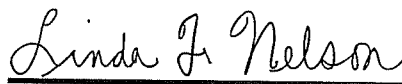
The agency making the final decision in this proposed case is required to give each party an opportunity to file exceptions to this Proposal for Decision, to submit proposed Findings of Fact and to present oral and written arguments to the agency. N.C. GEN. STAT. § 150B-40(e).

The agency that will make the final decision in this contested case is the North Carolina Alarm Systems Licensing Board.

A copy of the decision or order shall be served upon each party by one of the methods for service of process under N.C. GEN. STAT. § 1A-1, Rule 5(b). If service is by registered, certified, or first-class mail, by signature confirmation as provided by the United States Postal Service, or by designated delivery service authorized pursuant to 26 U.S.C. § 7502(f)(2) with delivery receipt, the copy shall be addressed to the party at the latest address given by the party to the agency. Service by one of the additional methods provided in N.C. GEN. STAT. § 1A-1, Rule 5(b), is effective as provided therein and shall be accompanied by a certificate of service as provided in N.C. GEN. STAT. § 1A-1, Rule 5(b1). N.C. GEN. STAT. § 1A-1, Rule 6(e), applies if service is by first-class mail. A copy shall be furnished to the party's attorney of record.

IT IS SO ORDERED.

This the 13th day of September, 2024.



Linda F. Nelson
Administrative Law Judge

CERTIFICATE OF SERVICE

The undersigned certifies that, on the date shown below, the Office of Administrative Hearings sent the foregoing document to the persons named below at the addresses shown below, by electronic service as defined in 26 NCAC 03 .0501(4), or by placing a copy thereof, enclosed in a wrapper addressed to the person to be served, into the custody of the North Carolina Mail Service Center which subsequently will place the foregoing document into an official depository of the United States Postal Service:

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cmcgrath@poynerspruill.com
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Jeffrey P Gray
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jgray@bdixon.com
Attorney For Respondent

This the 13th day of September, 2024.



Julie B. Eddins
Julie B. Eddins
Paralegal
N. C. Office of Administrative Hearings
1711 New Hope Church Road
Raleigh, NC 27609-6285
Phone: 984-236-1850

STATE OF NORTH CAROLINA
COUNTY OF WATAUGA

IN THE OFFICE OF
ADMINISTRATIVE HEARINGS
24 DOJ 02938

Jake Carlton Engle Petitioner, v. NC Alarm Systems Licensing Board Respondent.	PROPOSAL FOR DECISION
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This matter comes on for consideration following a hearing which took place on August 27, 2024, before the Undersigned in Raleigh, North Carolina.

APPEARANCES

Petitioner appeared *pro se*.

Respondent was represented by attorney Jeffrey P. Gray, Bailey & Dixon, LLP, P.O. Box 1351, Raleigh, North Carolina 27602.

ISSUE

Whether Petitioner should be denied an alarm systems business license based on Petitioner's lack of good moral character and temperate habits as evidenced by an unfavorable criminal history.

APPLICABLE STATUTES AND RULES

Official notice is taken of the following statutes and rules applicable to this case:
N.C.G.S. §§ 74D-2; 74-6D

FINDINGS OF FACT

1. Respondent Board is established pursuant to N.C. Gen. Stat. § 74D-2, *et seq.*, and is charged with the duty of licensing and registering individuals engaged in the alarm systems installation business.
2. Petitioner applied to Respondent Board for an alarm systems business license.

3. Respondent denied the alarm systems business license due to Petitioner's criminal record which showed the following:
 - a. A conviction in Watauga County, State of North Carolina, on July 22, 2009 for felony Trafficking in Opium/Heroin.
 - b. A conviction in Watauga County, State of North Carolina on September 20, 2010 for misdemeanor DWI Level II.
 - c. A conviction in Watauga County, State of North Carolina on June 9, 2010 for misdemeanor Assault on a Female.
4. Petitioner requested a hearing on Respondent's denial of the alarm systems business license.
5. By Notice of Hearing dated July 30, 2024, and mailed via certified mail, Respondent advised Petitioner that a hearing on the denial of his systems business license application would be held at the Office of Administrative Hearings, 1711 New Hope Church Road, Raleigh, North Carolina 27609 on August 27, 2024. Petitioner appeared at the hearing.
6. Petitioner's Criminal History Record Check which showed the above was admitted into evidence as part of Respondent's Exhibit 1, Petitioner's application.
7. Paul Sherwin, Director of Respondent Board, testified that N.C.G.S. § 74D-2(d)(2) provides that an alarm system business license application can be denied if it is shown that the applicant lacks good moral character or intemperate habits, and that it is *prima facie* evidence that an applicant lacks good moral character if the applicant has been convicted of certain enumerated crimes including illegal use, possession, sale, manufacture, distribution or transportation of a controlled substance, drug or narcotic or an act of violence. Multiple driving while impaired convictions indicate intemperate habits.
8. Director Sherman further testified, however, that the Board previously reviewed these identical convictions and approved Petitioner for an alarm installation registration.
9. Petitioner also holds a low-voltage electrical license from the North Carolina Board of Electrical Contractors.
10. Petitioner testified in his own behalf and admitted his past transgressions, did not make excuses for his conduct, and expressed regret for the choices he made 15 or more years ago. He explained that marriage and two children, now ages 10 and 12, motivated him to build a stable life. Their presence in his life instilled in him a deep sense of purpose and responsibility.
11. Since his criminal convictions he also completed his undergraduate studies at Appalachian State University, earning a Bachelor's degree in Computer Information Systems, then earned a Master's degree in Computer Information Systems from

Boston University.

12. Further, Petitioner has worked for two different alarm companies over the past few years as a registered alarm installer to gain the requisite experience for licensure by this Respondent Board.
13. In addition to the five letters of reference attesting to his good character required for application, Petitioner submitted two additional letters of character at the hearing, one from his wife, Anna Carmen Turbeville Engle, and one from Johnathan McKinney, a manager at Freedom Electrical, attesting to his good character and experience.
14. Other than the almost 15-year-old criminal convictions, Respondent Board presented no evidence to rebut the presumption.
15. G.S. § 74D-2(d)(2) requires “good moral character and temperate habits” for an applicant to qualify for licensure. Petitioner’s past convictions are *prima facie* evidence that Petitioner does not have good moral character or temperate habits. However, *prima facie* evidence of a fact permits the presumption that the evidence is sufficient to establish the fact unless disproved or rebutted. In this case, Petitioner put on sufficient evidence to rebut this presumption when he showed his achievements and evidence of good character throughout his registration with the Alarm Systems Licensing Board. Therefore, Petitioner should be granted the license for which he is currently applying.

