



North Carolina Department of Public Safety

Private Protective Services Board

Roy Cooper, Governor
Erik Hooks, Secretary

Pamela Cashwell, Chief Deputy Secretary
Wayne Woodard, Interim Director

**MINUTES OF THE
PRIVATE PROTECTIVE SERVICES BOARD MEETING
JUNE 22, 2017
HILTON WILMINGTON RIVERSIDE
301 NORTH WATER STREET
WILMINGTON, NC 28401**

BOARD MEMBERS PRESENT

Eric Weaver Sr.
Brian Lowman
Ed Cobbler
Clyde Cook
William Fletcher, Jr.
William MacRae
Steve Johnson
Nada Lawrimore
Bud Cesena
Dustin Greene
Larry Proctor
David Arndt
Richard Epley

BOARD MEMBERS ABSENT

Marcus Benson

STAFF PRESENT

Wayne Woodard – Interim Director
Phillip Stephenson - Field Services Supervisor
Jeff Gray - Attorney
Melvin Turner – Training Officer/Investigator
George Daniels – Investigator
Ronald Broadwell - Investigator
Garcia Graham – PPS Board Secretary

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GUESTS PRESENT

Kelly Gibson
Mark Greenfield
Gregory Hatten
Pamela Hensley
Deborah Worley
Pam Mayfield

Juan Aponte
Michael Walker
Suzanne Creech
Larry Flannery
Paul Latorre

Sandra Epley
Roy Shipman
Melissa Washington
Dorian Dehnel
Robert Dunn

CALL TO ORDER

Chairman Eric Weaver called the June 22, 2017 Private Protective Services Board meeting to order at 9:30 a.m. Brian Lowman led the group in the reciting of the Pledge of Allegiance followed by Mr. Weaver welcoming all guests.

GOOD OF THE ORDER:

Attorney Jeff Gray explained the State Ethics Act, which addresses the ethics of public officials. This Act states specifically that if any Board member has any conflict of interest, potential conflict of interest, or the appearance of a conflict, he or she should remove themselves from deliberation and vote on that matter and so state on the record.

Mr. Gregory Hatten, President of the NCAPI, greeted the Board and all of the guests. He stated that the NCAPI 2017 Fall Conference is scheduled for November 5-7 and is to be held at Cherokee Casino, Cherokee, NC. Mr. Hatten stated that the NCAPI had voted the previous evening to do a summer special and the plan was to forward the information out to the industry as soon as possible. Mr. Hatten welcomed Wayne Woodard back to the Private Protective Services Board.

Mr. Weaver also welcomed and introduced Wayne Woodard to Board members and the audience, as the Interim Director for the Private Protective Services Board.

Phillip Stephenson introduced Lee Kelly as the new investigator for Private Protective Services, and gave a brief summary of his background.

MINUTES:

APPROVAL OF THE APRIL 20, 2017 BOARD MEETING MINUTES

MOTION BY MR. COBBLER TO ACCEPT THE MINUTES; SECONDED BY MR. LOWMAN; MOTION CARRIED.

SCREENING COMMITTEE REPORT:

Mr. MacRae stated that the Screening Committee met on Wednesday, June 21, 2017, from 10:00 a.m. to 3:08 p.m. to review a total of 62 applications and 2 addendums. (See report attached). The committee members included Mr. MacRae, Mr. Cesena, Mr. Arndt, Mr. Lowman, Mr. Proctor and Mr. Cobbler. Mr. MacRae read the report for the record. (See attachment)

Mr. Cesena recused himself from #50 of the Screening report.

MOTION BY MR. LOWMAN TO ACCEPT THE SCREENING REPORT; SECONDED BY MR. COOK; MOTION CARRIED.

