

MINUTES
OF THE
NORTH CAROLINA ALARM SYSTEMS LICENSING BOARD

DATE: March 22, 2018
TIME: 9:00 A.M.
PLACE: Holiday Inn Raleigh North
Raleigh, North Carolina
SUBMITTED BY: Brian Jones
Director

MEMBERS PRESENT:

Ralph Gregory
Jim Crabtree
Larry Proctor
Courtney Brown
John Walsh
John Sherbin

MEMBERS ABSENT:

STAFF PRESENT:

Director Brian Jones
Attorney Jeff Gray
Deputy Director Phillip Stephenson
Field Services Supervisor Kim Odom
Board Secretary Cynthia Anthony
Investigator George Daniels

VISITORS:

Randall Johnson
Saverio J. Sala
Mark McCall
Ed Pait
Don Childers
Wil Brown
Reed Fountain
Terry Preiss
Timothy Mangum
Paul A. Stanley
Duncan Hubbard
Stephen Wheeler

John D. Sorrell
Tommy Whisnant
Ricky McKinney
Archie Ray
Richard O' Neal
Raphael Allen
Daniel Hagerty
Ralph Gregory
David Sperber
Lonnie J. Manley
Dorian Dehnel
Jonathan Stallings

**Stephen Adams
Jeff Brady
Darwin Smith
Ken Henke**

**Christopher Lohr
Walter Curtis
Charles Atkinson**

The March 22, 2018 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.

Chairman Gregory informed the Board of a name correction to the January 25, 2018 minutes. Specifically, the visitor's name should have read Robert Few instead of Robert Pew. The correction will be made to reflect the change prior to posting to the website.

COURTNEY BROWN MADE A MOTION TO APPROVE THE JANUARY 25, 2018 BOARD MEETING MINUTES WITH THE ABOVE CORRECTION. SECONDED BY JIM CRABTREE. MOTION CARRIED.

Larry Proctor read the Grievance Committee report. Mr. Brown and Mr. Proctor met as the Grievance Committee on March 21, 2018 from 9:00 p.m. to 10:36 a.m. and heard a total of three cases. It was noted that Mr. Brown recused himself in case number 2017-ASL-023.

JIM CRABTREE MADE A MOTION TO APPROVE CASE NUMBER 2017-ASL-023 AS PRESENTED. SECONDED BY LARRY PROCTOR. MOTION CARRIED. IT WAS NOTED COURTNEY BROWN RECUSED HIMSELF FROM VOTING ON THIS CASE.

MR. COURTNEY BROWN MADE A MOTION TO APPROVE CASE #2017-ASL-018 AND CASE # 2018-ASL-001 ON THE GRIEVANCE COMMITTEE REPORT AS PRESENTED. SECONDED BY JIM CRABTREE. MOTION CARRIED.

John Sherbin read the Screening Committee report. Mr. Sherbin served as chair of the Screening Committee.

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

FINAL AGENCY DECISIONS

17 DOJ 06331 –Daniel Carl Hagerty. This contested case was heard before Administrative Law Judge Donald Overby II on November 28, 2017 in Raleigh, North Carolina. The issue was whether or not grounds exist to rescind the letter of reprimand which the Board issued to the Petitioner for not correcting business practices in violation of N.C. Gen. Stat 74D-10(a)(5) and engaging in conduct that deceives, defrauds or harms the public in violation of N.C. Gen. Stat 74D-10(a)(19) Mr. Hagerty and his attorney, Reed Fountain were both present.

COURTNY BROWN MADE A MOTION TO UPHOLD THE BOARD’S INITIAL DECISION AND KEEP THE LETTER OF REPRIMAND IN PLACE. SECONDED BY JOHN WALSH. MOTION CARRIED.

CLOSED SESSION: 9:36 a.m.

RECONVENE: 9:44 a. m

Board attorney, Jeff Gray did not meet with the Board in closed session.

Chairman Gregory stated the vote on the motion stands. It was noted that the Respondent’s attorney, Mr. Fountain objected to the Board’s decision.

17 DOJ 05846 –David Lee Koger - This contested case was heard before Administrative Law Judge Stacey B. Bawtinheimer on October 24, 2017 in Raleigh, North Carolina. The issue was whether or not grounds exist to reinstate the alarm registration of Mr. Koger for the conviction of a crime involving moral turpitude as evidenced of being convicted of Impersonating a Law Enforcement Officer. Mr. Koger was present.

COURTNEY BROWN MADE A MOTION TO REINSTATE THE ALARM REGISTRATION FOR MR. KOGER. SECONDED BY JOHN WALSH. MOTION CARRIED.

SPECIAL REPORTS AND PRESENTATIONS

Mr. Proctor gave the continuing education report.

