



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

**Board Meeting Minutes for February 8, 2017
First Floor Conference Room 1-B
Davy Crockett Tower**

The Tennessee Collection Service Board met on February 8, 2017, in the first floor conference room of Davy Crockett Tower in Nashville, Tennessee. Director Kopchak called the meeting to order at 9:33 a.m. and the following business was transacted:

BOARD MEMBERS PRESENT: Bart Howard and Steven Harb, with Elizabeth Trinkler in teleconference

BOARD MEMBERS ABSENT: Angela Hoover, Chip Hellmann.

STAFF MEMBERS PRESENT: Glenn Kopchak, Shilina Brown, Laura Martin, Lindsey Shepard, Dennis O'Brien, and Eman Youssef.

ROLL CALL/NOTICE OF MEETING

Director Kopchak read notice of the meeting into the record, as follows: "Notice of the February 8, 2017 meeting of the Collection Service Board posted to the Collection Service Board website on February 2, 2017" Howard and Harb were present. Trinkler was in teleconference, and Hoover and Hellman were absent.

STATEMENT OF NECESSITY

Due to teleconference with one board member and in order to meet quorum, statement of necessity was read citing T.C.A. 8-44-108 (a) & (b).

AGENDA

The motion was carried by unanimous roll call vote.

MINUTES

The motion to adopt the minutes from the December 14, 2016 meeting was motioned and carried by a unanimous roll call vote.

DIRECTORS REPORT

Director Kopchak presented the budget. There were no legislative updates to report.

LEGAL REPORT

Per the new rule, starting January 23, 2017, a change of ownership is only required if there is 50% or more change of control/ownership within a collection agency.

1. 2016066581 RMB, INC.

Status: Active
First Licensed: 1-8-1992
License Expiration: 12-31-2016
Disciplinary History: None

This case arises from a consumer complaint alleging Respondent did not promptly return her phone calls. Complainant received an initial notice letter from Respondent dated September 19, 2016, stating that she owed \$461.40 to a named medical provider. The initial notice letter contains the required thirty (30) day dispute language. The initial notice letter also includes a detachable mail slip and states, "Please send all correspondence to [physical mailing address]." Complainant alleges she tried to call Respondent on October 5, 2016 and October 19, 2016. She claims that they did not return her calls, therefore making it "impossible" to dispute the debt. At some point before October 30, 2016, Respondent returned her phone call. During that phone call, Complainant asked Respondent to call one of Complainant's relatives on Complainant's behalf. Respondent refused. Complainant disputed the debt with her medical provider (creditor) but not the collection agency. A copy of the complaint was sent via certified mail and delivered to Respondent's front desk. The collection agency did not respond to the complaint.

Recommendation: Counsel recommends a **civil penalty of Two Hundred Fifty Dollars (\$250.00)** with formal charges authorized for failure to respond to the complaint in violation of T.C.A. § 62-20-115(a)(3).

DECISION: CONCUR

2. 2016067951 ABSOLUTE RECOVERY SERVICES, LLC

Status: Active
First Licensed: 5/12/2014
License Expiration: 5/11/2018
Disciplinary History: None

Complainant alleges that Respondent is intentionally submitting false information to credit bureaus. Specifically, Complainant claims that, after the credit bureau deleted her account for inaccurate dates, Respondent changed the dates on the account and reopened it.

Respondent admits that Complainant notified them that the dates on her credit file were incorrect. Upon researching the matter, Respondent confirmed there were two (2) incorrect dates on her file. Respondent then corrected the dates and notified Complainant. Respondent claims that the error was a mistake and that they corrected it immediately. Furthermore, Respondent has chosen to close Complainant's file and delete their reporting from her credit report.

Recommendation: Counsel recommends that this matter be **dismissed**.

DECISION: CONCUR

3. CSB 2016055291 PROFESSIONAL RECOVERY MANAGEMENT, INC.

Status: Active
First Licensed: 11/20/2008
License Expiration: 11/19/2016

Disciplinary History: 2013018611 Closed with Letter of Warning

BACKGROUND: This complaint was originally presented at the December 2016 meeting. The Board voted to keep this matter open pending further investigation. Specifically, the Board asked that legal request the Respondent submit a current copy of their initial notice letter in order to determine if it complies with state and federal law.