REGISTRATION REPORT:

Mr. MacRae presented the following registration report for the period of January 18, 2017 to April 18, 2017. Total registrations 3511; armed totals were 550 of which 233 were new and 238 were renewals, and 79 reissue/dual. There was a total of 137 Armed Armored Car, 56 of which were new, 80 renewals and 1 reissue/dual. There was a total of 11 Armed Private Investigators, 2 of which were new and 9 renewals. There was a total of 4 Armed Private Investigator Associates, 2 of which were new, 1 renewal and 1 reissue/dual. Unarmed totals were 2792 which included 1191 new, 1309 renewals, 284 transfers and 8 duplicates. There were a total of 17 unarmed armored cars, 2 of which were new and 15 renewals. Total denials were 463 of which 127 were for cause and 336 for correctable reasons. There were 313 applications approved which were previously denied for a total of 776 denials reviewed.

MOTION BY MR. COOK TO ACCEPT THE REGISTRATION REPORT; SECONDED BY MR. LOWMAN; MOTION CARRIED.

GRIEVANCE COMMITTEE REPORT:

Mr. Green reported that the Grievance Committee met on Tuesday, June 20, 2017 from 10:00 a.m. to 10:52 a.m., and heard a total of four cases. The committee members were Mr. Cook, Mr. Johnson, Mr. Greene, Mr. Fletcher, Ms. Lawrimore, and Mr. Epley. Ms. Lawrimore read the report for the record. (See report attached)

MOTION BY MR. FLETCHER TO ACCEPT THE GRIEVANCE COMMITTEE REPORT; SECONDED BY MR. COBBLER; MOTION CARRIED.

TRAINING & EDUCATION COMMITTEE:

Mr. MacRae reported that the Training & Education Committee met on Thursday, June 21, 2017 from 3:30 p.m. until 5:14 p.m. The committee members were Mr. MacRae, Mr. Johnson, Mr. Cook, Mr. Arndt, Mr. Cesena, Mr. Epley and Mr. Cobbler.

Mr. Turner stated that the following PPS Trainer courses are scheduled:

- July 10, 2017 (1000-2300) FT Re-Certification & Pre-Qualification Course at NCJA
- July 31-August 4, 2017 (0800-1700) UGT Course & Workshop at WTCC
- September 6, 2017 (1000-2300) FT Re-Certification & Pre-Qualification Course at NCJA
- September 19-22, 2017 (0800-1700) FT Course & Legal Class at Salemburg NCJA
- September 25-29, 2017 (0800-1700) UGT Course & Workshop at WTCC
- November 13, 2017 (1000-2300) FT Re-Certification & Pre-Qualification Course at NCJA
- November 27-December 1, 2017 (0800-1700) UGT Course & Workshop at WTCC

Firearms Trainer Long-Gun Courses – TBD

Presently we have 385 PPS certified unarmed guard trainers. We have 131 PPS certified armed guard trainers.

The following PPS Training Courses have been completed:

- May 1-5, 2017 (0800-1700) UAGT Course & Workshop at WTCC
- May 22, 2017 (1000-2300) FT Re-Certification & Pre-Qualification Course at NCJA

The following PPS Training Courses for CEU Credits are scheduled:

- | | | |
|-------------------|--------|-------------|
| August 24, 2017 | 1-5 pm | Raleigh, NC |
| December 21, 2017 | 1-5 pm | Raleigh, NC |

The following PPS Training Courses for CEU credits have been completed:

- | | | |
|-------------------|--------|-------------|
| February 23, 2017 | 1-5 pm | Raleigh, NC |
| April 20, 2017 | 1-5 pm | Raleigh, NC |

Weapon discharge:

Mr. Turner reported that there were two weapons discharges since the last Board meeting. The first incident was an accidental discharge from Officer Paul Ray with Guard One Protective Services located in Matthews. There were no injuries or damages from this discharge and the officer was terminated in regards to this incident.

The second incident was also an accidental firearms discharge from Officer Robert B. Jacobs with P&G Security Guard Inc. There were no injuries or major property damage discovered from this incident. The investigation was conducted by Sgt. Hastings; no further action was taken against Officer Jacobs from the National Guard however, Officer Jacobs was terminated from P & G Security on May 13, 2017.

Training Update:

Mr. Turner stated that training audits had been conducted in the months of April and May. No violations were found and a list of the results were provided to T & E Committee members.

