

MINUTES
OF THE
NORTH CAROLINA ALARM SYSTEMS LICENSING BOARD

DATE: March 23, 2017

TIME: 9:00 A.M.

PLACE: Holiday Inn Raleigh North
Raleigh, North Carolina

SUBMITTED BY: Barry Echols
Director

MEMBERS PRESENT:

Ralph Gregory
Jack Ingle
John Sherbin
John Walsh
Larry Proctor

MEMBERS ABSENT:

Courtney Brown

STATE PRESENT:

Director Barry Echols
Investigator Melvin Turner
Investigator Ronnie Broadwell
Investigator George Daniels
Field Services Supervisor Phillip Stephenson

Interim ASLB Board Secretary Cynthia Anthony
Attorney Jeff Gray

VISITORS:

Christopher Lohr
Mary Wood
Daniel Comfort
Theodore Jake Shedd
Ray Epperly
Craig Rapp
Dan Singleton
Cornejo Rogers
Nain Segundo
Christopher Nobling

William Strickland
Robert J Schramm
Stephen Surles
David Sperber
Stephen Wheelles
Duncan Hubbard
Darwin Smith
William Bunn
Tommy Whisnant
Kenneth Hampton

Travis Somer
Jonathan Stallings
Benjamin Brookhart
Kurt Kotthamp
Dorian Dehnel
William Boykin
Mike Molzer

Ken Henke
Jerry Creech
Demetrious McKnight Sr.
Rodney hall
Noah Gilmore
Bridget Morse
Lester Gobeli

The March 23, 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. INGLE MADE A MOTION TO APPROVE THE JANUARY 19, 2017 BOARD MEETING MINUTES. SECONDED BY MR. WALSH. MOTION CARRIED.

Mr. Ingle gave the Grievance Committee report.

Michael Melzer, General Counsel, AMP Security, LLC, addressed the Board.

MR. PROCTOR MADE A MOTION TO GO INTO CLOSED SESSION TO RECEIVE LEGAL ADVICE FROM THE BOARD'S ATTORNEY REGARDING CASE #2016-ASL-027 DAVE BOLEN/AMP SECURITY, LLC SECONDED BY MR. INGLE. MOTION CARRIED.

CLOSED SESSION: 9:12 am
RECONVENED: 9:27 am

MR. INGLE MADE A MOTION TO APPROVE THE GRIEVANCE COMMITTEE REPORT AS PRESENTED EXCEPT CASE # 2016-ASL-027. SECONDED BY MR. WALSH. MOTION CARRIED

MR. SHERBIN MADE A MOTION TO ISSUE A LETTER OF REPRIMAND TO DAVE MICHAEL BOLEN AND AMP SECURITY, LLC CASE # 2016-ASL-027 AND SUSPEND ALL SALES ACTIVITY FOR 6 MONTHS IN ANY CATEGORY INCLUDING NO DOOR-TO-DOOR AND STAFF TO CONDUCT AN AUDIT FOR THE PAST 3 YEARS. SECONDED BY MR. WALSH. MOTION CARRIED

Mr. Sherbin gave the Screening Committee report.

MR. INGLE MADE A MOTION TO APPROVE THE SCREENING COMMITTEE REPORT AS PRESENTED. SECONDED BY MR. WALSH. MOTION CARRIED. ALSO, IT WAS NOTED THAT MR RALPH GREGORY RECUSED HIMSELF FROM VOTING ON #7-ADAM KOCH.

FINAL AGENCY DECISION

16 DOJ 10880 – William David Boykin - This contested case was heard before Administrative Law Judge Melissa Owens Lassiter on December 20, 2015 in Raleigh, North Carolina. The issue was whether or not grounds exist to deny an alarm registration for Mr. Boykin for lack of good moral character and temperate habits as evidenced by convictions of Disorderly Conducts (2), Breaking and or Entering, Burning Personal Property, Obtaining Property under False Pretenses and Injury to Real Property. Mr. Boykin was present.

MR. INGLE MADE A MOTION TO APPROVE THE ALARM REGISTRATION FOR MR. BOYKIN. SECONDED BY MR. JOHN WALSH. MOTION CARRIED.

16 DOJ 08649 – Rashon Devell Woodard - This contested case was heard before Administrative Law Judge Donald W. Overby on November 29, 2016 in Raleigh, North Carolina. The issue was whether or not grounds exist to deny the application of Mr. Woodard for an alarm registration for lack of good moral character and temperate habits as evidenced by numerous misdemeanor drug charges.