PREVIOUSLY PRESENTED INFORMATION: This complaint was filed by a consumer alleging that Respondent failed to comply with any applicable state or federal laws or regulations. Complainant alleges that a representative of Respondent contacted him by phone on August 11, 2016. The representative asked him to verify some personal information in order to further discuss an alleged debt. After refusing to verify any information, Complainant asked how they obtained his phone number and why they had not sent a letter. The representative stated that they had already sent a letter. Complainant then advised the representative not to call. Complainant alleges that Respondent had not sent him any communication prior to the August 11th phone call, and that he subsequently received a letter via mail on August 18, 2016. Complainant alleges that the letter failed to meet the required notice of rights and did not contain the name and address of the original creditor. Respondent did not respond to the complaint. The complaint was delivered to Respondent's P.O. Box and signed for by an individual on September 23, 2016.

NEW INFORMATION: I contacted Respondent via phone and asked to speak to their legal counsel. When Respondent's attorney returned my phone call, she stated that she was not aware of any outstanding complaints. She faxed over a copy of Respondent's initial notice letter template that same day. The initial notice letter template includes a statement notifying consumer she has thirty (30) days to dispute the debt, as required by 15 U.S.C. § 1692g(a)(3).

Recommendation: Counsel recommends a **letter of warning**, addressed to the attention of their legal counsel, for failure to respond to Board complaint in violation of T.C.A. § 62-20-115(a)(3).

DECISION: CONCUR

4. CSB 2017000851 FINKELSTEIN, KERN, STEINBERG & CUNNINGHAM

Status: Unlicensed
Disciplinary History: None

Complainant alleges that Respondent continues to garnish her wages despite paying the underlying debt in full. Respondent is a law firm that obtained a judgment against Complainant in 2007. Complainant claims she made the last payment on that judgment in December 2015. Respondent agrees that Complainant has paid off the principal of her debt. Respondent claims they are continuing to garnish her wages to collect a statutory post-judgment interest rate of ten-percent (10%).

Recommendation: Counsel recommends that this matter be **dismissed**, as Respondent is exempt from licensure under T.C.A. § 62-20-103(a)(3).

DECISION: CONCUR

5. CSB 2016073301 PORTFOLIO ASSET MANAGEMENT, INC.

Status: Active
First Licensed: 6/9/2014
License Expiration: 6/8/2018
Disciplinary History: None

This case arises out of a consumer complaint alleging Respondent reported inaccurate information on her credit report. Complainant first learned of the debt when she requested a copy of her credit report. Complainant contacted Respondent and requested verification documents for the account. Respondent sent her a copy of a signed lease agreement, related civil judgment, and a copy of Complainant's driver's license.

Complainant claims that the underlying debt was incurred by someone who stole her identity. In 2013, Complainant had a purse stolen which contained her driver's license, birth certificate, social security card, etc. Complainant denies ever living at the address on the lease agreement. Complainant provided Respondent with her proper mailing address and contact information. Complainant does not allege that Respondent ever actively attempted to collect the underlying debt from her upon receiving her proper address.

Complainant forwarded Respondent a copy of the purse theft police report. In response, Respondent deleted the debt from Complainant's credit report.

Recommendation: Counsel recommends that this matter be **dismissed**.

DECISION: CONCUR

6. CSB 2016069471 A/R CONSULTANTS

Status:	Active
First Licensed:	8/5/1991
License Expiration:	12/31/2018
Disciplinary History:	None

This case arises out of a consumer complaint alleging Respondent failed to give Complainants thirty (30) days in violation of 15 U.S.C. § 1692g. Complainants received an initial notice letter properly stating that if they wanted to request validation or dispute the debt, they could do so by providing written notice within thirty days. The letter was not dated. Complainants allege that they attempted to call Respondent over a period of two (2) weeks, but there was no answer. Complainants checked their credit reports and discovered that the debt had been reported prior to the expiration of the thirty day period.

