

**MINUTES OF THE  
TELEPHONE CONFERENCE FOR  
NORTH CAROLINA ALARM SYSTEMS LICENSING BOARD**

DATE: January 24, 2018

TIME: 8:30 A.M.

PLACE: 3101 Industrial Drive Ste. 104  
Raleigh, North Carolina

SUBMITTED BY: Brian Jones  
Director

MEMBERS PRESENT:  
Ralph Gregory  
Jim Crabtree  
Larry Proctor  
Courtney Brown

MEMBERS ABSENT:  
John Walsh  
John Sherbin

STAFF PRESENT:  
Director Brian Jones  
Deputy Director Phillip Stephenson  
Board Secretary Cynthia Anthony  
Attorney Jeff Gray  
Investigator Melvin Turner  
Investigator Ronnie Broadwell

VISITORS:

**David Sperber**  
**Tommy Whisnant**  
**Caroline Brown**  
**Robert Few**  
**Chris Nobling**

The January 24, 2018 telephone conference meeting of the North Carolina Alarm Systems Licensing Board was called to order by Chairman Gregory at 8:30 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.

**JIM CRABTREE MADE A MOTION TO APPROVE THE NOVEMBER 16, 2017 BOARD MEETING MINUTES. SECONDED BY COURTNEY BROWN. MOTION CARRIED.**

Mr. Brown read the Grievance Committee report. Mr. Brown and Mr. Sherbin met as the Grievance Committee on January 17, 2018 from 1:00 p.m. to 1:51 p.m.

**JIM CRABTREE MADE A MOTION TO APPROVE THE GRIEVANCE COMMITTEE REPORT. SECONDED BY LARRY PROCTOR. MOTION CARRIED.**

Mr. Gregory gave the Screening Committee report. Mr. Sherbin served as chair of the screening committee.

**MR. PROCTOR MADE A MOTION TO APPROVE ALL ELEVEN RECOMMENDATIONS EXCEPT #10 KENNETH ALAN SPANGLER ON THE SCREENING REPORT. SECONDED BY MR. BROWN. MOTION CARRIED.**

**MR. PROCTOR MADE A MOTION TO APPROVE # 10 KENNETH ALAN SPANGLER ON THE SCREENING REPORT. SECONDED BY MR. CRABTREE. MOTION CARRIED. IT WAS NOTED THAT MR. BROWN RECUSED HIMSELF FROM VOTING IN THIS MATTER.**

#### FINAL AGENCY DECISION

The Final Agency Decisions have been deferred until the March 21, 2018 Board meeting due to the inclement weather.

#### SPECIAL REPORTS AND PRESENTATIONS

Mr. Proctor gave the continuing education report.

1. Prospecting for Potential Clients – the committee recommends approval for 1 CEU for this course.
2. Selling Commercial Fire Alarm Systems - the committee recommends approval for 1 CEU for this course.
3. Selling Commercial Intrusion Systems - the committee recommends approval for 1 CEU for this course.
4. Selling Commercial Video Surveillance Systems - the committee recommends approval for 1 CEU for this course.
5. Selling Commercial Access Control Systems - the committee recommends approval for 1 CEU for this course.
6. Selling Integrated Systems - The committee recommends denial because it does not pertain to the alarm industry.