Mr. MacRae stated that an update of the Unarmed Guard Trainer Manual and PowerPoint presentation has been completed by Joyce Vaughan and submitted for review. He also stated that the Traffic Direction and Controlled Substance sections still need to be updated, but these will require a rule change.

Mr. MacRae stated that based on the receipt of several complaints regarding the method of training with regard to the mandatory 4 hour firearms trainer recertification class and how the trainers were conducting both the requalification on the range, and the classroom portion, a brief discussion by the committee concerning the order of said recertification course, the committee feels that there needs to be a rule change.

MOTION BY MR. MACRAE TO HAVE A RULE CHANGED THAT WOULD REQUIRE APPLICANTS WHO ARE SEEKING RE-CERTIFICATION FOR AN ARMED SECURITY GUARD FIREARM REGISTRATION PERMIT; TO ATTEND THE CLASSROOM PORTION OF THE HANDGUN SAFETY, HANDGUN OPERATION, HANDGUN FUNDAMENTAL AND THE NIGHT FIRING SECTIONS OF COURSE PRIOR TO ATTENDING THE RANGE. IF THE TRAINER WISHES TO CONDUCT THE CLASS AFTER THE RANGE THEY CAN CONDUCT THE LEGAL LIMITATIONS AND THE REMAINING PORTION; SECONDED BY MR. CESENA; MOTION CARRIED.

Updated report from Chris Newton, Duke Energy:

Immediately, after being notified by the Board, Mr. MacRae stated that Chris Newton, Duke Energy gave an updated report regarding long gun training for Duke's employees. He advised the board that Duke has contracted with a certified long gun firearms trainer and is in the process of having one of their officers to become a long gun trainer.

Mr. MacRae stated that Mr. Patrick Roche conducted a demonstration of Eye Detect technology using a committee member as a subject in order to demonstrate how their system works. Mr. Roche requested clarification on whether or not they needed to obtain a license for their detection services.

Mr. MacRae stated that after a lengthy discussion, the committee decided to table this until the October Board meeting in order to gather additional certification criteria.

Mr. Gray reminded the Board that currently the PPS' statute include "Detection of Deception Examiner" which states "any person, firm, association, or corporation which uses any device or instrument, regardless of its name or design, for the purpose of the detection of deception or any person who reviews the work product of an examiner including charts, tapes or other methods of record keeping for the purpose of detecting deception or determining accuracy." Currently there are only two licenses that fall under this category: Polygraph Examiner and Psychological Stress Evaluator. He stated that because the Eye Detect technology is a new measuring device the Board can possibly create a general license to cover this company until administrative rules can be adopted. Mr. Gray suggested that the Board can follow the same procedure that was used to adopt the Polygraph Examiner license.

Mr. MacRae stated the following eighteen (18) continuing education training courses have been submitted for approval: Introduction of Physical Evidence (3 hours); Trace Evidence (2 hours); Fingerprint Evidence (3 hours); Tool Marks & Firearms Evidence (3 hours); Shoe Print & Tire Impressions (2 hours); Questioned Documents Evidence (1 hour); Rape & Sex Assault Investigations (3 hours); Investigative Tools (2 hours); Interviewing & Interrogating Suspects (4 hours); Interviewing Victims & Witnesses (4 hours); Case Preparation & Presentation (3 hours); Introduction to Criminal Investigations (2 hours); Sex Offense Investigations (2 hours); Foundations of Interviewing and Behavioral Indicators of Deception (4 hours); Preventing Attacks on Soft Targets for Commercial Security Professionals (8 hours); Understanding Domestic Violence (2 hours); 2017 Improving Decision making Skills (4 hours); 2017 Legal Updates (4 hours) and 2017 Firearms Training (4 hours).

MOTION BY MR. CESENA TO ACCEPT THE COURSES SUBMITTED FOR CONTINUING EDUCATION TRAINING APPROVAL. DENY COURSE ENTITLED 2017 FIREARMS TRAINING; SECONDED BY MR. FLETCHER; MOTION CARRIED.

