



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

**Meeting Minutes for January 8, 2018
First Floor Conference Room 1-A
Davy Crockett Tower**

The Tennessee Collection Service Board teleconferenced on January 8, 2018, in the first floor conference room of Davy Crockett Tower in Nashville, Tennessee. Mr. Howard called the meeting to order at 2:03 p.m. and the following business was transacted:

BOARD MEMBERS PRESENT: Bart Howard, Steve Harb and Chip Hellmann.

BOARD MEMBERS ABSENT: Angela Hoover and Josh Holden.

STAFF MEMBERS PRESENT: Glenn Kopchak, Aisha Carney, Ashley Thomas, Dennis Gregory, Carol McGlynn.

NOTICE OF MEETING

Director Glenn Kopchak provided the notice of meeting.

STATEMENT OF NECESSITY

Mr. Hellman motioned to adopt the statement of necessity. This was seconded by Mr. Harb. The motion carried by unanimous roll call vote.

AGENDA

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

MINUTES

Mr. Hellman motioned to adopt the minutes from the October 11, 2017 meeting as written. Mr. Harb seconded. The motion was carried by unanimous roll call vote.

LEGAL REPORT



**STATE OF TENNESSEE
DEPARTMENT OF COMMERCE AND INSURANCE
OFFICE OF LEGAL COUNSEL
500 JAMES ROBERTSON PARKWAY
NASHVILLE, TENNESSEE 37243
TELEPHONE: (615) 741-3072
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TO: Tennessee Collection Service Board
FROM: Dennis Gregory, Assistant General Counsel
DATE: January 8, 2018
SUBJECT: January 2018 Legal Report

1. 2017049421

Respondent:
Status: License: ACTIVE
First licensed: 3-14-2006
Expires: 3-13-2019
Disciplinary history: None

Complainant alleges Respondent makes frequent calls to his office in an attempt to collect from Complainant's former employee. Complainant's office is a medical provider. Respondent states that its sales reps made calls in an attempt to solicit business. The sales reps asked to speak with the former employee because she had been their previous contact. Respondent denies that the calls were an attempt to collect a debt.

Recommendation: Close

DECISION: CONCUR

2. 2017054041

Respondent:
Status: License: ACTIVE
First licensed: 3-19-2003
Expires: 12-31-2018
Disciplinary history: None

This case arises out of a consumer complaint alleging failure to validate debt. Respondent is a third-party debt collector licensed in Tennessee. Complainant first received notice of the debt from her credit report.

Complainant initiated communication with Respondent via letter disputing the debt and requesting validation. Within the required thirty days, Respondent mailed Complainant the required information about the creditor and included copies of the underlying contract from which the debt arose.

Complainant claims that Respondent continued to contact her after disputing the debt. However, it appears all of Complainant's letters both requested validation and disputed the debt. Respondent's letters were all responses to Complainant's request for validation of Respondent's entry on her credit report. As such, Respondent was required to respond under the Fair Credit Reporting Act (15 U.S.C. § 1681s-2(b))

Recommendation: Close

DECISION: CONCUR

3. 2017042941

Respondent:

Status: License ACTIVE

First Licensed: 8/11/2011

License Expiration: 8/10/2019

Disciplinary History: None.

This case arises out of consumer complaint stemming from a medical insurance claim. The Complainant received medical treatment at a local hospital. The Complainant contends that medical insurance was active and treatment was covered under policy. The Respondent received the account from the original creditor as a result of the insurance claim being denied and no payment being made to the original creditor. The Respondent has also contacted the credit reporting agencies and informed them of the disputed status of the debt.

This matter appears to be a dispute between the Complainant and the medical insurance carrier. The Respondent appears to have acted in accordance with the applicable statutes and rules.

Recommendation: Close.

DECISION: CONCUR

4. 2017043001

Respondent:

Status: License ACTIVE

First Licensed: 6/04/2010

License Expiration: 6/03/2018

Disciplinary History: None.

This case arises out of a billing dispute and potential medical malpractice claim. The Complainant received a call from the Respondent who identified as NOT being a debt collector. The Respondent employee, according to the Complainant, stated the call was a "pre-collection communication." The call then went to a supervisor, who then, apparently, refused to transfer the Complainant to a higher supervisor or the legal department. The Respondent supervisor refused to confirm or deny if the Respondent was a debt collector or if it was attempting to collect a debt from the Complainant. As part of the telephone conversation, there was also some disagreement regarding the name and the Respondent's d/b/a.

