

**MINUTES
OF THE
NORTH CAROLINA ALARM SYSTEMS LICENSING BOARD**

DATE: May 23, 2019
TIME: 9:00 A.M.
PLACE: Holiday Inn Raleigh North
Raleigh, North Carolina
SUBMITTED BY: Brian Jones
Director

MEMBERS PRESENT:
Ralph Gregory
Larry Proctor
Courtney Brown
Jim Crabtree
Wayne Woodard

MEMBERS ABSENT
Stephen Wheeler

STAFF PRESENT:
Director Brian Jones
Board Secretary Cynthia Anthony
Attorney Jeff Gray
Field Services Supervisor Kim Odom
Investigator Andrew Martino
Investigator Ray Bullard

VISITORS

Christopher Nobling
Charles K. Hatcher
Ralph Gregory
Jason Lindquist
John Sorrell
Stephen Surles
Travis Bennett
Matt Carmichael
Darryl Bray
David Sperber
James Williamson
Duncan Hubbard

Chuck Olsen
Raphael Allen
Anita Surratt
Carolyn Mack
Jim Brady
Eric Meyers
Mike Melzer
Ken Henke
Dorian Dehnel
Timothy Mangum
Kirk Metzalf Jr.

The May 23, 2019 meeting of the North Carolina Alarm Systems Licensing Board was called to order by Chairman Gregory at 9:00 a.m.

In accordance with the State Ethics Law, Attorney Gray read the following information: "It is the duty of every Board member to avoid both conflicts of interest and appearances 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 and refrain from the deliberation and vote in that matter."

Chairman Gregory welcomed all guests.

JIM CRABTREE MADE A MOTION TO APPROVE THE MARCH 14, 2019 BOARD MEETING MINUTES. SECONDED BY LARRY PROCTOR. MOTION CARRIED.

Ralph Gregory presented the Grievance Committee report. Mr. Gregory and Larry Proctor met as the Grievance Committee on May 22, 2019 from 9:00 a.m. to 10:24 a.m. and heard a total of five cases.

COURTNEY BROWN MADE A MOTION TO APPROVE THE GRIEVANCE COMMITTEE REPORT AS PRESENTED. SECONDED BY JIM CRABTREE. MOTION CARRIED.

Wayne Woodard presented the Screening Committee report. Mr. Woodard served as chair of the Screening Committee. It was noted that Courtney Brown recused himself from his own matter and Jack Davis's matter before the Screening Committee.

LARRY PROCTOR MADE A MOTION TO APPROVE COURTNEY BROWN AND JACK DAVIS ON THE SCREENING REPORT. SECONDED BY JIM CRABTREE. MOTION CARRIED. IT WAS NOTED THAT COURTNEY BROWN RECUSED HIMSELF FROM VOTING IN THESE TWO MATTERS.

COURTNEY BROWN MADE A MOTION TO APPROVE THE SCREENING REPORT AS PRESENTED EXCEPT COURTNEY BROWN'S AND JACK DAVIS'S MATTERS. SECONDED BY LARRY PROCTOR. MOTION CARRIED.

FINAL AGENCY DECISIONS

18 DOJ 07523 –Matthew Wayne Carmichael- This contested case was heard before Administrative Law Judge Stacey Bice Bawtinheimer on February 26, 2019 in Raleigh, North Carolina. The issue was whether or not grounds exist to deny an alarm registration for Mr. Carmichael for lack of good moral character and temperate habits as evidenced by a conviction of felony attempted trafficking marijuana by manufacturing in Randolph County, North Carolina. Mr. Carmichael was present.

JIM CRABTREE MADE A MOTION TO DEFER THIS MATTER TO THE JULY 18, 2019 BOARD MEETING TO ALLOW AN OPPORTUNITY FOR HIS EMPLOYER TO

**ATTEND AND ANSWER QUESTIONS. SECONDED BY COURTNEY BROWN.
MOTION CARRIED.**

SPECIAL REPORTS AND PRESENTATIONS

Jim Crabtree presented the continuing education report.

