



COLLECTION SERVICE BOARD  
500 JAMES ROBERTSON PARKWAY  
NASHVILLE, TENNESSEE 37243  
615-741-1741

**January 6<sup>th</sup>, 2016 - Minutes**  
**First Floor Conference Room (1-B)**  
**Davy Crockett Tower**

The Tennessee Collection Service Board met on January 6th, 2016, in Nashville, Tennessee, at the Davy Crockett Tower in the first floor conference room. Chairman Bart Howard called the meeting to order at 9:30 a.m. and the following business was transacted. Director Avers called the roll and three members were present.

**BOARD MEMBERS PRESENT**

Bart Howard  
Steve Harb  
Elizabeth Dixon

**BOARD MEMBERS ABSENT**

Charles (Chip) Hellman  
Elizabeth Trinkler

**STAFF MEMBERS PRESENT**

Nikole Avers, Keeling Gamber, Jennaca Smith, Dennis O'Brien

**NOTICE OF THE MEETING**

Director Avers read notice of the meeting into the record, as follows:  
Notice of the January 6<sup>th</sup>, 2016 meeting of the Collection Service Board was posted to the Collection Service Board web site on December 23<sup>rd</sup>, 2015.

**ADOPT AGENDA**

Mr. Harb made a motion to adopt the agenda. It was seconded by Ms. Dixon. The motion carried unopposed.

**MINUTES**

The September 9<sup>th</sup>, 2015 minutes were reviewed. Ms. Dixon made the motion to accept the minutes as written. It was seconded by Mr. Harb. The motion carried unopposed.

**DIRECTOR'S REPORT**

Director Avers presented the budget information for the last four years, the year-to-date expenditure and revenue through November of 2015.  
There were no legislative updates to report and two application forms which the members reviewed and made suggestions on the language used, general formatting for ease of understanding and made suggestions on the elimination of what was not required per rule any longer.  
In conclusion Ms. Gamber was requested to look into what other States had on their application forms pertaining to the character questions for owners, partners and/or Entities.

**LEGAL REPORT**

1. **2011027521**
2. **2012005571**

Status: Voluntary Surrender (4/8/13)  
First Licensed: 4/7/2011  
License Expiration: 4/6/2013  
Disciplinary History: None.

These complaints have the same Respondent and were previously presented and placed in Litigation Monitoring by the Board:

**July 2012 meeting (2011027521) and May 2013 meeting (2012005571)**

*The complaint alleges harassment, that the Respondent attempted to collect more money than was owed pursuant to the Complainant's auto loan contract, and that the Respondent wrongfully ordered the repossession of the Complainant's vehicle. The Complainant has hired an attorney and his case has been consolidated as part of a class action lawsuit against the Respondent.*

**Previous Recommendations:** Place this complaint into Litigation Monitoring status pending the outcome of the Complainant's civil lawsuit.

The class-action lawsuit settled February 25, 2015 via Consent Order, which resolves the allegations that Respondent violated the Service members Civil Relief Act ("SCRA"), 50 U.S.C. §§ 501-597b, when it engaged in a pattern or practice of repossessing motor vehicles from SCRA protected service members without court orders, or seeking to collect on accounts where a repossession was conducted by a prior account holder, from at least January 2008 through at least February 2013. Pursuant to the Consent Order, Respondent is to develop policies and procedures for motor vehicle repossessions in compliance with SCRA, develop policies and procedures for processing SCRA relief requests in compliance with SCRA, provide compliance and annual training to employees, shall pay \$9,360,000 in compensation payments for Respondent Consumer USA for the benefit of aggrieved persons Pursuant to Order of the Court, pay a civil penalty in the amount of \$55,000, and meet other compliance requirements. It was determined that Respondent conducted 760 motor vehicle repossessions between January 1, 2008 and February 28, 2013 that were not in compliance with SCRA. It was further determined that Respondent purchased certain deficiency balances from a third-party, sought to collect repossession-related fees assessed as part of an additional 352 motor vehicle repossessions during the timeframe, and was not in compliance with the SCRA.

**New Recommendation:** Counsel recommends these matters be **Closed and Flagged**, should Respondent seek licensure in the future.

**DECISION: Board approved Counsel's recommendation.**

3. **2015007251**

Status: Expired  
First Licensed: 7/7/2009  
License Expiration: 7/6/2015  
Disciplinary History: None.

4. **2015007581**

Status: Expired  
First Licensed: 6/15/2009  
License Expiration: 8/17/2015  
Disciplinary History: None.

**5. 2015007621**

Status: Expired-Grace  
First Licensed: 8/25/2011  
License Expiration: 8/24/2015  
Disciplinary History: None.

