

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

DATE: July 20, 2017

TIME: 9:00 A.M.

PLACE: Comfort Suites  
7735 University City Blvd.  
Charlotte, NC 28213

SUBMITTED BY: Wayne Woodard  
Interim Director

**MEMBERS PRESENT:**

Ralph Gregory  
John Walsh  
Larry Proctor  
Courtney Brown  
John Sherbin

**MEMBERS ABSENT:**

Jack Ingle

**STATE PRESENT:**

Interim Director Wayne Woodard  
Investigator Melvin Turner  
Investigator Ronnie Broadwell  
Investigator Scott Triplett  
Investigator Lee Kelly  
Field Services Supervisor Phillip Stephenson

Board Secretary Cynthia Anthony  
Attorney Jeff Gray

**VISITORS:**

**Don Childers**  
**Roger Parks**  
**Chuck Olson**  
**Tommy Whisnant**  
**Darryl Bray**  
**George Bish**

**Patrick Armin**  
**Jeff Rumble**  
**Dorian Dehnel**  
**John Brooks**  
**Bill Moore**

The July 20, 2017 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."

Mr. Gregory welcomed all guests.

Mr. Gray opened the nominations to elect the new officers.

**MR. COURTNEY BROWN MADE A MOTION TO RE-ELECT MR. RALPH GREGORY AS CHAIRMAN. SECONDED BY MR. JOHN WALSH. MOTION CARRIED. NONE OPPOSED.**

**MR. RALPH GREGORY MADE A MOTION TO ELECT MR. JOHN SHERBIN AS VICE-CHAIRMAN. SECONDED BY MR. LARRY PROCTOR. MOTION CARRIED. NONE OPPOSED.**

**MR. COURTNEY BROWN MADE A MOTION TO ELECT MR. LARRY PROCTOR AS CHAIRMAN FOR THE EDUCATION COMMITTEE. SECONDED BY MR. JOHN SHERBIN. MOTION CARRIED. NONE OPPOSED.**

**MR. WALSH MADE A MOTION TO APPROVE THE MAY 25, 2017 BOARD MEETING MINUTES. SECONDED BY MR. SHERBIN. MOTION CARRIED.**

Mr. Gregory gave the Grievance Committee report.

**MR. SHERBIN MADE A MOTION TO APPROVE THE GRIEVANCE COMMITTEE REPORT. SECONDED BY MR. PROCTOR. MOTION CARRIED**

Mr. Sherbin gave the Screening Committee report.

**MR. BROWN MADE A MOTION TO APPROVE THE SCREENING COMMITTEE REPORT AS PRESENTED. SECONDED BY MR. WALSH. MOTION CARRIED.**

FINAL AGENCY DECISION

16 DOJ 08400 –Charles Joseph Horton- This contested case was heard before Administrative Law Judge Augustus B. Elkins II on September 27, 2016 in Raleigh, North Carolina. The issue was whether or not grounds exist to deny an alarm registration for Mr. Horton for lack of good moral character and temperate habits as evidenced by convictions of possession of marijuana/hashish (2) and careless/negligent driving. Mr. Horton **was not** present.

**MR. PROCTOR MADE A MOTION TO DENY ALARM REGISTRATION. SECONDED BY MR. JOHN WALSH. MOTION CARRIED.**

#### SPECIAL REPORTS AND PRESENTATIONS

Mr. Proctor gave the continuing education report.

1. Alarm.com Smart Thermostat Installation 201 **deferred to September 2017 meeting.**
2. Automation and Energy 201 **deferred to September 2017 meeting.**
3. Installer Tools 201 **deferred to September 2017 meeting.**
4. Interactive Services and Image Sensor 201 **deferred to September 2017 meeting.**
5. System Enhancement Module (SEM) 201 **deferred to September 2017 meeting.**
6. Video as a Service 201 **deferred to September 2017 meeting.**
7. Alarm.com Doorbell Camera 201 **deferred to September 2017 meeting.**
8. Smarter Business Solutions State of the Market 201 **deferred to September 2017 meeting.**
9. Smarter Business Solutions Product Overview 201 **deferred to September 2017 meeting.**
10. Smarter Business Solutions Growth & Productivity Services 201 **deferred to September 2017 meeting.**
11. Selling Smarter Business Solutions 201 **deferred to September 2017 meeting.**
12. Customer Refresh Your Selling Skills 201 **deferred to September 2017 meeting.**
13. Product Overview 201 **deferred to September 2017 meeting.**
14. Customer Growth & Productivity Services 201 **deferred to September 2017 meeting.**
15. Customer Engagement & Upsell 201 **deferred to September 2017 meeting.**
16. Advanced Automatic & Energy 401 **deferred to September 2017 meeting.**
17. Advanced Video as a Service 401 **deferred to September 2017 meeting.**
18. Installer Tools 301 **deferred to September 2017 meeting.**
19. Automation and Energy 301 **deferred to September 2017 meeting.**
20. Alarm.com Doorbell Camera 301 **deferred to September 2017 meeting.**
21. Video as a Service 301 **deferred to September 2017 meeting.**
22. System Enhancement Module (SEM) 201 **deferred to September 2017 meeting.**
23. Smart Thermostat Installation 201 **deferred to September 2017 meeting.**
24. Interactive Services and Alarm.com Image Sensor 301 **deferred to September 2017 meeting.**
25. Interlogix NX Series Control Panel **deferred to September 2017 meeting.**
26. Certified Alarm technician Level one- (Spanish) - the committee recommends approval for 22 CEU's for this course.