Upon reaching Respondent via phone, Complainants asked why their letter was not dated. Complainants allege Respondent said that it didn't matter and they just needed to pay. When Respondent called back, Complainants state that they told her they planned to pay the debt but thought they had thirty days before Respondent would report to the Credit Bureau. Complainants claim Respondent was unprofessional and rude.

Respondent claims that Complainants expressed concern about their credit reports; however, they never verbally or in writing disputed the debt or asked for validation. Respondent further claims that she told Complainants she did not have the authority to arbitrarily remove accurate information from their credit history. Respondent plans to continue collection attempts.

Recommendation: Counsel recommends that this matter be **dismissed**.

DECISION: CONCUR

7. CSB 2016071561 – AFNI, INC.

Status:	Active
First Licensed:	3/30/1998
License Expiration:	12/31/2018
Disciplinary History:	None

Respondent mailed Complainant an initial notice letter properly containing all federally required information and statements. Complainant responded via certified mail within thirty days disputing the debt and requesting validation. Complainant then forwarded a copy of her dispute letter to the Tennessee Attorney General, who responded that the Attorney General is prohibited from providing legal advice to private citizens. The Attorney General forwarded Complainant's letter to the Board.

A cable provider placed the underlying account with Respondent for collection on November 2, 2016. Respondent mailed Complainant an initial notice letter on November 5, 2016. Respondent received Complainant's response letter on November 18, 2016. In response, Respondent ceased communication and initiated an investigation. On December 6, 2016, Respondent sent Complainant bill copies as validation of the account. Respondent stated that they will continue to cease communication on the account.

Recommendation: Counsel recommends that this matter be **dismissed**.

DECISION: CONCUR

8. CSB 2017000311 WAKEFIELD & ASSOCIATES, INC.

Status:	Active
First Licensed:	8/11/2011
License Expiration:	8/10/2017
Disciplinary History:	None

This case arises out of a consumer complaint alleging that his medical provider ("creditor") is not consistently sending bills. Specifically, complainant alleges that the creditor keeps alternating between sending bills directly to him and sending them to Respondent, a collection agency. Complainant further claims he has paid at least \$50.00 for one (1) bill and \$25.00 for at least two (2) others. He claims he has asked for a complete breakdown of the bills but only received "bits and pieces." He believes that the creditor is doing this to "strong arm" him into paying off the medical debt.

Respondent states that the creditor has placed four (4) medical debts with them that list Complainant as the patient/guarantor. Creditor referred two (2) accounts to Respondent on January 22, 2016. Respondent sent initial notice letters for each account, and the balances on those two (2) accounts were satisfied on February 5, 2016. Creditor referred two (2) more accounts on July 25, 2016. Respondent again sent initial notice letters for each account. The balances for these two (2) accounts remain unpaid.

Complainant notified Respondent on August 1, 2016, that he has been on Medicaid since January 2016. Respondent told Complainant that the dates of services rendered for all four (4) accounts were in 2014 and 2015. Respondent instructed Complainant to contact his insurance provider to see if they would provide retroactive coverage.

Complainant and Respondent spoke again on October 31, 2016. Complainant told Respondent he was making payments directly to the hospital. Complainant also told Respondent that the bills were waived by the doctor. He said he would obtain a letter from the doctor stating such and forward it to Respondent.

Complainant called Respondent on January 3, 2017, and stated that he was on disability and could not pay. He also told Respondent that he believed this was a "scheme" creditor was trying to pull. Respondent marked his account as disputed and told Complainant to send in a written request for an itemization.

Overall, Respondent claims that they have sent Complainant four (4) letters total, all of which were initial notice letters on each of the (4) accounts. They also state they have initiated four (4) phone calls with Complainant since July 2016. Respondent denies receiving payments on the two (2) open accounts. All of

Complainant's actions that could be interpreted as disputing or requesting validation occurred outside the thirty (30) day window.

Recommendation: Counsel recommends that this matter be **dismissed**.