**6. 2015007091**

Status: Expired  
First Licensed: 6/18/2008  
License Expiration: 6/17/2015  
Disciplinary History: None.

These complaints are being re-presented from the July 2015 Commission meeting, at which time the Commission voted to authorized a civil penalty in the amount of Two Hundred Fifty Dollars (\$250) for failure to timely provide proof of current surety bond coverage. The facts were presented at the July meeting as follows:

*These complaints were opened by the administrative staff of the Tennessee Collection Service Board for failure to timely submit proof of current surety bond coverage as required by law. Despite this office's attempts to contact Respondents via certified letter, telephone, and email, requesting a current bond, Respondents in these matters failed to submit a response and are currently without proper surety bond coverage.*

**Previous Recommendation:** Counsel recommends the authorization of a civil penalty in the amount of Two-Hundred Fifty Dollars (\$250) for failure to timely provide proof of current surety bond coverage to the Board, plus proof of current surety bond coverage, to be satisfied within thirty (30) days of execution of the Consent Order. Such terms are to be settled by Consent Order or Formal Hearing.

**New Recommendation:** Respondents licenses have expired. Therefore, Counsel recommends that these matters be **Closed with no further action.**

**DECISION: Board authorized these matters to be Closed and Flagged.**

**7. 2015007361**

Status: Active  
First Licensed: 2/18/14  
License Expiration: 2/17/16  
Disciplinary History: None.

This complaint being represented from the July 2015 Commission meeting, at which time the Commission voted to authorized a civil penalty in the amount of Two Hundred Fifty Dollars (\$250) for failure to timely provide proof of current surety bond coverage. The facts were presented at the July meeting as follows:

*This complaint was opened by the administrative staff of the Tennessee Collection Service Board for failure to timely submit proof of current surety bond coverage as required by law. Despite this office's attempts to contact Respondent via certified letter, telephone, and email, requesting a current bond, Respondent failed to submit a response and is currently without proper surety bond coverage.*

**Previous Recommendation:** Counsel recommends the authorization of a civil penalty in the amount of Two-Hundred Fifty Dollars (\$250) for failure to timely provide proof of current surety bond coverage to the

Board, plus proof of current surety bond coverage, to be satisfied within thirty (30) days of execution of the Consent Order. Such terms are to be settled by Consent Order or Formal Hearing.

Office of legal counsel attempted service of the Consent Order, but Respondent is believed to be no longer in business. The mail was returned to sender stating company closed, and the phone numbers in our licensing system and online did not belong to Respondent. Regarding 2015007581,

**New Recommendation:** Counsel recommends that this matter be **Closed and Flagged**, should Respondent seek renewal of its license in the future.

**DECISION: Board approved Counsel's recommendation.**

**8. 2015007651**

Status: Expired-Grace  
First Licensed: 12/3/13  
License Expiration: 12/2/15  
Disciplinary History: None

**9. 2015007661**

Status: Active  
First Licensed: 12/3/13  
License Expiration: 12/2/17  
Disciplinary History: None

These complaints are being re-presented from the July 2015 meeting, at which time the Commission authorized a Consent Order with a civil penalty in the amount of Two-Hundred Fifty Dollars (\$250) for failure to timely provide proof of current surety bond coverage to the Board, plus proof of current surety bond coverage, to be satisfied within thirty (30) days of execution of the Consent Order.

*These complaints were opened by the administrative staff of the Tennessee Collection Service Board for failure to timely submit proof of current surety bond coverage as required by law. Despite this office's attempts to contact Respondents via certified letter, telephone, and email, requesting a current bond, Respondents in these matters failed to submit a response and are currently without proper surety bond coverage.*

Office of legal counsel received correspondence from an attorney representing both Respondents. Bonds were submitted for each Respondent for an effective period of October 31, 2014 through October 31, 2015. Said bonds were executed October 19, 2015. A letter was also received from the bond company dated November 12, 2015 which states the referenced effective term and provides an invoice dated September 23, 2014 and states "Paid in Full."

**New Recommendation: Counsel recommends that this matter be Closed with a Letter of Instruction regarding surety bond coverage requirements.**

**DECISION: Board approved Counsel's recommendation.**

**10. 2015015391**

Disciplinary History: None.

These complaints are being represented from the September 2015, at which time the Commission authorized a Consent Order with a \$1,000 civil penalty for unlicensed activity, plus an investigation to determine the extent of Respondent's unlicensed activity in Tennessee.

