



COLLECTION SERVICE BOARD
500 JAMES ROBERTSON PARKWAY
NASHVILLE, TENNESSEE 37243
615-741-3600

**Board Meeting Minutes for May 11, 2016
First Floor Conference Room 1-B
Davy Crockett Tower**

The Tennessee Collection Service Board met on May 11, 2016, in the first floor conference room of Davy Crockett Tower in Nashville, Tennessee. Mr. Howard called the meeting to order at 9:36 a.m. and the following business was transacted:

BOARD MEMBERS PRESENT: Bart Howard, Elizabeth Trinkler, Chip Hellmann, Angela Hoover.

BOARD MEMBERS ABSENT: Steven Harb.

STAFF MEMBERS PRESENT: Nikole Avers, Cody Kemmer, Sarah Mathews, Jennaca Smith.

ROLL CALL/NOTICE OF MEETING

Director Avers read notice of the meeting into the record, as follows: "Notice of the May 11, 2016 meeting of the Auctioneer Commission was posted to the Auctioneer Commission's website on March 5, 2016."

AGENDA

Mr. Hellmann motioned to adopt the agenda as written. This was seconded by Ms. Trinkler. The motion carried by unanimous roll call vote.

MINUTES

Ms. Trinkler made a motion to adopt the minutes from the January 6, 2016 meeting as written. Mr. Hellmann seconded. The motion carried by unanimous roll call vote.

ELECTION OF OFFICERS

The board welcomed its newly appointed member Ms. Angela Hoover of Franklin, TN. Ms. Hoover described her work as an attorney and the history of her family-owned law firm where she practices.

The board then turned its discussion to the election of new officers. Ms. Trinkler nominated Mr. Howard to continue in his post as chairman. Mr. Hellmann seconded that motion and Mr. Howard was re-elected chairman by unanimous roll call vote. For vice chair, Mr. Hellmann nominated Ms. Trinkler and with Mr. Howard's second, her election carried by unanimous roll call vote.

DIRECTORS REPORT

Director Avers reviewed the board's expenditures and projected budget. Next she apprised the board of the recently completed legislative session, specifically the passage of SB 2469 HB 2201, or "Right to Earn a Living Act." This new law creates requirements that subject regulatory agencies to an annual review of their licensure procedures. Director Avers advised the board of its abilities to suggest legislation for next year's session. She provided a list of necessary criteria that would meet the new guidelines.

APPLICATION REVIEW

The board considered the matter of Ed Overcash, an attorney requesting that the board accept his firm's income tax return information in lieu of a financial statement prepared by a public accountant. The board reviewed the documents submitted by Mr. Overcash, but ultimately agreed they lacked the authority to overrule the requirement.

LEGAL REPORT

1. 20150224331

Status: Active – Collection Service Agency
First Licensed: 10/24/2012
License Expiration: 10/23/2016
Disciplinary History: None.

Complainant alleges that the Respondent contacted Complainant using a form letter, which Complainant alleges may be in violation of several sections of 15 § USC 1692.

Respondent response stated the purpose of their letter to Complainant was to inform that the City of Chicago placed delinquent parking citations with Respondent's office for collection. Respondent further stated Federal courts have consistently ruled that non-consumer municipal debts – such as parking citations – do not fall within the definition of debt under USC § 1692a(5) because they do not arise from "consensual consumer transactions for goods and services." Respondent states that this letter is not subject to FDCPA's technical requirements pertaining to dunning letters and Respondent always attempts to collect in a complaint and straightforward manner and have no intent to mislead consumers. Additionally, Respondent stated that it reviewed the City's records and Complaint was found liable for failing to appear at a scheduled hearing and thus, Complainant's right to properly challenge these citations and overturn the previous administrative order has lapsed. Respondent stated in response to the alleged violation of 15 USC § 1692e, that any boot or license suspension-eligible motorist must remain mindful of the consequences regardless of their state of residence, and even more so if they maintain an active nexus to the State of Illinois, as it appears Complainant does. Further, Respondent notes that since the underlying ticket was issued in Chicago and Complainant is/was a local Illinois resident, the Circuit Court would maintain jurisdiction over certain judgment enforcement remedies and the Respondent's letter never contemplated or threatened that it would proceed with any litigation in Tennessee Courts.

Recommendation: There is no evidence of a violation on the part of Respondent. As such, Counsel recommends that this matter be **closed with no further action or dismissed**.

Decision: **The Board voted to accept the recommendation of legal counsel.**

2. 20150223311

Status: Active – Collection Service Agency
First Licensed: 06/04/2007
License Expiration: 06/03/2017
Disciplinary History: None.

This complaint was filed by a consumer and alleged that the Respondent attempted to collect a disputed debt and harassed the Complainant by sending twelve (12) letters to collect this debt. Complaint alleges that this debt involves two (2) shipments of coins. One shipment was paid for and Complainant supplied a bank statement, which shows a payment of \$89.95. But the second shipment is the disputed amount, the amount in dispute is \$118.40, which the Complainant states was returned to the Company and Complainant provided proof of return in the form of a signed certified mail slip.

Respondent stated in its response that at this time, the Complainant's account is marked as disputed and not to be called, Respondent states it will ensure the Complainant's information remains disputed and that Complainant should not receive any additional calls from the Respondent regarding this account. Counsel has received proof that Complainant's account has been placed in a disputed state and on a no call list.

Recommendation: There is no evidence of a violation on the part of Respondent. As such, Counsel recommends that this matter be **closed with no further action**.

Decision: The Board voted to send a letter of instruction regarding T.C.A. § 62-20-115(b)(5) and 15 USC § 1692d, regarding to the excessive amount of letters sent to the Complainant.

3. 20150223461

Status: Active – Collection Service Agency
First Licensed: 07/18/2014
License Expiration: 07/18/2016
Disciplinary History: None.