1. Alarm.com Doorbell Camera 201- the committee recommends approval for 1 CEU for this course.
2. Automation & Energy 201- the committee recommends approval for 1 CEU for this course.
3. Installer Tools 201- the committee recommends approval for 1 CEU for this course.
4. Interactive Services & Alam.com Image Sensor 201- the committee recommends approval for 1 CEU for this course.
5. Video as a Service 201- the committee recommends approval for 1 CEU for this course.
6. Cyber Defense- the committee recommends **denial** because there were no bios provided for the instructors.
7. Monitoring Center Operator Training -Level 1 - the committee recommends approval for 1.5 CEU’s for this course.

8. Selling Smart Home Solutions, a must for growing your RMR- the committee recommends **denial** because there were no bios provided for the instructors.
9. One System, Customized Solutions (renewal) - the committee recommends approval for 2 CEU's for this course.
10. Ensuring Serious Security with Remote Connectivity - the committee recommends approval for 2 CEU's for this course.
11. 2GIG Security Solutions - the committee recommends approval for 2 CEU's for this course.
12. Increasing RMR with Access Control - the committee recommends approval for 2 CEU's for this course.
13. IoT Connectivity, the Security Professional and Solution Selling - the committee recommends approval for 2 CEU's for this course.
14. Door Openings and Access Control Hardware (renewal) - the committee recommends approval for 2 CEU's for this course.
15. Megapixel Crash Course (renewal) - the committee recommends approval for 2 CEU's for this course.
16. Vanco-HDMI Focusing on 4K - the committee recommends **denial** because it does not meet ASLB criteria.
17. Commercial A/V Providing a Solution - the committee recommends **denial** because it does not meet ASLB criteria.
18. Trendnet- Indoor and Outdoor Wireless Solutions - Made Easy - the committee recommends **denial** because it does not meet ASLB criteria.
19. Alarm Level I certification (renewal) - the committee recommends approval for 6 CEU's for this course.

MR. BROWN MADE A MOTION TO APPROVE ALL OF THE COURSES EXCEPT # 6 AND #8 AS PRESENTED. SECONDED BY MR. CRABTREE. MOTION CARRIED.

MR. BROWN MADE A MOTION TO APPROVE COURSES #6 (CYBER DEFENSE) & #8 (SELLING SMART HOME SOLUTIONS, A MUST FOR GROWING YOUR RMR) WITH THE STIPULATION THEY PROVIDE BIOS FOR EACH INSTRUCTOR. SECONDED BY MR. WALSH. MOTION CARRIED

OLD BUSINESS

None.

NEW BUSINESS

NCESA submitted a educational grant application for the 2018 NCESA Convention. The grant application request was for \$10,000.

Representatives of the NCESA, Chris Lore and Jay Stone, were available to answer any questions.

CLOSED SESSION: 10:09 a.m.

RECONVENE: 10:16 a.m.

Mr. Gregory stated the desire of the Board was to approve the grant application and reminded the NSESA representatives in attendance that the grant was to be used for educational activities only, the money was not to be used for food, alcohol, or entertainment, and the seminars/sessions should be free to all of those that have registered and wish to attend.

MR. BROWN MADE A MOTION TO APPROVE THE EDUCATIONAL GRANT APPLICATION FOR THE NCESA'S MAY 2-4, 2018 CONFERENCE AS PRESENTED. SECONDED BY MR. PROCTOR. MOTION CARRIED.

DIRECTOR'S REPORT

Mr. Brian Jones presented the written report and advised that the Alarm Board's fund balance was \$ \$666,782.97 as of February 28, 2018. The Education Fund balance was \$\$69,128.78. As of February 28, 2018, the Board had 919 licensees and 8441 registrants.

Mr. Jones brought to the Board's attention that revenues are continually decreasing and expenditures have outpaced revenues. Also, he made the Board aware that invoices from 2016 totaling around \$26,000.00 from Temporary Solutions staffing agency were never paid nor were these invoices provided to PPS. Temporary Solutions is seeking full payment and the Board's percentage will be 25%, which was approximately \$6500.00. Mr. Jones stated staff will make every effort to ensure that invoices are received for services rendered. Also, he believes that expenses will stabilize after the document archive project was completed.

Mr. Gregory stated that the Board may need to look at some type of fee increase to sustain operations.

Mr. Jones provided a staffing update. He announced that Kim Odom had been selected as the Field Services Supervisor. He stated that Kim brings invaluable experience to this position and he was confident that she would excel in her new role. He stated that Melvin Turner resigned on January 30th, Ronnie Broadwell resigned effective March 29th, and Christina Shamberger, who began serving as a temporary employee in May 2017, accepted a permanent position as a Processing Assistant IV.

Mr. Jones stated that additional Permitium training sessions for industry members began on February 5th. To date, over 100 people have participated through video conferencing and 17 people have attended the training in person at the PPS office. He stated that Permitium was working on lingering registration issues and was finalizing development for licensing. Permitium representatives provided an overview of the licensing portal on March 6, 2018. They planned to return on April 3, 2018 to discuss their progress.