7. Introduction to Commercial Sales - the committee recommends approval for 1 CEU for this course.
8. How to Present the Best Solutions for Your Client's Needs - the committee recommends approval for 1 CEU for this course.
9. The Data You Need to Effectively Sell Comprehensive Security - the committee recommends approval for 1 CEU for this course. **(course expires on Feb. 23, 2018)**
10. & Then Some: The Art of Exceeding Expectations - the committee recommends approval for 1 CEU for this course. **(course expires on Feb. 23, 2018)**
11. What Keeps You Up at Night 2017? - the committee recommends approval for 1 CEU for this course. **(course expires on Feb. 23, 2018)**
12. Servant Selling - the committee recommends approval for 1 CEU for this course. **(course expires on Feb. 23, 2018)**
13. The Sneaky Ways of Self Sabotage - the committee recommends approval for 1 CEU for this course. **(course expires on Feb. 23, 2018)**
14. Hiring and Engaging Veterans -Why it Makes Business Sense and How to Do it - the committee recommends approval for 1 CEU for this course. **(course expires on Feb. 23, 2018)**
15. Five Productivity Hacks - the committee recommends approval for 1 CEU for this course. **(course expires on Feb. 23, 2018)**
16. UnMarketing - the committee recommends approval for 1 CEU for this course. **(course expires on Feb. 23, 2018)**
17. Cyber Security Trends for 2018 - How Business Leaders Need to Take Charge - the committee recommends approval for 1 CEU for this course. **(course expires on Feb. 23, 2018)**
18. Managing Cyber Security - Bridging the Gap between Leadership and Technology - the committee recommends approval for 1 CEU for this course. **(course expires on Feb. 23, 2018)**
19. Dinosaur Wisdom - the committee recommends approval for 1 CEU for this course. **(course expires on Feb. 23, 2018)**
20. Troubleshooting Service and Maintenance Online - the committee recommends approval for 6 CEU's for this course.
21. The Future of Central Station Technology - the committee recommends approval for 3 CEU's for this course.
22. The Future of Central Station Technology (short course) - the committee recommends approval for 2 CEU's for this course.
23. Project Management for the Security Industry - the committee recommends approval for 3 CEU's for this course.
24. Project Management for the Security Industry (short course) - the committee recommends approval for 2 CEU's for this course.
25. Surveillance and Perimeter Detection Techniques - the committee recommends approval for 3 CEU's for this course.
26. Surveillance and Perimeter Detections Techniques (short course) - the committee recommends approval for 2 CEU's for this course.

27. Practical Networking for the Alarm Industry - the committee recommends approval for 3 CEU's for this course.
28. Practical Networking for the Alarm Industry (short course) - the committee recommends approval for 2 CEU's for this course.
29. Introduction to Wireless Alarm Systems - the committee recommends approval for 3 CEU's for this course.
30. Introduction to Wireless Alarm Systems (short course) - the committee recommends approval for 2 CEU's for this course.
31. Finding, Hiring and Retaining Alarm Industry Talent - the committee recommends approval for 3 CEU's for this course.
32. Finding, Hiring and Retaining Alarm Industry Talent (short course) - the committee recommends approval for 2 CEU's for this course.
33. Every Day Math for Alarm Technicians - the committee recommends approval for 3 CEU's for this course.
34. Every Day Math for Alarm Technicians (short course) - the committee recommends approval for 2 CEU's for this course.
35. Cloud Based Architecture as it Relates to the Security Industry - the committee recommends approval for 3 CEU's for this course.
36. Cloud Based Architecture as it Relates to the Security Industry (short course) - the committee recommends approval for 2 CEU's for this course.
37. Defined: Video Verification vs. Video Surveillance - the committee recommends approval for 3 CEU's for this course.
38. Defined: Video Verification vs. Video Surveillance (short course) - the committee recommends approval for 2 CEU's for this course.
39. The Internet of Things and its Future in the Alarm Industry - the committee recommends approval for 3 CEU's for this course.
40. The Internet of Things and its Future in the Alarm Industry (short course) - the committee recommends approval for 2 CEU's for this course.

**MR. BROWN MADE A MOTION TO APPROVE THE COURSES AS PRESENTED AND DENY THE COURSE - SELLING INTEGRATED SYSTEM. SECONDED BY MR. CRABTREE. MOTION CARRIED.**

**UNFINISHED BUSINESS**

None.

**OLD BUSINESS**

None.

**NEW BUSINESS**

Mr. Proctor reminded all Board Members that the Statement of Economic Interest is due before April 15, 2018.

