

**TENNESSEE
COLLECTION SERVICE BOARD
MINUTES**

DATE: March 2, 2010

PLACE: Andrew Johnson Tower – 2nd Floor Conference Room
710 James Robertson Parkway
Nashville, Tennessee

PRESENT: Board Members:
Bart Howard, Chairman
Elizabeth Trinkler, Vice Chairman
James Mitchell
Shannon Polen
Worrick Robinson

PRESENT: Staff Members:
Donna Hancock, Director
Terrance Bond, Staff Attorney
Laura Betty, Attorney
Susan Lockhart, Executive Administrative Assistant

CALL TO ORDER: Chairman Howard called the meeting to order at 9:30 a.m. and the following business was transacted:

Director Hancock called the roll. All Board Members were present except for Worrick Robinson and Ms. Hancock advised that he called and she expected him to arrive later.

AGENDA: Mr. Polen made a motion to adopt the meeting agenda, seconded by Ms. Trinkler. **MOTION CARRIED.**

MINUTES: Ms. Trinkler made a motion to approve the minutes of January 20, 2010, seconded by Mr. Mitchell. **MOTION CARRIED.**

ADMINISTRATIVE REPORT – DONNA HANCOCK, DIRECTOR

Complaint Status Report: Ms. Hancock presented a comparison of the complaints currently pending to the complaints pending at this time last year. She advised that there are currently one hundred eighty-three (183) open complaints and one hundred twenty-one (121) of them have been open for more than one hundred eighty (180) days. She also advised that the assistant commissioner has developed weekly reports regarding the status of complaints and each director is working with the attorneys to review the status of the complaints to ensure they are being processed in a timely manner.

Mr. Bond advised that it was recently determined that the expectation for a complaint to be closed within one hundred eighty (180) days from the time that it is open is unreasonable. He explained that a complaint remains open until it is resolved including the receipt of payments outlined in consent orders. Therefore, a complaint that has been open for more than one hundred eighty (180) days does not necessarily mean that it has not been presented to the board.

Chairman Howard asked if there appears to be a commonality in the complaints that have remained open for so long. Mr. Bond advised that many of these are more technical than others and the majority of them involve the misidentification of an alleged debtor or unlicensed activity by the respondent requiring investigations. Ms. Hancock also advised that the board has received fourteen percent (14%) more complaints than this time last year.

Exam Pass Rates: Ms. Hancock presented a report obtained from Prometric regarding the pass rates for the location manager examinations that were taken during 2009. She advised that one hundred eighteen (118) of one hundred fifty-six (156) applicants passed the examination.

LOCATION MANAGER APPLICATION REVIEW:

Mr. Bond asked the board members to vote on each application individually and to cite the law or rule related to any that are denied. Ms. Hancock presented the following applications for consideration:

Stacey Danielle Archer: Ms. Trinkler made a motion to deny the application pursuant to TCA 62-20-125(3), seconded by Mr. Mitchell. **MOTION CARRIED.**

Roshun Antoinette Austin: Ms. Trinkler made a motion to deny the application pursuant to TCA 62-20-125(2) and 62-20-125(3), seconded by Mr. Polen. **MOTION CARRIED.**

Deric Donnel Cole: Ms. Trinkler made a motion to deny the application pursuant to TCA 62-20-125(3), seconded by Mr. Mitchell. **MOTION CARRIED.**

Jay Dee Jones: Ms. Trinkler made a motion to deny the application pursuant to TCA 62-20-125(3), seconded by Mr. Mitchell. **MOTION CARRIED.**

Mr. Robinson joined the meeting at 10:00 a.m.

Michael Juan Turner: Ms. Trinkler made a motion to deny the application pursuant to TCA 62-20-125(3), seconded by Mr. Robinson. **MOTION CARRIED.**

Mike Francis Vogle: Mr. Robinson made a motion to deny the application pursuant to TCA 62-20-125(3), seconded by Ms. Trinkler. **MOTION CARRIED.**

Kenneth Robert Willard: Ms. Trinkler made a motion to deny the application pursuant to TCA 62-20-125(2), seconded by Mr. Robinson. **MOTION CARRIED.**

Sonja M. Yukiw: Mr. Robinson made a motion to deny the application pursuant to TCA 62-20-125(3), seconded by Ms. Trinkler. **MOTION CARRIED.**

Amber Dawn Smart: Ms. Trinkler made a motion to deny the application pursuant to TCA 62-20-125(3), seconded by Mr. Mitchell. **MOTION CARRIED.**

