

MINUTES
OF THE
NORTH CAROLINA ALARM SYSTEMS LICENSING BOARD

DATE: May 24, 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
Wayne Woodard

MEMBERS ABSENT:
John Walsh

STAFF PRESENT:
Director Brian Jones
Attorney Jeff Gray
Deputy Director Phillip Stephenson
Field Services Supervisor Kim Odom
Board Secretary Cynthia Anthony
Investigator Roy Bullard

VISITORS:

Timothy Marion Drake
Anita Surratt
Tommy Whisnant
Daryl Kilian
Richard Terrio
Scott Grace
John D. Sorrell
Avner Mark Pecker
Teresa Pecker
Dan Singleton

Jason Lindquist
Doug Fussell
Carlene McNulty
Johnnie A McKoy
Chris Nobling
Dorian Dehnel
Jennifer Baratta
Gerald (Jerry) Phillips
Chuck Olson
Joseph Higgins

The May 24, 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.

JIM CRABTREE MADE A MOTION TO APPROVE THE MARCH 22, 2018 BOARD MEETING MINUTES. SECONDED BY COURTNEY BROWN. MOTION CARRIED.

Wayne Woodard read the Grievance Committee report. Wayne Woodard and Ralph Gregory met as the Grievance Committee on May 23, 2018 from 9:00 p.m. to 9:32 a.m. and heard a total of three cases.

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

Chairman Gregory welcomed the newest Board member, Wayne Woodard.

Chairman Gregory read the Screening Committee report. Chairman Gregory 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.

Courtney Brown explained that Mr. Gray had presented two questions to the Screening Committee regarding whether a license was needed to engage in certain business practices. The first was whether a company that handles payroll of a client alarm company under a “PEO” or Professional Employer Organization agreement pursuant to G.S. 58-59A-25 must be licensed and the other was whether a staffing company that provides contract employees for alarm sales, installation, and monitoring where the company only provides human resources functions and no other activity listed in G.S. 74D-2(a) must be licensed. In both instances the Committee recommends to the Board that a license is not required.

COURTNEY BROWN MADE A MOTION THAT PEO COMPANIES AND STAFFING AGENCIES DO NOT NEED A LICENSE FROM THE STATE AS LONG AS THEY DO NOT VIOLATE 74D. SECONDED BY LARRY PROCTOR. MOTION CARRIED.

FINAL AGENCY DECISIONS

17 DOJ 07169 –Andre Christopher Allen. This contested case was heard before Administrative Law Judge Donald Overby on November 28, 2017 in Raleigh, North Carolina. The issue was whether or not grounds exist to deny the alarm systems registration based on Petitioner’s lack of good moral character and temperate habits as evidenced by the convictions of a simple assault and assault on a female. Certified legal interns Alexander J. Murphy and Graham B. Morgan, practicing under the supervision of Professor Erika Wilson, University of North Carolina Civil Legal Assistance Clinic, represented Petitioner at the hearing. Due to a miscommunication Mr. Allen was not present.

Attorney Carlene McNolte, who is serving as an adjunct professor at the University of North Carolina law school, was present on Mr. Allen’s behalf.

LARRY PROCTOR MADE A MOTION TO APPROVE THE ALARM APPLICATION. SECONDED BY JIM CRABTREE. MOTION CARRIED. COURTNEY BROWN OPPOSED THE APPROVAL. WAYNE WOODARD RECUSED HIMSELF FROM VOTING ON THIS CASE.

SPECIAL REPORTS AND PRESENTATIONS

Mr. Proctor gave the continuing education report.

1. Home Networking for Technicians- the committee recommends **denial** because it does not meet ASLB criteria.
2. The Connected Home- the committee recommends **denial** because it does not meet ASLB criteria.
3. Multi-Room Audio Technology and Distribution- the committee recommends **denial** because it does not meet ASLB criteria.
4. Fundamentals for Electronics Systems Technicians -the committee recommends approval for 6 CEU’s for this course.
5. Project Management for Residential Installation- the committee recommends **denial** because it does not meet ASLB criteria.
6. Security and Access Control - the committee recommends approval for 6 CEU’s for this course.
7. Residential Lighting Control - the committee recommends approval for 6 CEU’s for this course.
8. Home Theater Technologies Explained- the committee recommends **denial** because it does not meet ASLB criteria.
9. Monitoring Center Operator Training - Level 1- the committee recommends approval for 4 CEU’s for this course.