*This complaint was referred from the Tennessee Department of Financial Institutions, and originally was filed by a consumer alleging that Respondent is not a licensed collection agency and that it is attempting to collect a debt from Complainant that Complainant does not owe. Respondent is not a licensed collection service agency in the state of Tennessee.*

*Respondent sent a response to the complaint stating that on June 18, 2015, an account for an unpaid Internet based loan was forwarded to Respondent's office by its client. Respondent's client represents to possess a complete chain of title relative to this account, from the lender. There has been no interest, penalties, or fees assessed on this account since charge-off. This collection account included the applicant's name, address, phone number, e-mail address, all original loan information, and the bank account where funds were to be available to repay the loan. Respondent attached a validation of debt for the subject account. Respondent stated its records show that Complainant called Respondent's office on June 19, 2015. Based on Complainant's complaint and the chronology report, in an effort to resolve this complaint, a cease and desist and dispute exception have been placed on this account in Respondent's office and Respondent's client has been notified. In further resolution of this complaint, all accounts for customers in the state of Tennessee have been segregated to be returned to Respondent's client. Respondent's client has been instructed to not place any additional accounts for customers residing in Tennessee with Respondent.*

**Previous Recommendation:** *Respondent admitted to taking part in collection services in the state of Tennessee without a valid license to do so. As such, Counsel recommends the authorization of a civil penalty in the amount of One Thousand Dollars (\$1,000) to be satisfied within thirty (30) days of execution of the Consent Order for unlicensed activity in violation of T.C.A. 62-20-105(a). Such terms to be settled by Consent Order or Formal Hearing.*

**Previous Decision:** *Board approved Counsel's recommendation for a \$1,000 Consent Order, in addition to a separate complaint being opened against Respondent to investigate how many accounts Respondent was collecting on in Tennessee. The Commission requested that the new complaint also address whether or not the creditor, itself, is in Tennessee, in order to determine if there is a violation for soliciting business.*

Office of legal counsel forwarded the Consent Order and received a response stating that Respondent has ceased all operations as of July 23, 2015 and no longer practices collections in any of the fifty (50) states.

**New Recommendation: Discuss.**

**DECISION: Board re-authorized the previous Consent Order with a One Thousand Dollar (\$1,000) civil penalty.**

**11. 2015019221**

Status:	Expired
First Licensed:	7/16/09
License Expiration:	7/15/13
Disciplinary History:	None.

A complaint was filed by a consumer stating that Respondent contacted Complainant regarding a debt that is not Complainants. Complainant states that in researching Respondent's agency, it was

discovered that Respondent's license is expired. The collection request letter sent to Complainant is dated July 6, 2015.

Respondent states that Respondent is a law firm concentrating in the area of creditor's rights. Respondent was retained by a bank to collect on unpaid accounts on June 3, 2015. Respondent states that the account was closed on August 21, 2015. Respondent states that Respondent appreciates Complainant's concern but that attorneys and Respondent is exempt pursuant to T.C.A. § 62-20-103(a)(2). Respondent states that there is no violation, and Complainant's file is no longer being handled by the firm.

**Recommendation: Dismiss.**

**DECISION: Board approved Counsel's recommendation.**

**12. 2015019501**

Status:	Active
First Licensed:	8/7/13
License Expiration:	11/7/17
Disciplinary History:	None.

Respondent reported that it was examined by the Consumer Financial Protection Bureau ("CFPB") in 2012 and entered into a Consent Order on July 30, 2015. The CFPB reviewed certain mortgage servicing practices of Respondent and identified the following violations. First, Respondent committed unfair acts or practices by not honoring In-Process Modifications that consumers had obtained from their prior servicers. Second, Respondent has committed deceptive acts or practices by making misrepresentations to consumers regarding their payment obligation and the status of their loans. Third, Respondent has committed deceptive acts or practices by misrepresenting that delinquent consumers would receive a refund for an escrow surplus within thirty (30) days. Fourth, Respondent has committed unfair acts or practices by requiring consumers to waive all defenses in any foreclosure proceeding as a condition of entering into a repayment plan. Fifth, Respondent violated the Gramm-Leach-Bliley (GLBA), 15 U.S.C. § 6803 and its implementing regulation, Regulation P, 12 C.F.R. § 1016, by failing to provide the required privacy notices to its customers. A judgment for equitable monetary relief and damages was entered in favor of CFPB against the Respondent in the amount of \$1.5 million.

**Recommendation: Discuss with regard to T.C.A. § 62-20-115(b)(5). Such statute states that the board may suspend, revoke, or refuse to renew any license held under this chapter for any of the following causes: (5) Failing to comply with any applicable state or federal law or regulation pertaining to the credit and collection industry.**

**DECISION: Board authorized a civil penalty in the amount of Five Thousand Dollars (\$5,000) to be settled within thirty (30) days of execution of the Consent Order, plus notice by Respondent of any future actions taken by the CFPB (Consumer Financial Protection Bureau).**

**13. 2015020431**

Disciplinary History:	None.
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Complainant alleges that an individual called Complainant, identified himself as being a representative of Respondent's firm (unlicensed), and attempted to collect a one thousand dollar (\$1,000.00) debt resulting from an unpaid pay-day loan. Complainant states that after denying the debt, another individual came on the line, identified himself as an attorney, and threatened to place Complainant in jail for failing to pay the debt. Complainant denies owing a debt.

