

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

DATE: September 19, 2019

TIME: 9:00 A.M.

PLACE: Hampton Inn & Suites  
Raleigh, North Carolina

SUBMITTED BY: Brian Jones  
Director

**MEMBERS PRESENT:**

Wayne Woodard  
Larry Proctor  
Jim Crabtree  
Stephen Wheeler  
Mack Donaldson

**MEMBERS ABSENT:**

Courtney Brown Jr.

**STAFF PRESENT:**

Director Brian Jones  
Deputy Director Phillip Stephenson  
Board Secretary Cynthia Anthony  
Attorney Jeff Gray  
Field Services Supervisor Kim Odom  
Investigator Nick Ezell  
Investigator Andrew Martino  
Investigator Ray Bullard

**VISITORS:**

Chad Billings  
Pam Neuffer  
Steve Chrisco  
Darryl Bray  
Ray Guffan  
Sharon Nokovich  
Darrell Trot  
Duncan Hubbard  
Tommy Whisnant  
Kenneth Melvin

Luke Wheeler  
Darwin Smith  
Anita Surratt  
Jennifer Baratta  
David Sperber  
Kristy Groff  
Stephen Moore  
Pamala McLean  
Dan Comfort  
Jonathan Ledbetter

Chris Nobling  
Todd Auffhammer  
Dorian Dehnel  
Ben Brookhart  
Mary Wood  
Amanda Woody  
Phillip Wells  
Jeremy Reese  
Barry Albright

The September 19, 2019 meeting of the North Carolina Alarm Systems Licensing Board was called to order by Chairman Woodard 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 Woodard welcomed all guests and recognized a new Board member, Mack Donaldson.

Director Jones read following:

Pursuant to North Carolina General Statute 163A-159(c), when an actual or potential conflict of interest is cited by the Board under North Carolina General Statute 163A-189(e) with regard to a public servant sitting on a board, the conflict shall be recorded in the minutes of the applicable board.

The following member has a potential conflict of interest and should exercise caution in the performance of his duties should issues involving his license and affiliations intersect with the Board:

Mack Donaldson

- There is no actual conflict, but the potential for a conflict of interest exists as a licensee of this Board and compliance officer for G4S Secure Solutions.

Chairman Woodard informed the Board of a name correction to the July 18, 2019 minutes. Specifically, the Board attorney’s name should have read Attorney McDarris instead of Attorney Gray. The correction will be made to reflect the change prior to posting to the website.

**STEPHEN WHEELER MADE A MOTION TO APPROVE THE JULY 18, 2019 BOARD MEETING MINUTES WITH THE ABOVE CORRECTION. SECONDED BY LARRY PROCTOR. MOTION CARRIED.**

Stephen Wheeler presented the Grievance Committee report. Stephen Wheeler and Larry Proctor met as the Grievance Committee on September 18, 2019 from 9:00 a.m. to 10:41 a.m. and heard a total of six cases.

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

Wayne Woodard presented the Screening Committee report. Courtney Brown Jr. served as chair of the Screening Committee and they met on September 18, 2019 from 1:30 p.m. to 3:37 p.m. to review a total of twenty-one applications.

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

Chairman Woodard reminded attendees that Permittum does not have the capability to distribute email notifications regarding license expiration dates and asked licensees to be diligent about renewing their licenses.

He stated that the Board previously discussed adopting a provision that would allow for the reinstatement of an expired license, which is provided in the rules governing the Private Protective Services Board, but not the Alarm Systems Licensing Board. He stated that Attorney Gray agreed to review this information and would address it at the next Board meeting.

**FINAL AGENCY DECISIONS**

19 DOJ 02309– Jeremy Douglas Reece - This contested case was heard before Administrative Law Judge Donald W. Overby on June 25, 2019 in Raleigh, North Carolina. The issue was whether or not grounds exist to deny an alarm registration for Mr. Reece for lack of good moral character and temperate habits as evidenced by a conviction of Driving While License Revoked on July 28, 2017 and misdemeanor Larceny on October 17, 2014. Mr. Reese was present.

**MACK DONALDSON MADE A MOTION TO APPROVE THE ALARM REGISTRATION OF JEREMY DOUGLAS REECE. SECONDED BY STEPHEN WHEELER. MOTION CARRIED. IT WAS NOTED THAT JIM CRABTREE OPPOSED THE APPROVAL.**

18 DOJ 07766 – Anthony Raymond Negrete - This contested case was heard before Administrative Law Judge Donald W. Overby on June 25, 2019 in Raleigh, North Carolina. The issue was whether or not grounds exist to deny an alarm registration for Mr. Negrete for lack of good moral character and temperate habits as evidenced by a conviction of felony Inflicting Corporal Injury to Spouse/Co-Habitant/Child Resulting in Trauma in Orange County, California on October 11, 2016. Mr. Negrete was not present.