1. How to Drive Performance with the Sales Team and Weed Out Underperformers - the Committee recommends **denial** because there was no description given.
2. Top 3 Ways to Grow Your Video RMR- the Committee recommends approval for one CEU for this course. **It is approved for one day only (June 5, 2019).**
3. CounterPoint-Is Good Enough the New Perfection for Protection? - the Committee recommends approval for one CEU for this course. **It is approved for one day only (June 4, 2019).**
4. Why Building an Innovative Culture is good for Business – the Committee recommends **denial** because it is for personal emergency response system (PERS).
5. Beyond Physical Security -What you need to know in Consumer Privacy & Data Risk- the Committee recommends **denial** because there was no description given.
6. Essential Questions to Ask before Selecting Next-Gen Products and Services - the Committee recommends **denial** because there was no description given.
7. CounterPoint -False Alarm Dispatches- A real Threat or a Nuisance to the industry? - the Committee recommends approval for one CEU for this course. **It is approved for one day only (June 5, 2019).**
8. Not in My House: Upselling Before Customers Flip with Upgraded Tech - the Committee recommends **denial** because there was no description given.
9. Sales vs Operations: 6 Ways to turn Conflict into Collaboration - the Committee recommends **denial** because there was not enough information given.
10. 5 Faster, Smarter Ways to Improve Cash Flow - the Committee recommends **denial** because there was not enough information given.
11. Installation Performance-On Time, On Budget, On Par for Quality - the Committee recommends **denial** because there was not enough information given.
12. Onboarding Customers-Creating Amazing Experiences that Drive Referrals - the Committee recommends **denial** because there was not enough information given.
13. How to Manage the Word on the Street: Online Reputations, Good and Bad - the Committee recommends **denial** because there was not enough information given.
14. Maximize New Employees- Why Onboarding is Critical to Their Success - the Committee recommends **denial** because there was not enough information given.
15. Data that Drives a Personalized Customer Experience - the Committee recommends **denial** because there was not enough information given.
16. The Future of Cellar-Promise, Perils, Promotion - the Committee recommends **denial** because there was not enough information given.
17. 5 Proven Ways to Reduce Service Truck Rolls - the Committee recommends **denial** because there was not enough information given.
18. Shhh...How Listening to Employees Can Have a MAJOR Impact on Customer Retention - the Committee recommends **denial** because there was not enough information given.

19. 7 Ideas to Beat Low-Cost Providers - the Committee recommends **denial** because there was not enough information given.
20. Successfully Launching New Products with Existing Customers and New Markets - the Committee recommends **denial** because there was not enough information given.
21. 5 Hot Markets for Video Surveillance - the Committee recommends approval for one CEU for this course.
22. 7 Powerful Ways to Market Your Business on a Limited Budget - the Committee recommends **denial** because there was not enough information given.
23. Advances in Fire Alarm Technology - What Does the Future Hold? - the Committee recommends **denial** because it is for fire alarms.
24. A Smarter Home Opportunity: How to Make Money in Home Automation - the Committee recommends **denial** because there was not enough information given.
25. Industry Perspective: Update and Analysis - the Committee recommends approval for one CEU for this course.
26. TredNet Make the Right Choice Network Switches for IP Security Applications- the Committee recommends approval for one CEU for this course.
27. Understanding the 2017 NEC for the Low Voltage Contractor Part 1 (online) - the Committee recommends approval for four CEUs for this course.
28. Understanding the 2017 NEC for the Low Voltage Contractor Part 2 (online) - the Committee recommends approval for four CEUs for this course.
29. Understanding the 2017 NEC for the Low Voltage Contractor Part 1 (classroom) - the Committee recommends approval for four CEUs for this course.
30. Understanding the 2017 NEC for the Low Voltage Contractor Part 2 (classroom) - the Committee recommends approval for four CEUs for this course.
31. 21st Century Communications from POTS to MFVN (online) - the Committee recommends approval for two CEUs for this course.
32. 21st Century Communications from POTS to MFVN (classroom) - the Committee recommends approval for two CEUs for this course.
33. NFPA 70 Camera Course - the Committee recommends **denial** because it is only open to Comcast employees.
34. Xfinity Home Panel Swap & Upgrade Training - the Committee recommends **denial** because it is only open to Comcast employees.
35. Xfinity Greenfield Course - the Committee recommends **denial** because it is only open to Comcast employees.
36. Panel Replacement Module (PRM) Course –online - the Committee recommends denial because it is only open to Comcast employees.
37. Panel Replacement Module (PRM) Course - the Committee recommends **denial** because it is only open to Comcast employees.
38. Security and Communication with Intercom- the Committee recommends approval for one CEU for this course.
39. Honeywell Fire: Growth Through New Technology - the Committee recommends **denial** because it is for fire alarms.
40. Selling Intrusion into Commercial Applications- the Committee recommends approval for one CEU for this course.
41. Designing Home Automation Solutions- the Committee recommends approval for one CEU for this course.