An investigation was requested to attempt to identify Respondent and obtain an answer to the complaint. The company name was not found in Tennessee. The investigator found a webpage for a telephone directory of unknown callers and identified similar complaints naming the same individuals, which stated this was a scam. Further, the investigator found a webpage for Respondent, which advertises as a collection company located in another state. The website lists profiles of management—two of them being the individuals identified in the complaint. The investigator left several phone and email messages requesting a return call but never received one. The investigator also contacted that state's Attorney General's office and was advised that said state does not regulate collection agencies. The investigator identified a similar business name with that state's Secretary of State's office. The address is not the same as listed on the webpage found above. The investigator spoke with the Registered Agent/Attorney for the similar business who stated that he was General Counsel for an LLC, which owns a collection company that goes by Respondent's name. The attorney stated that the LLC recently acquired the collection company and would have the individual who operates the business (the "COO") contact the investigator. The COO has the same first name (but a different last name) as the second individual mentioned in the complaint. The COO denied knowledge of the Complainant or the incident described in the complaint. The COO further stated that the originating number used to call Complainant is not owned by the collection company. The COO further advised that the collection company only collects accounts in their state.

**Recommendation: Close due to insufficient evidence.**

**DECISION: Board approved Counsel's recommendation.**

**14. 2015019251**

Disciplinary History: None.

A complaint was filed stating that Respondent is attempting to collect debts in-state that a licensed Tennessee Collection Service Agency sold eight to ten months ago. Complainant states that Complainant's agency has received eight (8) complaints that Respondent is threatening to have debtors arrested with police on their way if payment is not made immediately with a credit card or check over the phone. Complainant states that a pregnant debtor was asked by Respondent how the debtor was going to nurse in jail. Complainant spoke with Respondent's manager who stated that Respondent's company was a "d/b/a" but refused to give the name of the company.

The complaint was forwarded to an investigator for attempted service on Respondent. The investigator performed an exhaustive search covering any connections the Respondent had to the internet, which did not return any leads. The investigator states that all phone numbers on file and discovered as a result of a comprehensive internet search were disconnected. Complainant had no further information to track down the Respondent.

**Recommendation: Close and flag should any further information be uncovered in the future.**

**DECISION: Board approved Counsel's recommendation.**

**15. 20150215041**

Status:	Active
First Licensed:	11/20/97
License Expiration:	12/31/16
Disciplinary History:	2005003921 Letter of Warning

Complainant states that Respondent contacted Complainant regarding an outstanding debt of Complainant's disabled daughter, which Complainant disputes. Complainant states that

Respondent required Complainant to fill out a form which required social security numbers, bank account information, driver's license numbers and phone numbers. Complainant states that Complainant is not comfortable with providing the information, and Respondent is attempting to collect from the wrong person. Complainant received letters from Respondent on July 24, 2015 and August 25, 2015 demanding the balance in full. Complainant sent Respondent a letter notifying Respondent that Complainant's daughter is not the debtor. Complainant states that the alleged debt is regarding an unpaid electronic check transfer at a retail store in another state, but Complainant's daughter has never held a bank account. Complainant states that the bank from which the check was written has confirmed that Complainant's daughter does not hold an account with them.

Respondent states that the dispute was investigated and the results were provided to Complainant on September 14, 2015 revealing that the check in the amount of \$260.00 was written to the retail store and was converted to electronic funds transfer by the merchant; however, the check was returned unpaid by the bank and sent to Respondent for collection on or about February 11, 2014. Respondent provided a forgery declaration form for Complainant to fill out which would allow Complainant's daughter to be removed from Respondent's system. Respondent states that based on the information Respondent has to-date, the debt is still considered to be valid. The forgery declaration document requests name, address, bank routing and account number relating to the reported record, a copy of state-issued identification, social security number if the matter involves opening a new bank account, specific details of disputed records, reason for dispute, etc.

Office of legal counsel was not provided with a copy of the written request sent by Complainant to Respondent. However, it does not appear that Respondent has continued to communicate with Complainant after sending the Notice of Debt, which includes a statement of validity, to Complainant.