This complaint was filed by a consumer and alleged that the Respondent reported an incorrect and unlawful posting on his credit report. Complainant was notified by a credit monitoring service of a negative posting to Complainant's credit report and contacted the credit monitoring service in order to get a description of the charge. Complainant alleges it had no knowledge of the bill and had no account with the vendor. Complainant alleges that the information provided shows that the notice of collection/bill went to a previous address and notes that Complainant owes \$101.66 for a procedure that was performed in early 2015. Complainant alleges that the office at which the procedure was performed has the Complainant's current address and insurance information and Complainant has had no issues receiving correspondence from office.

Respondent stated in its response that it mailed an initial demand letter to the Complainant and the letter was not returned as undeliverable or wrong address, additionally there several attempts to reach the Complainant by phone. Respondent stated the Complainant was dealing directly with Respondent's client and client has since requested the account closed in Respondent's office and returned to client, at which time Respondent closed the account. Counsel has proof that the account is now inactive and shows a zero balance.

Recommendation: There is no evidence of a violation on the part of Respondent. As such, Counsel recommends that this matter be **closed with no further action**.

Decision: The Board voted to accept the recommendation of legal counsel.

4. 2016001601

Status: Active – Collection Service Agency
First Licensed: 11/20/1997
License Expiration: 12/31/2016
Disciplinary History: None.

This complaint was filed by a consumer and alleged that the Respondent was attempting to collect a debt from parking citations that occurred three and half years ago and thinks this is a scam. Complainant alleges receiving a letter in 2015 for parking citations issued in May and July of 2012, but Complainant has no record of receiving these citations and therefore will not be paying them. Complainant alleges that the vehicle listed in the citations was sold in early 2012.

Respondent stated that they have reviewed the Complainant's account and immediately suspended activity on the account and requested validation of the debt from their client. Their client reported that they voided the balances on all four (4) citations that were referred to Respondent. Respondent stated that the balances have been cleared on the citations and Complainant's shows no current balances due. Counsel has proof the account shows no balance due.

Recommendation: There is no evidence of a violation on the part of Respondent. As such, Counsel recommends that this matter be **closed with no further action**.

Decision: The Board voted to accept the recommendation of legal counsel.

5. 2016001621

Status: Active – Collection Service Agency
First Licensed: 12/19/2008
License Expiration: 12/18/2016
Disciplinary History: None.

This complaint was filed by a consumer and alleged that this was the second attempt by a collection company to collect the same debt. Complainant alleged that this is a fraudulent attempt to extract monies from him not owed to anyone. Complainant alleges that they have never received a bill from the stated Company, nor has the Complaint hired the Company to perform any work. Complainant alleges filed a complaint before upon receiving the first attempt to collect this same debt and in response to that, the Respondent sent a letter withdrawing the claim, stating that the Company could not provide proper documentation to back up any claim and apologized for making an attempt to collect a bogus debt.

Respondent stated in its response that after mailing the initial notice to Complainant regarding this alleged debt, Respondent terminated its agreement with the Company and has discontinued all collection efforts on the Company's behalf. Respondent mailed Complainant a letter advising him that his account has been closed and returned and Respondent will no longer be requesting payment from Complainant.

Recommendation: There is no evidence of a violation on the part of Respondent. As such, Counsel recommends that this matter be **closed with no further action**.

Decision: The Board voted to accept the recommendation of legal counsel.

6. 2016001661

Status: Active – Collection Service Agency
First Licensed: 09/17/2009
License Expiration: 09/16/2017
Disciplinary History: None.

The complaint was filed by a consumer and alleged that Respondent posted collection to credit files after Complainant began paying the original creditor and falsely claims that Complainant made an agreement to pay them. Complainant alleges that when Complainant moved out of the Company's service area, Complainant received an updated final bill and began paying \$50.00 per month. Complainant alleges that Respondent sent a statement and posted a collection file on Complainant's credit file and claims that Complainant made an agreement to pay \$50.00 per month, which Complainant states is false.

Respondent stated that the Company, the original creditor, assigned an unpaid account to Respondent in the amount of \$227.35. An initial collection letter was generated and mailed to the address that was assigned to the account. Respondent stated it is a credit reporting agency and all unpaid collections are eligible to be reported 35 days after assignment, which is why this account was reported. Respondent stated it received correspondence from the Complainant stating that Complainant was making payments directly to the Company prior to receiving their notice and would continue to do so. Respondent placed Complainant's account on a payment plan for the \$50.00 per month that was being paid to the Company. Thus far the Complainant has made three (3) payments of \$50 with a balance reflecting \$150.00 and all payments have been updated to Complainant's credit report.

Recommendation: There is no evidence of a violation on the part of Respondent. As such, Counsel recommends that this matter be **closed with no further action**.

Decision: The Board voted to accept the recommendation of legal counsel.

7. 2016001691

Status: Active – Collection Service Agency
First Licensed: 03/14/2006
License Expiration: 03/13/2017
Disciplinary History: 2006012401 Closed with Letter of Warning

This complaint was filed by a consumer and alleged that the Respondent threatened Complainant by promising to affect credit rating and followed blindly instructions from a stranger, which in turn, led to Complainant's victimization.

Complainant alleges that Respondent plans to report Complainant to one or more national credit bureaus and is following instructions given to it by Company. Complainant alleges the Company was unable to fix a problem in Complainant's house and the tenants at the time had to leave because the problem was not fixed. Complainant alleges answering the letter from Respondent, but the Respondent did not respond to address the problem of the charge of \$5,513.48 for work not done.

Respondent stated that the Complainant owes a debt to its client for services rendered in March and April of 2015. Respondent states that Complainant does not contest the validity of this debt, but rather claims Respondent's client did not fix the problem. Respondent states that this demonstrates that Respondent's client did in fact perform services for Complainant and Complainant was merely dissatisfied with the services rendered. Respondent noted that it sent its first collection letter on October 1, 2015 and during the 30 day validation period Complainant requested that Respondent verify the debt. On October 19, 2015, Respondent mailed an itemization letter to Complainant.