MR. INGLE MADE A MOTION TO DENY THE ALARM REGISTRATION FOR MR. WOODARD. SECONDED BY MR. SHERBIN. MOTION CARRIED.

16 DOJ 09017 – Casey Alexander Tew - This contested case was heard before Administrative Law Judge Donald W. Overby on November 29, 2016 in Raleigh, North Carolina. The issue was whether or not grounds exist to deny the application of Mr. Tew for an alarm registration for lack of good moral character and temperate habits as evidenced by a conviction of misdemeanor Breaking and Entering, misdemeanor Injury to Real Property and misdemeanor Simple Assault.

MR. INGLE MADE A MOTION TO DENY THE ALARM REGISTRATION FOR MR. TEW. SECONDED BY MR. SHERBIN. MOTION CARRIED

SPECIAL REPORTS AND PRESENTATIONS

Mr. Ingle gave the continuing education report.

1. Basic Low Voltage Electricity for Installers - The committee recommends approval for 4 CEU's for this course.
2. Advanced Electronic System Wiring & Basic Troubleshooting - The committee recommends approval for 2 CEU's for this course.

3. Level 3 Electronic Circuits, Wiring Diagrams and System Design - The committee recommends approval for 2 CEU's for this course.
4. Electric Strike Installation - The committee recommends approval for 2 CEU's for this course.
5. Site Survey - The committee recommends approval for 2 CEU's for this course.
6. Magnetic Lock System Installation- The committee recommends approval for 3 CEU's for this course.
7. Adams Rite Storefront Products Mechanical to Electronic Upgrade - The committee recommends approval for 2 CEU's for this course.
8. Adams Rite Storefront Products Applications - The committee recommends approval for 2 CEU's for this course.
9. HES Electric Strike and Product Applications - The committee recommends approval for 2 CEU's for this course.
10. Securitron State of the Art Smart Product Applications- The committee recommends approval for 4 CEU's for this course
11. Maglocks: The Good, the Bad, and the Ugly- The committee recommends approval for 2 CEU's for this course.
12. What's on the outside that counts- The committee recommends approval for 2 CEU's for this course.
13. Advanced Technical Product Troubleshooting- The committee recommends approval for 3 CEU's for this course.
14. Access Control for the Small Business- The committee recommends approval for 3 CEU's for this course.
15. Access Control for the Small Openings- The committee recommends approval for 2 CEU's for this course.
16. HES Integrated Products- The committee recommends approval for 3 CEU's for this course.
17. Vista 21ip (renewal) - The committee recommends approval for 3 CEU's for this course.
18. Lyric Gateway- The committee recommends approval for 3 CEU's for this course.
19. Lyric Express- The committee recommends approval for 3 CEU's for this course.
20. Total Connect 2.0 Enhanced- The committee recommends approval for 3 CEU's for this course.
21. Central Station Operator Communications Skills- The committee recommends approval for 3 CEU's for this course.
22. CCTV-Site Survey (renewal) - The committee recommends approval for 2 CEU's for this course.
23. Guide to CCTV Lighting (renewal) - The committee recommends approval for 2 CEU's for this course.
24. Review and Renew the NEC including Code Changes- The committee recommends approval for 2 CEU's for this course.
25. Advantages of Wireless for Commercial Security- The committee recommends approval for 2 CEU's for this course.
26. Introduction to Digital Video Forensics The committee recommends approval for 2 CEU's for this course.

27. 2014 Detailed NEC Workshop Day II The committee recommends approval for 2 CEU's for this course.
28. Review and Renew the NEC including Code Changes- AM Session -The committee recommends approval for 2 CEU's for this course.
29. Common Code Laws and Common Sense of Fire Rated Openings - Designed for Code Officials -The committee recommends **denial** because it does not meet the criteria.
30. Aperio Product and Applications -The committee recommends **denial** because it does not pertain to alarm systems.
31. NC Specialty License Review -The committee recommends **denial** because it does not meet the criteria.
32. 2014 Detailed NEC Workshop Day I -The committee recommends **denial** because it does not pertain to alarm systems.

MR. INGLE MADE A MOTION TO APPROVE THE COURSES AS PRESENTED. SECONDED BY MR. SHERBIN. MOTION CARRIED.

UNFINISHED BUSINESS

None

OLD BUSINESS

Discussion regarding the destruction of old audio recordings.

