

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

DATE: July 18, 2019
TIME: 9:00 A.M.
PLACE: Holiday Inn Raleigh North
Raleigh, North Carolina
SUBMITTED BY: Brian Jones
Director

MEMBERS PRESENT:

Ralph Gregory
Larry Proctor
Courtney Brown
Jim Crabtree
Wayne Woodard
Stephen Wheeler

MEMBERS ABSENT

STAFF PRESENT:

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

VISITORS

Tommy Whisnant
Darryl Bray
Ted Licastro
Timothy Mangum
Darwin Smith
Duncan Hubbard
Ralph Gregory
Sean Hatcher
Anita Surratt
Jennifer Baratta
Pamala V McLean

Brian C Ball
David Sperber
Jonathan Stallings
Chris Lohr
William Stratton
Brett Ray
Chris Nobling
Lorrie Hudnell
Candis Hanson
Larry Blumenfeld

The July 18, 2019 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 McDarris 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.

Attorney Charles McDarris opened the nominations to elect the new officers.

RALPH GREGORY MADE A MOTION TO ELECT WAYNE WOODARD AS CHAIR. SECONDED BY JIM CRABTREE. MOTION CARRIED. NONE OPPOSED.

WAYNE WOODARD MADE A MOTION TO ELECT COURTNEY BROWN JR. AS VICE-CHAIR. SECONDED BY JIM CRABTREE. MOTION CARRIED. NONE OPPOSED.

COURTNEY BROWN MADE A MOTION TO ELECT STEPHEN WHEELER AS CHAIR OF THE EDUCATION COMMITTEE. SECONDED BY WAYNE WOODARD. MOTION CARRIED. NONE OPPOSED.

JIM CRABTREE MADE A MOTION TO APPROVE THE MAY 23, 2019 BOARD MEETING MINUTES. SECONDED BY COURTNEY BROWN. MOTION CARRIED.

Stephen Wheeler presented the Grievance Committee report. Mr. Wheeler and Wayne Woodard met as the Grievance Committee on July 17, 2019 from 9:00 a.m. to 9:58 a.m. and heard a total of six cases.

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

Wayne Woodard presented the Screening Committee report. Mr. Woodard served as chair of the Screening Committee.

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

FINAL AGENCY DECISIONS

18 DOJ 07523 –Matthew Wayne Carmichael- This contested case was heard before Administrative Law Judge Stacey Bice Bawtinhimer on February 26, 2019 in Raleigh, North Carolina. The issue was whether or not grounds exist to deny an alarm registration for Mr. Carmichael for lack of good moral character and temperate habits as evidenced by a conviction of felony attempted trafficking marijuana by manufacturing in Randolph County, North Carolina. Mr. Carmichael and his employer, Mr. Spivey, were present.

STEPHEN WHEELER MADE A MOTION TO APPROVE THE ALARM REGISTRATION. SECONDED BY WAYNE WOODARD. MOTION CARRIED. IT WAS NOTED THAT LARRY PROCTOR OPPOSED THE APPROVAL.

SPECIAL REPORTS AND PRESENTATIONS

Larry Proctor presented the continuing education report.

1. Installing Code Compliant Security Systems Part 1 - the Committee recommends approval for three CEU's for this course.
2. Installing Code Compliant Security Systems Part 1 - the Committee recommends approval for three CEU's for this course.
3. DSC (Qolsys) Self Contained Wireless IQ Panel & Peripherals - the Committee recommends approval for three CEU's for this course.
4. Using Drones for Physical Security - the Committee recommends approval for three CEU's for this course.
5. Designing Home Automation Solutions - the Committee recommends approval for one CEU for this course.
6. Designing Customized Access Control Solutions - the Committee recommends approval for one CEU for this course.
7. The Business of the Burglar Alarm Business (Short) - the Committee recommends approval for two CEU's for this course.
8. The Business of the Burglar Alarm Business (Long) - the Committee recommends approval for three CEU's for this course.

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

OLD BUSINESS

Mr. Gregory suggested Director Brian Jones, Attorney Jeff Gray and new Board Chair, Wayne Woodard attend the upcoming International Association of Security and Investigative Regulators (IASIR) conference in Baltimore, Maryland.