Mr. MacRae gave an update that he continues to work with the community college system. He has had discussions with the chairman and a new idea came up whereby a certification procedure similar to the advanced law enforcement certification be developed for security guards. Mr. MacRae is currently discussing this idea with the community college system and will report back to the Board with a suggested series of classes and certifications for their review.

MOTION BY MR. CESENA TO ACCEPT THE TRAINING AND EDUCATION COMMITTEE REPORT; SECONDED BY MR. COOK; MOTION CARRIED.

GRIEVANCE COMMITTEE:

NONE

SCREENING COMMITTEE:

NONE

LAW AND RULES COMMITTEE

Ms. Lawrimore reported that the Law and Rules Committee met on Wednesday, June 21, 2017 from 8:00 a.m. to 8:43 a.m. The committee members were Ms. Lawrimore, Mr. MacRae, Mr. Fletcher, Mr. Arndt, Mr. Cook, Mr. Greene, Mr. Cesena and Mr. Proctor.

Ms. Lawrimore reported on House Bill 566 stating it safely passed Judiciary I and was sent to Finance because of the fee proposed. She noted that with 10 days left in the General Assembly, the outlook is positive for the bill to pass. Ms. Lawrimore extended appreciation to Andy Brannon, DPS Legislative Liaison, who kept the committee informed of all changes and made sure the bill was on the calendar.

Ms. Lawrimore stated that David Arndt brought before the committee a new creature sneaking into security, a robot service. Mr. Stephenson reported this device is already used on the Alarm Systems side and while PPS is not currently dealing with said devices, it should be monitored closely under PPS whenever they do start being utilized including training and background requirements for whoever operates them. No matter how qualified or intricate the device may be, it is still run by a human being. Ms. Lawrimore referred to drones, stating it is something to keep an eye on for the industry.

Ms. Lawrimore reported on Permittium and the process of only taking credit cards for payment and whether PPS has the authority to require only credit card payments for the new Permittium system. Mr. Gray reported that according to federal law “cash” is the only required form of payment but the State Budget Manual has other provisions.

Continuing with the Permittium report and it going live, Ms. Lawrimore stated the system is currently not ready for implementation and noted that two members have been diligent in attending the training sessions, David Arndt & Bill MacRae, and each have concerns. Ms. Lawrimore deferred to David Arndt to give an update on his concerns.

Mr. Weaver recognizes Mr. Arndt to discuss the Permittium project.

Mr. Arndt explained there are still some issues with the program but strides are being made; testing continues. Mr. Arndt discussed some of his concerns regarding original forms and electronic signatures along with the fact that he feels PPS should have had more input into the contract and should not move forward. He asked the Interim Director to create an oversight committee and that no funds should be spent on Permittium until these concerns are addressed.

Mr. Weaver stated the only funds spent to date are on the scanning; none on the computer system.

Mr. MacRae gave “kudos” to Shere McClamb of DPS IT for her diligence and professionalism during the process. He also suggested there needs to be a back-up system to handle the manual process in the interim once PPS2000 is eliminated.

Interim Director Woodard reported on the contract with Permittium, and noted that while it did expire it was renewed with some changes and prior concerns were addressed and approved through IT. The vendor did propose set dates regarding testing, these will not be implemented until they are ready.

The Board recognized DPS Chief Deputy Secretary Pam Cashwell. Ms. Cashwell explained that in the beginning of the Permittium project, she was more than concerned – pessimistic actually. She explained that after meeting with the vendor and the renegotiation of the contract it now has proper focus.

Mr. MacRae inquired as to why the Permittium contract was signed by DPS and not by the Board and Attorney Jeff Gray responded that by statute DPS is to provide all administrative and fiscal services to the Board. The Secretary appoints the Director and the employees are DPS employees and he used the hiring of Mr. Kelly as an example. Computer services are one of the services DPS must provide.

Mr. Gray explains the proposed Memo of Understanding between each Board states that DPS supplies PPS' IT, human resources and fiscal support, and PPS is limited as to what it is responsible for which is ensuring that Chapter 74C and its administrative rules are followed and policy matters related to Chapter 74C.