Mr. Stephenson addressed the Board with regard to the destruction of old audio recordings. Mr. Stephenson noted that the issue of the destruction of these archived records was left unclear in the January 19, 2017 motion as what to do with the archived recordings that were already on file, some which date back to 1997.

Mr. Gregory stated that his recollection was the decision was to destroy anything older than three (3) years.

MOTION WAS MADE BY MR. WALSH TO DESTROY ALL AUDIO RECORDINGS OLDER THAN THREE (3) YEARS; SECONDED BY MR. INGLE. MOTION CARRIED.

NEW BUSINESS

Mr. Echols reported on an issue regarding the name on checks submitted with applications. Board members were given a Memorandum first distributed in 2006 and an email with a Memorandum from Nan Williams regarding payment of fees from then Director Terry Wright dated May 16, 2005, which reads in part, "Consistent with November 2003 Memorandum, licensed companies required to register employees must pay all employee registration fees with a company check, certified check or money order. In addition, licensed alarm system, ASL and PPS companies must submit all fees in the form of a commercial company check by one of the methods listed above. Individual licensees does not require to maintain a company business license may continue to pay by personal check. Checks from petty cash accounts are not

acceptable forms of payment and should not be accepted.” Mr. Echols explained that in line with this and the 2006 Memorandum, in order to resolve the issue, that staff should not accept a check that is not drawn on an account with the same name as the entity applying. He suggests the Board considering removing the Alarm System Board from this particular ruling so that checks can be accepted bearing in mind that a failsafe will need to be put in place for checks drawn on closed accounts.

Mr. Gregory explained the issue for the industry’s benefit using the example of Spectrum’s purchase of Time Warner whereby Spectrum is sending in the checks and staff is returning the checks because Spectrum is no longer Time Warner, when in fact they are because they bought them. Mr. Ingle commented that it stands to reason that if a check is received it should be cashed.

Mr. Echols noted that in reading through the Memorandum at the time it was written, the Agency was under the Department of Justice and the Finance Controller agreed with this logic. Mr. Echols reported that he spoke with both the Finance Director and the Controller for DPS and both said they never return any checks that are thought to be good. With that being said, there is no support from Finance or from the Controller with respect to sending back a check; the only issue would be how to address those checks that did turn out to be written on closed accounts.

Mr. Sherbin stated that in those instances it would just be in the normal course of business. If the Board receives a bad check then the issuer is notified and the bank is going to charge them a fee and the Board is going to charge them \$25.00. Further discussion was had regarding eliminating the language in the last Memorandum and adopting a Board policy to accept checks from various sources for payment, turning to Attorney Gray for assistance with the language. Also, it was noted that with the new Permittium system, the majority of payment will be online.

MOTION WAS MADE BY MR. INGLE THAT A POLICY BE PUT IN PLACE THAT ANY COMPANY CHECK SUBMITTED BE ACCEPTED BY STAFF AND THE COMPANY OR LICENSEE APPLYING WILL BE RESPONSIBLE FOR THAT CHECK AND ALL MONIES SHALL IMMEDIATELY BE DEPOSITED INTO THE ASLB ACCOUNT. SECONDED BY MR. SHERBIN. MOTION CARRIED.

DIRECTOR’S REPORT

Mr. Echols presented the written report and advised as of March 20, 2017, the Alarm Board’s balance was \$729,209.77. The Education Fund balance was \$65,096.19. As of 3/20/17, the Board has 954 licensees and 8806 registrants. He noted the Finance Committee is continuing their review.

Mr. Echols reported on the status of Board Secretary Nan Williams and fact that the office is currently short on staff. He noted that several positions are open but that hopefully those will be filled in the next few weeks.

Mr. Echols then gave an update on the Permittium project, noting that a brief demonstration of the system was held at the ASLB/PPS offices with people from the industry in attendance. He noted

that while it is not moving along as quickly as he would like, it is worth the delay in order to make sure there are no issues down the road. CRC is also working with Permittium to mesh the two systems.

Mr. Echols ended his report and asked if there were any questions.

Mr. Gregory inquired as to when the Finance Committee Chairman would be able to give a better recap of the final report. Mr. Echols stated that he had hoped to have a more detailed report in hand, specifically on the cost of the move and scanning project, but was unable to obtain it, noting both of the foregoing big issues and he should be able to get those numbers to Mr. Sherbin tomorrow.

Mr. Sherbin stated that by the next meeting there will be a detailed report available for the Board's review if that would be acceptable. Mr. Gregory agreed that would be fine.