**Recommendation: Close.**

**DECISION: Board approved Counsel's recommendation.**

**16. 20150220111**

Status:	Active
First Licensed:	11/19/97
License Expiration:	12/31/16
Disciplinary History:	None

Complainant submitted an undated letter to Respondent and copied Consumer Affairs and the Collection Service Board, which was received by our office on September 16, 2015. Complainant requests validation for the alleged debt and requests Respondent to cease telephone communication. Complainant alleges that Respondent's letter dated August 5, 2015 is in violation of the FDCPA by demanding payment within the 30 day validation period.

Respondent states that in response to Complainant's letter, it has ceased all collection activity and had a statement of the debt owned mailed to Complainant's address to validate the debt. Respondent has also ceased all telephone calls as requested. Respondent further states that it is not violated the FDCPA by demanding payment within the 30 day period, which refers to verification of a disputed debt. Instead, Respondent contends that it has complied with Complainant's verification request and FDCPA.

**Recommendation: Close.**

**DECISION: Board approved Counsel's recommendation.**



**17. 20150217581**

Status: Active  
First Licensed: 11/17/97  
License Expiration: 12/31/16  
Disciplinary History: None

Complainant alleges that in September 2015, Respondent contacted Complainant's employer/direct supervise and made the supervisor believe that Respondent was a close friend or family member of Complainant. Complainant alleges that Respondent questioned the supervisor regarding employment history and attempted to lure Complainant to the phone by leading the supervisor to believe there was a family emergency. Complainant alleges that Respondent violated the FDCPA by falsely representing oneself and by contacting Complainant at an employer who does not allow employees to receive personal calls pertaining to financial matters. Complainant further states that the alleged debt was paid in full in March 2015, and Respondent contacted Complainant's employer after Complainant refused to pay the alleged debt.

Respondent states that notification of the debt was sent to Complainant on May 16, 2014, but Complainant did not respond and the phone number on the account was no longer in service. Respondent states that on June 26, 2015, after skiptracing, Respondent located Complainant's employer and called the employer to verify employment. Respondent mailed a verification of address letter on August 11, 2015 and received a letter from Complainant on August 14, 2015 stating that the debt was not owed. Respondent provided an itemization of the charges explaining that the amount was due from the emergency room physicians and not the hospital bill that was previously paid. On September 14, 2015, Respondent left a message for Complainant with the employer requesting a call back, but no further information was provided to the employer. On September 18, 2015, Respondent received a second letter from Complainant requesting that Respondent cease contacting Complainant at the employer and disputing the debt again, stating the same dispute information as the previous letter. Respondent did not contact Complainant after the second dispute. Respondent states that the account was referred to litigation and a civil warrant was issued on September 29, 2015. Respondent states that after litigation, Complainant paid the account in full on October 7, 2015. Respondent believes that the account was handled professionally and properly.

Complainant responded stating that Complainant never received the May 2014 notification of debt, and Complainant had officially changed addresses with USPS upon moving. Complainant further states that upon verification of employment in June, Respondent had no further need to contact Complainant's employer. Complainant denies that Respondent simply left a message in September and re-asserts allegations. Complainant alleges that the September call was bullying and a scare tactic.

It does not appear to legal counsel that the debt collector provided any information to the employer regarding Complainant's debt. It further appears that Respondent ceased contacting Complainant's employer upon receiving knowledge that the employer prohibits Complainant from receiving such communication.

**Recommendation: Close.**

**DECISION: Board approved Counsel's recommendation.**

**18. 20150218531**

Status: Active  
First Licensed: 11/19/97  
License Expiration: 12/31/16

Disciplinary History: 2007059431 Letter of Warning, 2008024151 Letter of Warning, 2009010291 \$1,500 Consent Order, 2009025051 \$1,000 Consent Order, 2010027441 \$500 Consent Order, 2012003511 Letter of Warning, 2012008591 Letter of Warning, 2012020881 Letter of Warning,

A complaint was filed by a previous employee of Respondent alleging that Respondent has violated FDCPA and should not be allowed to have a license. Complainant states that after 20 years of employment, Complainant was laid off in 2012 and called back to work in 2014. Complainant states that Respondent would contact debtors at work knowing the employer and debtor did not approve, made willful misrepresentations of information, and made repeated calls and threats. Complainant alleges that all supervisors were aware that collectors were violating FDCPA and did nothing about it. Further, Complainant states that Respondent was required to monitor calls, but supervisors had phone lines that were not monitored. Complainant provided a separation notice for 2015 stating that Complainant was written up in March 2015 for low performance and did not meet the requested performance goal.

Respondent states that it is difficult to respond to the allegations since no specific instances of violations were cited. Respondent states that Complainant was not subject to unfair or deceptive business practices and did not have delinquent accounts placed with Respondent for collection. Respondent states that Complainant is a disgruntled ex-employee who was terminated in March 2015 for poor performance.