DECISION: CONCUR

9. CSB 2016072381 NOBLE FINANCE & TAX

Status: Unlicensed
Disciplinary History: None

This case arises out of an anonymous complaint alleging unlicensed activity. The Complainant states he has had "previous issues" with Respondent and that they are not licensed by the Board. Complainant provides no other information.

Respondent states that they are a consumer finance business not required to register with the Department of Commerce and Insurance. Respondent is registered with the Department of Financial Institutions as an industrial loan and thrift company. Respondent provided a copy of their registration.

Recommendation: Counsel recommends that this matter be **dismissed** as Respondent is exempt from licensure pursuant to Tenn. Code Ann. § 62-20-103(6).

DECISION: CONCUR

10. 2016075641 SECURITY CREDIT SERVICES, LLC

Status: Expired
First Licensed: 9/17/2013
License Expiration: 9/16/2015
Disciplinary History: None

This consumer complaint alleges he discovered the Respondent reported a debt on his credit report in the amount of \$3,200 owed and the debt did not belong to the consumer. The debt was opened by the Respondent on the Complainant's credit report on February 3, 2016 and February 12, 2016. He contacted the Respondent for additional information on the debt and the Respondent refused to provide the information and refused to remove the debt from the Complainant's credit report. The Respondent told the Complainant he had to pay the debt and when it was paid it would be removed. Complainant also contacted a Lexington, Kentucky law firm that specializes in credit repair in an effort to address this incorrect debt listed on his credit report, but never retained the law firm.

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)** (unlicensed activity). The Consent Order should 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: Board requested more info on this case. Specifically, Board wants to know whether Respondent is a debt buyer or collection agency collecting for a debt buyer. Deferred to next board meeting date of April 5, 2017.

11. 2016069421 FRANKLIN MOTOR COMPANY

Status: Unlicensed

Disciplinary History: None

Complainant alleges that Respondent is unlicensed and servicing automobile loan portfolios for a bank located in Nashville, Tennessee. Complainant alleges the Respondent is a used car lot and not all of the accounts assigned by the bank are automobiles sold by the Respondent. The Respondent is not a third party debt collection company. The Respondent's attorney provided a response on behalf of the Respondent stating the Respondent operates as a used car lot and does not conduct any third party collection activity and it has been selling used cars for fifteen years and it is only in the business of auto trading. The complainant was contacted for additional proof and did not have any additional documentary proof. The bank was also contacted to attempt to get further information and evidence concerning the allegation of unlicensed activity.

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)**. 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: Board voted to defer this case to next meeting date of April 5, 2017. Board wants to see response from bank.

12. 2016064091 SEVENTH AVENUE

Status: Unlicensed
Disciplinary History: None

This consumer complaint alleges Respondent had a debt listed on his credit report stating it had been "sent to collections" from the Respondent located in Monroe, Wisconsin. The Complainant determined this Respondent creditor was a catalog order company and according to the records of the Respondent, the Complainant held an account with them originally opened in February 2013. The balance listed on the Complainant's credit report was \$126.00. The Complainant states he has never purchased any items from this catalog company and this is not his debt. He contacted the Respondent on February 25, 2016 and asked them to investigate this matter. The Respondent sent the Complainant documents (Identify Theft Affidavit) to complete as proof that this was not his account in order to have the debt removed and suggested his identity may have been stolen. The Complainant responded in writing on March 14, 2016 and refused to complete the documents and told the Respondent his identity had not been stolen. The Complainant contacted the Consumer Financial Protection Bureau and opened a complaint (160707-001461). The Respondent has not responded to the Board concerning this complaint. The Respondent is not a collection agency.

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)**. 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: Concur

13. 2016072261 REVENUE RECOVERY CORPORATION

Status: Expired
First Licensed: 3/17/1975
License Expiration: 12/31/2016
Disciplinary History: 2016046101- Dismissed
2016038651- Dismissed

This case arises from a consumer complaint alleging the Respondent is unlicensed. The Complainant claims this is a medical debt and she pays the bill regularly, however, the hospital has billed her separately in addition to the collection company billings. Complainant states she has been double billed several times. The Complainant states the hospital is no longer in business. The Complainant states she has an attorney. The Respondent did not provide a response.