Mr. Gregory then asked about the Education Fund and stated he thought he knew what it was for but had never seen a disbursement from it. He suggested that the NC Electronics Security Association should apply for funds for their upcoming meetings. Staff informed the Board that they could not receive funds unless it had continuing education tied to it. Mr. Gregory inquired as to what qualifies as authorized use of the Educational Fund and if those requirements are unclear then maybe the Board needs to visit the issue and rectify it so that these funds are utilized.

Mr. Echols deferred to Mr. Gray but stated that Staff has been actively promoting applications for funding with the Community Colleges and believes there is only one that annually applies for the \$5,000.00 which actually comes out of the PPS fund.

Mr. Gray stated that the Education Fund monies can only be used for educational matters and referred to the administrative rules and that the Board staff has criteria for what the funds can be used for.

Mr. Gregory referenced the earlier discussion where he understood; everyone agreed that the NCEA's two day meeting would be a good use for the Educational Funds, however, they were told by staff it did not qualify so he again questioned exactly what is the process and the criteria.

Mr. Gray explained there is a form the staff sends out, but not many people apply.

Mr. Sherbin observed that if the rules are so narrow now and it is never going to be spent; the whole purpose to use it for is not being achieved. He asked is the process for the Board to open up the criteria, still specific to education, but not so restricted?

Mr. Gray stated it would be to change the process and the policy for the distribution of the funds, and uses an example where PPSB, within the last few months, loosened their criteria in an attempt to get people to utilize their similar fund.

Mr. Sherbin questioned whether or not the details are in the administrative rules and Mr. Gray informed the Board it is not and explained that within the guidelines of the statute, the Board can change the rules, but they are there for the protection of the licensees' funds and to protect it from being used for a private purpose. Generally, the only criteria for any Board, which is not set by the board itself but is set by the State Budget, is that if they use funds earmarked for education funds, the education has to be open to all. Mr. Gray used the example of the Attorney General's office which holds a continuing legal education course for all its lawyers and if a private lawyer off the street wanted to go he/she could go for free and get all of his/her hours for the year, which is how the State gives it to their lawyers and as such, it has to be free. Mr. Gray stated that this is not a publicized event and that he only knows about it because he was there when it was set up. Mr. Gray stated if the Board does give the money to the NCESA, they will have to understand that anybody can come and sit in for the continuing education.

Mr. Gregory called on the NCESA representative and asked if the NCESA is a non-profit or how is it set up?

The representative stated they are a corporation but it was a 501(c) at one point in time.

Mr. Sherbin asked if in the annual meeting whether or not you have to pay to get in to the main conference in order to get in to the educational portion.

The representative stated there is a fee to attend the meeting and it includes the educational portion.

Mr. Sherbin confirmed his understanding in order to get to the educational part you have to pay the fee to get into the meeting; you just cannot attend the educational portion without paying to attend the meeting.

The representative verified that is correct; that is the way it is set up.

Mr. Gregory asks if there were funds available would they be able to do it for free.

The representative stated it is possible yes, if they received funds; it could be separated.

Mr. Sherbin asked the NCESA for a proposal for the next meeting but was informed their next annual meeting is May 3-5, 2017. It was suggested they submit the proposal, hold their meeting and then submit invoices. Mr. Gregory stated he is not comfortable with that because if the Board does not approve it then the Association is out-of-pocket several thousand dollars.

Mr. Sherbin suggested the NCESA submit a proposal for their next annual meeting.

Mr. Echols states if it is the same as PPSB, there is a \$5,000.00 limit on each annual award.

Mr. Gregory asked that the staff email the Board the criteria as well as the guidelines within the administrative rules whereby the money can be issued.

Mr. Walsh inquired as to how the Board will communicate to the industry that the educational funds are available and the criteria for applying.

Mr. Gregory addressed Mr. Echols questioned regarding the upcoming NCEA conference whereby the Board deemed it necessary he attend.

MOTION WAS MADE BY MR. INGLE THAT DIRECTOR ECHOLS ATTEND THE UPCOMING NCEA CONFERENCE MAY 3-5, 2017 WITH EXPENSES RELATED THERETO COVERED BY THE ASLB; SECONDED BY MR. WALSH. MOTION CARRIED.

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

Discussion was held regarding the recording of Grievance and Screening Committee meetings.

ATTORNEY'S REPORT

CONSENT AGREEMENTS & CIVIL PENALTIES.