The Respondent explains they do not refer to themselves as a "debt collector" as that would mislead consumers to think their debt was in default. While neither party answers specifically, it appears that the account from the creditor was not in default at the time of the call. The Respondent describes their operation as an "extended

business office for the hospitals attempting to resolve accounts before the accounts are in default or delinquent.” The Respondent explains that they are not a “debt collector” as defined by the FDCPA. The Respondent keeps an active Tennessee license in order to avoid the appearance they are acting out of compliance. When accounts are in default, according to the Respondent, they are sent to a third-party debt collection service.

Recommendation: Close.

DECISION: CONCUR

5. 2017043951

Respondent:

Status: License ACTIVE

First Licensed: 1/28/2002

License Expiration: 12/31/2018

Disciplinary History: None.

This complaint arose as a result of an attorney, representing the estate of a deceased individual, alleging that the Respondent had acting improperly after the Respondent failed to forward the appropriate release of lien documents.

The estate property was encumbered by a judgement lien filed by a third-party debt collection service. A buyer was found, but the closing was held up as a result of the Respondent’s tardiness in sending the necessary release of lien documents so that the buyer could close. As result, the buyer had to obtain a bridge loan and paid off both the mortgage and second encumbrance (judgement lien). Since the filing of the complaint, the estate attorney notified TDCI that the lien had been released by the Respondent and requested this complaint be withdrawn. The Respondent, in its response, acknowledged the process took longer than anticipated. However, the Respondent went on to explain that its agent handling the file misunderstood what the Complainant asked for (Release of Estate Claim v. Release of Lien).

Recommendation: Close

DECISION: CONCUR

6. 2017043681

Respondent:

Status: ACTIVE

First Licensed: 11/15/1999

License Expiration: 12/31/2018

Disciplinary History: 2005 Letter of Warning; 2011 Letter of Warning

This complaint arises out of Respondent reporting negative information on Respondent’s spouse’s credit report. The Complainant alleges that the spouse was not obligated on the original agreement with the creditor. The Complainant is also a former employee of the Respondent.

The Respondent provided documentation showing both spouses’ information on the account. The Respondent has, apparently, noted the account as “in dispute”, but is still pursuing collection efforts.

Recommendation: Close

DECISION: CONCUR

7. 2017047751

Respondent:

Status: ACTIVE

First Licensed: 10/29/2007

License Expiration: 10/28/2018

Disciplinary History: 2010 Consent Order; 2011 Consent Order; 2014 Letter of Warning; (owes a fine)

This complaint arises out of a seemingly valid debt to a cable provider. The Complainant appears to be on a fixed income and has experienced hardship in paying the debt. There is no evidence of any statutory violations. The Respondent's response indicates they are consulting with the creditor to see how they want to proceed given the Complainant's circumstances.

Recommendation: Close.

DECISION: CONCUR

8. 2017048181

Respondent:

Status: UNLICENSED

First Licensed: N/A

License Expiration: N/A

Disciplinary History: None.

The Complainant was contacted by telephone regarding a payday loan. The Respondent's representative refused to provide any information for the debt, however, the Complainant does not appear to deny owing something to the original creditor.

The Respondent appears to have contacted the Complainant only once. The Respondent is unlicensed.

Recommendation: Letter of Warning for unlicensed activity in violation of T.C.A. 62-20-105(a).

DECISION: CONCUR

9. 2017054361

Respondent:

Status: UNLICENSED

First Licensed: N/A

License Expiration: N/A

Disciplinary History: None.

This complaint arises from an alleged unlicensed Respondent that identifies itself as a collection service. The Complainant contends that the Respondent has sent numerous letters and has made numerous phone calls. According to the Complainant, the Respondent has contacted one of the Complainant's friends who is unrelated to the alleged debt. The Complainant did not give permission for the Respondent to speak with the friend.

In its response, the Respondent admits to collection attempts, but claims there were a number of contact numbers associated with the account from four different states. The Respondent admits to contacting the Complainant's friend. The Respondent's explanation, however, was that it was for the sole purpose of seeking contact information for the Complainant. They also admit to ignorance of the need to be licensed in Tennessee. The Respondent has now closed the account and ceased further collection attempts.