CONCLUSIONS OF LAW

1. The parties properly are before the Office of Administrative Hearings.
2. Under G.S. § 74D-6, Respondent Board may refuse to grant an alarm business license registration if it is determined that the applicant has demonstrated intemperate habits or lacks good moral character.
3. Under G.S. § 74D-6(2), Respondent Board may refuse to grant an alarm business license if it is determined that the applicant has been convicted of a crime involving illegal drugs, assaultive behavior, or intemperate habits.
4. Under G.S. § 74D-6(2), conviction of any crime involving illegal drugs, assaultive behavior, or intemperate habits is *prima facie* evidence that the applicant does not have good moral character or intemperate habits.
5. Respondent Board presented evidence that Petitioner had demonstrated intemperate habits and lacked good moral character through convictions in Watauga County almost 15 years ago.
6. Petitioner presented sufficient evidence to explain the factual basis for the charges, the change or turnaround in his life, and his good character through numerous letters from

family, friends and co-workers and has therefore rebutted the presumption.

Based on the foregoing, the undersigned makes the following:

PROPOSED FINAL DECISION

Based upon the foregoing Findings of Fact and Conclusions of Law, the undersigned hereby recommends that Petitioner be issued an alarm business license.

NOTICE AND ORDER

The North Carolina Alarm Systems Licensing Board will make the Final Decision in this contested case. As the Final Decision maker, that agency is required to give each party an opportunity to file exceptions to this proposal for decision, to submit proposed findings of fact, and to present oral and written arguments to the agency pursuant to N.C. Gen. Stat. § 150B-40(e).

The undersigned hereby orders that agency serve a copy of its Final Agency Decision in this case on the Office of Administrative Hearings, 6714 Mail Service Center, Raleigh, N.C. 27699-6714.

SO ORDERED, the 24th day of October, 2024.

A handwritten signature in cursive script, reading "Lawrence R. Duke", is written over a horizontal line.

Lawrence R. Duke
Administrative Law Judge

CERTIFICATE OF SERVICE

The undersigned certifies that, on the date shown below, the Office of Administrative Hearings sent the foregoing document to the persons named below at the addresses shown below, by electronic service as defined in 26 N.C. Admin. Code 03 .0501(4), or by placing a copy thereof, enclosed in a wrapper addressed to the person to be served, into the custody of the North Carolina Mail Service Center which will subsequently place the foregoing document into an official depository of the United States Postal Service.

Jake Carlton Engle
383 New River Heights Road
Boone NC 28607
Petitioner

Jeffrey P Gray
Bailey & Dixon, LLP
jgray@bdixon.com
Attorney For Respondent

This the 24th day of October, 2024.

A handwritten signature in black ink, appearing to read 'D. Chunko', is written over a solid horizontal line.

Daniel Chunko
Law Clerk
N. C. Office of Administrative Hearings
1711 New Hope Church Road
Raleigh, NC 27609-6285
Phone: 984-236-1850

State of North Carolina
Office of Administrative Hearings
Certification

I hereby certify that the attached (1 flash drive) is a true and accurate copy of the Official Record, as required by N.C.G.S. § 150B-37, of the proceedings in the Office of Administrative Hearings case (s):

24 DOJ 02938, "Jake Carlton Engle, Petitioner v. NC Alarm Systems Licensing Board, Respondent."

the original of which is filed in this office in conformance with Chapter 150B of the General Statutes of the State of North Carolina.



In witness whereof, I authorize this certification and affix the official seal of the North Carolina Office of Administrative Hearings at Raleigh, This the 31st day of October, 2024.

Donald Robert van der Vaart
Chief Administrative Law Judge, Director

By:

A handwritten signature in black ink, appearing to be 'DR van der Vaart', written over a horizontal line.

STATE OF NORTH CAROLINA
COUNTY OF WATAUGA

IN THE OFFICE OF
ADMINISTRATIVE HEARINGS
24 DOJ 02938

Jake Carlton Engle Petitioner, v. NC Alarm Systems Licensing Board Respondent.	OFFICIAL RECORD INDEX SHEET
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RECOMMENDED DECISION

DOCUMENTS

SECTION I

- ☐ Petition (Article 3 Agencies **only**)
- ☐ Request for Designation of ALJ (Article 3A Boards & Commissions **only**)
- ☐ Notice of Contested Case & Order of Assignment
- ☐ Order(s) of Reassignment
- ☐ Order for Prehearing Statements
- ☐ Scheduling Orders
- ☐ Notice(s) of Representation
- ☐ Document Constituting Agency Action
- ☐ Hearing Assistant/Court Reporter Request Form
- ☐ Motion & Order of Consolidation

SECTION II

- ☐ Prehearing Statements
- ☐ Notice of Prehearing Conference
- ☐ Motions/Responses/Briefs/Rulings
- ☐ Report of Mediator
- ☐ Report of Settlement Conference

SECTION III

- X ☐ Notices of Hearings
- ☐ Return of Service on Subpoenas and Notices
- ☐ Motions and Orders of Continuance
- ☐ Prehearing Order

SECTION IV

- X ☐ Parties' Proposed Decisions
- ☐ Other Post Hearing Submissions

SECTION V

- X ☐ Exhibits
- ☐ Offers of Proof

SECTION VI

- X ☐ Miscellaneous documents
- ☐ Request for transcript
- ☐ Transcript
- ☐ Hearing tapes (when necessary)

24DOJ02938

Jake Carlton Engle

v.

NC Alarm Systems Licensing Board

DOCKET NO. 24DOJ02938
Jake Carlton Engle
vs
NC Alarm Systems Licensing Board

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STATE OF NORTH CAROLINA

COUNTY OF WAKE

IN THE OFFICE OF
ADMINISTRATIVE HEARINGS
24 DOJ _____

JAKE CARLTON ENGLE,

Petitioner,

v.

N.C. ALARM SYSTEMS LICENSING BOARD,

Respondent.

NOTICE OF HEARING

FOR: Jake Carlton Engle
Engle IT, LLC
383 New River Heights Road
Boone, NC 28607

DATE: Tuesday, August 27, 2024

TIME: 2:00 p.m.