**Recommendation: Dismiss.**

**DECISION: Board approved Counsel's recommendation.**

**19. 20150218401**

Status: Active  
First Licensed: 12/14/06  
License Expiration: 12/16/16  
Disciplinary History: 20150220051 Under review, 2010009791 \$3,000 Consent Order, 20100016541 \$3,000 Consent Order, 2010031931 \$5,000 Consent Order, 2011016101 Letter of Warning, 2012009331 Letter of Warning,

Complainant states that Respondent garnished Complainant's wages without contacting Complainant for payment arrangements. Complainant states that the garnishment is causing severe hardship.

Respondent sent a response stating that a civil judgment was obtained in May 2013 for a validated debt in the amount of \$895.78. Respondent states that notice was provided to Complainant to resolve the account with payment arrangements in November 2008, October 2010, January 2011 and January 2012 and received no responsive written request, dispute or offer from Complainant. Respondent states that Tennessee law does not require settlement negotiations post judgment and judicial relief may be available in civil court for Complainant. Respondent provided a copy of the account file.

**Recommendation: Close.**

**DECISION: Board approved Counsel's recommendation.**

**20. 20150220051**

Status: Active  
First Licensed: 12/14/06

License Expiration: 12/13/16

Disciplinary History: 20150218401 Under review, 2010009791 \$3,000 Consent Order, 20100016541 \$3,000 Consent Order, 2010031931 \$5,000 Consent Order, 2011016101 Letter of Warning, 2012009331 Letter of Warning

Complainant was a co-signer on the past due account, and the primary account holder filed Chapter 7 bankruptcy. Complainant states that the debt is not Complainant's legal obligation and Respondent is violating FDCPA. Complainant states that the credit limit was extended without Complainant's permission, Respondent has failed to validate the debt upon three (3) written requests and telephone calls. Complainant provided a letter dated 7/28/15 requesting validation and requesting that collection activity be ceased.

Respondent states that records reflect that the account was opened in February 2007 by Respondent, and the terms of the agreement provide that "...[i]f this is a joint account, each of you will be jointly and individually responsible for your obligations under this Agreement..." Respondent further states that all statements from the original account were addressed to Complainant. Respondent sent a letter to Complainant in May 2015 and received correspondence from Complainant dated May 15, 2015 advising that the primary account holder filed for bankruptcy, and Complainant disputed the account. Upon receipt, Respondent refrained from further telephone calls and sent Complainant a dispute resolution letter dated June 5, 2015 which included the statement identifying Complainant as the cardholder and the balance of \$8,121.82. Respondent received another letter from Complainant dated July 28, 2015 requesting validation. Respondent states that validation had already been provided and noted no further information was provided by Complainant. It is Respondent's opinion that Complainant is liable to pay to debt and Respondent has fulfilled its obligation to the consumer by conducting a thorough investigation of the dispute, validating the debt, and refraining from further collection communications with Complainant.

Complainant sent additional information stating that Complainant made numerous attempts to validate the debt and never directly received the June 5, 2015 letter that Respondent provided. Complainant states that Respondent never gave proof that Respondent purchased the account from the original account holder. Complainant has not received documentation validating the purchase price and agreement of debt between Respondent and the original account holder. Complainant contends that this agreement would not name Complainant as the primary account holder. Complainant further states that the primary account holder was the person who made all payments to the account. Complainant states that the debt would have been discharged with the bankruptcy if no co-signer had existed. Complainant reasserts that the original contract was nullified when the credit limit was extended. Complainant further states that the original contract was signed over seven (7) years ago which is beyond the statute of limitations in Tennessee.

It appears to legal counsel that the June 5, 2015 validation letter sent by Respondent was addressed to Complainant's address that is on file with the Board. Further, while it does appear that Complainant and Respondent are engaged in an ongoing dispute over the alleged debt, it does not appear that there has been a violation under the Board's laws and rules.

**Recommendation: Close.**

**DECISION: Board approved Counsel's recommendation.**

**21. 20150220231**

Status:	Active
First Licensed:	2/4/08
License Expiration:	2/2/17
Disciplinary History:	None

Complainant alleges that Respondent threatened to make a negative mark on Complainant's credit score, yet never provided a copy of the original debt. Complainant believes that the original service was likely rendered in June and sent to Respondent for collection in September with no prior opportunity to pay the debt. Complainant states that Respondent has pursued collection through direct intimidation. Complainant states that the debt was incurred while a health provider supplied Complainant with expensive medication over a 6 month period, and Complainant was under the impression that the cost was covered under a payment assistance program. Complainant states that if the medical provider had billed Complainant initially, Complainant would have stopped medication rather than incurring the debt.