Samuel Douglas Freidman: Ms. Trinkler made a motion to deny the application pursuant to TCA 62-20-125 (2) and TCA 62-20-125(3), seconded by Mr. Robinson. **MOTION CARRIED.**

Steven Joseph Bezak: Mr. Robinson made a motion to stay the application and request more information, seconded by Ms. Trinkler. **MOTION CARRIED.**

Sandra Brown: Mr. Robinson made a motion to stay the application and request more information, seconded by Ms. Trinkler. **MOTION CARRIED.**

Keenan Christopher Goodman: Ms. Trinkler made a motion to deny the application pursuant to TCA 62-20-125(3), seconded by Mr. Polen. **MOTION CARRIED.**

Scot M. McCune: Ms. Trinkler made a motion to approve the application, seconded by Mr. Robinson. **MOTION CARRIED.**

Elizabeth Cordelia Walls: Mr. Robinson made a motion to deny the application pursuant to TCA 62-20-125(3).

COLLECTION AGENCY APPLICATION REVIEW:

G.L.A. Collection Co., Inc.: Ms. Hancock presented the application for consideration. Mr. Robinson made a motion to deny the application because it is not in compliance with state regulatory requirements, seconded by Mr. Mitchell. **MOTION CARRIED.**

LEGAL REPORT – TERRANCE BOND, STAFF ATTORNEY

1. 200900088-1

The Complainant alleges that the Respondent continued contacting her by telephone after she informed the Respondent on three (3) distinct occasions that she did not know the debtor and requested that the Respondent cease contacting her. The Respondent acknowledges the calls and states that the Complainant's number was removed from the debtor's account each time she made a request, and that they continued to place calls to the Complainant because their skip tracing vendor provided the Complainant's telephone number each time the debtor's account was re-assigned. According to the Respondent, it finally resolved the issue by creating an internal "do not call" list and placing the Complainant's telephone number on this list.

Prior history: Board authorized settlement by Consent Order and payment of a \$10,000.00 civil penalty for a similar violation at the January 2010 meeting.

Recommendation: Close with a strong letter of warning and flag the licensing file for similar future violations.

2. 200900089-1

The Complainant alleges that the Respondent unlawfully sent her a dunning notice regarding her husband's unpaid medical account. The Complainant alleges that she is a third party to the transaction and should not have received notice from the Respondent. Additionally, the Complainant states that the Respondent failed to include validation language in the notice and made "misleading" references to her home, which gave her the impression that her home would be attached if the debt was not paid. The Respondent states that it did send an initial validation notice to the Complaint and did not receive a response from the Complainant or her husband, which prompted the issuance of the second notice, which contained the "homeowner verification" statement. According to the Respondent, all of its letters are reviewed for compliance by an ACA-approved Tennessee collection attorney prior to mailing. The Respondent states further that the notice to the Complainant was proper, as Tennessee law makes spouses jointly liable for each other's medical necessities.

Recommendation: Close with no action.

FINAL: Authorize formal hearing with authority to settle by Consent Order and payment of a \$1,000.00 civil penalty for failure to send the spouse a validation notice.

3. 200900460-1

Complainant alleges that the Respondent contacted her by mail concerning a debt. The Complainant provided a copy of a dunning notice from the Respondent which threatens legal action against the Complainant unless the Complainant pays an alleged past due account.

Recommendation: Authorize formal hearing with authority to settle by Consent Order and payment of a \$1,000.00 civil penalty and instructions to CEASE and DESIST engaging in collection activity in this state until a license is obtain.

FINAL: Raise the civil penalty to \$2,000.00 dollars.

4. 200900554-1

Complainant alleges that her son, who is now deceased, created a past due account in her name that she cannot afford to pay. According to the Complainant, she has notified the Respondent several times that she disputes the debt. Respondent states that upon receipt of the Complainant's complaint, it updated its records to reflect the Complainant's "insolvency".

Recommendation: Close with no action.

5. 200900571-1

Complainant alleges that the Respondent violated a written "cease communication" request by contacting him by telephone after the Respondent received the request (which the Complainant transmitted by certified mail.). The Respondent acknowledges that it contacted the Complainant one (1) time by telephone following its receipt of the Complainant's notice and that the Complainant's telephone number was internally blocked following the telephone conversation.

Recommendation: Authorize formal hearing with authority to settle by Consent Order and payment of a \$1,000.00 civil penalty.

6. 200900623-1

Complainant, a Texas resident, provided copies of correspondence sent to the Respondent, a New York collection agency, requesting validation of an alleged debt. The Respondent mailed correspondence to this office requesting the name of the alleged creditor as well as the Complainant's account number with the alleged creditor.

Recommendation: Close with no action.