PLACE: Office of Administrative Hearings
1711 New Hope Church Road
Raleigh, NC 27609

RE: Denial of alarm systems business license for an unfavorable criminal history.

STATUTES: N.C.G.S. §§ 74D-6(1) and 10(a)

ADMINISTRATIVE

LAW JUDGE: Honorable Lawrence R. Duke

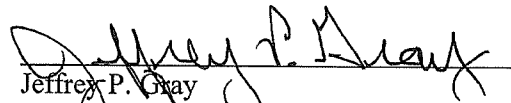
An administrative hearing has been scheduled by the N.C. Alarm Systems Licensing Board to examine formally the allegations specified above. This hearing will be held before the Office of Administrative Hearings for the N.C. Alarm Systems Licensing Board and will be conducted in accordance with the Administrative Procedures Act, North Carolina General Statute 150B.

This proceeding is a contested case hearing and will give you the opportunity to present evidence and cross-examine witnesses. The Board will be represented by Jeffrey P. Gray, Attorney at Law, Bailey & Dixon, LLP, P.O. Box 1351, Raleigh, North Carolina 27602, (919) 828-0731.

Please direct all correspondence to the Office of Administrative Hearings, 1711 New Hope Church Road, Raleigh, NC 27609, (919) 431-3000.

This the 30th day of July, 2024.

Caroline H. Brown, Chair,
N.C. Alarm Systems Licensing Board

A handwritten signature in black ink, appearing to read "Jeffrey P. Gray", written over a horizontal line.

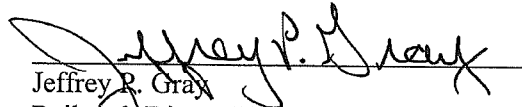
Jeffrey P. Gray
Bailey & Dixon, LLP
P.O. Box 1351
Raleigh, North Carolina 27602
(919) 828-0731 – telephone
(919) 828-6592 – facsimile

CERTIFICATE OF SERVICE

I, Jeffrey P. Gray, hereby certify that I have served a copy of the foregoing NOTICE OF HEARING by depositing a copy with the United States Postal Service, CERTIFIED MAIL/RETURN RECEIPT REQUESTED and addressed to the following:

Jake Carlton Engle
Engle IT, LLC
383 New River Heights Road
Boone, NC 28607

This the 30th day of July, 2024.


Jeffrey P. Gray
Bailey & Dixon, LLP
P.O. Box 1351
Raleigh, North Carolina 27602
(919) 828-0731 – telephone
(919) 828-6592 – facsimile

Licenses [REDACTED]

Addresses for Places of Residence

1. [REDACTED] (8/2016 - 3/2024)

Addresses for Places of Employment

1. 521 NC-105 Extension #3, Boone, NC, 28607 (11/2021 - 3/2024)
2. 7881 NC-105 S, Boone, NC, 28607 (10/2012 - 11/2021)

Addresses for Schools Attended

Social Security Number Verifier Results:

State Issued: [REDACTED]
Year Issued: [REDACTED]
Death Index: NO ENTRY FOUND

Names on File: JAKE CARLTON
ENGLE

Address Section:

JAKE C ENGLE
[REDACTED]
08/22/2016 - 02/01/2024

JAKE C ENGLE
[REDACTED]
09/16/2004 - 08/31/2022

JAKE C ENGLE
[REDACTED]
01/01/2017 - 01/01/2021

Jurisdiction(s) Searched:

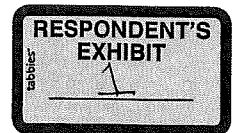
North Carolina Statewide Search

Criminal Background Check:

North Carolina Statewide Search 11 record(s)

Record 1

Court: WATAUGA DISTRICT
Case Number: 10CR 050850
File Severity: CRIMINAL TRAFFIC
Offense Dates: 05/18/2010



Record 2

Court: WATAUGA DISTRICT
Case Number: 10CR 050733
File Severity: MISDEMEANOR
Offense Dates: 04/28/2010
Charges: ASSAULT ON A FEMALE (MISDEMEANOR)
Disposition Dates: 06/09/2010
Dispositions: GUILTY
Sentence: SENTENCE TYPE: COMMUNITY
SENTENCE LENGTH: 075 D -
PROBATION: 18 MONTHS SUPERVISED
COSTS: \$145.00
RESTITUTION: \$30.00
PAID: YES

Identifiers on Record:

Name on File: ENGLE,JAKE,CARLTON
DOB on File: DOB MATCH
Address on File: [REDACTED]
DL# on File: NOT LISTED
SSN on File: NOT LISTED

Record 3

Court: WATAUGA SUPERIOR
Case Number: 07CRS050343
File Severity: FELONY
Offense Dates: 02/05/2007
Charges: TRAFFICKING, OPIUM OR HEROIN (FELONY)
Disposition Dates: 07/22/2009
Dispositions: GUILTY
Sentence: SENTENCE TYPE: INTERMEDIATE
SENTENCE LENGTH: 070 M - 084 M
PROBATION: 60 MONTHS SUPERVISED
FINE/COSTS: \$8,051.50
RESTITUTION: \$1,450.00
PAID: YES

Special Conditions: * PREVIOUS MICROFILM#: 0900078999
* PREVIOUS MICROFILM#: 1000118999.

Identifiers on Record:

Name on File: ENGLE,JAKE,CARLTON
DOB on File: DOB MATCH
Address on File: [REDACTED]
DL# on File: NOT LISTED
SSN on File: NOT LISTED

Record 4



DL# on File: NOT LISTED
SSN on File: NOT LISTED

Record 5

Court: GASTON SUPERIOR
Case Number: 05CRS058545
File Severity: CRIMINAL TRAFFIC
Offense Dates: 05/08/2005
Charges: DWI - LEVEL 4 (CRIMINAL TRAFFIC)
Disposition Dates: 12/12/2005
Dispositions: GUILTY
Sentence: NOT LISTED
Special Conditions: * CONS W/ 05CRS058550 5

Identifiers on Record:

Name on File: ENGLE,JAKE,CARLTON
DOB on File: DOB MATCH
Address on File: [REDACTED]
DL# on File: NOT LISTED
SSN on File: NOT LISTED

Record 6

Court: GASTON SUPERIOR
Case Number: 05CRS058549
File Severity: MISDEMEANOR
Offense Dates: 05/08/2005
Charges: COMMUNICATING THREATS (MISDEMEANOR)
Disposition Dates: 12/12/2005
Dispositions: GUILTY
Sentence: NOT LISTED
Special Conditions: * CONS W/ 05CRS058550 5