BREAK: 11:19 a.m.
RECONVENED: 11: 45 a.m.

MOTION BY MR. MACRAE TO ACCEPT THE LAW AND RULES COMMITTEE'S REPORT; SECONDED BY MR. COBBLER; MOTION CARRIED.

FINANCE REPORT:

Mr. Fletcher reported that the Finance Committee met in the PPS conference room on Tuesday, June 20, 2017 from 4:00 p.m. to 5:35 p.m. The committee members were Mr. Fletcher, Mr. Arndt, Mr. MacRae and Mr. Lowman. Mr. Fletcher stated that the committee examined the budget report covering the last month and previous year and stated there were no major issues to report with the Education Fund balance being \$83,612.86.

Mr. Fletcher personally thanked Brian Lowman for his service on the Finance Committee and Dustin Greene for his service on the Grievance Committee.

MOTION B Y MR. MACRAE TO ACCEPT THE FINANCE COMMITTEE'S REPORT; SECONDED BY MR. ARNDT; MOTION CARRIED.

ETHICS COMMITTEE

Mr. Lowman reported that everyone is in 100% compliance. He asked Board members to look at the ethics compliance report which shows the dates of the next course. Six of the members have course requirements that are due before the end of the year. He stated that he enjoyed working with everyone.

MOTION BY MR. GREENE TO ACCEPT THE ETHICS COMMITTEE'S REPORT; SECONDED BY MR. COOK; MOTION CARRIED.

OLD BUSINESS:

Attorney Gray explained the Crimes Manual that is used by staff and that it had not been updated in two to three years. It is now completed and up-to-date. This Manual lists all crimes (North

Carolina) with a corresponding class code. It is an official document of the Board and as such, it needs to be adopted by the Board.

MOTION BY MR. MACRAE TO ADOPT THE CRIMES MANUAL; SECONDED BY MR. GREENE; MOTION CARRIED.

NEW BUSINESS:

Mr. Cesena addressed Mr. MacRae regarding the Educational Grant period. Mr. MacRae explained that there are two grant periods per year. It has been the Board's practice to announce the open and close of this period. The T&E Committee will review the applications and if granted the recipient will have one year to provide the course.

In the past several meeting's discussions, a decision was made to open the grant up to others outside the 501(c)(3) entities now found in the policy. This is to give the many training organizations out there the opportunity to apply, which in turn would give greater benefit to the industry. There would be specific rules for the grants for these "for profit" entities, and the grant money would only reimburse them for specific hard costs only – no opportunity for profit – they would provide a budget for paper, books, rent, etc. The only things they would be reimbursed for are these hard cost. Invoices must be submitted if not included in original submission or it is not paid. Mr. Gray has been working on change for this and because of this change, we have not opened up the grant period.

Nada Lawrimore reported that on May 23, 2017 in a telephone conference, the Board voted to send flowers to the family of Shannon Thongkheuang, PPS Registration Supervisor, who lost her father, and to the family of former Board Member, Jim Stevens.

Mr. Cook asked the Board if it was possible to set up a telephonic Board meeting conference to follow-up on the computer issue.

MOTION WAS MADE BY MR. COOK TO HOLD A TELEPHONE CONFERENCE SOMETIME WITHIN 30 DAYS REGARDING THE COMPUTER ISSUE. SECONDED BY MR. COBBLER. MOTION CARRIED.

Ms. Cashwell made an announcement inviting any Board member who may need to fulfill their education requirement to a live presentation by the Ethics Commission staff. It is scheduled for Thursday, July 27 from 1:30pm - 4:00pm.

FINAL AGENCY DECISION

Kelly Lamar Gibson, - 17 DOJ00048. Mr. Gibson was present. This case was heard by Administrative Law Judge J. Randolph Ward on January 31, 2017. This case involved the denial of the petitioner's unarmed guard registration based on a lack of good moral character and demonstration of intemperate habits as evidenced by a conviction of misdemeanor Simple Possess Schedule II Controlled Substance and Simple Possess Schedule VI Controlled Substance.