JIM CRABTREE MADE A MOTION THAT DIRECTOR BRIAN JONES, ATTORNEY JEFF GRAY AND THE NEW BOARD CHAIR, WAYNE WOODARD ATTEND THE UPCOMING INTERNATIONAL ASSOCIATION OF SECURITY AND INVESTIGATIVE REGULATORS (IASIR) CONFERENCE IN BALTIMORE, MARYLAND. SECONDED BY LARRY PROCTOR. MOTION CARRIED.

NEW BUSINESS

Brian Jones stated that the North Carolina Electronic Security Association submitted an educational grant application for the 2019 NCESA Convention. The grant application request was for \$5,545.00.

STEPHEN WHEELER MADE A MOTION TO APPROVE THE EDUCATIONAL GRANT APPLICATION FOR THE NCESA AS PRESENTED. SECONDED BY JIM CRABTREE. MOTION CARRIED.

Director Jones stated Power Learning Systems, Inc. submitted an incomplete educational grant application. Specifically, the application did not contain a specific monetary request or a breakdown of costs. Moreover, the application expressed a desire to obtain funding for efforts related to electrical contracting careers and license exam preparation for the electrical contractors' exam.

WAYNE WOODARD MADE A MOTION TO DENY THE EDUCATIONAL GRANT APPLICATION FOR POWER LEARNING SYSTEMS, INC. AS PRESENTED. SECONDED BY STEPHEN WHEELER. MOTION CARRIED.

Director Jones stated that he and Deputy Director Phil Stephenson met with representatives from the State Bureau of Investigations (SBI) to explore the possibility of accepting electronic fingerprint submissions. He stated that electronic submissions would reduce errors, significantly decrease processing time, and provide greater security. He stated that several licensing boards in North Carolina already require electronic submissions.

COURTNEY BROWN MADE A MOTION TO DIRECT THE BOARD'S ATTORNEY TO DRAFT RULES FOR THE ELECTRONIC FINGERPRINT CARD SUBMISSIONS TO BE PRESENTED TO THE BOARD FOR THEIR REVIEW AND CONSIDERATION. SECONDED BY JIM CRABTREE. MOTION CARRIED.

The following are the new meeting dates for 2020:

January 15-16, 2020 - Raleigh, NC
March 18-19, 2020 - Raleigh, NC
May 20-21, 2020 - Raleigh, NC
July 15-16, 2020 - Raleigh, NC
September 16-17, 2020 - Raleigh, NC
November 18-19, 2020- Raleigh, NC

LARRY PROCTOR MADE A MOTION TO APPROVE THE PROPOSED MEETING DATES. SECONDED BY JIM CRABTREE. MOTION CARRIED.

Director Jones supplied the Board with a copy of the current Private Protective Services Board's administrative rules regarding license reinstatement. The Board agreed to review that Board's guidelines and explore potential reinstatement options.

DIRECTOR'S REPORT

Director Jones presented the report and advised that the Board's fund balance was \$577,854.13 as of June 29, 2019. The Education Fund balance was \$67,211.24. As of June 29, 2019, the Board had 1,019 licensees and 10,074 registrants.

Mr. Jones announced that Nick Ezell was hired to serve as the investigator assigned to Greensboro effective July 15th. Nick last served as a lead homicide detective for the Stockton, California Police Department. Nick's numerous assignments included field training officer, traffic officer, major collision investigator, community policing, problem oriented policing team, criminal intelligence, dignitary protection, commercial vehicle enforcement officer, robbery detective, and mobile command post operator. Prior to working for the Stockton Police department, Nick served in the United States Navy.

Director Jones stated staff members were in the process of reviewing applications for a vacant processing assistant position.

Director Jones reported the Registration Unit had made tremendous progress addressing the backlog and as of July 15, 2019, employees had processed alarm registration applications submitted through June 7, 2019.

Director Jones reported Permittium was completing the final stages of development. Permittium representatives met with staff June 5, 2019 to provide an overview of progress and prioritized pending issues that needed to be resolved. One of the top issues Permittium developers were working on was notifying license holders of their expiration dates.

Director Jones stated that he was working with the Purchasing and Logistics Office to renew the contract with Permittium.

Director Jones announced pursuant to NCGS 74D-2.1, the Board may designate a reporting service to provide criminal record reports. The Board's contract with the current provider recently expired. He stated that representatives from both Boards would soon review the proposals.