Identifiers on Record:

Name on File: ENGLE,JAKE,CARLTON
DOB on File: DOB MATCH
Address on File: [REDACTED]
DL# on File: NOT LISTED
SSN on File: NOT LISTED

Record 7

Court: GASTON SUPERIOR
Case Number: 05CRS058547
File Severity: CRIMINAL TRAFFIC
Offense Dates: 05/08/2005



Court: GASTON SUPERIOR
Case Number: 05CRS058550
File Severity: FELONY
Offense Dates: 05/08/2005
Charges: ELUDE ARREST MV >=3 AGRV FCTRS (FELONY)
Disposition Dates: 12/12/2005
Dispositions: GUILTY
Sentence: SENTENCE TYPE: INTERMEDIATE
SENTENCE LENGTH: 008 M - 010 M
PROBATION: 30 MONTHS SUPERVISED
FINE/COSTS: \$420.50
PAID: YES
Special Conditions: * DOC,DNA,PAY COMM SERV FEE,13,14,15,17,20,CURFEW,NOT LEAVE
* CO. OF RESIDENCE W/O PRIOR APPROVAL JUDGE (NAME REDACTED)

Identifiers on Record:

Name on File: ENGLE,JAKE,CARLTON
DOB on File: DOB MATCH
Address on File: [REDACTED]
DL# on File: NOT LISTED
SSN on File: NOT LISTED

Record 9

Court: GASTON SUPERIOR
Case Number: 05CRS058548
File Severity: CRIMINAL TRAFFIC
Offense Dates: 05/08/2005
Charges: FAIL TO HEED LIGHT OR SIREN (CRIMINAL TRAFFIC)
Disposition Dates: 12/12/2005
Dispositions: GUILTY
Sentence: NOT LISTED
Special Conditions: * CONS W/ 05CRS058550 5

Identifiers on Record:

Name on File: ENGLE,JAKE,CARLTON
DOB on File: DOB MATCH
Address on File: [REDACTED]
DL# on File: NOT LISTED
SSN on File: NOT LISTED

Record 10

Court: WATAUGA DISTRICT
Case Number: 05CR 002301
File Severity: MISDEMEANOR
Offense Dates: 04/30/2005
Charges: POSS MTBV/U-WN NOT 19/20 (MISDEMEANOR)
Disposition Dates: 06/15/2005



Record 11

Court: GASTON DISTRICT
Case Number: 04CR 010900
File Severity: CRIMINAL TRAFFIC
Offense Dates: 05/09/2004
Charges: DRIVE AFTER CONSUMING < 21 (CRIMINAL TRAFFIC)
Disposition Dates: 08/09/2004
Dispositions: PRAYER FOR JUDGMENT
Sentence: COSTS: \$100.00
PAID: YES

Identifiers on Record:

Name on File: ENGLE, JAKE, CARLTON
DOB on File: DOB MATCH
Address on File: [REDACTED]
DL# on File: NOT LISTED
SSN on File: NOT LISTED

Reference Summary:

Completed	Reference	Alerts
03/10/2024	Manely, Caitlin	
03/11/2024	Watts, Steve	
03/10/2024	Bates, Randy	
03/11/2024	Latham, Michael	
03/10/2024	McKinney, Jonathan	

Reference Details

Reference 1: 03/10/2024

Name: Caitlin Manely
Email:
IP: 47.134.143.127

How long have you known the applicant?

8 years

Do you know him/her personally or professionally?

Personally

What is your relationship to the applicant?

Friend

Have you ever known the applicant to have alcohol or drug problems?



Name: Caitlin Manely
Address: [REDACTED]
Telephone: [REDACTED]

Signature:



Reference 2: 03/11/2024

Name: Steve Walts
Email:
IP: 47.134.217.32

How long have you known the applicant?

9 years

Do you know him/her personally or professionally?

Personally

What is your relationship to the applicant?

Friend

Have you ever known the applicant to have alcohol or drug problems?

No

What kind of person do you think he/she is and how would you summarize his/her moral character?

Jake is a technical whiz. He's my go to person when I want something done right the first time. He's direct and very dependable. I've recommended him to many of my friends through the years without reservation. All around great person to know.

Have you ever observed or had knowledge of the applicant doing anything you felt was illegal or questionable?

No. I even once saw him refund a customer after a job he considered less than adequately architected. Customer was happy but Jake thought solution wasn't perfect.

Is there anything else about the applicant that has not been asked that you feel we need to know about him/her before we grant the applicant a license?

World needs a lot more Jakes.

Would you recommend the applicant for the license that he/she requested?

Yes, without any reservation



Reference 3: 03/10/2024

Name: Randy Bates
Email:
IP: 38.132.133.28

How long have you known the applicant?
20 years

Do you know him/her personally or professionally?
Professionally

What is your relationship to the applicant?
Customer

Have you ever known the applicant to have alcohol or drug problems?
No

What kind of person do you think he/she is and how would you summarize his/her moral character?
Experienced, hard working and honestly

Have you ever observed or had knowledge of the applicant doing anything you felt was illegal or questionable?
Not at all

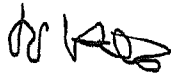
Is there anything else about the applicant that has not been asked that you feel we need to know about him/her before we grant the applicant a license?

Very good man and my family him

Would you recommend the applicant for the license that he/she requested?
Yes

Name: Randy Bates
Address:
Telephone:

Signature:



Reference 4: 03/11/2024



Have you ever known the applicant to have alcohol or drug problems?

No

What kind of person do you think he/she is and how would you summarize his/her moral character?

Very professional

Have you ever observed or had knowledge of the applicant doing anything you felt was illegal or questionable?

No

Is there anything else about the applicant that has not been asked that you feel we need to know about him/her before we grant the applicant a license?

No

Would you recommend the applicant for the license that he/she requested?

Yes

Name: Michael Latham

Address:

Telephone:

Signature:



Reference 5: 03/10/2024

Name: Jonathan
McKinney

Email:

IP: 47.135.146.201

How long have you known the applicant?

10 years

Do you know him/her personally or professionally?

Professionally

What is your relationship to the applicant?

Manager

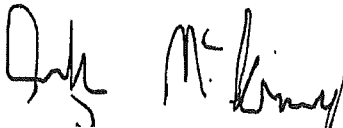
Have you ever known the applicant to have alcohol or drug problems?