Recommendation: There is no evidence of a violation on the part of Respondent. As such, Counsel recommends that this matter be **closed with no further action**.

Decision: The Board voted to accept the recommendation of legal counsel.

8. 2016001891

Status: Expired
First Licensed: 11/17/1997
License Expiration: 01/15/2008
Disciplinary History: None.

This complaint was filed by a consumer and alleged that the Respondent attempted to collect an invalid debt. Complainant alleges that Complainant did not pay because the original account owner failed to properly submit claim to insurance company and they submitted claim with invalid social security number and did not check with the hospital for the correct information. In addition to the complaint, the State's system shows the Respondent's license is expired.

Respondent stated the account for the debt in question has been closed and return to the client.

Recommendation: Counsel recommends the authorization of a **civil penalty in the amount of Five Hundred Dollars (\$500)** to be satisfied within thirty (30) days of execution of the Consent Order for unlicensed conduct, which is in violation of **T.C.A. 62-20-105(a) & T.C.A. 62-20-115(b)(5)**. Such Consent Order is to contain Cease and Desist language applicable to the Respondent and any agents working on its behalf prohibiting the Respondent and its agents from collecting debts in Tennessee until and unless appropriate licensure is obtained. Such terms are to be settled by Consent Order or Formal Hearing.

Decision: The Board voted to accept the recommendation of legal counsel and requested that legal send a letter of notice to the client (if identification of client was provided) of Respondent's license status in reference to T.C.A. § 62-20-118.

9. 2016001731

Status: Active
First Licensed: 11/13/1997
License Expiration: 12/31/2016
Disciplinary History: None.

This complaint was filed by a consumer and alleged that the Respondent falsely reported debt against credit that they have received payments for. Complainant alleges that Respondent reported a debt against credit report that Complainant has already been to court over and settled. Complainant alleges

Respondent sued each of his parents individually over this same debt and Respondent has received payments for this debt. The debt was reported against Complainant's credit report on October 15, 2015. Complainant was taken to court by Respondent in September 2013 and Complainant agreed to pay \$50.00 each month to pay off the debt stating on October 15, 2014 and Complainant has paid each month. Complainant alleges that Respondent has failed to accurately reflect payments on credit report.

Respondent stated in its response that on September 10, 2013 an agreed judgment was reached to satisfy Complainant's debts and Complainant agreed to a payment schedule starting on October 15, 2013 of \$50.00 a month. Respondent states at no time have they attempted to collect or seek judgment against any individuals besides Complainant. Complainant's balance totaled \$1,918.00 (covered 4 accounts) plus \$123.50 for court cost. Complainant has made 26 installment payments in the amount of \$1,350.00, leaving a balance of \$691.50. Respondent reports account balances to credit reporting companies weekly. Respondent has removed two (2) of the four (4) accounts with a status of paid in full and has verified an accurate balance is reflecting on Complainant's credit reports for the two (2) accounts where a balance is outstanding. Respondent states it has not falsely reported any debt on Complainant's credit report.

Recommendation: There is no evidence of a violation on the part of Respondent. As such, Counsel recommends that this matter be **closed with no further action**.

Decision: The Board voted to accept the recommendation of legal counsel.

10. 2016002151

Status: Active
First Licensed: 08/06/2015
License Expiration: 08/05/2017
Disciplinary History: None.

This complaint was filed by a consumer and alleged that the Respondent is obtaining a license through misrepresentation or fraud and violation, or cooperating with other in violating, any provision of this chapter, or any rule lawfully promulgated by the board.

Complainant alleges that on Wednesday, December 9, 2015, she received a call while in a meeting from an employee of the Respondent. The employee began speaking extremely rapidly in a rather hostile tone of voice. Complainant alleges that the first words she understood clearly were "attorney" and "affidavit." Complainant excused herself from the meeting and starting asking questions, trying to determine what the Respondent's employee was referred to. Complainant alleges that Respondent's employee stated that he was from the legal department and was holding an affidavit to procure a court judgment against Complainant, to which she responded for what? Complainant alleges the Respondent's employee then identified whom he was calling on behalf of and the Complainant has an account with said company, but no past due payments, Respondent employee proceeded to tell her it was in regards to a debt from the 1990's. Complainant alleged she told the Respondent's employee she had no recollection of such account. Complainant stated this was well past Tennessee's six (6) year statute of limitations. Complainant alleges Respondent employee ended the call with something along the lines of "you don't believe me?" "wait and see." Complaint alleges at this time she felt intimidated and threatened.

Complainant alleges after researching legalities of debt collection that she called the number back and spoke with a different employee of the Respondent, who had difficulty locating the account by

Complainant's phone number. Respondent employee said he would find a supervisor to assist the Complainant and the original caller came on the line. At this time, Complainant alleges she said "I'd better not, I repeat better not, be subjected to any type of legal process." Complainant alleges the Respondent employee became belligerent and told her not to threaten him, the conversation proceeded and then Complainant hung up the phone.

Complainant alleges that the original Respondent employee said he was an attorney, after calling the Respondent back on December 10, 2015 and speaking with the office manager, Complainant ascertained that original caller was not an attorney. Complainant alleges that the office manager of Respondent did indicate that they had correctly interpreted her response to the call as a request to cease contacting the Complainant by phone. Complainant required written validation of the debt and provided her correct mailing address and stated she would follow up with a written request, signed and notarized also. On December 15, 2015, Complainant wrote a letter to the Respondent requested validation of the, she asked that the debt be treated as in dispute and that the Respondent only contract her in writing, no further telephone calls would be accepted.

Respondent did not respond to the complaint allegation. Counsel has proof the complaint was delivered to the Respondent.

Recommendation: Counsel recommends the authorization of a **civil penalty in the amount of Two Hundred Fifty Dollars (\$250)** for failure to respond to the complaint, which is a violation of **T.C.A. 62-20-115(a)(3) & T.C.A. 62-20-115(b)(5)**.