**STEPHEN WHEELER MADE A MOTION TO DISMISS AND CONTINUE THE DENIAL OF ANTHONY RAYMOND NEGRETE'S ALARM REGISTRATION. SECONDED BY LARRY PROCTOR. MOTION CARRIED.**

**SPECIAL REPORTS AND PRESENTATIONS**

Stephen Wheeler presented the continuing education report.

1. System Enhancement Module (Vista) - the Committee recommends approval for one CEU for this course.
2. Zone Types, Notification Process and Home Automation - the Committee recommends approval for three CEU's for this course.

**LARRY PROCTOR MADE A MOTION TO APPROVE THE CONTINUING EDUCATION REPORT AS PRESENTED. SECONDED BY JIM CRABTREE. MOTION CARRIED.**

Stephen Wheeler reminded attendees that the Board desired to bolster continuing education offerings and encouraged stakeholders to submit courses for approval.

#### OLD BUSINESS

Chairman Woodard reminded Board members that the criminal record check vendor contract had expired and requested the Board go into closed session to consider received proposals.

**MACK DONALDSON MADE A MOTION TO GO INTO CLOSED SESSION TO DISCUSS THE CRIMINAL RECORD CHECK VENDOR PROPOSALS. SECONDED BY LARRY PROCTOR. MOTION CARRIED.**

CLOSED SESSION: 9:53 a.m.  
RECONVENE: 10:18 a. m

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

Chairman Woodard stated that a committee, which consisted of himself, Attorney Gray, Director Jones, and Private Protective Services Board representatives, reviewed seven proposals. The committee recommended that the two Boards contract with CriminalRecordCheck.com as the provider for criminal history record checks.

**JIM CRABTREE MADE A MOTION TO APPROVE CRIMINALRECORDCHECK.COM AS THE AUTHORIZED VENDOR TO CONDUCT CRIMINAL HISTORY RECORD CHECKS. SECONDED BY LARRY PROCTOR. MOTION CARRIED.**

Chairman Woodard recommended that the Board's recent changes to the administrative rules that increased the registration fee to \$50.00 and the licensing fee to \$500.00 become effective on October 1, 2019.

**MACK DONALDSON MADE A MOTION FOR THE FEE INCREASE TO BECOME EFFECTIVE ON OCTOBER 1, 2019. SECONDED BY LARRY PROCTOR. MOTION CARRIED.**

#### NEW BUSINESS

Stephen Wheeler expressed concern that online companies are selling security systems and third party companies who are possibly unlicensed are installing them. He suggested that the industry and the Board may need to explore this and work to ensure that the installers are licensed by the Board. He suggested that addressing this may call for changes to the statute and administrative rules to make certain that North Carolina's citizens are protected.

#### DIRECTOR'S REPORT

Director Jones presented the report and advised that the Board's fund balance was \$602,673.00 as of August 31, 2019. The Education Fund balance was \$68,244.55. As of August 31, 2019, the Board had 1,023 licensees and 7,374 registrants.

Director Jones stated staff members were in the process of reviewing applications for an administrative specialist vacancy and an anticipated administrative specialist vacancy.

Director Jones reported that alarm registration applications submitted through August 28, 2019 had been processed as of September 18, 2019.

Director Jones reported that Permittium intended to complete complaint development in mid-September and will return to the PPS office on September 24th to discuss the progress.

Director Jones participated in the Government Resource Expo at the 97<sup>th</sup> Annual Business Conference of the NC Sheriffs' Association on July 30<sup>th</sup> in Wilmington, NC. The event provided government agencies the opportunity to highlight resources provided to sheriffs and their personnel.

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.

**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 July 17, 2019 Jeffrey Ryan Gough and Advanced Technologies entered into a Consent Agreement with the Board in the amount \$382.50 for unlicensed activity. The agreement was signed by the Q/A on July 17, 2019. Payment has been received (PAID IN FULL).

On July 17, 2019 William Michael Hubbard and Siemens Industry, Inc., Security Division entered into a Consent Agreement with the Board in the amount of \$828.75 for unlicensed activity. The agreement was signed by the Q/A on July 17, 2019. Payment has been received (PAID IN FULL).

On July 17, 2019 Gregory Scott Johnson and Automated Secured Access Professionals entered into a Consent Agreement with the Board in the amount of \$573.75 for unlicensed activity. The agreement was signed by the Q/A on July 17, 2019. Payment has been received (PAID IN FULL).

On July 17, 2019 John Edward Kistler and Low Voltage Carolina entered into a Consent Agreement with the Board in the amount \$63.75 for unlicensed activity. The agreement was signed by the Q/A on July 17, 2019. Payment has been received (PAID IN FULL).