10. Critical Do's and Don'ts of Test, Inspection and Maintenance Programs for Fire, Access Control and Video Systems- the committee recommends approval for 1 CEU for this course (Course expires on June 23, 2018).
11. CounterPoint of the Day: Unlicensed Activity-Fake News or Real Issue? - the committee recommends approval for 1 CEU for this course (Course expires on June 23, 2018).
12. Improving the Customer Interaction Experience: Strategies to Consider Before Implementing IVR in the Monitoring Center - the committee recommends approval for 1 CEU for this course (Course expires on June 23, 2018).
13. Fire Alarms- New Codes, Technology and Practices That Will Keep You Out of the Red - the committee recommends approval for 1 CEU for this course (Course expires on June 23, 2018).
14. How to Drive a Customer-Centric Culture within Your Company - the committee recommends approval for 1 CEU for this course (Course expires on June 23, 2018).
15. HACKED! Important Steps to Protect your Company (and Yourself) AFTER a Cyberattack - the committee recommends approval for 1 CEU for this course (Course expires on June 23, 2018).
16. How to Get More Service Calls Completed from Your Technicians - the committee recommends approval for 1 CEU for this course (Course expires on June 23, 2018).
17. Creation Costs-Defined, Dissected & Diminished - the committee recommends approval for 1 CEU for this course (Course expires on June 23, 2018).
18. CounterPoint of the Day: New Tax Law Explained and Enlightened - the committee recommends approval for 1 CEU for this course (Course expires on June 23, 2018).
19. 3 Great Ways to Build RMR with Video Monitoring- the committee recommends approval for 1 CEU for this course (Course expires on June 23, 2018).
20. A View from the Porch-How to Drive Profit with Doorbells, Cameras, and Door Locks- the committee recommends approval for 1 CEU for this course (Course expires on June 23, 2018).
21. Next Gen Monitoring - Do Monitoring-on- Demand or Pay -as-You- Use Models Really Work? -the committee recommends approval for 1 CEU for this course (Course expires on June 23, 2018).
22. Metrics that Matter: Choosing and Using the Right Industry-Specific KPIs- the committee recommends approval for 1 CEU for this course (Course expires on June 23, 2018).
23. Maximize New Employees-Why Onboarding is Critical to Their Success - the committee recommends approval for 1 CEU for this course (Course expires on June 23, 2018).
24. Plagued by False Alarms? Audio/Video Alarm Verification Best Practices - the committee recommends approval for 1 CEU for this course (Course expires on June 23, 2018).
25. The Evolving Cyber Threat for Connected Devices and Cloud-based Services- the committee recommends approval for 1 CEU for this course (Course expires on June 23, 2018).

26. The Monitoring Center of the Future is Here and Now!-Technology You Must Leverage to Thrive - the committee recommends approval for 1 CEU for this course (Course expires on June 23, 2018).
27. Smart Home Market Becoming a Brilliant Opportunity- the committee recommends approval for 1 CEU for this course (Course expires on June 23, 2018).
28. Rebated, Buy Backs, and Other Incentives: Energizing Your Customers- the committee recommends approval for 1 CEU for this course (Course expires on June 23, 2018).
29. The Perfect Fit: New Strategies for Attracting and Retaining the Right Operators- the committee recommends approval for 1 CEU for this course (Course expires on June 23, 2018).
30. Think Before You Ink: Handling Contract Modification Risks- the committee recommends approval for 1 CEU for this course (Course expires on June 23, 2018).
31. Leveraging Data: Analytics that Drive Sales and RMR - the committee recommends approval for 1 CEU for this course (Course expires on June 23, 2018).
32. Building & Tailoring Sales Teams to Fit Your Strategy- the committee recommends approval for 1 CEU for this course (Course expires on June 23, 2018).
33. 7 Ways to Successfully Partner with Residential Builders and Realtors - the committee recommends approval for 1 CEU for this course (Course expires on June 23, 2018).
34. Commercial Access Control 101: Unlocking Profits - the committee recommends approval for 1 CEU for this course (Course expires on June 23, 2018).
35. Industry Outlook-What You Need to Know - the committee recommends approval for 1 CEU for this course (Course expires on June 23, 2018).
36. 4 Pitfalls of Launching a New Product -and How to Avoid Them! - the committee recommends approval for 1 CEU for this course (Course expires on June 23, 2018).
37. Optical Technology - the committee recommends approval for 1 CEU for this course.
38. Turbo HD Solution- the committee recommends approval for 1 CEU for this course.
39. IP Cameras - the committee recommends approval for 1 CEU for this course.
40. PTZ Cameras- the committee recommends approval for 1 CEU for this course.
41. NVR Advanced Operations- the committee recommends approval for 1 CEU for this course.
42. Smart Functions & Applications- the committee recommends approval for 1 CEU for this course.
43. Network Basics- the committee recommends approval for 1 CEU for this course.
44. Basic Troubleshooting & Regulations- the committee recommends approval for 1 CEU for this course.
45. 5800C2W- the committee recommends approval for 1 CEU for this course.
46. 5210 Express - the committee recommends approval for 3 CEU's for this course.
47. IS and PT Series - the committee recommends approval for 1 CEU for this course.
48. GSM Communications- the committee recommends approval for 4 CEU's for this course.
49. VAM- the committee recommends approval for 1 CEU for this course.
50. 20p- the committee recommends approval for 4 CEU's for this course.