MOTION BY MR. MACRAE TO ACCEPT THE ADMINISTRATIVE LAW JUDGE'S DECISION AND GRANT MR. GIBSON'S UNARMED GUARD REGISTRATION APPLICATION; SECONDED BY MR. COBBLER; MOTION CARRIED. Two opposed

Juan Cesilio Aponte, - 17 DOJ01536. Mr. Aponte was present. This case was heard by Administrative Law Judge Augustus B. Elkins II on March 29, 2017. This case involved the summary suspension order of petitioner's armed guard endorsement based on lack of good moral character and temperate habits as evidenced by a charge of Felony Discharging a Weapon into an Occupied Dwelling/Moving Vehicle and one count of Misdemeanor Assault with a Deadly Weapon.

MOTION BY MR. JOHNSON TO ACCEPT THE ADMINISTRATIVE LAW JUDGE'S DECISION THAT MR. APONTE ARMED GUARD ENDORSEMENT REMAIN SUSPENDED UNTIL HIS CRIMINAL CHARGES HAVE BEEN RESOLVED; SECONDED BY MR. COBBLER; MOTION CARRIED.

Courtney James Elliott - 17 DOJ10755. Mr. Elliott was not present. This case was heard by Administrative Law Judge Melissa Owens Lassiter on November 2, 2016. This case involved the denial of the petitioner's unarmed guard registration based on a lack of good moral character and demonstration of intemperate habits as evidenced by a conviction of misdemeanor Simple Assault.

MOTION BY MR. LOWMAN TO ACCEPT THE ADMINISTRATIVE LAW JUDGE'S DECISION AND DENY MR. ELLIOTT'S UNARMED GUARD REGISTRATION APPLICATION; SECONDED BY MR. COBBLER; MOTION CARRIED.

Armisha Nichelle McLean - 17 DOJ00049. Ms. McLean was not present. This case was heard by Administrative Law Judge J. Randolph Ward on January 31, 2017. This case involved the denial of the petitioner's unarmed guard registration based on a lack of good moral character and demonstration of intemperate habits as evidenced by a conviction of Misdemeanor Larceny and Misdemeanor Possession of Stolen Goods.

MOTION BY MR. MACRAE TO ACCEPT THE ADMINISTRATIVE LAW JUDGE'S DECISION AND GRANT MS. MCLEAN UNARMED GUARD REGISTRATION APPLICATION; SECONDED BY MR. COBBLER; MOTION CARRIED.

Jeffrey Scott Moore - 14 DOJ 09799. Mr. Moore was not present. This case was heard by Administrative Law Judge Randall May on February 16, 2017. This case involved the suspension of the petitioner's private investigator license based on lack of good moral character and temperate habits as evidenced by petitioner's failure to provide a written report containing the finding and details of the investigation within thirty (30) days after the completion of the investigation for which the client has paid the investigator for the services.

MOTION BY MR. MACRAE TO ACCEPT THE ADMINISTRATIVE LAW JUDGE'S DECISION AND SUSPEND MR. MOORE PRIVATE INVESTIGATOR LICENSE FOR A PERIOD OF SIX (6) MONTHS; SECONDED BY MR. LOWMAN; MOTION CARRIED.

DIRECTOR'S REPORT:

Mr. Woodard read the report for the record. The current PPS budget as of June 12, 2017, has a balance of \$1,200,916.24; the Education Fund balance is \$83,612.66. As of June 12, 2017, the total registrations for PPS are 21,487: 1,777 licensees and 594 certifications.

Mr. Woodard reported that a total of 2,588 registration cards have been printed and a total of 3,731 applications received since the last Board meeting.

Mr. Woodard updated the Board on the Permittum projected stating it is obviously a big priority and the goal is to keep the process flowing. He reported on staffing and the hiring of 3 new temporary employees who have been trained and whose main focus is to work on the backlog. Mr. Woodard also noted that a full-time lead registration position is open to replace Cynthia Anthony, who was promoted to the ASLB Secretary position.