On July 17, 2019 Richard Stewart Sharpe and Maximum Fire and Security entered into a Consent Agreement with the Board in the amount \$446.25 for unlicensed activity. The agreement was signed by the Q/A on July 17, 2019. Payment has been received (PAID IN FULL).

On July 17, 2019 Terry Dwayne Sprinkle and Proguard Systems Inc. entered into a Consent Agreement with the Board in the amount \$637.50 for unlicensed activity. The agreement was signed by the Q/A on July 17, 2019. Payment has been received (PAID IN FULL).

On July 17, 2019 Mark Andrew Suhrie and Mark Suhrie Sole Proprietorship d/b/a Interactive Home Solutions entered into a Consent Agreement with the Board in the amount \$2,422.50 for registration violations. It was agreed the consent may be paid in three equal installments beginning in July 2019. The agreement was signed by the Q/A on July 17, 2019. Received 2<sup>nd</sup> payment of \$807.50 on September 13, 2019.

On July 17, 2019 Joseph Dunham and AT&T Digital Life, Inc. entered into a Consent Agreement with the Board in the amount \$734.40 for four registration violations. It was noted that this complaint was against the prior Q/A (Michael Slossar). The agreement was signed by the Q/A on July 17, 2019. Payment has been received (PAID IN FULL).

On July 17, 2019 Daniel Sanderoff and Datawatch Systems, Inc. entered into a Consent Agreement with the Board in the amount \$4,773.60 for twenty-six registration violations. The agreement was signed by the Q/A on July 17, 2019. Payment has not been received.

On July 17, 2019 Scott Stallcup and Guardian Protection Services entered into a Consent Agreement with the Board in the amount \$3,121.20 for seventeen registration violations. The agreement was signed by the Q/A on July 17, 2019. Payment has been received (PAID IN FULL).

## II. OFFICE OF ADMINISTRATIVE HEARINGS

The hearing list is attached to the Attorney's Report

## III. RULES

- a. At 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 filed with the Rules Review Commission. The staff of the Commission allowed Charles McDarris (who has been assisting me with various rule changes and amendments) to roll this change into a change to .0203 for the "Permitium rules," below.
- b. As previously mentioned to the Board during its creation and implementation, the new Permitium 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 23<sup>rd</sup> meeting and were approved by the Rules Review Commission at its August 15, 2019 meeting.

These new rules were effective September 1, 2019. A copy of these rules is attached as Attachment 2.

#### 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 8<sup>th</sup> and has been referred to the Senate Committee on Rules and Operations of the Senate for assignment to a committee (likely Judiciary.) A copy was attached to Mr. Gray's July 18, 2019 Attorney's Report.

- b. As explained in Mr. Gray's May 23<sup>rd</sup> 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 Mr. Gray 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 have been following are:

- 1) Senate Bill 478, "Removal Power/Modifying Reporting," which until amendment in the House would have allowed the Governor to remove individuals from boards and commissions for malfeasance and/or nonfeasance regardless of the individual's appointment or authority. The provision remained that requires reporting of "gender-proportionate appointments" to more than just regulatory bodies as previously required, and requires it for "public bodies" including certain units of local government. This gender-proportionate reporting previously existed in the statute, and the report was to be made by the appointing authority (e.g. the Governor, the House Speaker, etc.). The report must now be made by the board, commission or local government. It was signed by the Governor on July 26<sup>th</sup> with an effective date of July 26, 2019. Director Jones has already filed the first report pursuant to this new requirement.



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 7<sup>th</sup> 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.

The first meeting of a "Joint HB 770 Committee" is this afternoon.

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 3<sup>rd</sup> 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 4<sup>th</sup> and the majority of its provisions were aimed at local government ordinances that have criminal penalties. However, it has two provisions that effect 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 are found in House Bill 770, which are now law.

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

This bill was signed by the Governor on August 14, 2019 and is effective the same date.

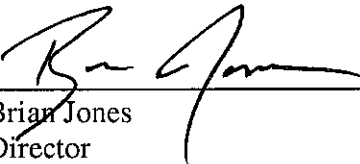
**LARRY PROCTOR MADE A MOTION TO ACCEPT THE ATTORNEY'S REPORT AS PRESENTED. SECONDED BY JIM CRABTREE. MOTION CARRIED.**

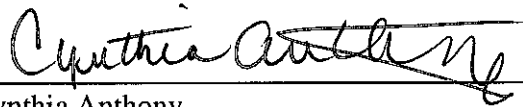
GOOD OF THE ORDER.

None.

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

Meeting Adjourned: 10:51 a.m.

  
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Brian Jones  
Director

  
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Cynthia Anthony  
Reporter