Respondent states that any statement made that the account would be reported to Credit Reporting Agencies if remained unpaid were not intended in any way to be intimidating. Respondent states that the charges were from June 2015 and were referred to Respondent on October 26, 2015. Respondent states that an investigation into the debt revealed that \$155 was applied to Complainant's insurance deductible, statements were sent to Complainant on July 7 and July 31, 2015, and Complainant spoke with a representative about the bill over the phone. Respondent states that Respondent has removed the account from collection and has notified Complainant regarding the cancelled account. Respondent provided a letter dated November 8, 2015 which was addressed to Complainant from the medical facility which explains the accrued fees.

Complainant provided an additional response stating that Respondent is unprofessional and participating in unscrupulous business activity. Complainant reiterates that no bill from any of the entities was ever received at the address stated. Complainant alleges that the medical facility is known to substitute actual bills with threatening collection agency letters. Complainant states that Respondent has sends bills in the name of a billing firm that does not exist, and Respondent's response alludes to an illegitimate billing firm name. Complainant states that the debt was an undisputed bill owed and was paid as soon as Complainant made aware. Complainant further alleges discrepancies between dates on the data long and Respondent's response. Complainant further states that Respondent has unlawfully obtained personal information such as social security numbers and that Respondent is acting under the guise of an illegitimate billing firm name.

Office of legal counsel reviewed the file documents. It appears that Respondent sent a notice of collection to Complainant on October 27, 2015. The notice included the creditor name, reference number and amount owed. The notice clearly identified Respondent as the collection agency. Neither Complainant nor Respondent provided legal counsel with a letter requesting validation of the debt. The November 8, 2015 letter from the doctor of the medical facility states that it outsources its billing to the previously mentioned billing firm. It appears that Complainant paid the amount owed directly to the billing firm.

**Recommendation: Close.**

**DECISION: Board approved Counsel's recommendation.**

**22. 20150223331**

Status:	Active
First Licensed:	11/17/97
License Expiration:	12/31/16
Disciplinary History:	None

Complainant sent a letter to Respondent dated October 21, 2015 and copied the Tennessee Attorney General who forwarded the letter to the board. Complainant states that Complainant attempted to call Respondent but was placed on hold and unable to leave a message. Complainant

received a notice of collection of debt and states that the alleged amount of \$42.19 was paid on June 1, 2015 by a personal check that has cleared the bank. Complainant states that Complainant called the creditor, and the creditor's records reflect that no amount is owed to them. Complainant states that the creditor would advise Respondent that no amount is due but that the creditor has received similar calls from consumers. Complainant requested that Respondent remove the debt from their account.

Respondent states that Respondent followed-up with the client and acknowledges that the Complainant's account has been paid. Respondent states that the account was posted accordingly and the debt has not been nor will be listed with any credit reporting agency.

**Recommendation: Close.**

**DECISION: Board approved Counsel's recommendation.**

**23. 20150223361**

Status: Active  
First Licensed: 11/13/97  
License Expiration: 12/31/16  
Disciplinary History: 20150233791 Under review, 2005027831 Consent Order, 2006001641 Consent Order, 2006005221 Letter of Warning, 2011026141 Letter of Warning, 2015017281 Letter of Warning

This complaint was referred by the State of New Jersey Attorney General from a consumer (hereinafter "Complainant"). Complainant states that after receiving a medical bill for a hospital visit, Complainant paid the bill in full and was advised that there were no further outstanding charges. Complainant states that Respondent began sending letters and phone calls regarding \$1,404.03 owed. Complainant states that Respondent did not provide information regarding the charges other than the dates of service. Complainant states that Respondent was very unprofessional. Complainant further states that the hospital told Complainant that they do not work with Respondent for collection. Complainant alleges that Respondent is operating a scam.

Respondent states that their client placed four (4) accounts for collection on February 16, 2015 listing Complainant as the patient. Respondent states that the initial notice of debt was mailed to Complainant on February 17, 2015 which included the required information under FDCPA. Respondent states that Complainant paid the full amount owed on March 13, 2015. Respondent further states that on April 21, 2015, Respondent was notified that the payment was disputed by Complainant via the credit card merchant, and the payment was reversed. Respondent states that Complainant contacted Respondent on April 21, 2015 advising that Complainant contacted the hospital who advised Complainant that no accounts were referred to Respondent. Respondent states that Respondent's client was not the hospital itself but the facility's physician group who treated Complainant and billed separately from the hospital. Respondent states that it explained to Complainant again on August 18, 2015 that the bill was not from the hospital but from the physician group. Respondent states that upon receiving the complaint, Complainant's account has been closed and returned to client. Respondent requested that the accounts be withdrawn from Complainant's credit record. Respondent denies any violation of federal or state collection law.