Decision: The Board voted to authorize a **civil penalty in the total amount of Seven Hundred Fifty Dollars (\$750.00), which represents Five Hundred Dollars (\$500) in violation of 15 USC § 1692e and Two Hundred Fifty Dollars (\$250) for failure to respond to the complaint in violation of T.C.A. §§ 62-20-115(a)(3) and 62-20-115(b)(5)**.

11. 2016006171

Status: Not Licensed.

Disciplinary History: None.

This complaint was filed by a consumer and alleged that the Respondent attempted to collect an invalid debt. The state has no license on record for Respondent.

Complainant alleges owing nothing and this bill was an error. Complainant alleges that Respondent called on October 26, 2015 and she did not answer and on October 29, 2015 Respondent called again from a private number and attempted to record the call. Complainant attached a copy of the collection notice from the Respondent which states Respondent is a debt collector and this letter is an attempt to collect a debt in the amount of \$2,519.44.

Respondent stated in response that after the claim was placed with Respondent's office, our client informed us that this claim had been assigned to us in error. Respondent has closed out the account and all collection efforts involving the Complainant have ceased.

Recommendation: Counsel recommends the authorization of a **civil penalty in the amount of Five Hundred Dollars (\$500)** to be satisfied within thirty (30) days of execution of the Consent Order for unlicensed conduct, which is in violation of **T.C.A 62-20-105(a) & T.C.A. 62-20-115(b)(5)**. Such Consent

Order is to contain Cease and Desist language applicable to the Respondent and any agents working on its behalf prohibiting the Respondent and its agents from collecting debts in Tennessee until and unless appropriate licensure is obtained. Such terms are to be settled by Consent Order or Formal Hearing.

Decision: The Board voted to accept the recommendation of legal counsel.

12. 2016006201 – Respondent 1

Status: Voluntary Surrender
Disciplinary History: 2014001961 Dismissed with no action

2016006202 – Respondent 2

Status: Active
First Licensed: 11/19/1997
License Expiration: 12/31/2016
Disciplinary History: 2005044761 Consent Order \$250
2007066381 Closed with Letter of Instruction
2007081241 Consent Order \$1000
2008025931 Closed with Letter of Warning

This complaint was filed by a consumer and alleged that the Respondent 1 and its affiliate, Respondent 2, reported an alleged debt to credit reporting companies. Complainant alleges that the original creditor (Respondent's client) does not exist in the State of Tennessee and Complainant has informed Respondent 2 of this on several occasions, in writing, specifically requesting and receiving a Certificate of Non-Existence from the Tennessee Secretary of State's office.

Respondent 2 stated in its response that Respondent 2 became the servicer of the account on May 27, 2011 information provided by the seller at the time of acquisition indicates that this account was originated on December 20, 2005 in the name of the Complainant. The first delinquency occurred on January 18, 2009 and subsequently the account was charged-off as an unpaid delinquent-debt on December 14, 2009. The balance at the time of purchase was \$16,229.32. On June 4, 2011, Respondent 2 mailed a validation letter to the Complainant and the letter was not returned as undeliverable. Respondent 2 did not receive any correspondence disputing the debt or requesting validation from Complainant in response to its letter. Respondent 2 reviewed its business records which indicate that on June 17, 2012, this account was placed with a law firm and the law firm advised that they received the first correspondence requesting validation from Complainant on or about February 5, 2015. Respondent 2 stated that due to the seven-year Federal Reporting period which for the Complainant's account would expire in January 2016, Respondent 2 has requested all major reporting agencies to remove reference to this account as of December 22, 2015. Respondent 2 states this removal does not extinguish the debt.

Recommendation: There is no evidence of a violation on the part of Respondent 1 or Respondent 2. As such, Counsel recommends that these matters be **closed with no further action.**

Decision: The Board voted to accept the recommendation of legal counsel.

13. 2016007131

Status: Not Licensed.
Disciplinary History: None.

This complaint was filed by a consumer for unlicensed conduct and disputes of debt. Complainant alleges that the Respondent is unlicensed as a collection agency in Tennessee and continues to attempt to collect debt from Complainant even after being noticed in writing, on numerous occasions. Complainant alleges the Respondent has violated State and/or Federal laws as they have failed to acknowledge a dispute letter to prior debts sent to their office. Complainant attached a letter dated January 11, 2016 which asks Respondent to cease all communications pertaining to the above noted account numbers.

Respondent stated that this allegation is rooted in the fact that someone forwarded Respondent's demand letters addressed to Complainant at Illinois address to his Tennessee address. Respondent states it did not commence, conduct or operate any collection business in Tennessee, Respondent sent the demand letters to Illinois, which in Complainant's letter he refers to as his home address. Respondent states that in Complainant's letter dated January 19, 2016, he states "*...letters were received by the undersigned on or about January 5, 2016, as the mail had to be forwarded from my home address to my address here in Knoxville.*" Respondent only attempted to collect debt from Complainant in Illinois at an address Respondent believed to be Complainant's valid home address.

In response to Complainant's allegations that Respondent continued to collect a debt after being notified in writing, the Respondent states that it never received his letter and even if it had received the letter, Complainant has not provided any evidence that Respondent failed to cease collection of those accounts.

Recommendation: Respondent was attempting to collect a debt in Illinois and the mail was forwarded to a Tennessee address. There is no evidence of a violation on the part of Respondent. As such, Counsel recommends that this matter be **closed with no further action.**

Decision: The Board voted to accept the recommendation of legal counsel.

14. 2016008911

Status: Not Licensed.

Disciplinary History: None.

This complaint was filed by consumer and alleged unlawful debt and Respondent is not licensed in Tennessee. The Complainant alleges that they have not requested any service from the original creditor, nor do they utilize the original creditor's services. The amount involved is \$459.12.

Respondent did not respond to the complaint allegation. Counsel has proof the complaint was delivered to the Respondent.