51. Compass 2.0- the committee recommends approval for 2 CEU's for this course.
52. 5800 Wireless- the committee recommends approval for 2 CEU's for this course.
53. 5210 Advanced- the committee recommends approval for 3 CEU's for this course.
54. Vistakey- the committee recommends approval for 4 CEU's for this course.
55. 15P- the committee recommends approval for 4 CEU's for this course.
56. L7000 Advanced- the committee recommends approval for 3 CEU's for this course.
57. L7000 Express- the committee recommends approval for 3 CEU's for this course.
58. Burg and Fire Basics- the committee recommends approval for 2 CEU's for this course.
59. IP Video and Access Control- online (Renewal ASLB 10-385) - the committee recommends approval for 6 CEU's for this course.
60. CCTV & Video Systems Training online (Renewal ASLB 10-383) - the committee recommends approval for 6 CEU's for this course.
61. Security Systems Training- online (Renewal ASLB 10-384) - the committee recommends approval for 6 CEU's for this course.
62. 5 Commercial Verticals You Should be Taking Advantage Of -the committee recommends approval for 1 CEU for this course (Course expires on June 23, 2018).
63. Incentives, Rewards and Recognition Programs for Employees that Drive Growth- the committee recommends approval for 1 CEU for this course (Course expires on June 23, 2018).
64. Monitoring Center Down! How to Improve Recovery Time when Natural Disasters Strike - the committee recommends approval for 1 CEU for this course (Course expires on June 23, 2018).
65. Top 5 Disruptive Go-To-Market Strategies Affecting the Residential Market - the committee recommends approval for 1 CEU for this course (Course expires on June 23, 2018).
66. Proven Customer Care Programs: Tips for Getting Started - the committee recommends approval for 1 CEU for this course (Course expires on June 23, 2018).
67. Top 5 Disruptive Technologies Impacting the Commercial Market - the committee recommends approval for 1 CEU for this course (Course expires on June 23, 2018).

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

OLD BUSINESS

Larry Proctor updated the Board and stated he is currently working to advance legislation concerning the Alarm Systems Licensing Board.

NEW BUSINESS

Mr. Gray stated that his two-year contract will be expiring at the end of June and his proposed renewal provides identical terms from the last two-year contract.

LARRY PROCTOR MADE A MOTION TO APPROVE THE BOARD ATTORNEY'S TWO YEAR CONTRACT RENEWAL. SECONDED BY COURTNEY BROWN. MOTION CARRIED.

DIRECTOR'S REPORT

Mr. Brian Jones presented the written report and advised that the Board's fund balance was \$660,042.92 as of April 30, 2018. The Education Fund balance was \$69,740.98. As of April 30, 2018, the Board had 980 licensees and 8117 registrants.

Mr. Jones announced that Ray Bullard began serving as the training officer on May 14th and stated that Mr. Bullard recently retired from the Sanford Police Department, where he served as the Captain of the Narcotics Division. He stated Christina Shamberger, who began serving as a temporary employee in May 2017, accepted a permanent position as a processing assistant. Mr. Jones informed the Board that applications for the two investigator openings are currently being reviewed.

As previously reported, Mr. Jones stated Temporary Solutions, the State agency that provides temporary employees, failed to send PPS invoices for some services provided by temporary employees in 2016. He stated this oversight by Temporary Solutions led to a \$26,305.66 charge. Based on the division of financial responsibility between the Boards, the Alarm Systems Licensing Board is responsible for \$6,576.41 of the total charge.