**Recommendation: Close.**

**DECISION: Board approved Counsel's recommendation.**

**24. 20150223421**

Status: Active

First Licensed: 12/14/99  
License Expiration: 12/31/16  
Disciplinary History: None

Complainant states that Respondent continues to call Complainant and will not leave a message. Complainant states that when Complainant answers the call, the debt collector will not identify oneself. Complainant searched the phone number on the internet and determined Respondent was the caller.

Respondent states that on March 4, 2015, Respondent's client placed an account for collection in the amount of \$66.52 listing Complainant as the patient and guarantor for services rendered on July 15, 2014. Respondent mailed the initial notice of debt on March 5, 2015, which included all necessary information pursuant to the FDCPA. Respondent spoke to Complainant on April 20, 2015 after proper party verification, and Complainant was notified that the call was from a debt collector. Respondent states that calls were placed to Complainant and went unanswered on June 29, July 20, October 5 and December 4. Respondent states that a male answered a call on November 17, 2015 but the debt collector was unable to properly obtain party verification, so the male was notified that the call would be terminated. Respondent denies any violation of federal or state collection law.

**Recommendation: Close.**

**DECISION: Board approved Counsel's recommendation.**

**25. 20150223791**

Status: Active  
First Licensed: 11/13/97  
License Expiration: 12/31/16  
Disciplinary History: 20150223361 Under review, 2005027831 Consent Order, 2006001641 Consent Order, 2006005221 Letter of Warning, 2011026141 Letter of Warning, 2015017281 Letter of Warning

Complainant received a collection notice from Respondent for another individual with a similar name (differing only by middle initial). Complainant requested that Respondent verify the account with the client and/or file a claim with Complainant's insurance company for payment. However, Complainant states that Respondent needed Complainant's social security number to verify the account, and Complainant refused. Complainant states that Complainant's insurance company has no record of a claim filed for the dates of service noted on the notice of debt.

Respondent states their client placed the account with Respondent on 10/16/07 for services rendered to Complainant residing at the same address that Complainant received notice. Respondent states that this account has been closed and returned to the client. Respondent further states that a second client placed an account with Respondent on July 8, 2015 for services rendered to Complainant residing at the aforementioned address. Three additional accounts were placed by a third client on August 17, 2014 for services rendered to an individual with a similar name (differing only by middle initial) but residing at Complainant's address. Respondent has closed these 3 accounts and returned them to the client and stating it will cease collection activities. After review of the third client's records, it appears that the client erroneously transmitted an incorrect middle initial for Complainant and Respondent has decided to close the accounts due to the client's error. Respondent denies any violation of federal or state collection law.

**Recommendation: Close.**

**DECISION: Board approved Counsel's recommendation.**

**26. 20150222131**

Status: Not Licensed

Disciplinary History: None.

This complaint was filed by a consumer against a health group/pharmacy and alleged that Respondent is collecting or attempting to collect a fee from Complainant. In addition, the complaint alleges unlicensed activity on the part of Respondent. The Complainant stated that she was unaware that she was not on a medicine assistance program; otherwise, she would have found assistance for her pharmaceutical needs. Complainant stated that she contacted Respondent after receiving her first bill for \$3,700, and Respondent informed her that her insurance did not qualify her for assistance and that she had been misinformed by the person who told her she did qualify. Complainant stated that at present, she is with a different pharmacy and that she complies with the copay. Complainant stated that in June 2015, she received a letter from a collection agency stating that she owed money to Respondent, and it cause undo financial stress on her.

No response was requested from Respondent when the complaint was opened in November 2015.

**Recommendation:** Respondent does not fall under the definition of a collection agency, rather it is a health group/pharmacy attempting to collect its own fees. This Respondent does not fall under the jurisdiction of the Tennessee Collection Service Board, thus, Counsel recommends that this matter be **Dismissed**.

**DECISION: Board approved Counsel's recommendation.**

**Vote:** Mr. Harb made a motion to accept counsel's recommendation and amendments after deliberation on all the cases presented. This was seconded by Ms. Dixon. The motion carried unanimously.

**NEW BUSINESS**

Deborah Rusk, President of the Tennessee Collector's Association requested she be allowed to address the members. Her questions pertained to whether collection agencies were required or allowed to have a 'legal' department.

Ms. Gamber was requested to craft a letter in response to her query stating that attorneys were exempt from the licensing requirement so they did not fall under the jurisdiction of this Board.

Mr. Howard also asked how complaints were being processed on the lapse of the bond since a license was issued for a two year period but most bonds were valid for a one year period.

Ms. Jennaca Smith informed the members the admin staff would send a notification both before and after the bond expired and if the licensee was still in non-compliance after that, a complaint was opened.

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There being no new business, Chairman Howard adjourned the meeting at 12 noon.