Mr. Cobbler asked Interim Director Woodard if the Alarm Board was downsizing financial responsibility to 80/20. Mr. Woodard replied it was currently a 75/25 split.

MOTION BY MR. CESENA TO ACCEPT THE DIRECTOR'S REPORT; SECONDED BY MR. FLETCHER; MOTION CARRIED.

PUBLIC COMMENT:

NONE

ATTORNEY'S REPORT:

Attorney Gray discussed the following:

I. CONSENT AGREEMENT, SETTLEMENT AGREEMENTS & CIVIL PENALTIES

1. On December 15, 2016 Brian Trent Woodell and Eagle Protective Services, Inc. entered into a consent agreement with the Board in the amount of \$3,182.40 for registration violations. The agreement was signed by the QA (cannot read signature) on December 24, 2016. Payment has not been received.
2. On February 23, 2017 Dennis Pridgen and A-1 Services, LLC entered into a consent agreement with the Board in the amount of \$9,486.00 to be paid in three monthly installments for registration violations. The agreement was signed by Joseph Pylypiw on (no date shown; return receipt card received by PPS on March 16, 2017). Payment has not been received. Mr Pridgen attempted to make a payment but he only submitted \$1000.00 instead of the \$3162. The payment was returned to him for the correct amount which is monthly which he was 2 months behind.
3. On April 20, 2017 Wilbert Carter and On Guard Security entered into a consent agreement with the Board in the amount of \$5,936.40 to be paid in three monthly installments for registration violations. Payment has not been received. (Note: April meeting Board Findings letter and Consent Agreement was mailed May 5th and returned to PPS on May 31, 2017 as “unclaimed.” Ms. Graham spoke with Mr. Carter on June 12th and emailed him the letter and Consent Agreement.)
4. On April 20, 2017 Thomas Michael Caune and Piedmont Protective Services entered into a consent agreement with the Board in the amount of \$6,854.40 to be paid in three monthly installs for registration violations. The agreement was signed by the QA on May 8, 2017. First payment has been received.

II. OFFICE OF ADMINISTRATIVE HEARINGS

See, Hearings List (attachment 1).

III. RULES

Proposed rule changes were adopted by the Board at its April 19th meeting. The Notice of Text was filed May 9, 2017 for publication in the June 1 version of the North Carolina Register. The rule amendments were also posted on the Board’s website. The Public

Hearing was held on Friday, June 16th at 2:00 p.m. at the Board's office. No one from the public attended and no oral or written comments received. The Public Comment period closes July 31, 2017.

Mr. Gray stated that based on the discussion about the Permittum contract and payment he suggested that PPS go ahead and amend its administration rules now to accept any type of payment.

MOTION BY MR. JOHNSON TO ADMEND THE RULES TO ACCEPT ANY TYPE OF PAYMENT; SECONDED BY LOWMAN; MOTION CARRIED.

IV. LEGISLATION

Identical House and Senate bills making various changes to Chapter 74C have been introduced in the General Assembly. They are House Bill 566 and Senate Bill 634, both entitled, "Private Protective Services Changes." The House version was referred to the House Committee on Judiciary I with a serial referral to Finance and the Senate Bill was referred to the Senate Committee on Rules and Operations of the Senate. House Bill was heard in committee on Wednesday, June 14th and received a favorable report following an amendment to replace a reference to "C.F.R." with "federal regulation." Chair Eric Weaver, Interim Director Wayne Woodard, and members Bud Cesena and Bill MacRae were in attendance. It has been sent to the House Finance Committee.

V. GRANT PROGRAM

At its April 22nd meeting the Board voted to change its long-standing policy regarding educational grants so as to eliminate the requirement that the recipient be a non-profit entity. A draft of a revised "Guidelines for PPSB Training Grant Program" was attached for the Board's consideration.

MOTION BY MR. JOHNSON TO ADOPT THE LANGUAGE FOR PPSB TRAINING GRANT PROGRAM; SECONDED BY MR. CESENA; MOTION CARRIED.