42. Designing Customized Access Control Solutions- the Committee recommends approval for one CEU for this course.

WAYNE WOODARD MADE A MOTION TO APPROVE THE CONTINUING EDUCATION REPORT AS PRESENTED. SECONDED BY COURTNEY BROWN. MOTION CARRIED.

OLD BUSINESS

None.

NEW BUSINESS

Chairman Gregory suggested the Board instruct staff to conduct a registration compliance audit on KNC Technologies, LLC for first quarter of 2019.

JIM CRABTREE MADE A MOTION TO INSTRUCT STAFF TO PERFORM AN AUDIT ON KNC TECHNOLOGIES, LLC. SECONDED BY LARRY PROCTOR. MOTION CARRIED.

DIRECTOR'S REPORT

Mr. Brian Jones presented the report and advised that the Board's fund balance was \$573,008.96 as of April 30, 2019. The Education Fund balance was \$65,934.25. As of April 30, 2019, the Board had 1,004 licensees and 9,938 registrants.

Mr. Jones stated they were in the process of reviewing applications for the investigator's position in Greensboro, North Carolina. He stated the processing assistant vacancy had been posted and that he had reduced the number of temporary employees to one.

Mr. Jones reported the Registration Unit had made tremendous progress addressing the backlog and as of May 21, 2019, the employees had processed alarm registration applications submitted through April 29, 2019.

Mr. Jones reported that Permittium had completed the document archive project at a total cost of \$25,628.16 and the Alarm Systems Licensing Board's share was 25% of the total cost.

Mr. Jones stated the Department of Public Safety conducts annual reviews of Private Protective Service's fiscal policies and procedures. The auditor began conducting this year's review at the PPS office on February 26, 2019 and concluded on March 6, 2019. The audit noted no findings.

Mr. Jones reported Permittium was completed the final stages of development. Permittium representatives planned to meet with staff in early June to provide an overview of progress and discuss any pending issues that need to be resolved.

Mr. Jones stated that he was working with the Purchasing and Logistics Office to renew the contract with Permittium, which expires in July.

Mr. Jones announced pursuant to NCGS 74D-2.1, the Board may designate a reporting service to provide criminal record reports. The Board's contract with the current provider recently expired. A request for proposals was posted on May 13, 2019.

Mr. Jones announced that the Alarm Systems Licensing Board would accept grant applications from March 15, 2019 until 5:00 p.m. on May 24, 2019. The guidelines and application can be located on the ASLB website.

JIM CRABTREE MADE A MOTION TO ACCEPT THE DIRECTOR'S REPORT AS PRESENTED. SECONDED BY COURTNEY BROWN. MOTION CARRIED.

Mr. Gregory suggested Director Brian Jones and Attorney Jeff Gray attend the upcoming International Association of Security and Investigative Regulators (IASIR) conference in Baltimore, Maryland.

COURTNEY BROWN MADE A MOTION THAT DIRECTOR BRIAN JONES AND ATTORNEY JEFF GRAY ATTEND THE UPCOMING INTERNATIONAL ASSOCIATION OF SECURITY AND INVESTIGATIVE REGULATORS (IASIR) CONFERENCE IN BALTIMORE, MARYLAND. SECONDED BY JIM CRABTREE. MOTION CARRIED.

ATTORNEY'S REPORT

I. CONSENT AGREEMENTS & CIVIL PENALTIES

On March 13, 2019 Casey Lynn Perkins/Edge Home Security entered into a Consent Agreement with the Board in the amount of \$183.60 for one registration violation. The Agreement was signed by the Q/A on April 18, 2019. Payment has been received (PAID IN FULL).

On March 13, 2019 Eric Tutton/i-Tech Security and Network Solutions entered into a Consent Agreement with the Board in the amount of \$5,875.20 for registration violations. The temporary agreement was signed by the Q/A on March 13, 2019. Payment has not been received.

On March 13, 2019 Daniel Sanderoff/Datawatch Systems Inc. (SCREENING) entered into a Consent Agreement with the Board in the amount of \$ 1,530.00 for unlicensed activity. The Agreement was signed by the Q/A on April 11, 2019. Payment has been received (PAID IN FULL).

On March 13, 2019 Scott Stallcup/Guardian Protection Services Inc. (SCREENING) entered into a Consent Agreement with the Board in the amount of \$127.50 for unlicensed activity. The Agreement was signed by the Q/A on May 7, 2019. Payment has been received (PAID IN FULL).