Recommendation: Counsel recommends the authorization of a **civil penalty in the total amount of Seven Hundred Fifty Dollars (\$750.00)**, which represents Five Hundred Dollars (\$500) for unlicensed conduct, which is in violation of **T.C.A. 62-20-105(a) & T.C.A. 62-20-115(b)(5)** and Two Hundred Fifty Dollars (\$250) for failure to respond to the complaint, which is a violation of **T.C.A. 62-20-115(a)(3) & T.C.A. 62-20-115(b)(5)** to be satisfied within thirty (30) days of execution of the Consent Order. Such Consent Order is to contain Cease and Desist language applicable to the Respondent and any agents working on its behalf prohibiting the Respondent and its agents from collecting debts in Tennessee until and unless appropriate licensure is obtained. Such terms are to be settled by Consent Order or Formal Hearing

Decision: The Board voted to accept the recommendation of legal counsel.

15. 2016009021

Status: Not Licensed.

Disciplinary History: None.

This complaint was filed by a consumer and alleged the company claims that Complainant owes money, which Complainant states it does not owe. Complainant alleges that the Respondent represents a company that Complainant has never heard of or had contact with. Complainant alleges contacting the Respondent and asking them to stop calling Complainant at work and that Respondent stated calls would not stop until the bill was paid.

A response request was sent by staff and in response we received a letter from Company 1 which stated that Complainant has the wrong entity. Company 1 stated that it has never called either of the telephone numbers provided in the Complainant's complaint. In addition, Company 1 stated that its staff conducted further investigation and located an account with a different entity (same initials) on which those numbers have been called by, identified as Company 2. Counsel sent a response request to Company 2. Company 2 responded stating it investigated the matter and Company 2 does not have a customer with Complainant's identifying information. Company 2 noted at this time that they believe the complaint was meant for Company 1.

Recommendation: Counsel recommends this matter be **closed due to insufficient evidence.**

Decision: The Board voted to accept the recommendation of legal counsel.

16. 2016009061

Status: Not Licensed.

Disciplinary History: None.

This complaint was filed by a consumer for no transaction amount and undue harassment by Respondent. The State has no record of license on file for this Respondent.

Complainant alleged that Respondent called about a matter related to Complainant's grandfather, who passed away in 2009. Complainant alleges that prior to grandfather's death his identity was stolen and used to create various credit card accounts. Complainant alleges that Complainant worked very hard to resolve the issues by calling and faxing documents to various businesses informing them that he had been a victim of identity theft and had passed away. Complainant alleges in December 2015, Complainant received a call from Respondent for the first time and provided them with the same information previously provided to the various businesses upon grandfather's death. Complainant alleges that the Respondent called again on January 11, 2016 requesting the same information. Complainant alleges that this is harassment and would like it to stop. Complainant alleges speaking with Respondent and that the information was added to the grandfathers file.

Complainant only provided a phone number with complaint, upon further research of legal counsel we were unable to locate a physical address for the entity. Counsel mailed the complaint to an entity with the same initials and to which the company responded, they were unable to locate an account with the information provided and the number provided by Complainant has not been called by their office. Additionally, the entity stated, there is no consumer in their system with the same name as Complainant's

grandfather. The entity stated that there is no one employed by them with the name of the employee identified by Complainant in complaint.

Recommendation: Counsel recommends this matter be **closed due to insufficient evidence.**

Decision: The Board voted to accept the recommendation of legal counsel.

17. 2016009101

Status: Active
First Licensed: 11/14/1997
License Expiration: 01/02/2018
Disciplinary History: 201500148 – Pending.

This complaint was filed by a consumer and alleged that Respondent attempt to collect money for services that were not provided. Complainant alleges that the company did not provide services which they claim and when Complainant received the first bill from the company, Complainant informed her insurance carrier. The insurance carrier recommended that Complainant not pay the bill until they had investigated the company regarding the service they claimed to have provided. Complainant alleges that as of this point, the insurance company has not received any response to their inquiries. Complainant alleges attempting to contact the company directly and has not received any response. On December 15, 2015, Complainant attempted to contact the Respondent in order to inform and explain to them the issue with the bill, but that correspondence has been returned undeliverable.

Respondent stated in its response that upon review of the complaint, Respondent has closed and returned the account to the company. Respondent stated on February 9, 2016 a request was sent to the company to have an itemized bill mailed out to the Complainant for review, a request has been submitted for the company to submit the requested documents to the insurance carrier as well. Respondent submitted proof to Counsel that the account had been closed and returned to the company.

Recommendation: There is no evidence of a violation on the part of Respondent. As such, Counsel recommends that this matter be **closed with no further action.**

Decision: The Board voted to accept the recommendation of legal counsel.

18. 2016009551

Status: Not Licensed.
Disciplinary History: None.

This complaint was filed by a consumer and alleged that Complainant receives phone call saying there is a pending lawsuit against Complainant and stated Respondent would find Complainant at work or at home to get their money. Complainant was unable to provide an address, but only phone numbers.

Recommendation: After some investigation into the phone numbers, Counsel was unable to locate who the caller was. At this time, Counsel recommends that this matter be **closed, but flagged for future issues.**

Decision: The Board voted to accept the recommendation of legal counsel.

19. 2016009651

Status: Active
First Licensed: 10/21/2011
License Expiration: 10/27/2017
Disciplinary History: None.

This complaint was filed by a consumer and alleged that the Respondent is attempting to collect money after a compromise was accepted by its client. The Complainant alleges that a compromise was tendered on March 19, 2015 and accepted, conditional check was cashed on April 2, 2015. Complainant also alleged Respondent's surety bond may need reviewed. Complainant sent Respondent a letter on January 14, 2016 requesting Respondent to cease and desist any communications to collect money relative to this matter.

