

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

DATE: November 21, 2019
TIME: 9:00 A.M.
PLACE: Hampton Inn & Suites
Raleigh, North Carolina
SUBMITTED BY: Brian Jones
Director

MEMBERS PRESENT:
Wayne Woodard
Courtney Brown Jr.
Jim Crabtree
Stephen Wheeler
Mack Donaldson

MEMBERS ABSENT:
Larry Proctor

STAFF PRESENT:
Director Brian Jones
Deputy Director Phillip Stephenson
Deputy Director Paul Sherwin
Board Secretary Cynthia Anthony
Attorney Jeff Gray
Field Services Supervisor Kim Odom
Investigator Ray Bullard

VISITORS:

William B. Miller
Michael A Bullock
Kyle R Whitley
Dawn High
Lisa Hylan
Steve High
William C. Moore
Deanne Wheeler
Barry Piner
Larry Pringle

Kurt Becker
Jennifer Baratta
Darryl Bray
Anita Surratt
John Wilson
Brent Sullivan
Brian Creede
Dorian Dehnel
Duncan Hubbard
Ken Henke

The November 21, 2019 meeting of the North Carolina Alarm Systems Licensing Board was called to order by Chairman Woodard 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 Woodard welcomed all guests.

Director Jones announced that Phil Stephenson was retiring, thanked him for his service and introduced the new deputy director, Paul Sherwin.

Chairman Woodard thanked Mr. Stephenson for his service and welcomed Mr. Sherwin.

COURTNEY BROWN MADE A MOTION TO APPROVE THE SEPTEMBER 19, 2019 BOARD MEETING MINUTES. SECONDED BY JIM CRABTREE. MOTION CARRIED.

Mack Donaldson presented the Grievance Committee report. Mack Donaldson and Larry Proctor met as the Grievance Committee on November 20, 2019 from 9:00 a.m. to 10:10 a.m. and heard a total of five cases.

Mack Donaldson commented on the industry and the Committee’s frustration related to unlicensed activity and the Board’s ability to effectively deal with complaints of unlicensed activity. He reiterated the desire that the Screening Committee very carefully review applications when there has been evidence of unlicensed activity.

Chairman Woodard stated that if there was a company that continues to work without properly being licensed, the Board can direct Attorney Jeff Gray to seek an injunction. Mr. Woodard stated that the Board will continue to proactively address violations.

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

Courtney Brown presented the Screening Committee report. Mr. Brown served as chair of the Screening Committee and they met on November 20, 2019 from 1:30 p.m. to 3:07 p.m. to review a total of twelve applications.

Jim Crabtree reminded industry stakeholders that the new online system still did not have the capability to distribute renewal reminders.

Courtney Brown announced that the Screening Committee received a request from the Alarm Academy for a Level 1 course approval. He stated the course mirrors closely to the National Burglar and Fire Alarm Association "Certified Alarm Technician Level I" course and explained that the Committee would be considering the request to approve the course.

JIM CRABTREE MADE A MOTION TO APPROVE THE SCREENING COMMITTEE REPORT AS PRESENTED. SECONDED BY MACK DONALDSON. MOTION CARRIED.

FINAL AGENCY DECISIONS

None.

SPECIAL REPORTS AND PRESENTATIONS

Stephen Wheeler presented the continuing education report.

1. Set Up Your Business for Success: The Committee recommended approval for two CEU's for this course.
2. Set Up Your Business for Success (online): The Committee recommended approval for two CEU's for this course.

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

OLD BUSINESS

None.

NEW BUSINESS

Director Jones explained the registration application process as related to how staff members use criminal histories. He reminded the Board that it had adopted a policy that utilizes thresholds, which considers timing and severity of convictions to determine registration eligibility. Based in large part to concerns related to collateral consequences of criminal convictions, he suggested that the Board consider increasing the thresholds for Class 1 and Class 2 misdemeanors. The proposed changes are attached to the minutes for reference.

MACK DONALDSON MADE A MOTION TO APPROVE CHANGES TO THE CRIMES MANUAL AS PRESENTED BY DIRECTOR JONES. SECONDED BY COURTNEY BROWN. MOTION CARRIED.

Director Jones recommended adding a disclaimer to the consent orders that the new qualifying agent (QA) is not responsible for the violations of the previous QA. He suggested adopting a

policy that allows staff to insert an acknowledgement that the new QA is not responsible for the violations of the previous QA.