On March 13, 2019 Kerry Steven Wicks Jr./Jtek Customs of North Carolina LLC (SCREENING) entered into a Consent Agreement with the Board in the amount of \$2,295.00 for unlicensed activity. The Agreement was signed by the Q/A on April 19, 2019. Payment has been received (PAID IN FULL).

II. OFFICE OF ADMINISTRATIVE HEARINGS

The hearings list is attached to the Attorney's Report

III. RULES

- a. At its November 15, 2018 meeting the Board voted to amend 14B NCAC 17 .0203 to increase the license fee from \$375.00 to the statutory maximum of \$500.00. The Notice of Text was filed December 11, 2018 and the Public Hearing for this rule change was January 30, 2019 at 2:00 p.m. at the Board's office. There was no public comment. The public comment period ended March 18, 2019.

A copy of this rule amendment is attached as Attachment 2 to the Attorney's Report for the Board to review and approval. A vote to approve it today is in order.

- b. As previously mentioned to the Board during its creation and implementation, the new Permittum on-line licensing and registration system require changes to the corresponding sections of the Board's administrative rules. With the assistance of Registration Supervisor Shannon Thongkheuang and Licensing Supervisor Cynthia Anthony, Mr. Gray prepared draft rules for the necessary changes and amendments for the Board's review and approval. They were attached as Attachment 2 to Mr. Gray's January 17, 2019 Attorney's Report and approved by the Board. The Notice of Text was filed February 15, 2019 and the Public Hearing for these rule changes was March 5, 2019 at 2:00 p.m. at the Board's office. There was no public comment. The comment period ended April 16, 2019.

A copy of these rule amendments is attached as Attachment 3 to the Attorney's Report for the Board to review and approval. A vote to approve them is in order today.

IV. LEGISLATION

- a. A new proposed bill rewriting Chapter 74D was approved at the Board's November 15, 2018 meeting. An electronic version was forwarded to the Legislative Liaisons for the Department of Public Safety. At the last Board

meeting Mr. Gray reported it was awaiting sponsors and introduction in hopefully both the House and Senate; it was never introduced in either prior to the deadline.

- b. The “cross-over deadline” is an arbitrary date set by the General Assemble by which certain bills must have passed one chamber or the other in order to continue to be eligible for consideration. Some bills, however, are exempt from the deadline such as bills containing fees or other revenue provisions.

Prior to the cross-over deadline, Mr. Gray was following eight bills that, if passed, could have a potential impact on the Board. Now, only four remain (but that does not mean the language from any of the other four won't appear in some other bill.) The remaining four are:

- 1) Senate Bill 478, “Removal Power/Modifying Reporting,” would allow the Governor to remove individuals from boards and commissions for malfeasance and/or nonfeasance regardless of the individual's appointment or authority. It would also require reporting of “gender-proportionate appointments” to more than just regulatory bodies as currently required, and require it for “public bodies” including certain units of local government. This gender-proportionate reporting previously existed in the statute, and the report has to be made by the appointing authority (e.g. the Governor, the House Speaker, etc.). This bill was amended in committee to require that the report be made by the board or commission. It passed the Senate and was referred to the House Rules Committee on May 2, 2019. A copy is attached as Attachment 4 of the Attorney's Report.

- 2) House Bill 770, “Freedom to Work,” was introduced on “tax day,” April 15th. This bill amends N.C. Gen. Stat. § 15A-173.2(d) to require rather than permit an administrative agency, governmental official, or civil court to consider a certificate of relief (i.e. pardon, expungement, etc.) favorably in determining whether a conviction should result in disqualification.

It amends N.C. Gen. Stat. § 93B-8.1 to prohibit an occupational licensing board from automatically denying licensure on the basis of an applicant's criminal history unless federal law governing a particular occupation provides otherwise (was “unless the law governing a particular occupational licensing board”). If passed it will provide that if a board is authorized to deny a license on the basis of a verified conviction of any crime (was also for “commission of a crime involving moral turpitude”), the board is permitted to deny the license if it finds by clear and convincing evidence that the applicant's criminal history is directly related to the duties and responsibilities for the licensed occupation (previously, no burden of proof was specified nor was the board required to directly link the applicant's criminal history to the occupation for denial). It maintains the eight factors a licensing authority must consider in making its determination. Adds that a certificate of relief must be considered favorably by the board.