Respondent stated in its response that upon receipt of the complaint, the office researched the account. Respondent was assigned the account from its client on December 24, 2015. On January 25, 2016, Respondent received a dispute letter from the Complainant requesting a cease and desist, Complainant's account was placed in disputed status and collections ceased. Respondent forwarded the letter onto their client, on February 1, 2016, Respondent's client recalled this account and it was closed in Respondent's system. Counsel has received proof that this account has been cancelled.

Recommendation: There is no evidence of a violation on the part of Respondent. As such, Counsel recommends that this matter be **closed with no further action.**

Decision: The Board voted to accept the recommendation of legal counsel.

20. 2016009431

Status: Active
First Licensed: 11/23/2010
License Expiration: 11/22/2016
Disciplinary History: None.

This complaint was filed by a consumer and alleged the Respondent failed to comply with applicable state or federal laws or regulations. Complainant alleges that on December 15, 2014, Complainant cancelled service with the Respondent's client and requested a final bill. Complainant alleges never received a final bill. On March 26, 2015, Complainant received written notice of a debt in the amount of \$748.42 from Respondent. Complainant responded in writing on March 27, 2015 disputing the debt, requesting Respondent confirm this debt, provide Complainant with specific records as to what being charged for and how the total amount was calculated, verification that Respondent's client made attempts to contact Complainant and finally that Respondent cease collection of the debt while efforts are made to obtain verification. Complainant alleges the dispute letter, dated March 27, 2015, was ignored and on May 4, 2015 Complainant received a second notice from Respondent. Complainant again submitted a letter to the Respondent disputing the debt on May 22, 2015. Complainant alleges this dispute letter was once again ignored. Complainant alleges that after the second notice was received from Respondent, Complainant received two additional notices from other collection companies. Complainant alleges this is a violation of his rights under 15 USC § 1692g.

Respondent stated in response that on March 19, 2015 the account was placed with their office for collection by client. On May 29, 2015, Respondent received Complainant's request for validation of the account, which was forwarded to the client for further review. Respondent states and Counsel has

received proof that the account has been closed at Respondent's request as of June 22, 2015 and sent back to the client.

Recommendation: Counsel recommends the authorization of a **civil penalty in the amount of Five Hundred Dollars (\$500)** for contacting the Complainant after receiving a written request to cease contact, which is violation of **T.C.A. 62-20-115(b)(5)** and **15 USC § 1692g(b)**, which states in pertinent part, as follows: (b) Disputed debts:

*If the **consumer notifies the debt collector in writing** within the thirty-day period described in subsection (a) of this section **that the debt, or any portion thereof, is disputed**, or that the consumer requests the name and address of the original creditor, **the debt collector shall cease collection of the debt, or any disputed portion thereof, until the debt collector obtains verification of the debt or a copy of a judgment**, or the name and address of the original creditor, and a copy of such verification or judgment, or name and address of the original creditor, is mailed to the consumer by the debt collector. Collection activities and communications that do not otherwise violate this subchapter may continue during the 30-day period referred to in subsection (a) **unless the consumer has notified the debt collector in writing that the debt, or any portion of the debt, is disputed** or that the consumer requests the name and address of the original creditor. Any collection activities and communication during the 30-day period may not overshadow or be inconsistent with the disclosure of the consumer's right to dispute the debt or request the name and address of the original creditor.*

Decision: The Board voted for a civil penalty of One Thousand Dollars (\$1,000) to be satisfied within thirty (30) days of execution of the Consent Order for contacting the Complainant after receiving a written request to cease contact, which is a violation of T.C.A. § 62-20-115(b)(5) and 15 USC § 1692g(b)

21. 2016009491

Status: Not Licensed.

Disciplinary History: None.

This complaint was filed by a consumer and alleges the Respondent failed to comply with any applicable state laws or regulations. Complaint alleges that on December 15, 2014, Complainant cancelled service with the company and requested a final bill, which was never received. Complainant alleges that prior to receiving notice from Respondent, that Complainant had received a total of three (3) notices from two (2) other collection companies for the same debt. Complainant alleges that he responded to all three (3) notices disputing this debt. On January 7, 2016, Complainant received a notice from Respondent regarding the same debt. On January 30, 2016 Complainant wrote a letter to Respondent stating that he had received prior notices and submitted correspondence disputing the debt.

Respondent stated that upon receipt of Complainant's letter dated January 30, 2016, Respondent immediately placed the account on hold and did not have any further contact with Complainant until validation of the account was sent to Complainant on February 11, 2016. Respondent states the account has been closed.

Recommendation: Counsel recommends the authorization of a **civil penalty in the amount of Five Hundred Dollars (\$500)** for unlicensed conduct, which is in violation of **T.C.A 62-20-105(a) & T.C.A. 62-20-115(b)(5)** to be satisfied within thirty (30) days of execution of the Consent Order. Such Consent Order is to contain Cease and Desist language applicable to the Respondent and any agents working on its

behalf prohibiting the Respondent and its agents from collecting debts in Tennessee until and unless appropriate licensure is obtained. Such terms are to be settled by Consent Order or Formal Hearing.

Decision: The Board voted to accept the recommendation of legal counsel.

22. 2016014471

Status: Not Licensed.

Disciplinary History: None.

This complaint was filed by a consumer and alleged false collection threats. According to the State's records, no license record was found on the Respondent. The complaint only included an email address, after some research Counsel located an address and phone number on the Better Business Bureau website. Counsel called the phone number and a man answered the phone and identified himself as "Respondent Company Name," Counsel asked if the man could provide the Respondent's physical address and the man hung up. Counsel called back and explained who she was and why she was calling, stating that a complaint had been filed and Counsel wished to provide Respondent with the opportunity to respond, at this time he stated he didn't care who she was, stop calling him and to mind her business and was again hung up on.

A request for response was sent to the address on the Better Business Bureau's website and at this time no response has been received.