7. 200900629-1/2

Complainant provided copies of correspondence sent to the Respondents requesting validation of an alleged debt. Respondents stated that they ceased collection efforts against the Complainant after their clients failed to provide validation of the alleged debt.

Recommendation: Close with no action.

FINAL: Close with a letter of instruction re: due diligence prior to acceptance of assignment/proper validation procedure.

8. 200900638-1

The Complainant wishes to withdraw his allegations against the Respondent.

Recommendation: Close with no action.

9. 200900687-1

The above-referenced is a duplicate of an earlier-filed unlicensed activity complaint. The Respondents acknowledged the unlicensed activity in their response to the previous complaint and indicated that they closed the business prior to the filing of both complaints. The Respondent entered into settlement on the earlier filed complaint through Consent Order and payment of a \$1,000.00 civil penalty.

Recommendation: Close with no action.

10. 200900778-1

The Complainant alleges that the Respondent has harassed his wife and failed to honor a cease communication request relative to a past due medical account that the Complainant acknowledges he owes. The Complainant states that he retained a debt management company to negotiate on his behalf with the Respondent, and that the company filed a "power of attorney" notice as well as a "cease communication" request with the Respondent. The Complainant states that the Respondent refuses to communicate with the debt management company and refuses to cease contacting he and his wife concerning the debt. The Respondent states that it has only contacted the Complainant 61 times over a 360 day period, and that it has ceased communication with the Complainants, despite never receiving the cease communication request that the management company sent on the Complainant's behalf. The Respondent states further that it continued to call the Complainant and his wife due to several broken promises of payment made by both. Additionally, the Respondent states that it did attempt to negotiate with the management company, but that its client rejected the company's demand to "write-off" the Complainant's account.

Recommendation: Close with no action.

Laura Betty joined the meeting.

11. 200900806-1

The Complainant alleges that the Respondent engaged in unlicensed activity by attempting to contact her to collect a past due account that she allegedly owes. The Respondent states that the Complainant's account is now "closed with [our] company and the original creditor. [We] have also requested that credit bureaus delete this account.

Recommendation: Authorize formal hearing with authority to settle by Consent Order and payment of a \$1,000.00 civil penalty and agreement to CEASE and DESIST engaging in collection activity in this state until a license is obtained.

12. 200900840-1

The Complainant alleges that, as of 2009, the Respondent continued to place negative information on his credit report after the collection account was paid in full in 2006. The Complainant believes that the Respondent took such action in retaliation for his filing a complaint. The Respondent states that it transmitted a UDF requesting deletion of its tradeline from the Complainant's credit report after it was notified by its client in 2006 that the item had been paid. According to the Respondent, it was unaware that the item continued to be reported until it received the complaint. The Respondent states that it sent a second UDF to the credit bureaus requesting deletion of the tradeline immediately following its receipt of the complaint. The Respondent provided a copy of the second UDF as well as the Complainant's account records showing the account status as "paid in full" as well as the 2006 transmission date of the first deletion request.

Recommendation: Close with no action.

13. 200900841-1

The Complainant alleges that the Respondent continues to contact him via auto-dialer and leave computer-generated messages relative to an unknown debtor. The Complainant states that on several calls, after being prompted to press a certain key if he was not the named party, he did so but continued to receive calls from the Respondent. The Complainant ultimately called the Respondent and notified him that he was not, and did not know the responsible party. The Complainant alleges that the Respondent continued to make calls following his verbal notice. Respondent states in response that, "upon learning that [we] were dialing the wrong number, [we] removed that telephone number from [our] system and no further calls were or will be made to that number from [our] office.

Recommendation: Authorize formal hearing with authority to settle by Consent Order and payment of \$1,000.00 civil penalty.

Donna Hancock left meeting at 10:50 a.m. during the discussion of Complaint #200900841-1 and returned at 10:53 a.m.

14. 200900842-1

The Complainant alleges that the Respondent, whose license remains expired according to the internal license roster, attempted to collect a debt from her through the mailing of dunning letters and the service of a civil warrant after the Respondent's license had expired. Additionally, the complainant alleges she never received notice of the debt prior to being served with the warrant. The Respondent provided copies of two (2) dunning notices (including a validation notice) that were mailed to Complainant at her current address. Respondent acknowledges the license was expired during the relevant time period and states that it carried an active surety bond at the time. The Respondent stated that it usually relied on its accountant to complete renewals and that the failure to renew was an "oversight".

Recommendation: Authorize formal hearing with authority to settle by Consent Order and payment of a \$3,000.00 civil penalty and agreement to CEASE and DESIST engaging in collection activity in this state until the license is renewed.