Mr. Jones stated that the Permitium contract is up for renewal in early May. He announced a meeting with Permitium and DPS Purchasing & Logistics on April 3, 2018. The Board is encouraged to attend.

Mr. Jones stated that a memorandum that detailed Permitium updates was sent to industry members on January 29, 2018. A copy was attached to the Director's Report.

Mr. Jones stated that he has begun utilizing temporary employees and providing overtime compensation to existing employees to address the registration backlog. Additionally, he has taken steps to streamline the data entry process. While this measure greatly increases efficiency, some registrants may not receive plastic registration cards. Rather, registrants will receive a paper notice that resembles the identification card and it contains all of the relevant information. This is a temporary measure to expedite data entry and will conclude when the backlog is eliminated.

Mr. Gregory expressed concerns regarding the discontinuation of paper applications scheduled for May 2018. He suggested that Mr. Jones may need to extend the acceptance of paper applications for an additional 60 days. Mr. Jones requested to maintain the May deadline and that he will continue to evaluate progress. Mr. Jones stated that one of the reasons why he wanted to stop accepting the paper applications was to lessen the dual backlogs of the paper applications and the applications submitted through Permitium.

Mr. Sherbin stated that Permitium should complete the registration portion and fix any outstanding issues before releasing the licensing portion.

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

ATTORNEY'S REPORT

CONSENT AGREEMENTS & CIVIL PENALTIES

On January 24, 2018, Blake Monroe Haigler/Haigler Solutions Inc. d/b/a Haigler Systems (Screening) entered into a Consent Agreement with the Board in the amount of \$765.00 for unlicensed activity. The agreement was signed by the Q/A on February 13, 2018. Payment has been received (**PAID IN FULL**).

On January 24, 2018, Peter Robert Ramsey/Intracoastal Communications, Inc. (Screening) entered into a Consent Agreement with the Board in the amount of \$765.00 for unlicensed activity. The temporary agreement was signed by the Q/A on January 17, 2018.

On January 24, 2018, Kenneth Alan Spangler/Shelby Alarm Company (Screening) entered into a Consent Agreement with the Board in the amount of \$2050.20 for registration violations and unlicensed activity. The agreement was signed by the Q/A on February 20, 2018. Payment has been received (**PAID IN FULL**).

OFFICE OF ADMINISTRATIVE HEARINGS

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

RULES

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 19th meeting. A copy of the timeline, with dates and deadlines, was approved at the Board's November 16th meeting.

The Public Hearing for these rules readoptions was January 30, 2018 at 2:00 p.m. at the Board's office. The public comment period ended February 13, 2018. No comments were received. The Board should vote to approve today.

If approved today, the Board's rules readoptions will be on the Rules Review Commission's April agenda and will be effective June 1, 2018.

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. Mr. Gray 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 16th meeting is attached to the Attorney's Report. The Public Hearing for this amendment was also January 30, 2018 at 2:00 p.m. at the Board's office. The public comment period ended March 5, 2018. The Board needs to review and discuss a single public comment received, then vote to approve or make changes based on the comment. A copy of a memorandum with the single comment received is attached. See, attachment 2 of the Attorney's Report. As with the readoptions above, the Board needs to vote to approve this rule at its meeting today.

As previously reported, it was discovered by staff at the Office of Administrative Hearings that one rule which was part of the rule amendments effective December 1, 2017 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 for this rule expired January 2nd and no oral or written comments were received. This rule was approved today and is attached at The Board's January 18, 2018 meeting and was approved by the Rules Review Commission on March 15, 2018. Fortunately this rule applied to renewals (and not the initial license). The rule will be effective April 1, 2018.

IV. 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 technically passed. The legislature has adjourned but has reconvened three times since June 30, 2017, most recently on January 10th.

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.

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

MR. BROWN MADE A MOTION TO ADOPT THE ADMINISTRATIVE RULE AS WRITTEN NOTING THAT THE PUBLIC COMMENT WAS NOT ACCEPTED BECAUSE IT DID NOT APPLY TO THE RULE CHANGE SPECIFICALLY. THE COMMENT WAS RELATED TO THE 74D REWRITE, NOT THE ADMINISTRATIVE RULE AMENDMENT. SECONDED BY MR. SHERBIN. MOTION CARRIED.

MR. WALSH MADE A MOTION TO APPROVE THE READOPTION OF ALL OF THE ADMINISTRATIVE RULES AS PRESENTED. SECONDED BY MR. PROCTOR. MOTION CARRIED.

GOOD OF THE ORDER.

NCEA meeting @ 1pm at ADI in Raleigh, NC.

Mr. Gregory stated that John Sherbin is resigning from the Board and that this would be his last meeting. Mr. Gregory thanked him for his service.

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

Meeting Adjourned: 11:05 a.m.

Brian Jones
Director

Cynthia Anthony
Reporter