Director Jones announced that the Alarm Systems Licensing Board would accept grant applications from July 19, 2019 until 5:00 p.m. on September 20, 2019. The guidelines and application could be located on the ASLB website.

Lastly, Director Jones noted that the proposed capability to increase various fees had been removed from House Bill 630. He encouraged the Board to revisit this issue soon.

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

ATTORNEY'S REPORT

I. CONSENT AGREEMENTS & CIVIL PENALTIES

On March 13, 2019 Eric Tutton/i-Tech Security and Network Solutions entered into a Consent Agreement with the Board in the amount of \$5,875.20 for registration violations. The agreement was signed by the Q/A on May 13, 2019. Payment has been received (PAID IN FULL).

On May 22, 2019 Pamela Cook Neuffer/KNC Technologies entered into a Consent Agreement with the Board in the amount of \$6,242.40 for registration violations. The agreement was signed by the Q/A on June 24, 2019. Payment has been received (PAID IN FULL).

On May 22, 2019 Jason Lindquist/Vivint, Inc. entered into a Consent Agreement with the Board in the amount of \$183.60 for one registration violation. The agreement was signed by the Q/A on June 26, 2019. Payment has been received (PAID IN FULL).

On May 22, 2019 Ralph Courtney Brown Jr./Lake Norman Security Patrol Inc. d/b/a AlarmSouth (Screening) entered into a Consent Agreement with the Board in the amount of \$382.50 for unlicensed activity. The agreement was signed by the Q/A on June 7, 2019. Payment has been received (PAID IN FULL).

On May 22, 2019 Jack Bernard Davis/Detech Inc. (Screening) entered into a Consent Agreement with the Board in the amount of \$191.25 for unlicensed activity. The agreement was signed by the Q/A on June 11, 2019. Payment has been received (PAID IN FULL).

On May 22, 2019 Thomas Martin Futrell Jr./Aveanna Corporation d/b/a The Flying Locksmiths - Raleigh (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 June 18, 2019. Payment has been received (PAID IN FULL).

On May 22, 2019 John Phillip Smith/PPSI, Inc. (Screening) entered into a Consent Agreement with the Board in the amount of \$382.50 for unlicensed activity. The

agreement was signed by the Q/A on June 10, 2019. Payment has been received (PAID IN FULL).

II. OFFICE OF ADMINISTRATIVE HEARINGS

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

III. RULES

- a. At its November 15, 2018 meeting the Board voted to amend 14B NCAC 17 .0203 to increase the license fee from \$375.00 to the statutory maximum of \$500.00. The Notice of Text was filed December 11, 2018 and the Public Hearing for this rule change was January 30, 2019 at 2:00 p.m. at the Board's office. There was no public comment. The public comment period ended March 18, 2019. This rule amendment was approved at the Board's May 23, 2019 meeting and has been filed with the Rules Review Commission.
- b. As previously mentioned to the Board during its creation and implementation, the new Permittum on-line licensing and registration system require changes to the corresponding sections of the Board's administrative rules. With the assistance of Registration Supervisor Shannon Thongkheuang and Licensing Supervisor Cynthia Anthony, Mr. Gray prepared draft rules for the necessary changes and amendments for the Boards review and approval. They were attached as Attachment 2 to Mr. Gray's January 17, 2019 Attorney's Report and approved by the Board. The Notice of Text was filed February 15, 2019 and the Public Hearing for these rule changes was March 5, 2019 at 2:00 p.m. at the Board's office. There was no public comment. The comment period ended April 16, 2019. These rule amendments were also approved at the Board's May 23rd meeting and have been filed with the Rules Review Commission.

IV. LEGISLATION

- a. A new proposed bill rewriting Chapter 74D was approved at the Board's November 15, 2018 meeting. Due to circumstances, 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 is attached as Attachment 2 to the Attorney's Report.

- b. As explained in Mr. Gray's May 23rd Attorney's Report, the "cross-over deadline" is an arbitrary date set by the General Assemble by which certain bills must have passed one chamber or the other in order to continue to be eligible for consideration. Some bills, however, are exempt from the deadline such as bills containing fees or other revenue provisions.