No

What kind of person do you think he/she is and how would you summarize his/her moral



Address: [REDACTED]
Telephone: [REDACTED]

Signature: 



Reports are archived after 60 days. If reports need to be accessed after 60 days, please contact us directly using one of the methods provided above.



Engle IT LLC
[REDACTED]
[REDACTED]

Dear Mr. Engle:

Your application for a Burglar Alarm Business license was denied by the Alarm Systems Licensing Board on July 18, 2024, for the following reason(s):

Denied for unfavorable criminal history.

Pursuant to the North Carolina Administrative Procedures Act and the regulations of the Board, you have the right to appeal the Board's denial of your application. By filing an appeal, you will be afforded the opportunity to have a hearing before the NC Office of Administrative Hearings.

This appeal must be in writing and must be received by this office no later than sixty (60) days from the receipt of this letter. However, should you fail to request a hearing within sixty (60) days of the receipt of this letter the action of the Board will become final.

If you have any questions, please call the Board's Licensing Section at (919) 788-5320.

Sincerely,

Caroline Brown,
Chairperson



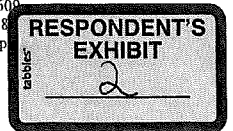
Paul Sherwin
Director

MAILING ADDRESS:
3101 Industrial Drive, Suite 104
Raleigh, NC 27609



www.ncdps.gov/pps
An Equal Opportunity employer

OFFICE LOCATION:
3101 Industrial Drive, Suite 104
Raleigh, NC 27609
Telephone: (919) 788-
Email: ppsasl@ncdps.gov



Engle II, LLC
383 New River Heights Road
Boone, NC 28607

RE: *Administrative Hearing for Jake Carlton Engle*

Dear Mr. Engle:

I have received your request for an administrative hearing from the N.C. Alarm Systems Licensing Board's decision to deny your application for an alarm systems business license.

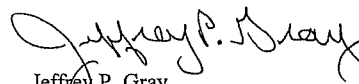
Enclosed is a copy of the Notice of Hearing which I have filed with the Office of Administrative Hearings in this matter. As indicated on said Notice, the Board is requesting that your hearing be conducted by the Office of Administrative Hearings, 1711 New Hope Church Road, Raleigh, NC 27609, (919) 431-3000, on **Tuesday, August 27, 2024, at 2:00 p.m.**

Your failure to attend this court proceeding may result in dismissal of your case.

If you have any questions, you may call me at (919) 828-0731.

Sincerely,

BAILEY & DIXON, LLP


Jeffrey P. Gray

Enclosures

cc: Paul Sherwin, Director
N.C. Alarm Systems Licensing Board

JPG/alb

4853-7837-8964

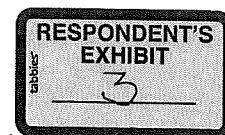
Tel 919 828 0731
Fax 919 828 6582

Post Office Box 1351
Raleigh, NC 27602

434 Fayetteville Street, Suite 2500
Raleigh, NC 27601

www.bdxon.com

BAILEY & DIXON, LLP
Attorneys at Law



N.C. ALARM SYSTEMS LICENSING BOARD,

Respondent.

FOR: Jake Carlton Engle
Engle IT, LLC
383 New River Heights Road
Boone, NC 28607

DATE: Tuesday, August 27, 2024

TIME: 2:00 p.m.

PLACE: Office of Administrative Hearings
1711 New Hope Church Road
Raleigh, NC 27609

RE: Denial of alarm systems business license for an unfavorable criminal history.

STATUTES: N.C.G.S. §§ 74D-6(1) and 10(a)

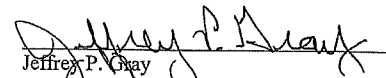
ADMINISTRATIVE

LAW JUDGE: Honorable Lawrence R. Duke

An administrative hearing has been scheduled by the N.C. Alarm Systems Licensing Board to examine formally the allegations specified above. This hearing will be held before the Office of Administrative Hearings for the N.C. Alarm Systems Licensing Board and will be conducted in accordance with the Administrative Procedures Act, North Carolina General Statute 150B.

This proceeding is a contested case hearing and will give you the opportunity to present evidence and cross-examine witnesses. The Board will be represented by Jeffrey P. Gray, Attorney at Law, Bailey & Dixon, LLP, P.O. Box 1351, Raleigh, North Carolina 27602, (919) 828-0731.

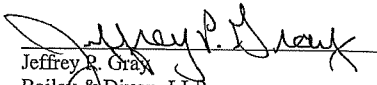
4853-7837-8964



Jeffrey P. Gray
Bailey & Dixon, LLP
P.O. Box 1351
Raleigh, North Carolina 27602
(919) 828-0731 – telephone
(919) 828-6592 – facsimile

383 New River Heights Road
Boone, NC 28607

This the 30th day of July, 2024.


Jeffrey P. Gray
Bailey & Dixon, LLP
P.O. Box 1351
Raleigh, North Carolina 27602
(919) 828-0731 – telephone
(919) 828-6592 – facsimile

9589 0710 52

Postage

Adult Signature Restricted Delivery \$

Adult Signature Required \$

Adult Signature Restricted Delivery \$

Total \$

Sent 7

Street

City, S.

Postmark Here

\$ 9.92

Jake Carlton Engle
Engle IT, LLC
383 New River Heights Road
Boone, NC 28607
1220.024412 NOH aib

PS Form 3811, July 2020 PSN 7530-02-000-9053

Delivered 8-5-24

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<p>■ Complete items 1, 2, and 3.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p> <p>1. Article Addressed to:</p> <p>Jake Carlton Engle Engle IT, LLC 383 New River Heights Road Boone, NC 28607 1220.024412 NOH aib</p> <p>2. Article Number (Transfer from service label)</p> <p>9590 9402 8620 3244 1844 08</p>		<p>A. Signature</p> <p>X <i>[Signature]</i> <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name)</p> <p><i>Prima Engle</i></p> <p>C. Date of Delivery</p> <p><i>8/5/2024</i></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>If YES, enter delivery address below:</p>	
<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail®</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery</p> <p><input type="checkbox"/> Collect on Delivery</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery</p>		<p><input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Registered Mail™</p> <p><input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Signature Confirmation Restricted Delivery</p>	

Petitioner's Ex. 1

Subject: Character Reference for Jake Carlton Engle

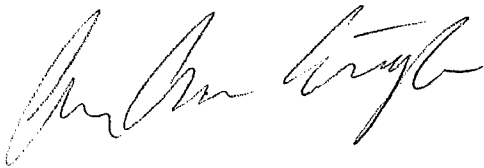
I am providing this character reference for my husband, Jake Carlton Engle, with whom I have had the pleasure of sharing 17 years. During our time together, I have witnessed Jake's incredible journey of personal growth and rehabilitation. I supported him through this journey by taking him to his NA and AA meetings, drug treatment court group sessions, and court dates. I can personally vouch for the dedication he has shown to overcoming his past struggles.