Recommendation: Counsel recommends a **letter of warning**, addressed to the attention of their legal counsel, for failure to respond to Board complaint in violation of T.C.A. § 62-20-115(a)(3).

DECISION: Board authorized a consent order with a \$250.00 civil penalty.

14. 2016073831 REGIONAL ADJUSTMENT BUREAU, INC.

15. 2016021801

Status: Expired
First Licensed: 1/16/1975
License Expiration: 12/31/2016
Disciplinary History: 20150218531 - Dismissed

The Complainant alleges the collection company violated the Fair Debt Collections Practices Act (FDCPA) by contacting her brother-in-law concerning a debt she owed. The Complainant has also filed a complaint with the Consumer Financial Protection Bureau. When the Complainant contacted the Respondent and objected to the call to her relative and wanted all telephone numbers removed from the collection account. The Respondent states it did contact the third party in attempt to acquire information to contact the Complainant only and did not reveal any information concerning a debt and were just attempting to locate the Complainant and under the FDCPA this would not constitute a violation. The Respondent removed all telephone numbers from the file and moved the account to a "cease communication" status. The Respondent also indicated the Complainant's account has been closed with the Respondent and returned to the client.

Recommendation: Counsel recommends that this matter be **dismissed**.

DECISION: CONCUR

16. 2016074701 SOUTHWEST CREDIT

Status: Active
First Licensed: 7/29/1999
License Expiration: 12/31/2018
Disciplinary History: 2009010191 - Dismissed

The Complainant alleges she never received a past due bill and claims it is invalid. The Complainant states that she has had no service through this company since November 2012 and had requested services to be discontinued effective November 9, 2012. The Complainant stated she has never receiving anything in writing concerning a past due balance until the collection notice indicating a past due balance of \$295.09. The Respondent stated it contracted with the service provider to collect its unpaid balances. The Respondent stated it received the Complainant's validation request on December 29, 2016 and forward it to the service provider

for investigation and the service provider verified the account as a valid account for the Complainant. The service provider also confirmed the disconnect date and stated it was on November 19, 2012. The service provider further provided proof of providing partial credits for prorated charges and stated the Complainant failed to make a payment in month of November 2012 and the balance due is correct.

Recommendation: Counsel recommends that this matter be **dismissed**.

DECISION: CONCUR

17. 2016064001 TUCKER, ALBIN & ASSOCIATES, INC.

Status:	Active
First Licensed:	5/13/2015
License Expiration:	5/12/2017
Disciplinary History:	None

Complainant stated she has been contacted at her business telephone number several time a week and the caller asks for “Anthony” or “Anthony Gordon.” The Complainant has repeatedly advised the caller there is no individual by that name at this telephone number and no individual with that name that works here. The Complainant has repeatedly requested that the Respondent to stop calling her business telephone number. The caller identification shows various unidentifiable numbers, however, on one occasion the Complainant was able to obtain a valid telephone number for the caller and it was determined to be the Respondent firm located in Aurora, CO. The Respondent provided a response and stated it conducted a full investigation and confirms that there was only one outbound call made to the Complainant’s business telephone number and the Respondent’s employee was looking for Tom Gordon. The Respondent states that there were not any other calls made to the Complainant’s business telephone number at any other time in 2016.

Recommendation: Counsel recommends that this matter be **dismissed**.

DECISION: CONCUR

18. 2016064141 AMERICAN MEDICAL COLLECTION

Status:	Unlicensed
Disciplinary History:	None

Complainant stated she was sent a letter dated October 13, 2016 indicating unpaid balance for services for lab work in the amount of \$335.00 for services rendered on April 6, 2016. The Complainant states she never received a bill from this provider, there is no doctor named on the bill and the bill seems to be in error or a fraud. The Complainant contacted the organization to dispute the bill. The Respondent provided a response and stated the account was placed on an insurance hold after the Complainant contacted and advised the collection agency that the account was in the process of being paid by the insurance company. The Respondent has requested validation of the account from the client and enclosed a copy of the itemized statement and sent it to Complainant. The Respondent has also placed the account in disputed status and no longer pursuing collections on the account. The Complainant claims this is not her bill and she has not received any medical services from this provider or the specific individual provider listed on the bill.