FINAL: Also submit notice to client re: use of unlicensed agency.

15. 200900909-1

Complainant alleges that the Respondent is harassing her and her daughter concerning a past due account that the Complainant acknowledges is owed. According to the Complainant, the Respondent made repeated calls to her and her daughter despite the fact that they were both recovering from recently-performed medical procedures and refused to accept their offers of payment. The Respondent provided all account notes, which show that the Respondent made repeated attempt to resolve the account with the Complainant and her daughter and suggested several payment alternatives. According to the notes, the Complainant failed to honor several payment agreements made with the Respondent. Following their receipt of the complaint, the Complainant closed the Complainant's file and returned it to its client.

Recommendation: Close with no action.

16. 200901017-1

Complainant alleges that the Respondent, a debt collection law firm, failed to provide validation regarding a past due account that the Complainant believes she has already settled in full.

Recommendation: Refer the complainant to the proper authority.

17. 200901020-1

Complainant alleges that the Respondent contacted him prior to his receipt of a validation notice on several collection items that he acknowledges he owes and threatened to file a civil warrant against him if he failed to pay. The Respondent states that it never contacted the complainant—all calls relative to the account were initiated by the Complainant, according to the Respondent. The Respondent provided account notes showing that all calls on the account were incoming and that the Respondent has paid the accounts in full.

Recommendation: Close with no action.

18. 200901026-1

Complainant alleges that the Respondent is attempting to collect a past due account that he does not owe and that the Respondent's response to his request for validation of the account was inadequate and did not constitute proper validation. The Complainant submitted a copy of a validation request mailed to the Respondent requesting "competence evidence that I have an obligation to pay [you]." In response to his request, the Respondent provided the Complainant a statement showing the original account number, the current balance and the obligated consumer's social security number and address. There is no evidence in the file that the Respondent continued collection efforts following the receipt of the Complainant's first validation request. The Respondent states that if the Complainant believes that the account is wrongly attributed to him, that he should submit an identity theft report and a sworn denial of responsibility before the matter can be "investigated further."

Recommendation: Close with a letter of warning advising the Respondent that its validation response was inadequate and that any further attempts to collect the debt without actual validation will be considered a violation of federal law.

19. 200901046-1

Complainant alleges that the Respondent continues leaving automated messages on his telephone regarding a past due account allegedly owed by his son, who is now deceased. The Respondent states that it closed the account prior to the receipt of the complaint and has returned the account to its client with notice of the son's death.

Recommendation: Close with no action.

20. 200901047-1

Complainant states that she has been receiving mailings and calls from the Respondent for an unknown alleged debtor. The Complainant notified this office due to concern for her credit rating. The Respondent failed to submit a response, despite accepting service on July 20, 2009.

Recommendation: Authorize formal hearing with authority to settle by Consent Order and payment of a \$1,000.00 civil penalty.

21. 200901163-1

Complainant states that the Respondent failed to respond to her request for validation of a debt, which she disputed as to the amount. The Respondent admits that such information was not provided, stating that the FDCPA provides an express time-limit for the submission of disputes, and that, since that time limit had passed when the Complainant submitted her request, the Respondent had no obligation under the Act to provide the information.

Recommendation: Authorize formal hearing with authority to settle by Consent Order and payment of a \$1,000.00 civil penalty.

22. 200901234-1

Complainant is demanding that the Respondent provide validation documents concerning an account that both he and the Respondent agree is not his. Respondent states it confirmed with the Complainant that he was not the responsible party during its first communication with him and removed his contact information from its system at that time.

Recommendation: Close with no action.

23. 200901266-1

Complainant states that he received a collection notice in error from the Respondent. The Respondent admit that the notice was transmitted to the Complainant in error and issued a letter of apology to the Complainant stating that the transmission occurred after its skip tracing vendor provided the wrong address for the alleged debtor. It should be noted that the alleged debtor's middle initial differed from that of the Complainant.

Recommendation: Close with a letter of warning re: unauthorized disclosure.

24. 200901384-1

Complainant states that the Respondent refused to refund an overpayment after acknowledging that she tendered payment twice on a past due account that the Respondent collected. Respondent failed to respond to the complaint, despite accepting service of same on July 22, 2009.

Recommendation: Authorize formal hearing with authority to settle by Consent Order and payment of a \$2,000.00 civil penalty.