It also adds a new procedure for applicants to petition a board at any time for a determination of whether the individual's criminal history will disqualify the individual from obtaining a license. It requires the board to make a determination pursuant to the standard parameters it would in reviewing an application and

notify the individual of the determination within 30 days of receipt of the petition and allows the board to charge of fee of no more than \$25.00 per petition. It mandates that the board notify an individual of a denied petition and include the grounds for the board's reasoning, that the individual has a right to contest the decision, the earliest date the individual can reapply for a license, and further evidence of rehabilitation that will be considered upon reapplication, and specifies that a determination of eligibility upon a petition is binding if an applicant fulfills all other requirements for the occupational license and the applicant's criminal history record is accurate and remains unchanged at the time of application for licensure.

Further, it enacts new N.C. Gen. Stat. § 93B-8.6 to require a licensing board to grant licensure to an applicant who has completed an apprenticeship approved by the State or federal Department of Labor or otherwise permitted by law, and who passed an examination, if necessary. (Since the Board does not have an "apprenticeship" -- and the PIA process does not meet this definition -- Mr. Gray did not elaborate on this section.)

If passed, the bill would apply to certificates of relief granted or applications for licensure submitted on or after October 1, 2019. It passed the House and was referred to the Senate Rules Committee on May 6th. A copy is attached as Attachment 5 to the Attorney's Report.

3) House Bill 902, "Military-Trained/Spouse Licensure Practices," was introduced on April 16, 2019. This bill would require the Program Evaluation Division of the General Assembly to study whether the past changes the law implemented by licensing boards and commissions have improved the ability of military-trained applicants and military spouses to become licensed by occupational licensing boards. The PED's study is due to the Joint Legislative Oversight Committee on General Government and to the Department of Military and Veterans Affairs by February 1, 2020. (No copy attached.)

4) Senate Bill 760, "Criminal Law Reform," was introduced on April 4th and the majority of its provisions are aimed at local government ordinances that have criminal penalties. However, it has two provisions that could affect the Board.

First, an applicant could basically request "preclearance" and ask for a determination as to whether criminal charges would bar licensure, registration or certification. The original version would have allowed a board to charge a fee for such a preclearance, but the bill was amended in committee to remove the fee.

The second provision would subject any new administrative rule that could result in a criminal penalty to be reviewed by the legislature prior to adoption.

This bill passed the Senate and was referred to the House Rules Committee on May 9th. A copy is attached as Attachment 6 of the Attorney's Report.

The four bills that did not meet the crossover deadline were Senate Bill 305, "OLB Reform." Senate Bill 473, "Various OLB and Administrative Law Changes," House Bill 484, "Verification of Immigration Status," and House Bill 590, "Amend Administrative Procedures Act."

COURTNEY BROWN MADE A MOTION TO ACCEPT ADMINISTRATIVE RULE AMENDMENTS AND CHANGES AS PRESENTED IN ATTACHMENT 2 AND ATTACHMENT 3 OF THE ATTORNEY'S REPORT. SECONDED BY LARRY PROCTOR. MOTION CARRIED.

JIM CRABTREE MADE A MOTION TO ACCEPT THE ATTORNEY'S REPORT AS PRESENTED. SECONDED BY LARRY PROCTOR. MOTION CARRIED.

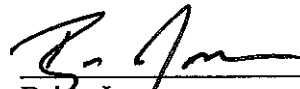
GOOD OF THE ORDER.

Ralph Gregory stated that his tenure ends on June 30, 2019. He thanked staff, the Board and Attorney Gray for their support and he stated that it has been his honor to serve for the past six years. Wayne Woodard, Courtney Brown, Larry Proctor, Jim Crabtree and Brian Jones thanked him for his service, commitment and leadership.

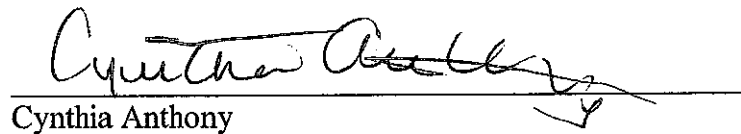
Duncan Hubbard commentated on Permittium and stated the speed of a new application being approved is very fast. He thanked the Board for listening to the concerns of the industry.

JIM CRABTREE MADE A MOTION TO ADJOURN. SECONDED BY LARRY PROCTOR. MOTION CARRIED.

Meeting Adjourned: 10:28 a.m.



Brian Jones
Director



Cynthia Anthony
Reporter