**MR. JOHN SHERBIN MADE A MOTION TO DEFER COURSES 1 THRU 25 TO SEPTEMBER 2017 BOARD MEETING AND TO ACCEPT #26, THE COURSE CERTIFIED ALARM TECHNICIAN LEVEL ONE- (SPANISH).SECONDED BY MR. COURTNEY BROWN. MOTION CARRIED.**

Mr. Brown and Mr. Proctor would like to set up a committee to look into the redevelopment of the educational process- it's purpose, it's scope and the submittal of coursework and report back to the Board by the end of the year.

**MR. JOHN SHERBIN MADE A MOTION TO ESTABLISH A COMMITTEE TO REVIEW THE EDUCATIONAL TRAINING REVIEW PROCESS. SECONDED BY MR. JOHN WALSH. MOTION CARRIED.**

UNFINISHED BUSINESS

None

OLD BUSINESS

Mr. Gregory wanted to briefly cover two items, the 74D rewrite and the educational fund process

Mr. Gregory stated that the Board is still attempting to seek sponsorship for the 74D rewrite, hopefully, it can be pushed thru in the new session which starts Aug. 3, 2017. Some of the rewrite failed because it didn't get the sponsorship it needed. The Board's desire is to have the entire rewrite and not just part of it and for it to become law.

Also, he stated the ASL Board is following the PPS Board educational fund process. The PPS Board has dropped the non-profit requirement, but has replaced it with other stipulations.

Mr. Gray stated if you are a membership only entity and receive the grant monies, the course will have to be open to all licensees.

Mr. Gray included a proposed policy, identical to the PPS Boards in his Attorney's Report.

Mr. Gregory will review the PPS process and report back to the Board.

NEW BUSINESS

Ethics liaison, Larry Proctor, stated everyone is up to date. Mr. Brown's education date is 11/22/18, Mr. Gregory is 10/10/18, Mr. Larry Proctor 11/3/18, Mr. Sherbin is 5/8/18 and Mr. John Walsh is 11/2/17. SEI-Statement of Economic Interest is due before April 15 of each year and everyone is up to date and Mr. Proctor asked everyone to print out the certificate in case he is asked for it. The ethics training is offered online.

The following are the new meeting dates for 2018.

January 17-18, 2018 - Raleigh, NC

March 21-22, 2018 - Raleigh, NC

May 23-24, 2018 - Raleigh, NC

July 18-19, 2018 - Raleigh, NC

September 19-20, 2018 - Asheville, NC

November 14-15, 2018 - Raleigh, NC

**MR. LARRY PROCTOR MADE A MOTION TO APPROVE THIS SCHEDULE. SECONDED BY MR. JOHN SHERBIN. MOTION CARRIED.**

## DIRECTOR'S REPORT

Mr. Wayne Woodard presented the written report and advised as of July 17, 2017, the Alarm Board's balance was \$715,745.70. The Education Fund balance was \$66,731.38. As of 7/17/17, the Board has 927 licensees and 7907 registrants. The fiscal year started in July 1, 2017 and official budget has not been established and have not been provided, finance is working on it. The budget revenue and expenditures are just for the month of July. Mr. Woodard will confirm the adjustment with the asterisk.

Mr. Woodard reported that there was "smoke testing" for two PPSB companies in the new Permitium system. They were able to test the entire registration process and enter in all of the information and it was a success. We are preparing for "formal pilot testing" to include a proposal for both Boards to consider and to begin testing the week of August 7, 2017.

Six to eight companies, including alarm companies, will be entering applications in the registration Permitium system. The following week it will be licensing and certification. We need large numbers to make sure the system is working.

Mr. Woodard will report back on the Permitium progress at the next board meeting

Also, there was a question concerning the financial portion of the contract, Permitium initially wanted to provide funds to both Boards once a month. After meeting with the controller's office concerning this, Permitium has agreed to establish an escrow account and they will transfer funds on a weekly basis. The controller's office indicated this was acceptable and it meets the States guidelines.

If everything is successful and works in August, we will start to schedule formal training sessions across the state. Permitium has agreed to assist with this.

There is still a lot of work to do on the licensing and investigation side. Permitium has not been paid any funds and once the process starts they will receive a \$4.00 transaction fee for each application fee, the PPS Board has expressed interest in paying the transaction fee. The ASL Board may want to cover the \$4.00 fee during the pilot testing process.

Mr. Gregory stated he would not want to vote on the charges until we have an understanding of what the impact would be.

Mr. Gregory asked for an update on the scanning project and Mr. Woodard advised it is about 80% completed.

Mr. Sherbin asked if Mr. Woodard knew one time bills/charges that will not appear on a regular basis e.g. scanning, so that it does not look like we are underfunded.