25. 200901517-1

Complainant states that the Respondent continued contacting her by telephone after she informed the Respondent that the persons sought did not live at her residence and were not reachable at her telephone number. According to the Complainant, she was provided assurances on July 9, 2009 and July 13, 2009 by Respondent's agents that her contact information had been removed. The Complainant alleges that she received a series of calls from the Respondent thirty (30) minutes following her July 9th conversation with the Respondent. Respondent states that the Complainant's number was provided as good contact information by its skip tracing vendor and that the numbers were removed prior to its receipt of the complaint.

Recommendation: Authorize formal hearing with authority to settle by Consent Order and payment of a \$1,000.00 civil penalty.

26. 200901523-1

Complainant states that the Respondent acted fraudulently by attempting to collect a debt from him after the applicable statute of limitations had run. The Respondent states that the statute of limitations only bars legal action to enforce the defaulted obligation, not to collection efforts. The Respondent also states that it is not credit reporting relative to the Complainant's alleged obligation.

Recommendation: Close.

27. 200901536-1

Complainant alleges that the Respondent engaged in unlicensed collection agency by contacting him by telephone and attempting to collect a debt that he allegedly owed. The Complainant also provided a copy of a "check fax authorization form" mailed to him by the Respondent in an effort to collect his allegedly past due account.

Recommendation: Authorize formal hearing with authority to settle by Consent Order and payment of a \$2,000.00 civil penalty and agreement to CEASE and DESIST engaging in collection activity in this state until a license is obtained.

~~FINAL: Also submit notice to client re: use of an unlicensed agency.~~

28. 200901612-1

Complainant, a Mississippi resident, alleges that the Respondent, a Missouri collection agency, made extremely verbally abusive statements to him while attempting to collect a debt he allegedly owed. The Respondent failed to respond to the complaint.

Recommendation: Refer the Complainant to the proper authority.

29. 200901644-1

Complainant provided a copy of correspondence he transmitted to the Respondent indicating that the alleged past due account that Respondent was attempting to collect from him had been paid. Respondent acknowledges receipt of the Complainant's statement and states that it verified payment with the creditor upon receipt and closed the Complainant's collection account.

Recommendation: Close with no action.

30. 200901678-1/200902432-1

Administrative office and business entity complaint allege that the Respondent, a collection agency providing primarily commercial collection services, engaged in collection activity in this state prior to obtaining a license. The Respondent admits that it did engage in collection activity while its application was pending and states that it has now ceased all collection activity in this state pending the resolution of these complaints and the issuance of its license. The Respondent has indicated its willingness to resolve the complaints informally through a Consent Order admitting to the conduct and the payment of a \$50,000.00 civil penalty, with stipulations that if the settlement is approved: 1) The license will be issued (provided they meet all other qualifications to do business in this state), and 2) The statements in the proposed Consent Order will not be treated as "admissions" if the board should reject the settlement offer.

Recommendation: Ratify the offer of settlement and close the case file upon execution of the settlement by all parties.

31. 200901693-1

Administrative office complaint alleges that the Respondent failed to submit written explanation regarding its trust account balance as indicated on a "financial statement" form, which appears to be insufficient to satisfy its client receivables due. To date, no response has been submitted.

Recommendation: Authorize formal hearing and give the Respondent thirty (30) days to provide the requested information.

FINAL: Authorize formal hearing with authority to settle by Consent Order and payment of a \$2,500.00 civil penalty if the Respondent fails to submit the requested information within thirty (30) days of notice to submit.

32. 200901741-1

Mr. Bond asked Ms. Trinkler to recuse herself from the discussion regarding this complaint and requested an immediate vote.

Complainant states that he does not recall owing the bill that the Respondent alleges he owes. The Respondent provided a copy of a letter sent to it by the Complainant acknowledging the account, which was reduced to judgment several years ago, as well as confirming the agreement with the

Respondent regarding frequency and application of payments. The Respondent also provided account notes showing that the Complainant has now satisfied the account in full.

Recommendation: Close with no action.

MOTION: Mr. Robinson made a motion to accept Legal's recommendation regarding Complaint 200901741-1, seconded by Mr. Mitchell. Ms. Trinkler recused herself and did not participate in the vote. MOTION CARRIED.

33. 200901908-1

Complainant alleges that the Respondent contacted him concerning an alleged debt after he notified a previous collection agency holding the account that he was represented by counsel and all communications should be directed to counsel. Respondent states that it was unaware that the Complainant was represented until it received a letter from the Complainant's counsel advising it of the Complainant's represented status. According to the Respondent, it closed the Complainant's account and requested deletion of its tradeline from the Complainant's credit report (due to the Complainant's dispute of the debt) after receiving notice from the Complainant's counsel.

Recommendation: Close with no action.