## DIRECTOR'S REPORT

Mr. Brian Jones presented the written report and advised that the Alarm Board's fund balance was \$699,919.78 as of December 31, 2017. The Education Fund balance was \$68,473.42. As of December 31, 2017, the Board had 888 licensees and 8096 registrants.

Mr. Jones provided a staffing update. He stated that two temporary employees began working in December 2017 to assist in addressing the registration backlog. Also, overtime compensation for existing employees, which would only be available to address the backlog, began in January 2018. The two vacancies, the Field Services Supervisor and the Processing Assistant IV positions, have been advertised and he was awaiting applications from the Office of State Human Resources.

The Department of Public Safety annually conducts reviews of Private Protective Service's fiscal policies and procedures. The last audit was conducted in January 2017 and several recommendations were made to enhance financial oversight and accountability. Mr. Jones met with the auditors on September 25<sup>th</sup> to discuss these recommendations and he has implemented procedures to address them. Also, the auditors began conducting this year's review at the PPS office on December 11<sup>th</sup> and concluded their review on December 20<sup>th</sup>.

Mr. Jones has instituted weekly Permitium progress meetings with the project manager and relevant members of the PPS staff. These meetings provide opportunities for enhanced communication and the ability to proactively track and resolve issues.

The data migration from PPS2000 to Permitium has presented challenges, but staff members were working with Permitium and industry members to address these issues. He has also created an expedited data entry process to reduce the registration backlog and fully transition to the Permitium system. He stated that additional training sessions for industry members will begin in February 2018.

Mr. Jones stated that a Permitium representative will be at the PPS office on January 22<sup>nd</sup> to review any lingering registration issues. Currently, Permitium was finalizing the licensing development. Richard Lewthwaite, a Permitium representative, provided an overview of the licensing portal on November 17<sup>th</sup> and will return in February to discuss the progress.

In January 2016, PPS began renting two motor vehicles from Enterprise Rent –A-Car to address the transportation needs of its investigators. This was intended to provide temporary transportation until permanent DPS vehicles were available. Mr. Jones stated that when he was appointed as the Director in August 2017, he discovered that the agency was still renting these vehicles. Mr. Jones contacted Motor Fleet Management Division and received two vehicles. Subsequently, he terminated the rental agreement with Enterprise Rent-A-Car.

At the request of the Joint Legislative Oversight Committee, Mr. Jones provided an overview of the Private Protective Services Board and the Alarm Systems Licensing Board on December 14<sup>th</sup> at the Legislative Office Building. A copy of the presentation was attached to the Directors report.

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

ATTORNEY'S REPORT

I. CONSENT AGREEMENTS & CIVIL PENALTIES

1. On November 15, 2017 **Dave Michael Bolen/Amp Security, LLC** entered into a Consent Agreement with the Board in the amount of \$3,121.20 for registration violations. The agreement was signed by the Q/A on December 6, 2017. Payment has been received (**PAID IN FULL**).
2. On **Seth Brewer Beddes/Alder Holdings, LLC** entered into Consent Agreement and Civil Penalty Agreement with the Board for registration violations and violation of C&D letter. The temporary agreement was signed by the Q/A on November 15, 2017. Payment for both have been received (**PAID IN FULL**).
3. On November 15, 2017 **Louis Robert Vessa/Triad Electric and Electronic Security, Security Division (screening)** entered into a Consent Agreement with the Board in the amount of \$382.50 for unlicensed activity. The temporary agreement was signed by the Q/A on November 15 2017. Payment has been received (**PAID IN FULL**).