Recommendation: Counsel has researched the Respondent and there appeared to be multiple unanswered complaints filed with the Better Business Bureau, at this time Counsel recommends **the Board discuss how they would like Counsel to proceed at this time.**

Decision: The Board voted to close and flag in the event additional information is received regarding Respondent

23. 2016014511

Status: Active

First Licensed: 07/31/2015

License Expiration: 07/30/2017

Disciplinary History: None.

This complaint was filed by a consumer for money scammed. Complainant alleges that on December 14, 2015, Complainant contacted the Respondent. Complainant had received the Respondent's information from an apartment complex that Complainant had received an eviction notice from. Upon calling the Respondent, Complainant was told that Complainant owed a balance of \$2,065. Respondent's employee then explained to Complainant that they work with people that are trying to make payments and Respondent's employee went into the computer system and dropped the charges due to \$875. Complainant explained that she only had \$800. Respondent's employee told Complainant to send the \$800 and the \$75 would also be deducted. Complainant stated the money would be available on December 15, 2015 and that Complainant would wire the \$800 through Money Gram. Respondent's employee told Complainant, once you receive a confirmation number from Money Gram, Respondent would mail a statement showing a zero balance. As of December 21, 2015, Complainant had not yet received a statement. Complainant called the Respondent back and was told that the employee Complainant had spoken with previously no longer worked for Respondent. Complainant asked to speak

with a supervisor, at this time Respondent supervisor told Complainant that the Complainant's account was not in the Respondent's system. Complainant explained to the supervisor what had happened during the December 14, 2015 call and Complainant alleges that is when he discovered she was scammed.

Respondent stated in response that on or about December 20, 2015, Respondent was contacted by Complainant, who was inquiring about an account. After a quick search in the Respondent's system, it was discovered that the Complainant did not have an account with Respondent. Respondent states that Complainant explained that Complainant had sent \$800 via Money Gram in the Respondent employee's name to the Respondent employee's home address. Respondent explained to that they did not use Money Gram and that employee had since been terminated. Respondent explained that they gave Complainant as much information as they could about the former employee and that Respondent could not refund Complainant the \$800, because the money was never received by the Respondent but rather sent to the former employee's home address. Respondent does not feel they are responsible for refunding any money to Complainant since Complainant sent the money to an individual.

Recommendation: Counsel recommends that **this matter be discussed further by the Board.**

Decision: The Board voted to authorize either: (a) a civil penalty in the amount of One Thousand Dollars (\$1,000.00), or (b) a civil penalty in the amount of Two Hundred Dollars (\$200.00) plus proof of reimbursement to the Complainant in the amount of eight hundred dollars (\$800.00) and provide instruction regarding Respondent's responsibility to supervise its Solicitors under T.C.A. § 62-20-111(a)(4). Additionally, the Board voted to refer the complaint to the District Attorney regarding the Solicitor's actions.

24. 2016016341

Status: Active
First Licensed: 08/01/2013
License Expiration: 07/31/2017
Disciplinary History: None.

This complaint was filed by a consumer alleged that the Respondent attempted to collect an unlawful debt. The Complainant alleges that Complainant fell behind on a credit card payment due to a job situation and Complainant stated that the credit card company wrote the debt off. Complainant alleged that Respondent purchased the debt owed to the credit card company, but that Complainant has proof on credit reports that the debt was written off. Complainant provided a copy of the letter sent to Complainant by a law firm on behalf of the Respondent, which provided Complainant with the opportunity to dispute the debt.

Respondent stated in its response that Complainant acknowledges having the said credit card account. Respondent stated that by way of background, on or about April 7, 2012, Complainant opened an account with the credit card company. On or about July 9, 2014, the account was charged off. On or about June 18, 2015, an affiliate of Respondent acquired Complainant's account and the right to collect the balance on the account. Respondent states that on or about October 3, 2015, Respondent sent Complainant the required notice and did not receive a request for validation from Complainant during the 30 day period. On or about January 21, 2016, Respondent placed the account with a law firm for legal collections, at which time the law firm sent Complainant the required notice. On or about March 1, 2016, the law firm received a letter from Complainant disputing the account. At that time, Respondent

requested that the credit reporting agencies update its timeline to reflect the dispute. The law firm sent validation of the debt to the Complainant. On or about March 22, 2016, Complainant made a payment on the account and is currently waiting on confirmation that the payment has cleared, once the payment has cleared, the Complainant's account will be closed.

Recommendation: There is no evidence of a violation on the part of Respondent. As such, Counsel recommends that this matter be **closed with no further action**.

Decision: The Board voted to accept the recommendation of legal counsel.

25. 2016014551

Status: Active
First Licensed: 11/19/1997
License Expiration: 12/31/2016
Disciplinary History: 2005044761 Consent Order \$250
2007066381 Closed with Letter of Instruction
2007081241 Consent Order \$1000
2008025931 Closed with Letter of Warning
2016006202 Pending

This complaint was filed by a consumer alleging that the Respondent violated the law by calling Complainant at work and left a message with the receptionist that Complainant has bad debt and this action has damaged Complainant's reputation.

Complainant alleges that upon arriving to work on Tuesday, February 9, 2016, the receptionist informed Complainant that she had bad news and that Respondent had called regarding the bad debt of \$9,589.23. Complainant alleges this call exposed Complainant in bad light to the receptionist and also has a Christian Cleric.

Respondent stated that it became the servicer of the Complainant's account on May 14, 2010 and information provided by the seller at the time of acquisition indicates that the account was originated on October 7, 2003. On April 28, 2010, the account was charged-off as an unpaid delinquent-debt and the balance at the time of acquisition by Respondent was \$11,600.87. Upon review of Respondent's business records, in an attempt to reach the Complainant, a representative of Respondent reached a party that identified herself as the Complainant's spouse. According to the Respondent, Respondent's representative discussed the account and acted appropriately in doing so. Respondent states at this time the account has been marked "direct mail only" and it remains due and owing, but Complainant will no longer receive phone calls.