The change in Jake was almost immediate when we discovered that our daughter, Carlie, was on the way. The realization of becoming a father gave him a profound sense of purpose. I watched as he quickly made the decision to finish his schooling, clean up his life, and secure a job, all to provide a stable and loving environment for our family.

Jake's commitment to our family is unwavering. He works tirelessly to support us, ensuring that we have everything we need. While the mistakes of his past have lingered in his mind, I know he has fully left that life behind and become a responsible, caring father and husband, a dedicated worker, and from what I hear from everyone who's worked with him, an expert at what he does. I believe he deserves a chance to obtain a license in the field he has been successfully working in for the past ten years and should not be held back by mistakes made in his youth.

Sincerely,

Anna Carmen Turbeville Engle

A handwritten signature in cursive script, appearing to read "Anna Carmen Engle". The signature is fluid and written in dark ink.

Attachment's ex. 2

To Whom It May Concern:

I am writing to provide a character reference for Jake Engle, whom I have known for over ten years. During this time, Jake has openly discussed his past struggles with addiction with me. I have witnessed firsthand his determination to overcome those challenges, and I can confidently say that he has made significant strides in his personal growth. Since I've known Jake, he has consistently exhibited temperate habits and strong moral character, and I have never known him to engage in any drug use.

Jake is a hardworking individual with extensive expertise in IT, audio/video, security systems, and fire alarms. I have had the pleasure of working with and managing Jake at two different employers, during which time he maintained his alarm registration without any issues. His dedication to his work and his field is commendable, and I believe he would be an excellent candidate for his own license.

I firmly believe that mistakes made in one's teens and early twenties should not dictate the rest of their life, and I know this is something that has weighed heavily on Jake. He is deeply committed to moving forward, leaving past mistakes behind him, and building a better future for himself and his family.

Beyond his professional skills, Jake is also an excellent father. He has shared with me how becoming a parent changed his life and gave him a new sense of purpose. It is clear that he is deeply committed to providing for his family and progressing forward in life.

In summary, Jake Engle is a person of good moral character, a skilled professional, and a devoted father. I believe he would be an invaluable asset in any professional setting, and I wholeheartedly support his pursuit of a license in his field.

Sincerely,



Jonathan McKinney
Freedom Electech (Low Voltage Manager)
Phone: 828-719-7757
Email: jonathanmckinney@freedomelectech.com

BOSTON UNIVERSITY

Petitioner's Ex. 3

THE TRUSTEES UPON THE RECOMMENDATION OF THE FACULTY OF THE
METROPOLITAN COLLEGE

HEREBY CONFER UPON

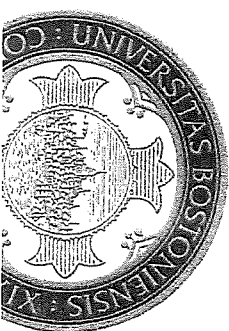
Blake Carlton Fingle

THE DEGREE OF

MASTER OF SCIENCE
COMPUTER INFORMATION SYSTEMS
SUBCONCENTRATION: SECURITY

WITH ALL THE HONORS, RIGHTS, PRIVILEGES AND OBLIGATIONS
PERTAINING TO THAT DEGREE.

IN TESTIMONY WHEREOF THIS DIPLOMA IS CONFERRED AT BOSTON, MASSACHUSETTS,
THIS TWENTY-FIFTH DAY OF SEPTEMBER, 2012.



Paul A. Hayden

Robert A. Burr

Appalachian State University

To all to whom these presents come, Greeting:

Jake Carlton Engle

has successfully fulfilled all the requirements prescribed by the Board of Trustees and upon recommendation of the faculty is hereby declared a

Bachelor of Science in Business Administration

in

Computer Information Systems

and is entitled to all the rights and privileges therunto appertaining.

Signed and sealed by authority of the State of North Carolina, this
the fifteenth day of December, two thousand and ten.

Asa T. Zoller
President

Frank R. Day
Chairman of the Board of Governors



Kenneth E. Peacock
Chancellor

James L. Caldwell
Dean of the Board of Trustees

Attest: Members of the University of North Carolina

STATE OF NORTH CAROLINA
COUNTY OF WAKE

IN THE OFFICE OF
ADMINISTRATIVE HEARINGS
24 DOJ 02938

JAKE CARLTON ENGLE,

Petitioner,

v.

N.C. ALARM SYSTEMS LICENSING BOARD,

Respondent.

**PROPOSED
PROPOSED
FINAL DECISION**

On August 27, 2024, Administrative Law Judge Larence R. Duke called this case for hearing in Raleigh, North Carolina.

APPEARANCES

Petitioner appeared *pro se*.

Respondent was represented by attorney Jeffrey P. Gray, Bailey & Dixon, LLP, P.O. Box 1351, Raleigh, North Carolina 27602.

ISSUE

Whether Petitioner should be denied an alarm systems business license based on Petitioner's lack of good moral character and temperate habits as evidenced by an unfavorable criminal history.