II. OFFICE OF ADMINISTRATIVE HEARINGS

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

III. RULES

a. At the Board's May 25<sup>th</sup> meeting the Board approved the rule amendments necessary to implement its 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 July 19, 2017 at the Board's Raleigh office. The public comment period expired September 1, 2017. No oral or written comments were received. These rule amendments were approved at the Board's September 21, 2017 meeting and calendared for the November 16, 2017 Rules Review Commission meeting. All but one of these rules were approved by the Commission and became effective December 1, 2017. (*See, e., below, regarding the rule that was not approved.*)

b. During a special Board meeting via telephone conference call on July 6<sup>th</sup>, the Board approved two minor rule amendments to effectuate electronic payment in anticipation of the Permittum on-line application process. The Notice of Text for these proposed amendments was filed July 7, 2017 and the Public Hearing was held September 7, 2017 at 2:00 p.m. at the Board's Raleigh office. The public comment period expired October 2, 2017. No oral or written comments were received. These rule amendments were approved at the Board's November 16, 2017 meeting

and were calendared for the December 14, 2017 Rules Review Commission meeting. They were approved by the Commission and became effective January 1, 2018.

c. The Board's administrative rules subject to the Periodic Review of Rules were considered at the Rules Review Commission's August 17, 2017 meeting. They were approved. Mr. Gray's associate, Maggie Craven, started the readoption process. The Rules Review Commission approved the Board's Readoption Timeline at its October 19<sup>th</sup> meeting. A copy of the timeline, with dates and deadlines, was approved at the Board's November 16<sup>th</sup> meeting.

The Public Hearing for these rules readoption is January 30, 2018 at 2:00 p.m. at the Board's office. The public comment period ends February 13, 2018. The Board's review of comments - - if any are received - - and final approval should occur at the Board's March 22, 2018 meeting.

d. At its September Board meeting Mr. Gray was asked to prepare an amendment to the Board's administrative rules (or Chapter 74D) to include persons who solicit customers door-to-door as an independent contractor, for a referral fee or for a commission, in its registration requirements. He suggested that the Board first attempt this through its administrative rules. An amendment to the Board's definition of "employee" which was approved at the Board's November 16<sup>th</sup> meeting is attached to the Attorney's Report. The Public Hearing for this amendment is also January 30, 2018 at 2:00 p.m. at the Board's office. The public comment period ends March 5, 2018. Along with the readoption in c., above, the Board will vote to approve this rule at its March 22<sup>nd</sup> meeting.

e. It was discovered by staff at the Office of Administrative Hearings that one rule did not get published in the North Carolina Registry. The easiest and quickest way to resolve the issue was to publish it, notice the public hearing, etc. and approve it separately. The public comment period expired January 2<sup>nd</sup> and no oral or written comments were received this rule needs to be approved today and is attached to the Attorney's Report.

Fortunately this rule applied to renewals (and not the initial license).

#### IV. LEGISLATION

a. 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 technically passed. The legislature has adjourned but has reconvened three times since June 30, 2017, most recently this past week on January 10<sup>th</sup>.

Changes to the Private Protective Services Board's statutes, Chapter 74C, had 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, 2017. (House Bill 566 passed the House Judiciary I Committee, the House Finance Committee,

and was approved by the full House. It was assigned to the Senate Committee on Rules, Calendar and Operations of the Senate.) To date, no bill has been introduced or amended to effectuate the Alarm Board's requested changes.

b. 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 passed during the first reconvened Session of the legislature on August 4<sup>th</sup>, but subsequently vetoed by the Governor. On October 5<sup>th</sup> the House voted to override the veto and the two provisions of SB 16, S.L. 2017-211 became effective immediately. Mr. Gray e-mailed a copy to the Board after the veto override, and another copy was attached to his November 16<sup>th</sup> Attorney's Report. A Memorandum was provided to the Board staff addressing the changes to Chapter 74D and the implementation of S.L. 2017-211. A copy of this Memorandum was attached to the Attorney's Report.

**MR. BROWN MADE A MOTION TO ACCEPT THE RULE AMENDMENT ON ATTACHMENT 3 (14B NCAC 17. 0204 (a) (2) OF THE ATTORNEYS REPORT AS PRESENTED. SECONDED BY MR. PROCTOR. MOTION CARRIED.**

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

GOOD OF THE ORDER.

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

Meeting Adjourned: 9:05 a.m.

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Brian Jones  
Director

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Cynthia Anthony  
Reporter