MACK DONALDSON MADE A MOTION TO ADOPT THE POLICY THAT ALLOWS STAFF TO ADD THE ACKNOWLEDGEMENT TO THE CONSENT ORDERS THAT THE NEW QA IS NOT RESPONSIBLE FOR THE VIOLATIONS MADE BY THE PRIOR QA. SECONDED BY COURTNEY BROWN. MOTION CARRIED.

The Board discussed violations that resulted from the actions of a previous QA. More specifically, the Board discussed requiring the previous QA and any registrants responsible for the violation to attend any related Grievance Committee matter, even if they are no longer serving at the company in question.

JIM CRABTREE MADE A MOTION TO REQUIRE THE PREVIOUS QA AND ANY RELEVANT REGISTRANTS RESPONSIBLE FOR ANY VIOLATIONS TO ATTEND THE GRIEVANCE COMMITTEE HEARING. SECONDED BY COURTNEY BROWN. MOTION CARRIED.

DIRECTOR'S REPORT

Director Jones presented the report and advised that the Board's fund balance was \$611,980.29 as of October 31, 2019. The Education Fund balance was \$63,695.57. As of October 31, 2019, the Board had 1,021 licensees and 7,458 registrants.

Director Jones announced that after a thorough search process, Paul Sherwin was selected as the new deputy director effective November 12, 2019. Mr. Sherwin served as a captain in the U.S. Army and Oregon Army National Guard. He also served as a deputy sheriff for the Washington County, Oregon and Durham County, North Carolina Sheriff's Offices. In Durham, he served as the agency's first full-time public information officer. Additionally, Mr. Sherwin served as a special agent for Norfolk Southern Corporation. Most recently, he worked as a security & operational resilience specialist for DHL Global Forwarding, where he managed all facility-level security programs, to include compliance with TSA and U.S. Customs regulations. Mr. Sherwin received a bachelor's degree in journalism from the University of Oregon and a master's degree in business administration from Queens University of Charlotte.

Director Jones reported that staff members were reviewing applications for the administrative specialist vacancy in the Private Protective Services Board's licensing section.

Director Jones announced that Sheila Stokes began employment as an administrative specialist in the registration section on October 21, 2019.

Director Jones reported as of November 18, 2019, employees had processed alarm registration applications submitted through October 21, 2019.

Director Jones reported that Permutium had completed the complaint development. Accordingly, the capability to submit online complaints related to conduct governed by the Board has been posted on the Board's website. Additionally, Permutium released the licensee search tool, which was available on the agency's website.

Director Jones stated that he attended the 2019 Conference of the International Association of Security & Investigative Regulators (IASIR) in Baltimore from October 29-31. He stated the conference focused on planning for and reacting to emerging trends. During the conference, he was appointed as the legal adviser for IASIR.

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

ATTORNEY'S REPORT

CONSENT AGREEMENTS & CIVIL PENALTIES

On July 17, 2019 Mark Andrew Suhrie and Mark Suhrie Sole Proprietorship d/b/a Interactive Home Solutions entered into a Consent Agreement with the Board in the amount \$2,422.50 for registration violations. It was agreed the consent could be paid in three equal installments beginning in July 2019. The agreement was signed by the Q/A on August 14, 2019. Received all three payments. (PAID IN FULL).

On September 18, 2019 Paul Robert Reinertsen and Access Communications entered into a Consent Agreement in the amount of \$918.00 for five registration violations. The agreement was signed by the Q/A on November 1, 2019. Payment has been received (PAID IN FULL).

On September 18, 2019 Pamela Cook Neuffer and KNC Technologies, LLC entered into a Consent Agreement in the amount of \$183.60 for one registration violation. The agreement was signed by the Q/A on November 4, 2019. Payment has been received (PAID IN FULL).

On September 18, 2019 David Alan Coutts and Kingwood Security Services LLC d/b/a Suddenlink Security entered into a Consent Agreement in the amount of \$1,907.40 for nine registration violations and unlicensed activity. The agreement was signed by the Q/A on October 3, 2019. Payment has been received (PAID IN FULL).

On September 18, 2019 Darren Bret Decker and Consolidated Banking Services, Inc. entered into a Consent Agreement in the amount of \$510.00 for unlicensed activity. The agreement was signed by the Q/A on October 21, 2019. Payment has been received (PAID IN FULL).