34. 200902011-1

Complainant alleges that the Respondent is attempting to collect an amount from her that she has previously paid in full. Complainant states that she has notified the Respondent regarding her dispute, but continues to receive correspondence from the Respondent regarding the past due account. The Complainant provided copies of three letters (one dated July 14, 2009 and two dated August 13, 2009) advising her, respectively, that: 1) Her dispute has been received and that the Respondent has attempted unsuccessfully to contact her regarding the dispute and that collection efforts would resume if the Respondent could not contact her within twenty-one (21) days after the date of the letter; 2) Her inquiry had been received and an investigation was pending; and, 3) Her account had been placed with the Respondent for collection and that she had the right to request validation and invoke other rights under federal law. The Respondent states that in order to complete its investigation of the account, it will require proof from the Complainant in the form of cancelled checks, proof(s) of payment or confirmation from the original creditor.

Recommendation: Authorize formal hearing with authority to settle by Consent Order and payment of a \$2,000.00 civil penalty.

35. 200902024-1

Complainant alleges that the Respondent refused to make payment arrangements with her on a debt that she acknowledges is owed. The Complainant states that the Respondent demanded payment in full when she attempted to obtain an installment agreement and refused to let her speak to the owner of the company after she requested to do so. The Respondent states that it refused the Complainant's request because its client's policy regarding the Complainant's

account was to refuse small payments. According to the Respondent, its client does a thorough pre-collect, which gives the consumer an opportunity to make more favorable payment arrangements. The Respondent disputes the Complainant allegation that she was refused access to the owner of the agency, stating that the Complainant requested to speak to a manager, which was the title of the agent she was speaking with.

Recommendation: Close with no action.

36. 200902058-1

Complainant provided a copy of correspondence transmitted to the Respondent requesting validation (via signed contract or agreement) of a debt the Respondent alleges she owes. Respondent provided a copy of a service agreement, which appears to be signed by the Complainant, wherein she agrees to make payment in full for services rendered and reimbursement collection costs and court fees, if applicable.

Recommendation: Close with no action.

37. 200902354-1

The Complainant alleges that the Respondent is unlicensed in Tennessee.

Recommendation: Closed with no action.

38. 200902366-1

The Complainant alleges that the Respondent is engaging in unlicensed collection activity and that the Respondent is trying to collect a past due account that was the responsibility of her husband, who is now deceased. The Respondent states that medical bills are deemed the responsibility of either spouse in this state and that it has not received a copy of the decedent's death certificate yet. The Respondent also states that the Complainant has agreed to payment arrangements on the account.

Recommendation: Close with no action.

39. 200902367-1/2

Administrative office complaint alleges that Respondent 1, a licensed collection agency employing Respondent 2 as a location manager, continued to operate more than one (1) year following the expiration of Respondent 2's location manager license. Additionally, Respondent 2 continued to serve in his licensed capacity after his license expired.

Recommendation: (Respondent 1): Authorize formal hearing with authority to settle by Consent Order and payment of a \$1,000.00 civil penalty and agreement to CEASE and DESIST conducting collection service business in this state until a licensed location manager is obtained.

(Respondent 2): Authorize formal hearing with authority to settle by Consent Order and payment of a \$1,000.00 civil penalty and agreement to CEASE and DESIST acting in a licensed capacity until he obtains a location manager license.

FINAL: Respondent 1: Send notice to client that Respondent is no longer licensed in Tennessee.

Respondent 2: Raise the civil penalty to \$3,000.00.

40. 200902371-1

Complainant alleges that the Respondent continued to demand from him payment on an allegedly past due account despite two (2) written requests for validation on the account. The Respondent states that the account was deemed valid because the Complainant failed to complete a fraud affidavit to and return it to the creditor after making his dispute.

Recommendation: Authorize formal hearing with authority to settle by Consent Order and payment of a \$1,000.00 civil penalty.

41. 200902444-1

Complainant alleges that the Respondent referred her account for Administrative Wage Garnishment (AWG) even though she was making regular payments on her loan and had requested permission to pay her lender directly. Respondent states that the Complainant that her file would be forwarded to AWG after she accused the company of engaging in fraudulent activity and demanded that all her future payments to them be cancelled.

Recommendation: Close with no action.

42. 200902445-1

Complainant alleges that the Respondent refuses to release its client from liability regarding a debt that was created fraudulently in the client's name. The Respondent states that the client's fraud documentation had to be reviewed and processed before the account could be declared fraudulent and withdrawn. The Respondent provided follow-up correspondence to the Complainant indicating that the account had been determined to be fraudulent and that the account would be removed from the client's credit report and collection activity would cease.

Recommendation: Close with no action.