1. Abel Otalvaro Jr./SOP Complete, LLC. Consent Agreement in the amount of \$1530.00. Paid in full.
2. Kenneth Harris Tickle/American Eagle Security Services, Inc. Consent Agreement in the amount of \$550.80. Payment has not been received.
3. Andrew Edward McColgan Jr./Magnum Security. Consent Agreement in the amount of 2570.40. Payment has not been received.
4. Nathan Taylor/Taylor Control Systems. Consent Agreement in the amount of \$9,180.00. Payment had not been received at the time of the January 18, 2017 Grievance Committee meeting, at which time the previous consent amount was rescinded and a new amount of \$6,242.00 was agreed to by the parties. Payment has not been received.
5. David Arthur O'Donohue (Mary Wood)/Powerhome Technologies. Consent Agreement in the amount of \$1,468.00. Paid in full.
6. Homer Weaver/Safe Home Security. Consent Agreement in the amount of \$1,652.40 and civil penalty of \$2,000. Payment has not been received.
7. Frank Lester Stevens/Safe haven. Consent Agreement in the amount of \$21,787.20 for registration violations. Paid in full.

Discussion was made that due to the fact that numerous consents have gone beyond 60 days without payment of the agreed amount, a policy be put in place similar to that of the PPS Board

whereby if a Consent Agreement is signed and is not paid within a 60-day timeframe, the licensee will be re-noticed and brought before the Grievance Committee at the following Board meeting. Mr. Gray explained that a form was created for PPSB whereby the licensee actually signs the form at Grievance, which starts the clock. Mr. Gregory suggested the ASL Board adopt a similar process.

MOTION WAS MADE BY MR. INGLE TO IMPLIMENT A RE-NOTICE POLICY FOR CONSENTS PAST 60 DAYS AND CONSENT ACKNOWLEDGEMENT FORM BE SIGNED AT GRIEVANCE. SECONDED BY MR. SHERBIN. MOTION CARRIED.

Mr. Gray then asked for direction about the current past due consents. It was discussed that consents 2, 3, 4 and 6 be notified by certified mail they have 30 days to pay in full or they will be brought back before the Grievance Committee.

MOTION WAS MADE BY MR. INGLE THAT NOTIFICATION BE MADE BY CERTIFIED LETTER TO COMPLY WITH THE CONSENT AGREEMENT OR THEY WILL BE BROUGHT BACK BEFORE THE GRIEVANCE COMMITTEE. SECONDED BY MR. SHERBIN. MOTION CARRIED.

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

Mr. Gray reported there are no rules, adoptions or amendments pending however the Periodic Review of Rules is due and follows as a separate agenda item. Mr. Gray mentioned that he has held off on any rule amendments waiting to see what happens with the proposed re-write of the Board's statute. Mr. Gray stated that he feels the Board should go ahead and go through the rule making process for two minor changes, one being the recent decision regarding in-state criminal record checks. He plans to bring those before the Board at the next meeting.

Mr. Gray then gave an update on the 74D rewrite and reported the bill is in drafting at the General Assembly.

MR. INGLE MADE A MOTION TO APPROVE THE ATTORNEY'S REPORT AS PRESENTED. SECONDED BY MR. WALSH. MOTION CARRIED.

Initial Determination of Periodic Review of Rules.

Mr. Gray explained that in 2013 the Legislature required each State agency have a review of their rules and it is ASLB's turn. The rules review Commission has the Board's rules rescheduled for review this August. It is a determination for administrative the Board to break down into categories of unnecessary with substantial public interest and necessary without substantial public interest. Mr. Gray suggested to put everything in the category of "necessary with substantial public interest" which means all will be posted on the website deemed and subject to public comment. Mr. Gray advised that the 74D rewrite will change some of the rules as they are now, but it is necessary to

go through this process and he sees no real harm in it because this will give a clean, formatted set and his hope is to have a clean set of rules in the end from which to write the new ones.

MOTION BY MR. WALSH THAT THE RULES BE NECESSARY WITH SUBSTANTIAL PUBLIC INTEREST; SECONDED BY MR. SHERBIN. MOTION CARRIED.

GOOD OF THE ORDER.

It was announced that the next NCESA seminar/conference will be held at the Sheraton in Greensboro, North Carolina May 3-5, 2017 at 1:00 p.m.

There was also a discussion with industry member regarding the CE course list on the website and making it more user friendly.

MR. INGLE MADE A MOTION TO ADJOURN. SECONDED BY MR. SHERBIN. MOTION CARRIED.

Meeting Adjourned: 12 Noon.

Barry S. Echols
Director

Cynthia Anthony
Reporter