On September 18, 2019 Daniel Charles Harris and Harris Building Innovations LLC entered into a Consent Agreement in the amount of \$510.00 for unlicensed activity. The agreement was signed by the Q/A on September 18, 2019. Payment has been received (PAID IN FULL).

On September 18, 2019 Christopher Michael Lynn and Fast Systems, LLC entered into a Consent Agreement in the amount of \$382.50 for unlicensed activity. The agreement was signed by the Q/A on October 11, 2019. Payment has been received (PAID IN FULL).

On September 18, 2019 Randall Lee Norton and Norsec Smart Systems LLC entered into a Consent Agreement in the amount of \$446.25 for unlicensed activity. The agreement was signed by the Q/A on October 7, 2019. Payment has been received (PAID IN FULL).

On September 18, 2019 Ronald Joseph Ording and Mitec Charlotte LLC entered into a Consent Agreement in the amount of \$127.50 for unlicensed activity. The agreement was signed by the Q/A on October 28, 2019. Payment has been received (PAID IN FULL).

On September 18, 2019 James Reid and JDR Services LLC entered into a Consent Agreement in the amount of \$637.50 for unlicensed activity. The agreement was signed by the Q/A on October 10, 2019. Payment has been received (PAID IN FULL).

OFFICE OF ADMINISTRATIVE HEARINGS

The hearings list is attached to the Attorney's Report.

RULES

At its September 19, 2018 meeting the Board, following a request from staff, instructed Attorney Gray to prepare amendments to the Board's administrative rules to allow an applicant for a license or registration the option to submit fingerprints electronically. The request resulted in an amendment to 14B NCAC 17 .0201 and .0301. A copy of those amendments were attached for the Board's review and approval. See, Attachment 2 of the Attorney's Report.

JIM CRABTREE MADE A MOTION TO APPROVE THE RULES DRAFT AS PRESENTED. SECONDED BY MACK DONALDSON. MOTION CARRIED.

Also, at its September 19th meeting the Board asked that Attorney Gray review allowing an entity whose license has lapsed to have its license reinstated. The only practical and legal method would be to amend the Board's administrative rules. The Private Protective Services Board has such a rule. Attorney Grey made the requested amendment by adding a Section in 14B NCAC 17 .0204. See, Attachment 3 of the Attorney's Report.

JIM CRABTREE MADE A MOTION TO ALLOW JEFF GRAY TO MAKE THE RECOMENDED CHANGES AND ADOPT IT AS IT IS WRITTEN. SECONDED BY MACK DONALDSON. MOTION CARRIED.

LEGISLATION

A new proposed bill rewriting Chapter 74D was approved at the Board's November 15, 2018 meeting. Due to circumstances unrelated to the Board, the 74D re-write bill did not meet the legislature's bill introduction deadline. However, on May 29, 2019, through a process called a "PCS," or "Proposed Committee Substitute," the re-write language was added to an existing bill, House Bill 630, which makes numerous changes and additions to the Private Protective Services Act, Chapter 74C. The new bill is now entitled, "Private Protective Services/Alarm Systems Law Changes."

Regretfully while being considered in the House Finance Committee the fee increase provisions were removed. No other changes or amendments have been made to the Board's portion of the bill.

House Bill 630 passed the House on July 8th and has been referred to the Senate Committee on Rules and Operations of the Senate for assignment to a committee (likely Judiciary.) A copy was attached to the July 18, 2019 Attorney's Report. There has been no further action on this bill.

b. Senate Bill 305, "OLB Reform," was introduced on March 19, 2019. It modifies and adds to the Chapter's definitions set out in N.C. Gen. Stat. § 93B-1 by modifying the definition of "occupational licensing board" to include any board, committee, commission, or other state agency which is established for the purpose of regulating the entry of persons into, and the conduct within (was, "and/or the conduct within"), a particular profession or occupation, which is authorized to issue licenses.

It maintains the term "does not include State agencies, staffed by full-time State employees, which as a part of their regular functions can issue licenses", but adds the term "State agency licensing board," and defines the term to include any State agency, staffed by full-time State employees, which as part of their regular functions issue licenses. It then includes a nonexclusive list of ten State agency licensing boards and the profession or occupation for which the board, agency, or officer can issue license. Interestingly, the Private Protective Services Board is included on this list of ten, but the Alarm Systems Licensing Board was not. Therefore, the Private Protective Services Board would no longer be considered an "occupational licensing board," but instead be designated a "State agency licensing board." (and the Alarm Systems Licensing Board would remain an o.l.b.)