VI. PENDING CASES

For the past 42 months Mr. Gray been reporting to the Board the status of a civil action filed against Board Investigator Sarah Conner, the Board, the City of Charlotte, the Charlotte-Mecklenburg Police Department and various officers of the Charlotte-Mecklenburg PD in *Kelly v. Conner, et al.*, No. 3:13-cv-636 - - WDNC. (Mr. Kelly was

unlicensed as a security guard business and unregistered as a security guard, but performing armed security guard and patrol services. He was arrested by the Charlotte-Mecklenburg Police Department and charged with violating Chapter 74C.) The Court granted the Board's Motion to Dismiss Pursuant to Fed.R.Civ.P. 12(b)(6) and Motion for Summary Judgment, as well as similar motions filed by the other Defendants, on May 27, 2015 and this action was dismissed with prejudice. The Plaintiff gave notice of appeal on June 24, 2015, and the parties filed their respective Brief with the Fourth Circuit of Appeals on November 13, 2015.

Mr. Gray reported oral arguments in this matter would be held on Tuesday, October 25, 2016 in Richmond, Virginia and Robert M. McDonnell, the attorney for the Charlotte-Mecklenburg Police Department, and he would share the Appellees' allotted time. Member Justin Greene attended the arguments as the Board's representative.

Mr. Gray stated he received the opinion of the Court on November 11, 2016. In a very strange and sudden turn of events, the appeal was dismissed and the case remanded to the federal Magistrate Judge who heard the parties' motions for summary judgment.

In its simplest terms, the Court found that the Judge had failed to rule on two counts in the Plaintiff's Complaint and therefore only granted partial summary judgment; the granting of only partial summary judgment is "interlocutory in nature," which means it cannot be appealed until the entire case is concluded.

The attorneys for all parties filed a motion for Status Conference on December 8, 2016. On April 4, 2017 the Judge ruled on this Motion by way of an Order requiring the parties to confer and file a status report. As a result of the status report file by the attorneys the Judge ordered that the matter be re-mediated and that two issues -- the two of most importance to the Board -- be re-briefed. The second attempt at mediation in this matter has been scheduled for August 16, 2017 in Charlotte and the Response Brief on Behalf of Defendant North Carolina Private Protective Services Board is due September 1, 2017.

Interestingly, the Plaintiff moved to dismiss the four Charlotte-Mecklenburg police offices as individual Defendants and the Judge granted the request on June 9, 2017. All that remain now are the City of Charlotte, the Board and (retired) Investigator Sarah Conner as Defendants.

Mr. Gray discussed DPS' proposed Memorandum of Understanding (MOU) with the Board explaining that basically it tells what DPS is required by statute to do, and that mainly says what they will provide to the Board, *i.e.*, IT, HR, and financial support, etc. Mr. Gray offers that if anyone would like to look it over, he has a copy.

Mr. Weaver stated he would like to have the MOU electronically sent to the Board for review before it is signed.

MOTION BY MS. LAWRIMORE TO GO INTO CLOSED SESSION TO DISCUSS THE CONTRACT MATTER; SECONDED BY MR. COOK; MOTION CARRIED.

CLOSED SESSION: 1:10 p.m.
RECONVENED: 1:56 p.m.

MOTION BY MR. COOK TO AUTHORIZE CHAIRMAN WEAVER, IN CLOSE COLLABORATION WITH INTERIM DIRECTOR WAYNE WOODARD, TO HIRE A QUALIFIED FULL-TIME INDIVIDUAL THAT WILL OVERSEE THE COMPUTER PROJECT FOR A PERIOD OF ONE YEAR TO BE PAID NO MORE THAN \$50,000.00; SECONDED BY MS. LAWRIMORE; MOTION CARRIED.

MOTION BY MR. LOWMAN TO ACCEPT THE ATTORNEY'S REPORT; SECONDED BY MR. GREENE; MOTION CARRIED.

MOTION BY MR. COBBLER TO ADJOURN; SECONDED BY MR. GREENE; MOTION CARRIED.

2:03 P.M. Adjourned

W. Wayne Woodard, Interim Director

Garcia Graham, Board Secretary