Recommendation: Counsel recommends that this matter be **dismissed**.

DECISION: CONCUR

19. 2016066441 CBC

Status: Unlicensed
Disciplinary History: 2016033351 – Dismissed.

Complainant stated she has requested proof of debt from this collection agency. She also states the amount was \$456.62 in September and later increased to \$1,081.36 in October with no details about the debt. The Respondent has not responded with the dates of service, locations, services provided, and names of patients. The Complainant alleges that the Respondent has violated the Fair Debt Collection Practices Act (FDCPA), Section 809, Validation of Debts. The Complainant sent letters on March 31, 2016, August 20, 2016 and September 20, 2016. There is no indication that the Complainant provided an updated out-of-state address in any of the letters to the Respondent. The Respondent provided a response with itemized statements to the mailing address on record at 1216 Lake Ridge Square, Johnson City, Tennessee 37601, received return mail from this address and never had an updated address. The billing statements were sent to the correct address out-of-state. The Respondent will send the itemized statements to the updated address.

Recommendation: Counsel recommends that this matter be **dismissed**.

DECISION: CONCUR

20. 2016066921 MCCALL EDWARDS & ASSOCIATES

Status: Unlicensed
Disciplinary History: None

Complainant alleges unlicensed activity by the Respondent and states she was contacted by a person from the Respondent's firm who identified themselves on the voicemail recording and left a message stating they were a process server and the Complainant should consider herself served. The Complainant returned the telephone call and she was told to call another person at another telephone number. Complainant was advised that it was an old credit card debt and specified the creditor. The amount owed was \$2,647.00 and the Respondent offered a settlement of \$1,853.53. Since the Complainant was unable to pay the entire balance, she agreed to pay the past due debt in three installments in the amount of \$882.39 to be taken out of her checking account. After the first payment was made, the Respondent contacted the Complainant concerning the second payment and stated that the funds were not available in her bank account and the Complainant needed to verify the funds and confirm the funds were available. The Respondent demanded full payment immediately and the Complainant had her bank contact the Respondent to state the funds were in the account. The Complainant was advised by her bank that the Respondent's staff yelled at bank staff. The Complainant's bank suggested that this may be a scam and advised the Complainant not to pay the debt.

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)**. 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: CONCUR

21. 2016068321 MICHAEL MOSSMAN

Status: Unlicensed
Disciplinary History: None

Complainant alleges she received a letter from the Respondent on November 3, 2016 stating there was a balance due and owing in the amount of \$572.55 and the Complainant called the Respondent to find out about the debt. The Complainant was advised by the Respondent this was an account from Skyridge Medical Center and scheduled payments on this account in the amount of \$25/month. Later, the Complainant checked her bills and payment records and discovered she had made three payments for this debt were in the amounts of \$181.37, \$154.61 and \$18.00 totaling \$353.98. The Complainant called the Respondent's firm and stated she already made payments, however, the Respondent told the Complainant the amount of \$572.55 was still due and the Respondent did not have any record of those payments. The Respondent stated he is a licensed attorney in Tennessee and the complaint filed is inaccurate. The credits were provided to the Complainant for all payments made and the amount of \$154.61 has not been received by the Respondent or his client.

Recommendation: Counsel recommends that this matter be **dismissed**, as Respondent is exempt from licensure under T.C.A. § 62-20-103(a)(2).

DECISION: CONCUR

22. 2017001791 ACCOUNT SERVICES COLLECTIONS, INC.

Status: Expired
First Licensed: 12/16/2003
License Expiration: 12/31/2016
Disciplinary History: None

Complaint opened by the Tennessee Collection Service Board stating the net client trust is operating at a deficit. It appears the Respondent is insolvent and we have requested a detailed breakdown of cash and accounts payable to clients and trade in addition to an explanation/justification for the numbers included in the balance sheet. Respondent provided a response and provided a general ledger indicating gross payables in the amount of \$653,944.01 and adjusted unsecured trust deficit of \$90,097.36.