Additional reports would be required of o.l.b.s. Further, denial, suspension or revocation based upon "crimes involving moral turpitude" would be deleted from the

enabling statute of 34 occupational licensing boards. (It also deletes the Dental Board's "crime involving gross immorality" and the Optometry Board's "immoral conduct.") Chapter 74D does not make reference to crimes of moral turpitude. A copy was attached to the April 25th Attorney's Report. An identical bill, House Bill 910, was filed in the House on April 16th. Neither bill has seen action, however, much of SB 305 and HB 910 were an amendment to House Bill 770, below.

c. Senate Bill 473, "Various OLB and Administrative Law Changes," was introduced on April 2, 2019. This bill directs the Joint Legislative Administrative Procedure Oversight Committee (APO) to study whether the definition of "occupational licensing board" under N.C. Gen. Stat. § 93B-1 and the definition of "occupational licensing agency" under N.C. Gen. Stat. § 150B-2 should be specific lists of occupational licensing boards in order to clarify which state agencies should be considered occupational licensing boards for purposes of Chapters 93B and 150B, then directs the APO to recommend which state agencies should be included under each definition if that determination is made, and report the results of the study to the 2020 General Assembly.

It amends N.C. Gen. Stat. § 143B-426.39, requiring the State Controller to develop and prescribe a uniform format for financial statements of the annual financial audits required by each licensing board pursuant to N.C. Gen. Stat. § 93B-2(b), and requires consultation with the State Auditor and occupational licensing boards in doing so. The financial statement audit reporting format is to be used for reports submitted on or after July 1, 2020. (Note: The PPSB's financial reporting is done through the Department of Public Safety.)

The bill also changes the title of N.C. Gen. Stat. § 150B-21.5 of the Administrative Procedure Act (APA) to "Circumstances when notice and rule-making hearing not required; circumstances when submission to the Rules Review Commission is not required." It amends subsection (a) to provide that an agency is not required to publish a notice of text in the North Carolina Register, hold a public hearing, or submit the amended rule to the Rules Review Commission for review (previously, did not except submission of the amended rule to the Commission for review) when the agency proposes to amend a rule to do one of the specified purposes in subsection (a). Provides changes to a few of the specified purposes for which notice, a public hearing, and submission to the Commission for review are not required, which include (1) when the rule is amended to change information readily available to the public, such as an address, telephone number, or a web site (previously, did not include a web site) and (2) when the rule is amended to correct a typographical error (previously, correct a typographical error in the North Carolina Administrative Code). It further moves the sixth purpose excepted in subsection (a) to new subsection (a1) to provide that an agency is not required to publish a notice of text in the Register or hold a public hearing when it proposes to change the rule in response to a request or an objection by the Commission, unless the Commission determines that the change is substantial (note, not excepted from rule submission to the Commission in this circumstance). Creates new subsection (e) to

require any agency that adopts or amends a rule under subsection (a) or (c) of N.C. Gen. Stat. § 150B-21.5 to notify the Codifier of Rules of its actions and directs the Codifier of Rules to make the appropriate changes to the North Carolina Administrative Code when notified of such agency action.

It changes the title of N.C. Gen. Stat. § 150B-21.20 to “Codifier’s authority to revise rules” and amends the Codifier of Rules authority to allow the Codifier, after consulting with the agency that adopted the rule, to revise a rule (previously, revise the form of a rule submitted for inclusion in the North Carolina Administrative Code) to do one or more of the specified objectives. It adds four objectives for which the Codifier may revise a rule: (1) to substitute one name for another when an organization or position is renamed; (2) to correct a citation in the rule to another rule or law when the citation has become inaccurate because of the repeal or renumbering of the cited rule or law; (3) to change information that is readily available to the public, such as an address, a telephone number, or a web site; or (4) to correct a typographical error.

It divides existing N.C. Gen. Stat. § 150B-22, “Settlement; contested case,” into two subsections and additionally, clarifies that a party or person aggrieved cannot be required to petition an agency for rule making or to seek or obtain a declaratory ruling before commencing a contested case under N.C. Gen. Stat. § 150B-23 (provisions for commencement of a contested case), then makes conforming changes to N.C. Gen. Stat. § 150B-43, “Right to judicial review”.