APPLICABLE STATUTES AND RULES

Official notice is taken of the following statutes and rules applicable to this case:
N.C.G.S. §§ 74D-2; 74-6D

FINDINGS OF FACT

1. Respondent Board is established pursuant to N.C. Gen. Stat. § 74D-2, *et seq.*, and is charged with the duty of licensing and registering individuals engaged in the alarm systems installation business.
 2. Petitioner applied to Respondent Board for an alarm systems business license.
 3. Respondent denied the alarm systems business license due to Petitioner's criminal
- 4867-3070-6416

record which showed the following:

- a. A conviction in Watauga County, State of North Carolina, on July 22, 2009 for felony Trafficking in Opium/Heroin.
 - b. A conviction in Watauga County, State of North Carolina on September 20, 2010 for misdemeanor DWI Level II.
 - c. A conviction in Watauga County, State of North Carolina on June 9, 2010 for misdemeanor Assault on a Female.
4. Petitioner requested a hearing on Respondent's denial of the alarm systems business license.
5. By Notice of Hearing dated July 30, 2024, and mailed via certified mail, Respondent advised Petitioner that a hearing on the denial of his systems business license application would be held at the Office of Administrative Hearings, 1711 New Hope Church Road, Raleigh, North Carolina 27609 on August 27, 2024. Petitioner appeared at the hearing.
6. Petitioner's Criminal History Record Check which showed the above was admitted into evidence as part of Respondent's Exhibit 1, Petitioner's application.
7. Paul Sherwin, Director of Respondent Board, testified that N.C.G.S. § 74D-2(d)(2) provides that an alarm system business license application can be denied if it is shown that the applicant lacks good moral character or intemperate habits, and that it is prima facie evidence that an applicant lacks good moral character if the applicant has been convicted of certain enumerated crimes including illegal use, possession, sale, manufacture, distribution or transportation of a controlled substance, drug or narcotic or an act of violence. Multiple driving while impaired convictions indicate intemperate habits.
8. Director Sherman further testified, however, that the Board previously reviewed these identical convictions and approved Petitioner for an alarm installation registration.
9. Petitioner also holds a low-voltage electrical license from the North Carolina Board of Electrical Contractors.
10. Petitioner testified in his own behalf and admitted his past transgressions, did not make excuses for his conduct, and expressed regret for the choices he made 15 or more years ago. He explained that marriage and two children, now ages 10 and 12, motivated him to build a stable life. Their presence in his life instilled in him a deep sense of purpose and responsibility.
11. Since his criminal convictions he also completed his undergraduate studies at Appalachian State University, earning a Bachelor's degree in Computer Information

Systems, then earned a Master's degree in Computer Information Systems from Boston University.

12. Further, Petitioner has worked for two different alarm companies over the past few years as a registered alarm installer to gain the requisite experience for licensure by this Respondent Board.
13. In addition to the five letters of reference attesting to his good character required for application, Petitioner submitted two additional letters of character at the hearing, one from his wife, Anna Carmen Turbeville Engle, and one from Johnathan McKinney, a manager at Freedom Electrical, attesting to his good character and experience.
14. Other than the almost 15 year old criminal convictions, Respondent Board presented no evidence to rebut the presumption.
15. G.S. § 74D-2(d)(2) requires "good moral character and temperate habits" for an applicant to qualify for licensure. Petitioner's past convictions are *prima facie* evidence that Petitioner does not have good moral character or temperate habits. However, *prima facie* evidence of a fact permits the presumption that the evidence is sufficient to establish the fact unless disproved or rebutted. In this case, Petitioner put on sufficient evidence to rebut this presumption when he showed his achievements and evidence of good character throughout his registration with the Alarm Systems Licensing Board. Therefore, Petitioner should be granted the license for which he is currently applying.

CONCLUSIONS OF LAW

1. The parties properly are before the Office of Administrative Hearings.
2. Under G.S. § 74D-6, Respondent Board may refuse to grant an alarm business license registration if it is determined that the applicant has demonstrated intemperate habits or lacks good moral character.
3. Under G.S. § 74D-6(2), Respondent Board may refuse to grant an alarm business license if it is determined that the applicant has been convicted of a crime involving illegal drugs, assaultive behavior, or intemperate habits.
4. Under G.S. § 74D-6(2), conviction of any crime involving illegal drugs, assaultive behavior, or intemperate habits is *prima facie* evidence that the applicant does not have good moral character or intemperate habits.
5. Respondent Board presented evidence that Petitioner had demonstrated intemperate habits and lacked good moral character through convictions in Watauga County almost 15 years ago.

6. Petitioner presented sufficient evidence to explain the factual basis for the charges, the change or turnaround in his life, and his good character through numerous letters from family, friends and co-workers and has therefore rebutted the presumption.

Based on the foregoing, the undersigned makes the following:

PROPOSED FINAL DECISION

Based upon the foregoing Findings of Fact and Conclusions of Law, the undersigned hereby recommends that Petitioner be issued an alarm business license.

NOTICE AND ORDER

The North Carolina Alarm Systems Licensing Board will make the Final Decision in this contested case. As the Final Decision maker, that agency is required to give each party an opportunity to file exceptions to this proposal for decision, to submit proposed findings of fact, and to present oral and written arguments to the agency pursuant to N.C. Gen. Stat. § 150B-40(e).

The undersigned hereby orders that agency serve a copy of its Final Agency Decision in this case on the Office of Administrative Hearings, 6714 Mail Service Center, Raleigh, N.C. 27699-6714.

This the ____ day of October, 2024.

Honorable Lawrence R. Duke
Administrative Law Judge

Submitted this the _____ day of October, 2024.

BAILEY & DIXON, LLP

By: _____

Jeffrey P. Gray

Attorney for Respondent

P.O. Box 1351

Raleigh, NC 27602-1351

Telephone: (919) 828-0731

Fax: (919) 828-6592

CERTIFICATE OF SERVICE

I, Jeffrey P. Gray, hereby certify that I have served a copy of the foregoing Proposed Final Decision was served upon the Petitioner in this action by depositing a copy of Proposed Final Decision in the United States mail, postal prepaid, and addressed as follows:

Jake Carlton Engle
Engle IT, LLC
383 New River Heights Road
Boone, NC 28607

This the _____ day of October, 2024.

Jeffrey P. Gray
Bailey & Dixon, LLP
P.O. Box 1351
Raleigh, North Carolina 27602
(919) 828-0731 – telephone
(919) 828-6592 – facsimile

STATE OF NORTH CAROLINA
COUNTY OF WAKE

IN THE OFFICE OF
ADMINISTRATIVE HEARINGS
24 DOJ 02938

JAKE CARLTON ENGLE,)
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Petitioner,)
v.)
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N.C. ALARM SYSTEMS LICENSING BOARD,)
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Respondent.)
_____)

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14. Other than the almost 15 year old criminal convictions, Respondent Board presented no evidence to rebut the presumption.
15. G.S. § 74D-2(d)(2) requires "good moral character and temperate habits" for an applicant to qualify for licensure. Petitioner's past convictions are *prima facie* evidence that Petitioner does not have good moral character or temperate habits. However, *prima facie* evidence of a fact permits the presumption that the evidence is sufficient to establish the fact unless disproved or rebutted. In this case, Petitioner put on sufficient evidence to rebut this presumption when he showed his achievements and evidence of good character throughout his registration with the Alarm Systems Licensing Board. Therefore, Petitioner should be granted the license for which he is currently applying.