Mr. Jones reported that the online registration phase has been fully implemented and the agency has fully transitioned to online registration applications. He stated that known issues have been resolved to the satisfaction of PPS staff members and Shere McClamb, the project manager, and stated the licensing phase is nearing completion.

Mr. Jones stated the additional training sessions for industry members began on February 5th. He reported throughout the two month training, 166 people participated through video conferencing and 23 people attended the training in person at the PPS office. Since the previous Board meeting, the agency has seen a 129% increase in registration applications submitted through Permitium.

Mr. Jones announced that on April 3rd, PPS representatives, Purchasing & Logistics staff, IT representatives, and the Permitium project manager met with Paul Blake, Permitium's managing partner, to discuss the upcoming contract renewal. He stated stakeholders discussed concerns related to Permitium's onsite presence during implementation, Permitium's responsiveness to PPS and industry members, and ongoing issue tracking. He stated that Permitium has committed to address PPS concerns and he believes that the contract will be renewed in the near future.

Mr. Jones reported the contract to continue scanning and archiving paper applications has been executed. He stated Permitium picked up 122 boxes containing paper applications on May 2nd.

Mr. Jones stated that the agency utilizes PPS2000 to track continuing education, which is the only component of PPS2000 that Permitium was not contracted to provide. Accordingly, Mr. Jones stated he was told that early plans considered utilizing a solution similar to those used by colleges, such as Moodle or Blackboard, and his impression is that these solutions may require substantial development effort and may be expensive.

Mr. Jones stated that various state law enforcement agencies have existing contracts with PowerDMS. He stated most accredited law enforcement agencies use the software to track accreditation standards and upload proof of compliance. He stated they also have a robust online continuing education platform. Therefore, based on Mr. Jones' thorough assessment, he believes that PowerDMS can meet the continuing education coordination needs (track attendance, upload rosters, etc.).

Mr. Jones reported that over 1,600 registration applications were processed during the overtime project that began in January and concluded April 1st. He stated that this accounted for the work in the evenings and on the weekends and it does not include the efforts to address the backlog during the conventional work schedule. He stated staff members continue to diligently address this challenge.

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

ATTORNEY'S REPORT

I. CONSENT AGREEMENTS & CIVIL PENALTIES

1. 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 agreement was signed by the Q/A on March 18, 2018. Payment has been received (**PAID IN FULL**).
2. On March 21, 2018 Casey Perkins/Edge Home Security entered into a Consent Agreement with the Board in the amount of \$550.80 for registration violations. The agreement was signed by the Q/A on April 9, 2018. Payment has been received (**PAID IN FULL**).
3. On March 21, 2018 David Winchester/Alltek Security Inc. d/b/a Alltek Systems Design (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 March 21, 2018. 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. 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 voted to approve the readoption of all its rules at its meeting on May 24, 2018.

After responding to 37 pages of Requests for Technical Changes from a staff attorney for the Rules Review Commission, the Board's rules readoptions were on the Commission's April 17th agenda. They were approved with the exception of 14B NCAC 17 .0402 and .0403. These two rules were left over from when the Board had a recovery fund and were not repealed when the statutes were changed to convert the recovery fund to the current education fund. In separate Requests for Technical Changes the Commission staff member suggested repeal. Mr. Gray agreed. The Commission objected on the grounds that the proper procedure for repeal was not followed. The Board's other rules will be effective June 1, 2018. At some point, Mr. Gray will start the process to repeal .0402 and .0403.

Once the final version of the rules, reflecting the technical changes, are downloaded to the North Carolina Register, Mr. Gray will provide copies to the Board members and staff.

b. 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. 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 reviewed and discussed a single public comment received, then voted to approve the rule without change at its March 22nd meeting.

This rule (14B NCAC .0103(13)) was approved by the Rules Review Commission on April 17, 2018 and is effective June 1, 2018.

c. 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 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 was 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.

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

GOOD OF THE ORDER.

Terry Sprinkle addressed the Board concerning a reciprocal agreement with South Carolina and other states that border North Carolina.

Chairman Gregory informed Mr. Sprinkle that a decision could not be made today and would require the other state to recognize and accept North Carolina licensees. Chairman Gregory expressed concern about whether this could be accomplished.

LARRY PROCTOR MADE A MOTION TO ADJOURN. SECONDED BY JIM CRABTREE. MOTION CARRIED.

Meeting Adjourned: 10:00 a.m.

Brian Jones
Director

Cynthia Anthony
Reporter