Recommendation: To be discussed by the Board. This constitutes a violation of Tenn. Code Ann. § 62-20-114. Requirements of collection service licensees. This requires "[e]ach collection service licensee shall: (3) Maintain a separate fiduciary or trust bank account with sufficient funds at all times to disburse amounts due all clients;" The statute does not provide for a civil penalty when trust bank account does not have sufficient funds.

DECISION: Board authorized formal hearing for revocation and an immediate issuance of cease & desist letter.

23. 2017002421 CBA OF GA, INC.

Status: Active
First Licensed: 12/28/2010
License Expiration: 12/27/2018
Disciplinary History: None

Complaint opened by the Tennessee Collection Service Board stating the net client trust is operating at a deficit. Respondent provided a response and stated that in the process of renewing license for 2017, the company misinterpreted what was being asked and provided incorrect information. The information has been corrected and license renewal has been approved. The Respondent is aware that they have to maintain a separate trust

account at its bank in order to comply with certain bonds and insurance requirements. The account maintains a minimum of \$1,000 and the Respondent mistakenly believed that the renewal application for Tennessee required that the Respondent provide proof of its existence. The trust account is not the bank account utilized by the Respondent for generating remittances for our clients and the Respondent was notified by our office that based on the information presented it appears that the account was solvent. Upon receiving notice, the Respondent submitted the correct bank account information showing the primary business account from which all client remittances are generated and the primary account shows a total balance of \$319,376.94. The account is solvent and not operating at a deficit.

Recommendation: Counsel recommends this matter be **dismissed**.

DECISION: CONCUR

24. 2015001481 – INGRAM & ASSOCIATES, LLC RE-PRESENT

Status:	Active
First Licensed:	11/15/2010
License Expiration:	1/2/2018
Disciplinary History:	2016021871 - Dismissed 2016009101 – Close, no action taken.

PREVIOUSLY PRESENTED INFORMATION:

Complainant was first contacted by the Respondent in 2014 via e-mail concerning a claim on behalf of the medical provider. The Complainant referred the matter to her attorney to contact the Respondents. A written communication was sent by the Complainant's attorney to the Respondent stating that the Complainant should not be contacted. The Complainant received a second notice from the Respondent. Again, the attorney for the Complainant sent another letter to the Respondent requesting that all communications be directed to counsel. Upon further review by the Respondent's legal department, it stated it verified this information and it appears the attorney representing the consumer refused to obtain a HIPAA waiver and/or sign a HIPAA authorization for release of PHI in order to discontinue by the Respondent to continue to contact the Complainant and only deal with the attorney for the Complainant directly. As such, the Respondent could not discontinue contacting the Complainant in this matter since HIPAA was applicable and there was PHI involved.

Updated Recommendation: Close

DECISION: The Board to keep this matter open pending further investigation and review by the legal department.

ADDITIONAL REVIEW AND INFORMATION: We have contacted the Respondent and advised them that they cannot contact the Complainant in a matter when they have been advised an attorney is representing the complainant. This matter has been set for hearing, however, the Respondent's parent company attorney has advised us the collection company is closed and no longer conducts any collection activity in the State of Tennessee. The parent company is in the final stages of winding down the business in Tennessee. The attorney indicated that it expects to surrender the Respondent's collection agency license shortly.

UPDATED RECOMMENDATION: Counsel recommends a **letter of warning**, addressed to the attention of their legal counsel, for failure to respond to Board complaint in violation of T.C.A. § 62-20-115(a)(3). Since the Respondent is no longer operating in Tennessee, it will not be possible to proceed against an inactive LLC and close this matter.

NEW DECISION: CONCUR

25. 2016046511 – FIRST NATIONAL COLLECTON BUREAU, INC. RE-PRESENT

Status: Active
First Licensed: 8/23/2013
License Expiration: 10/22/2016
Disciplinary History: None.