Mr. Woodard gave the staffing update. The Secretary's office is still in the process of finding a Director and Deputy Director, these positions are still vacant. The lead worker position has been vacant and but it has been posted and it has closed. Another processor position in registration has

been vacant, but a recommendation has been made. We do have 3 temp positions, we had 4, but will be asking for more to assist in the backlog.

**MR. SHERBIN MADE A MOTION TO ACCEPT THE DIRECTOR'S REPORT AS PRESENTED. SECONDED BY MR. BROWN. MOTION CARRIED.**

#### ATTORNEY'S REPORT

#### CONSENT AGREEMENTS & CIVIL PENALTIES.

1. Andrew Edward McColgan Jr. / Magnum Security - Consent Agreement in the amount of \$2,570.40. **Payment has not been received. Attempt to reschedule before July Grievance Committee unsuccessful (i.e. Certified Mail returned unclaimed).**
2. Joel Christopher Garrett / Alert Detection Technologies, Inc. - Consent Agreement in the amount of \$225.00. **Payment has not been received. Appealed, then withdrew appeal. Out of business.**
3. Nathan Taylor / Taylored Control Systems - Consent Agreement in the amount of \$6242.40. **Letter sent Certified Mail advising 30 days to pay. Received May 26, 2017. Payment has not been received. To be rescheduled before September Grievance Committee.**
4. Kenneth Harris Tickle / American Eagle Security Services Inc. - Consent Agreement in the amount of \$550.80. **Paid in full.**
5. Mary Silvey Smith / Daniels Monitoring Service, A Division of Daniels Communications, Inc. Service – Civil penalty in the amount of \$325.00. **Paid in full.**

There is now a process to track non-payment of consent agreements. Also, temporary consent agreements are signed at the actual Grievance meeting.

We have already started rescheduling delinquent persons/companies for the next Grievance meeting.

#### II. OFFICE OF ADMINISTRATIVE HEARINGS

The schedule of hearings in the Office Administrative Hearings is attached to the Attorney's Report.

#### III. RULES

At the Board's May 25th meeting you approved the rule amendments necessary to implement your decision to require all applicants to utilize the Board's third party vendor for criminal history records checks. The Notice of Text for these proposed amendments was filed on June 19, 2017 and the Public Hearing was held yesterday afternoon at the Board's Raleigh office. No oral or written comments were received. The public comment period expires July 31, 2017.

During a special Board meeting via telephone conference call on July 6th, the Board approved two minor rule amends to effectuate electronic payment in anticipation of the Permitium on-line application process. A copy of these amendments are attached. (See, attachment 2.) The Notice of Text for these proposed amendments was filed July 11, 2017 and the Public Hearing is scheduled for September 7, 2017 at 2:00 p.m. at the Board's Raleigh office.

Also, and by way of reminder, the Board's administrative rules subject to the Periodic Review of Rules will be considered at the Rules Review Commission's August 17, 2017 meeting.

IV. At the May, 2017 Board meeting there was a discussion regarding increasing participation in the grant program for the use of Education Fund monies to educate and train members of the industry and others. I presented a draft Policy regarding the same topic that was to be presented to the Private Protective Services Board. (The PPSB adopted the Policy at its June meeting.) The Board asked that I work with Chair Gregory to develop and prepare a similar policy for it. A draft of such a Policy is attached. (See, attachment 3.)

#### V. LEGISLATION

Currently, the Board has no legislation pending. At its March meeting the Board voted to approve the rewrite of Chapter 74D and seek introduction of a bill in the General Assembly. To date, the bill has not been introduced and the bill introduction deadline has passed. The legislature has adjourned until August 3rd. Changes to the Private Protective Services Board's statutes, Chapter 74C, have been introduced as House Bill 566 and Senate Bill 634. Representative Jon Hardister, the Primary Sponsor of HB 566, had originally advised he would amend HB 566 to "roll in" the requested changes to Chapter 74D. A Proposed Committee Substitute was prepared but Representative Hardister later chose not to do so in hopes of getting HB 566 passed before adjournment in June. (House Bill 566 passed the House Judiciary I Committee, the House Finance Committee, and was approved by the full House. It is currently assigned to the Senate Committee on Rules, Calendar and Operations of the Senate.)

As an interesting side note, while DPS's Legislative Liaison and the Board were attempting to have the 74D rewrite rolled into HB 566, the lobbyist for one of the Board's licensees had two provisions of the rewrite inserted into a "regulatory reform" bill, SB 16. This bill has not passed either.

**MR. JOHN SHERBIN MADE A MOTION TO ACCEPT THE ATTORNEY'S REPORT AS PRESENTED. SECONDED BY MR. WALSH. MOTION CARRIED**

GOOD OF THE ORDER.

The next NCEA meeting is September 21, 2017 @ 1pm.

**MR. PROCTOR MADE A MOTION TO ADJOURN. SECONDED BY MR. WALSH. MOTION CARRIED.**

Meeting Adjourned: 10:28 a.m.

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Wayne Woodard  
Interim Director

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Cynthia Anthony  
Reporter