Recommendation: Counsel recommends the authorization of a **civil penalty in the amount of Five Hundred Dollars (\$500)** in violation of **T.C.A. 62-20-115(b)(5) and 15 USC § 1692c(b)**, which states in pertinent part, as follows:

(b) Communication with third parties.

*Except as provided in section 1692b of this title, **without the prior consent of the consumer given directly to the debt collector**, or the express permission of a court of competent jurisdiction, or as reasonably necessary to effectuate a post judgment judicial remedy, **a debt collector may NOT communicate, in connection with the collection of any debt, with any person other than the consumer**, his attorney, a consumer reporting*

agency if otherwise permitted by law, the creditor, the attorney of the creditor, or the attorney of the debt collector.

Decision: The Board voted for a civil penalty of One Thousand Dollars (\$1,000) to be satisfied within thirty (30) days of execution of the Consent Order in violation of T.C.A. § 62-20-115(b)(5) and 15 USC § 1692c(b).

26. 2016016301

Status: Not Licensed.

Disciplinary History: None.

This complaint was filed by a consumer and alleged that the Respondent attempted to collect money from the Complainant using falsified documents.

Complainant alleges renting a car and using it for about a week, somewhere along the way the car received minor damage to the front driver's side door. Complainant states personally having liability car insurance that which Complainant assumed covered any car in which Complainant drove. Additionally, Complainant alleges paying for the rental car with a credit union card and that Complainant assumed if the car was paid for with the credit union card Complainant was to waive the rental car insurance option. Complainant alleges that the second assumption (relating to the credit union card) was because on the website it specifically tells you to do this when you pay with the credit union credit card. Complainant stated that it was a different card with the credit union that offered that coverage and not the card used. Upon returning the rental car, Complainant received a receipt from the clerk. Complainant alleges receiving a call from a gentleman explaining the damage that had been discovered and that Complainant was responsible. Complainant alleges it was at this time Complainant began receiving letters from the Respondent for collection. Complainant alleges that these letters have falsified documents and stated that Complainant did check out the vehicle and dropped the keys in a drop box. Complainant alleges that the letter contained an estimate from a body shop that stated: Insurance Company pay amount \$1,922.77 and Customer pay amount \$0. Complainant alleges that the insurance company listed on the estimate was not the Complainant's insurance company and believes that the rental car company's insurance company was charged for the repairs, and now the rental car company wants the Complainant to pay as well. Complainant alleges the total bill they are attempting to collect from Complainant is \$2,255.82. Complainant's insurance company was never contacted. Complainant alleges sending a letter to Respondent stating that Complainant did not owe them, but Complainant alleges receiving continual phone calls and letters from the Respondent and the last letter was stamped "final notice."

Respondent stated in its response that it is a rental car risk management company that services the rental car industry. Respondent handles damage recovery claims for rental vehicles. Respondent states it is not a "debt collector" or a "collection service" and this was specifically addressed by our Board in 2010. Respondent explains that rental car customers who damage their vehicles often raise these types of complaints in order to avoid paying. Respondent states that the obligation it is attempting to recover from Complainant is its own. Respondent obtained rights to all damage claims from this specific rental car company and therefore Respondent was the owner of the claim the moment the vehicle became damaged. Respondent states it does not obtain claims or debts that are delinquent or in default, not does it attempt to cover the same in Tennessee. Respondent states that after repair and damage estimates are obtained, it will send out a bill and then works directly with the renter to resolve the amount of the claim. Respondent states that despite litigating the issue on multiple occasions, Respondent has never been held to be a debt collector or collection agency under the federal Fair Debt

Collection Practices Act. Respondent states that Complainant rented the vehicle on or about July 10, 2015 and was driving approximately 2,803 miles. At the time of rental there was no damage to the vehicle and that Complainant signed a pre-rental inspection slip indicating no damage. Additionally, Complainant was offered but declined to purchase the 'loss damage waiver' which ordinarily waives the right to hold renters responsible for any damage to their rental vehicles. This is important because when Complainant rented the vehicle, Complainant agreed to be responsible for all damage, regardless of fault. Respondent states that Complainant has refused to pay any amount toward the damage.

Recommendation: Respondent in this situation is attempting to collect its own debt and therefore, Counsel recommends that this matter be **closed with no further action**.

Decision: The Board voted to accept the recommendation of legal counsel.

27. 2016019901

Status: Active
First Licensed: 11/19/1997
License Expiration: 12/31/2016
Disciplinary History: 2005044761 Consent Order \$250
2007066381 Closed with Letter of Instruction
2007081241 Consent Order \$1000
2008025931 Closed with Letter of Warning
2016006202 Pending
2016014551 Pending

This complaint was filed by a consumer and alleges that Complainant received a letter on June 24, 2015 from a law firm indicating they were servicing an account for the Respondent. Complainant alleges requesting an account/debt validation on July 13, 2015. Complainant alleges that the letter was delivered on July 17, 2015 based on the certified mail receipt and that seven (7) months have passed and Complainant has not received validation. Complainant alleges that it was noted on Complainant's credit report that this supposed debt was "disputed." Complainant alleges that since this disputed language appeared it was Complainant's understanding that the collection of and reporting on said account should cease until further validation is made. Complainant alleges that on February 24 and 26, 2016, Complainant received 2 (two) letters from the law firm in an "attempt to collect a debt."

Respondent stated in response that upon review of the business records, the law firm sent a response to the Complainant's validation request on September 25, 2015. The original creditor sold the account to Respondent in March 2014 and the Complainant's account was charged off on February 18, 2014 with a balance of \$1,213.16. The current balance is \$1,404.16, which is the charge-off balance plus \$191.00 in costs.

Recommendation: There is no evidence of a violation on the part of Respondent. As such, Counsel recommends that this matter be **closed with no further action**.

Decision: The Board voted to accept the recommendation of legal counsel.

NEW BUSINESS

There being no other new business, Mr. Hellman made a motion to adjourn the meeting. Ms. Trinkler seconded. Mr. Howard adjourned the meeting and the board agreed to meet again in July.