This complaint was filed by a consumer for failing to report and pay to a client the net proceeds of all collections made during a calendar within 30 days. Complainant alleges that he made a payment of \$50.00 by check (#823) in January 2016 which was not reflected on his account. Complainant called Respondent in an effort to locate the payment. After researching, the check was located on an old account that had been in their office years ago under the Complainant's wife's name. The old account was settled in 2013. Respondent advised Complainant to call the original creditor of the old account in order to get reimbursed for the \$50.00 payment. The original creditor stated they had received check #823 and immediately sent it to Respondent. Complainant relayed this information to the Respondent, who stated that check #823 must have been mailed to original creditor instead of Respondent. Respondent has denied reimbursing the Complainant and also would not post this payment to the correct account.

Respondent did not respond to the complainant.

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)**.

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

ADDITIONAL REVIEW AND INFORMATION: The Respondent has sent multiple response letters to this complaint once learning about the complaint. Upon learning of the existence of the complaint, the Respondent thoroughly researched the matter internally to determine where the breakdown occurred within the company and took the necessary measures to ensure that this does not happen ever again. The Respondent has never had any problems with compliance in Tennessee and has also brought this specific matter to the attention of the senior management because any regulatory compliance issue is taken very seriously by the company. The Respondent explained that this matter involved human error by an employee and regrets this incident occurred to a consumer and did everything possible to make sure that the consumer received the return of the monies not credited to the proper account. Respondent's employee inadvertently misapplied a payment and the Respondent stated it had an internal breakdown of its procedures. The Respondent has taken all necessary action to remediate this situation and has revamped its internal system for processing of various communications. Also, the Respondent acknowledged the complete breakdown within the organization of the lack of a response from the Respondent to the complaint. The Respondent has addressed all of the issues internally on all levels with all personnel at the company. The Respondent apologized profusely and repeatedly stated it wants to make sure it is in full compliance at all times. The Respondent states its track record for consumer complaints is pristine and responding to consumer complaints regardless of the source is critical component to its compliance and they take great pride in making sure that this occurs at all levels of the organization. The Respondent's chief operating officer also sent a letter to our office apologizing for the mistakes and problems with the assurance that this will not happen again and the company has policies and practices are as consumer-oriented as possible. The Respondent requested the Board reconsider this matter. The Respondent has requested the Board waive the formal consent order and fine.

UPDATED RECOMMENDATION: Counsel recommends a **letter of warning**, addressed to the attention of their legal counsel, for failure to respond to Board complaint in violation of T.C.A. § 62-20-115(a)(3).

NEW DECISION: Board deferred this case to the next board meeting on April 5, 2017. Respondent will be submitting additional information.

26. CSB 2015015391 – RE-PRESENT

Status: Unlicensed
Disciplinary History: None

This case was originally presented to the Board in September 2015. It arose out of a consumer complaint alleging unlicensed activity. The Complainant alleged that Respondent sent an initial notice letter and called her four (4) times in June 2015 in an attempt to collect a debt.

Respondent is a collection agency incorporated in New York. Respondent has never obtained a Tennessee collection agency license. In response to the complaint, Respondent sent a letter on July 9, 2015, stated it would mark Complainant's account as disputed and cease communication with her. Respondent further claimed that it would return all Tennessee debtor accounts to their client. The Board has not since received any complaints against Respondent.

ADDITIONAL INFORMATION: Shortly after this case was first presented to the Board, Respondent sent a letter to Legal stating that it had ceased all operations as of July 23, 2015, and no longer practices collections in any of the fifty states. I could not find any online consumer complaints against Respondent published after June 2015. Legal has not achieved proper service on Respondent since September 2015. There have been four (4) subsequent attempts. Both of Respondent's phone numbers have been disconnected. Respondent's business registration with the New York Secretary of State is still active; however, a search of Respondent's address of record shows that the space is now occupied by a body piercing parlor. We cannot request personal service for Respondent outside the State of Tennessee.

Updated Recommendation: Close and flag.

Previous decision: \$1,000.00 civil penalty for unlicensed activity

NEW DECISION: CONCUR

ADJOURNMENT

There being no other new business, Mr. Howard adjourned the meeting at 10:30 a.m.