

STATE OF NORTH CAROLINA
COUNTY OF WAKE

IN THE GENERAL COURT OF JUSTICE
SUPERIOR COURT DIVISION
23CV003667-910

NORTH CAROLINA ALARM)
SYSTEMS LICENSING BOARD,)
)
Plaintiff,)
)
v.)
)
FLOCK GROUP, INC. d/b/a FLOCK)
SAFETY,)
)
Defendant.)

CONSENT ORDER
CONTINUING
PRELIMINARY
INJUNCTION

THIS MATTER, coming before the undersigned Judge of Superior Court on Plaintiff's verified Complaint for Injunctive Relief, subsequent Motion for Temporary Restraining Order and resulting Order Granting Temporary Restraining Order, subsequent Order Partially Granting Preliminary Injunction, and based upon a review of the above, and the agreement of legal counsel for Plaintiff and Defendant, the Court finds as follows:

1. That Plaintiff filed a verified Complaint for Injunctive Relief in Wake County Superior Court on March 3, 2023, seeking to enjoin Defendant from violating the Alarm Systems Licensing Act, Chapter 74 of the North Carolina General Statutes (the "Act").
2. That Plaintiff's verified Complaint alleges Defendant is violating the Act, by advertising, contracting, and installing a camera system that reads motor vehicle license plates, stores that information, then uses it to detect criminal, unauthorized or illegal activity.
3. That a copy of Plaintiff's verified Complaint was attached to Plaintiff's Motion for Temporary Restraining Order and incorporated therein.

4. That Defendant had been under investigation by Plaintiff for over a year for engaging in the alleged unlicensed activity outlined in Plaintiff's Complaint.

5. That Defendant is subject to a Cease & Desist letter and Defendant is fully aware that a license is required for Defendant to conduct business in North Carolina.

6. That Defendant applied to be licensed, withdrew the application after entry of the Partial Order, but has re-initiated the application process with Plaintiff on or about March 19, 2024.

7. That although unlicensed, Defendant had, prior to entry of the Partial Order, continued to advertise, solicit contracts, contract for installation, and install its system for municipalities, counties, universities, and homeowners associations. Plaintiff contended its cameras do not "detect" unauthorized or illegal activity as prescribed by N. C. Gen. Stat. §74D-2(a)(2) thereby requiring licensure.

8. That in entering the Partial Order the Court found: 1) Plaintiff Board's interpretation of its licensing requirements is reasonable, and in keeping with its Act, the spirit of the Act, and what the Act seeks to accomplish, and there is a likelihood Plaintiff will prevail on the merits of this case; 2) if the public policy of the State is that there is no irreparable harm from engaging in the alarm systems business without being licensed our legislature would not have passed the Act and thereby required a license; 3) all other licensed businesses, and well as the public, are harmed by the conduct of Defendant and this injury is irreparable; 4) Defendant had -- and continued to -- violate the laws of the State of North Carolina even after being advised of the license requirements and ordered to Cease and Desist; and 5) Defendant's actions were an immediate and direct threat to the public health, safety, and welfare, the Defendant's failure to be

licensed constitutes irreparable harm, and there is a likelihood of success on the merits of Plaintiff's case.

9. That the hearing on the merits of the Permanent Injunction was calendared for March 27, 2024.

NOW WHEREFORE, and in lieu of further proceedings, Defendant wishes to resolve this matter by consent and agrees as follows:

WHEREAS, Defendant, by and through its undersigned authorized representative, acknowledges it has read this entire agreement, understands it, and enters into this Consent Order freely and voluntarily.

WHEREAS, Defendant, by and through its undersigned authorized representative, acknowledges it has conferred with legal counsel in connection with this Consent Order and legal counsel has acknowledged his representation by signing below.

WHEREAS, Defendant, by and through its undersigned authorized representative, waives any requirement under any law or rule that this Consent Order be served upon it and that service upon its legal counsel is sufficient.

THEREFORE, with consent of both parties, IT IS HEREBY ORDERED:

1. That the Order Partially Granting Preliminary Injunction dated October 31, 2023, and attached hereto and incorporated herein, shall remain in full force and effect subject to the further terms below.

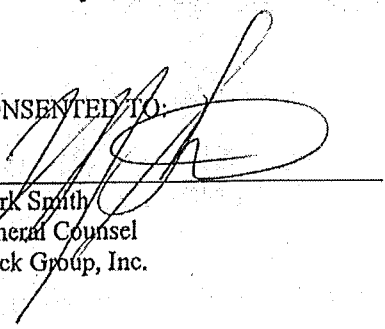
2. That Defendant shall submit a completed application for licensure to the Board on or before June 1, 2024.

3. That if Defendant complies with Paragraph 2 with no disqualifying issues the Plaintiff Board shall consider Defendant's application and in good faith approve Defendant for licensure at its July 18, 2024 meeting.

4. That upon licensure, and without unreasonable delay, Plaintiff Board shall voluntarily dismiss with prejudice this action (23 CV003667-910) with each party to bear its own attorneys' fees and costs.

5. That if Defendant fails to submit a completed application by June 1, 2024, this Court may, without further hearing, enter a Permanent Injunction prohibiting Defendant Flock Group, Inc. d/b/a Flock Safety, and any officer agent, employee, or any legal entity created by any officer, agent or employee, from engaging in the alarm systems business, or holding itself out as engaged in the alarm systems business, without a license as required by the North Carolina Alarm Systems Licensing Act, unless and until it becomes fully licensed and that the costs of this entire action, including the Plaintiff Board's investigative and legal costs, be taxed against Defendant pursuant to N.C.G.S. 6-21.2.

CONSENTED TO:



Mark Smith
General Counsel
Flock Group, Inc.

Date: 26 MARCH 2024

STATE OF California

COUNTY OF San Francisco

I, Diego Medina, the undersigned Notary Public, certify that Mark Smith, on behalf of Flock Group, Inc., personally appeared before me this day, and acknowledged to me that he voluntarily signed the foregoing document.

Witness my hand and Notarial stamp or seal this the 26th day of March, 2024.



Diego Medina
Notary Public

My Commission Expires: 2/2/2027

Matthew K. Lilly
Matthew K. Lilly
Attorney for Defendant Flock Group, Inc.

Date: 3/26/24

Jeffrey P. Gray
Jeffrey P. Gray
Attorney for Plaintiff Board

Date: 3/26/24

This the 28th day of March, 2024.

Vince M. Rozier, Jr.
Vince M. Rozier, Jr.
Resident Superior Court Judge

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing Consent Order has been served upon the Defendants by depositing a copy of the same in the United States mail, postage prepaid, and addressed as follows:

Matthew K. Lilly
Ryan L. Beaver
Bradley
214 North Tryon Street, Suite 3700
Charlotte, NC 28202
Attorneys for Defendants

This the _____ day of March, 2024.

Jeffrey P. Gray
Bailey & Dixon, LLP
Attorneys for Plaintiff Board