Prior to the cross-over deadline I was following eight bills that, if passed, could have a potential impact on the Board. Four remained at the time of the last Board meeting, but as predicted the language from one of the other four now appears in another bill. The four Mr. Gray has been following are:

- 1) Senate Bill 478, "Removal Power/Modifying Reporting," would allow the Governor to remove individuals from boards and commissions for malfeasance and/or nonfeasance regardless of the individual's appointment or authority. It would also require reporting of "gender-proportionate appointments" to more than just regulatory bodies as currently required, and require it for "public bodies" including certain units of local government. This gender-proportionate reporting previously existed in the statute, and the report has to be made by the appointing authority (e.g. the Governor, the House Speaker, etc.). This bill was amended in committee to require that the report be made by the board, commission or local government. It has passed the Senate and the House, and due to two PCS in the House is being returned to the Senate for concurrence.

- 2) House Bill 770, "Freedom to Work," was introduced on "tax day," April 15th. It quickly passed the House, but was amended in the Senate (by "PCS") to add the language from Senate Bill 305, a bill that did not meet the cross-over deadline. The House concurred in the Senate's amendments and it passed 119-0. The Governor signed it into law on July 7th and its provisions become effective October 1, 2019.

This bill has major implications for the Alarm Systems Licensing Board and its duties and functions.

This bill amended 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. If a board is authorized to deny a license on the basis of a verified conviction of any crime, the board is permitted to deny the license only 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, but adds that a certificate of relief shall 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 45 days of receipt of the petition and allows the board to charge a 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.

These new requirements will fundamentally change how the Board's staff initially views applicants with a criminal conviction and the parameters of, and process for, denial by the Board.

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. Although the Board has statutory authority for an apprenticeship registration, to my knowledge it is not utilized. Further, it is not the federally approved apprenticeship program contemplated by this new law so I will not elaborate on this section.

One dramatic change as a result of House Bill 770 is that the Board could arguably now be defined as a "State agency licensing board." (New N.C. Gen. Stat. § 93B-1(3).) Previously, the Board was treated as an "occupational licensing board" as defined in the original version of 93B-1. As such, the Board was an "Article 3A agency" under Chapter 150B, the Administrative Procedures Act. After defining what a "State agency licensing board" is, the new law then lists these boards. The Alarm Systems Licensing Board is not on the list (but the Private Protective Services Board is, but with only six of its nine license categories.) However, there was no corresponding change to Chapter 150B (specifically, N.C. Gen. Stat. § 150B-38(a)) specifying that any of these boards and commissions now defined as "State agency licensing boards" can no longer be treated as Article 3A agencies.

3) 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 whether the past changes the law implemented by licensing boards and commissions 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 on May 3rd and was referred to the Senate Committee on Rules and Operations of the Senate.

4) Senate Bill 584, "Criminal Law Reform," was introduced on April 4th and the majority of its provisions are aimed at local government ordinances that have criminal penalties. However, it has two provisions that could affect the Board.

First, an applicant could basically request "preclearance" and ask for a determination as to whether criminal charges would bar licensure, registration or certification. The original version would have allowed a board to charge a fee for such a preclearance, but the bill was amended in committee to remove the fee. Substantially similar provisions were found in House Bill 770, which are now law.

The second provision would subject any new administrative rule that could result in a criminal penalty to be reviewed by the legislature prior to adoption.

This bill passed the Senate on May 6th and was referred to the House Rules Committee. A copy was attached to Mr. Gray's May 23rd Attorney's Report.

STEPHEN WHEELER MADE A MOTION TO ACCEPT THE ATTORNEY'S REPORT AS PRESENTED. SECONDED BY LARRY PROCTOR. MOTION CARRIED.

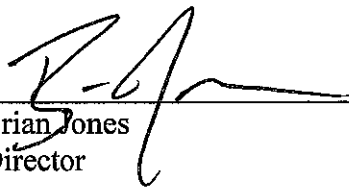
GOOD OF THE ORDER.

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

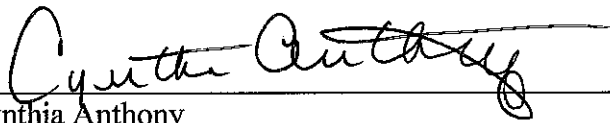
The Board thanked Ralph Gregory for his service, commitment and leadership.

JIM CRABTREE MADE A MOTION TO ADJOURN. SECONDED BY COURTNEY BROWN. MOTION CARRIED.

Meeting Adjourned: 10:27 a.m.



Brian Jones
Director



Cynthia Anthony
Reporter