43. 200902503-1

Complainant alleges that the Respondent, a law firm, refused to provide validation of debts it asserted he owed, made unlawful disclosures regarding his alleged past due account and refused to honor his "cease and desist" request.

Recommendation: Consult with the Complainant regarding alternative filing options.

44. 200902507-1

Complainant alleges that the debts Respondents are attempting to collect from him are unenforceable, as they are beyond the applicable statute of limitation. Respondent states that the debt are still subject to non-judicial collection efforts.

Recommendation: Close with no action.

45. 200902511-1

Complainant alleges that the Respondent was verbally abusive to him when he called to dispute a debt payable by his wife and her ex-husband that was listed as an unpaid item on his credit report. According to the Complainant, he initiated two (2) calls to the Respondent to attempt to resolve the issue—during the first call, a representative allegedly informed him that he and his wife would be treated as one and that the item could be placed on his report and terminated the call. During the second call, the agent allegedly told him that “it was [the Complainant’s] credit being ruined” and that he was only calling because he “needed something and couldn’t get approved for it before terminating the call. Respondent states that it apologizes to the Complainant for the confusion and any “rude treatment” the Complainant experienced. According to the Respondent, it was acting on information provided by the client in reporting the debt on the Complainant’s credit report.

Recommendation: Authorize formal hearing with authority to settle by Consent Order and payment of a \$2,000.00 civil penalty.

46. 200902513-1

Complainant states that the Respondent’s demands for payment on past due obligations allegedly owed by his corporations fail to recognize that corporations are formed for the purpose of limiting liability. The Respondent states that since the past due accounts arise from commercial transactions, they are not subject to the Collection Service Act or the FDCPA. The Respondent also states that it is pursuing the corporation, not its individual owner, for the debts in question.

Recommendation: Close with no action.

FINAL: Close with a letter of instruction advising the Respondent that commercial collection agencies are subject to the Collection Service Act.

47. 200902535-1

Complainant alleges that the Respondent failed to provide validation of a debt it alleged she owed after she submitted a written request for same. The Respondent states that it received word from its client that the account would be closed shortly after it was assigned and that the same information was communicated to the Complainant prior to its receipt of the Complainant’s dispute letter. The Respondent states further that the Complainant’s account had been closed and returned to the client by the time the dispute letter arrived. Respondent provided account notes

showing that the client closed and recalled the account shortly after placement and before the Complainant's request was received.

Recommendation: Close with no action.

48. 200902425-1

The Complainant alleges that the Respondent entered into a payment agreement with him regarding a past due account that he owed and then intentionally breached the agreement by entering his account information incorrectly in order to justify garnishment of his wages. The Respondent failed to respond to the complaint, despite accepting service of same.

Recommendation: Authorize formal hearing with authority to settle by Consent Order and payment of a \$1,000.00 civil penalty.

49. 200902436-1

The Complainant alleges that Respondent is demanding payment from her relative to a past due account that she does not believe she owes. The Complainant states that the demands are fraudulent. The Respondent failed to respond to the complaint, despite accepting service of same.

Recommendation: Authorize formal hearing with authority to settle by Consent Order and payment of a \$1,000.00 civil penalty.

50. 200902453-1

The Complainant alleges that the Respondent continues to pursue legal action against him relative to a debt that he states he does not owe. The Respondent failed to respond to the complaint, despite accepting service of same.

Recommendation: Authorize formal hearing with authority to settle by Consent Order and payment of a \$1,000.00 civil penalty.

51. 200902505-1

Complainant alleges that the Respondent contacted a co-obligor on a past due account that the Respondent was seeking to collect after the Complainant mailed a "cease communication" request to the Respondent. Respondent acknowledges receipt of the Complainant's request and acknowledges an attempted contact following the request. According to the Respondent, the responsible agent was disciplined in accordance with company policy.

Recommendation: Authorize formal hearing with authority to settle by Consent Order and payment of a \$1,000.00 civil penalty.

52. 200902510-1

Complainant alleges that her creditor wrongfully forwarded her account for collection. Respondent states that it is closing the account in light of the complaint and ceasing all collection activity relative to the account.

Recommendation: Close with no action.

53. 200902704-1

Complainant alleges that the Respondent failed to respond to his demand for validation of a debt he allegedly owed. The Respondent states that it received the Complainant's request and forwarded the information to its client. According to the Respondent, the account is now closed and has been returned to its client.

Recommendation: Close with no action.

54. 200902726-1

Complainant alleges that the Respondent humiliated her during a collection call by stating that she wouldn't be looking for work because she was drawing social security income. The Respondent states that its agent's intent was to determine the Complainant's source of income so that her account file could be updated. The Complainant admits that the agent apologized to her during the call if her statement created any misunderstanding.