CONCLUSIONS OF LAW

The parties properly are before the Office of Administrative Hearings.

2. Under G.S. § 74D-6, Respondent Board may refuse to grant an alarm business license registration if it is determined that the applicant has demonstrated intemperate habits or lacks good moral character.
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6. Petitioner presented sufficient evidence to explain the factual basis for the charges, the change or turnaround in his life, and his good character through numerous letters from family, friends and co-workers and has therefore rebutted the presumption.

Based on the foregoing, the undersigned makes the following:

PROPOSED FINAL DECISION

Based upon the foregoing Findings of Fact and Conclusions of Law, the undersigned hereby recommends that Petitioner be issued an alarm business license.

NOTICE AND ORDER

The North Carolina Alarm Systems Licensing Board will make the Final Decision in this contested case. As the Final Decision maker, that agency is required to give each party an opportunity to file exceptions to this proposal for decision, to submit proposed findings of fact, and to present oral and written arguments to the agency pursuant to N.C. Gen. Stat. § 150B-40(e).

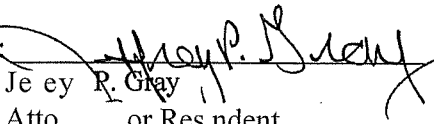
The undersigned hereby orders that agency serve a copy of its Final Agency Decision in this case on the Office of Administrative Hearings, 6714 Mail Service Center, Raleigh, N.C. 27699-6714.

This the _____ day of October, 2024.

Honorable Lawrence R. Duke
Administrative Law Judge

Submitted this the Z* day of October, 2024.

BAILEY & DIXON, LLP

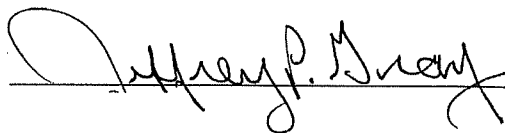
By: 
Jeffrey R. Gray
Attorney or Resident
P.O. Box 351
Raleigh, NC 27602-1351
Telephone: (919) 828-0731
Fax: (919) 828-6592

CERTIFICATE OF SERVICE

I, Jeffrey P. Gray, hereby certify that I have served a copy of the foregoing Proposed Final Decision was served upon the Petitioner in this action by depositing a copy of Proposed Final Decision in the United States mail, postal prepaid, and addressed as follows:

Jake Carlton Engle
Engle IT, LLC
383 New River Heights Road
Boone, NC 28607

This the k\,*day of October, 2024.

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Jeffrey P. Gray
Bail & I ixon, LLP
P.O. 351
Raleigh, North Carolina 27602
(919) 828-0731 — telephone
(919) 828-6592 - facsimile

STATE OF NORTH CAROLINA
COUNTY OF WAKE

IN THE OFFICE OF
ADMINISTRATIVE HEARINGS
24 DOJ 02938

JAKE CARLTON ENGLE,

Petitioner,

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CONCLUSIONS OF LAW

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Based on the foregoing, the undersigned makes the following:

PROPOSED FINAL DECISION

Based upon the foregoing Findings of Fact and Conclusions of Law, the undersigned hereby recommends that Petitioner be issued an alarm business license.

NOTICE AND ORDER

The North Carolina Alarm Systems Licensing Board will make the Final Decision in this contested case. As the Final Decision maker, that agency is required to give each party an opportunity to file exceptions to this proposal for decision, to submit proposed findings of fact, and to present oral and written arguments to the agency pursuant to N.C. Gen. Stat. § 150B-40(e).

The undersigned hereby orders that agency serve a copy of its Final Agency Decision in this case on the Office of Administrative Hearings, 6714 Mail Service Center, Raleigh, N.C. 27699-6714.

This the ____ day of October, 2024.

Honorable Lawrence R. Duke
Administrative Law Judge

STATE OF NORTH CAROLINA
COUNTY OF WATAUGA

IN THE OFFICE OF
ADMINISTRATIVE HEARINGS
24 DOJ 02938

Jake Carlton Engle Petitioner, v. NC Alarm Systems Licensing Board Respondent.	PROPOSAL FOR DECISION
----------------------------------------------------------------------------------------------------	------------------------------

This matter comes on for consideration following a hearing which took place on August 27, 2024, before the Undersigned in Raleigh, North Carolina.

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Petitioner appeared *pro se*.

Respondent was represented by attorney Jeffrey P. Gray, Bailey & Dixon, LLP, P.O. Box 1351, Raleigh, North Carolina 27602.

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Based on the foregoing, the undersigned makes the following:

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The North Carolina Alarm Systems Licensing Board will make the Final Decision in this contested case. As the Final Decision maker, that agency is required to give each party an opportunity to file exceptions to this proposal for decision, to submit proposed findings of fact, and to present oral and written arguments to the agency pursuant to N.C. Gen. Stat. § 150B-40(e).

The undersigned hereby orders that agency serve a copy of its Final Agency Decision in this case on the Office of Administrative Hearings, 6714 Mail Service Center, Raleigh, N.C. 27699-6714.

SO ORDERED, the 24th day of October, 2024.

A handwritten signature in cursive script, reading "Lawrence R. Duke", is written over a solid horizontal line.

Lawrence R. Duke
Administrative Law Judge

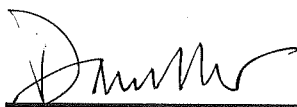
CERTIFICATE OF SERVICE

The undersigned certifies that, on the date shown below, the Office of Administrative Hearings sent the foregoing document to the persons named below at the addresses shown below, by electronic service as defined in 26 N.C. Admin. Code 03 .0501(4), or by placing a copy thereof, enclosed in a wrapper addressed to the person to be served, into the custody of the North Carolina Mail Service Center which will subsequently place the foregoing document into an official depository of the United States Postal Service.

Jake Carlton Engle
383 New River Heights Road
Boone NC 28607
Petitioner

Jeffrey P Gray
Bailey & Dixon, LLP
jgray@bdixon.com
Attorney For Respondent

This the 24th day of October, 2024.

A handwritten signature in black ink, appearing to read 'D. Chunko', is written over a solid horizontal line.

Daniel Chunko
Law Clerk
N. C. Office of Administrative Hearings
1711 New Hope Church Road
Raleigh, NC 27609-6285
Phone: 984-236-1850