It also makes changes to the APA concerning the periodic review and expiration of existing rules. (Since the Board is completing this process now, and will not have to undergo it again for 10 years, Attorney Grey will not elaborate on this section.)

The remaining portion of House Bill 473 merges the Barber Board and Cosmetology Board and adds appointees to the Massage and Body Work Therapy Board. (Since these provisions make this bill rather lengthy, a copy is not attached.)

This bill has not seen action.

d. House Bill 484, “Verification of Immigration Status,” was introduced on March 28, 2019. It would require all State agencies and licensing boards to verify the immunization status of applicants using the federal Department of Homeland Security’s Systematic Alien Verification for Entitlements, or “SAVE” system. It would require that the Board enter an agreement with Homeland Security and it would require yet another report be submitted. This bill has seen no action. (Copy not attached.)

e. House Bill 590, “Amend Administrative Procedures Laws,” was introduced on April 4, 2019. It is best described as a condensed version of SB 305, above, and authorizes certain technical corrections by the Codifier of Rules, clarifies the provision in N.C. Gen. Stat. § 150B-2(b) regarding declaratory rulings, and amends the Periodic Review of Rules process. Following an amendment in two successive committees it passed the House on May 2nd, passed the Senate on July 9th, and was signed by the Governor on July 19, 2019. (Copy not attached.)

f. 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 -- I will not elaborate on this section.)

This bill was amended in two successive committees and passed the House 112-0 on May 3rd, and after the major amendment ("Committee Substitute"), including adding almost the entirety of Senate Bill 305 reported above, passed the Senate on June 26th, and was returned to the House for concurrence where it passed on June 27th. It was signed by the Governor on July 8, 2019. The bill was effective October 1, 2019 and

applies to certificates of relief granted or applications for licensure submitted on or after that date.

A copy was attached to the August 22, 2019 Attorney's Report.

Chairman Woodard, Director Jones and Attorney Gray met with Private Protective Services Board members Steve Johnson and John Aldridge to address the requirements of this bill. A suggested motion is set out in a separate memorandum addressing this bill.

g. 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 the extent to which the provisions of Gen. Stat. § 93B-15.1 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.

This bill passed the House 114-0 on May 2nd and has been referred to the Senate Rules Committee. (No copy attached.)

h. Senate Bill 553, "Regulatory Reform Act of 2019," is a broad-ranging bill addressing a myriad of laws from the limits on public employees benefitting from government contracts (raising the cap!), to amending the plumbing code, to amending the real estate licensing law, to repealing the ban on computer monitors and TVs being dumped in landfills. One provision, however, would effect the Board.

Section 4.(a) of this bill, if passed, would require all Gen. Stat. § 93B-1 boards to study and report to the Legislative Administrative Procedures Oversight Committee by December 31, 2019 any available options for on-line continuing education. This bill passed the Senate on June 11th after a single amendment ("Committee Substitute"), but was amended numerous times in House committees and on the floor before passing the House on July 8th. Since that time it has been tied up in a joint Conference Committee. (No copy attached.)

COURTNEY BROWN MADE A MOTION THAT THE CRIMES MAUAL PREVIOUSLY ADOPTED BY THE BOARD BE RE-ADOPTED AS THE BASIS OF DENIAL OR DISCIPLINARY ACTION PURSUANT TO N.C.GEN.STAT 74D-6(3) AND 10(A)(13). SECONDED BY JIM CRABTREE. MOTION CARRIED.

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

GOOD OF THE ORDER.

The NC Electronic Security Association meeting is at 1:00 pm.

Chairman Woodard and several other board members wished Phil Stephenson well and thanked him for his service.

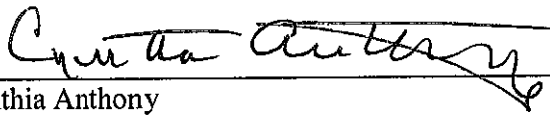
Director Jones announced the alarm registration training is at 1:00 pm

COURTNEY BROWN MADE A MOTION TO ADJOURN. SECONDED BY MACK DONALDSON. MOTION CARRIED.

Meeting Adjourned: 10:47 a.m.



Brian Jones
Director



Cynthia Anthony
Reporter