Recommendation: Close with no action.

55. 200902736-1

Complainant alleges that the Respondent attempted to collect a debt from her that she does not owe. Complainant provided a copy of a dispute letter she mailed to the Respondent. Respondent states that it ceased all collection activity on the account and returned the account to its client after receiving notice that the account was disputed.

Recommendation: Close with no action.

56. 200902737-1

Complainant alleges that the Respondent refuses to cease contacting concerning a past due account payable by a person that he does not know. The Respondent failed to respond to complaint, despite accepting service of same.

Recommendation: Authorize formal hearing with authority to settle by Consent Order and payment of a \$1,000.00 civil penalty.

57. 200902738-1

Complainant alleges that the Respondent contacted her on two (2) occasions concerning an alleged debt after the Respondent's attorney and the Complainant agreed to dismiss a cause of action on the debt with prejudice. The Respondent states that the Complainant's records have been updated to reflect the dismissal and the account is closed. According to the Respondent, a request for deletion of its tradeline has been sent to the credit reporting agencies.

Recommendation: Authorize formal hearing with authority to settle by Consent Order and payment of a \$2,000.00 civil penalty.

58. 200902746-1

Complainant alleges that the Respondent, a debt collection law firm, refuses to cease contacting him concerning a past due account payable by an unfamiliar debtor. The Respondent states that it has removed the Complainant's contact information from its records and that the accused agent has been reprimanded.

Recommendation: Close our file and consult with the Complainant regarding alternative filing options.

59. 200902743-1

Complainant, a commercial entity, alleges that the Respondent refuses to provide validation of an alleged debt. Respondent states that it has updated the Complainant's collection file to reflect the dispute and returned its file to the client.

Recommendation: Close with no action.

60. 201000049-1

The Complainant wishes to withdraw the allegations in his complaint.

Recommendation: Close with no action.

61. 201000237-1

~~Complainant alleges that she was deceived by the Respondent, who appears to be a debt management company, about its services.~~

Recommendation: Close our file and consult with the Complainant on alternative filing options.

62. 200901025-1

Complainant alleges that her account was wrongfully placed in collections due to clerical errors by the creditor. Respondent failed to respond to the complaint, despite accepting service of same.

Recommendation: Close with a letter of warning re: duty to respond.

FINAL: Authorize formal hearing with authority to settle by Consent Order and payment of a \$1,000.00 civil penalty for failure to respond.

63. 200901691-1

Board authorized settlement by Consent Order and agreement to submit information required for licensed renewal or pay a \$500.00 civil penalty after the Respondent failed to provide the name of its CPA on its renewal application. Respondent provided the information on February 17, 2010 and has requested that the Board re-consider requiring the Respondent to sign a Consent Order admitting to a violation of law as a condition of settlement.

Recommendation: Discuss.

MOTION: With the exception of 32 that was previously voted on, Mr. Robinson made a motion to approve the legal report as amended. The motion was seconded by Mr. Mitchell. MOTION CARRIED.

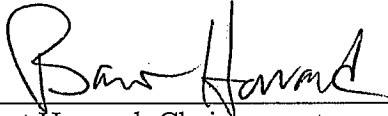
NEW BUSINESS OR UNFINISHED BUSINESS:

Mr. Bond advised that state legislation is pending that would make violations of the Fair Debt Collection Practices Act to also be violations of the Tennessee Consumer Protection Act. He advised that he would obtain more information at the board's request.

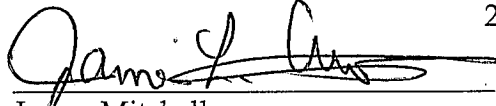
Mr. Bond requested the board's approval for hearings to be held by an administrative law judge as necessary since the board only meets six (6) times a year. Mr. Robinson made a motion to authorize Legal to file cases with an administrative law judge at their discretion, seconded by Ms. Trinkler. **MOTION CARRIED.**

Mr. Bond requested authorization for complaints to be opened and closed administratively without presentation to the board if Ms. Hancock, Mr. Bond and Ms. Betty have reviewed the complaints and are in agreement. Mr. Robinson made a motion to approve Mr. Bond's request, seconded by Ms. Trinkler. **MOTION CARRIED.**

Being no further business to discuss at 12:05 p.m., Mr. Robinson made a motion to adjourn, seconded by Ms. Trinkler. **MOTION CARRIED.**



Bart Howard, Chairman



James Mitchell



Worrick Robinson

Elizabeth Trinkler, Vice Chairman

Shannon Polen