Recommendation: Counsel recommends the authorization of a civil penalty in the amount of One Thousand Dollars (\$250) 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).

DECISION: CONCUR

10. 2017048561

Respondent:

Status: Voluntarily Surrendered

First Licensed: 1/12/2011

License Expiration: 1/11/2015

Disciplinary History: None.

The Complainant alleges the Respondent is unlicensed and obtained a judgement against him without first serving him with process. This occurred, according to both parties, in 2013. When the judgement was not satisfied, the Respondent's local attorney initiated a garnishment then attached a levy to the Complainant's bank account. This latter action occurred in 2017.

The Respondent is no longer licensed in Tennessee; however, the licensed entity that purchased the Respondent's assets is. The licensed entity purchased the assets of the Respondent in 2014. The Respondent's license was effective until it expired in 2015. Therefore, it appears the initial collections undertaken by the Respondent were done while licensed. Complainant, however, says that when a phone call is made to the licensed entity, they still identify themselves with the Respondent's name.

The allegations with the lawsuit and levy are exclusively issues with the local counsel who filed suit. Based on the complaint, it appears the action was filed in accordance with the TN rules of civil procedure. There is no way to confirm whether the Complainant was ever personally served or not just based on the complaint alone.

Recommendation: Close.

DECISION: CONCUR

11. 2017051971

Respondent:

Status: UNLICENSED

First Licensed: N/A

License Expiration: N/A

Disciplinary History: None.

The Complainant had a valid debt in collections. The Respondent was contacted at work on a couple of occasions, which is likely what generated the complaint. The Respondent admits to be unlicensed in Tennessee, and claims to have made attempts to weed out any Tennessee accounts they receive before moving forward. The Respondent claims to have now removed the Complainant's two accounts from collection.

Recommendation: Counsel recommends the authorization of a civil penalty in the amount of One Thousand Dollars (\$250) 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).

DECISION: CONCUR

12. 2017053051

Respondent:

Status: ACTIVE
First Licensed: 5/06/2013
License Expiration: 5/05/2019
Disciplinary History: 2014 Letter of Warning

The Complainant alleges the Respondent has failed to provide verification of the debt. The Respondent included a copy of the response sent to the Complainant in which a copy of the line of credit and security agreement was attached. The Complainant's name is on the document. The Respondent provided the verification requested.

Recommendation: Close.

DECISION: CONCUR

13. 2017053081

Respondent:
Status: EXPIRED
First Licensed: 4/16/2012
License Expiration: 4/15/2014
Disciplinary History: None.

The Complainant, which is the same Complainant as #12 above, alleges the Respondent failed to provide verification of the debt and that the creditor acted in bad faith. The Respondent included a copy of the response sent to the Complainant in which a copy of the promissory note and deed of trust was attached. The Complainant's name is on the document. The Respondent provided the verification requested. From the documents provided by both parties, it appears the Complainant's issue here is the deficiency left after the foreclosure sale of his previous home.

The Respondent's Tennessee license has been expired for over three years. **The collection of the deficiency, however, appears to be in the hands (and has been) of a licensed collection agency-not the Respondent.**

Recommendation: Close.

DECISION: CONCUR

14. 2017049211

Respondent:
Status: ACTIVE
First Licensed: 1/27/2005
License Expiration: 12/31/2018
Disciplinary History: 2008 Letter of Warning; 2013 Letter of Warning

The Complaint arises out of an unpaid medical bill. The Complainant is adamant she paid the bill nearly a year ago, but is still receiving collection notices. The Respondent explains that the Complainant had two accounts-one that is satisfied and the other that is still open.

In the Complainant's rebuttal, the Complainant asks for the appropriate account number so that the payment can be made. It appears the Complainant intends to pay the amount owed. There are no apparent violations of any rules or statutes.

Recommendation: Close.

DECISION: CONCUR

15. 2017054111

Respondent:

Status: ACTIVE

First Licensed: 11/20/2008

License Expiration: 11/19/2018

Disciplinary History: 2014 Letter of Warning; 2017 Letter of Warning; 2017 Consent Order

This arises from an alleged unpaid medical bill. The Complainant explains that verification of the debt was requested from the Respondent. The Complainant denies the debt is his. The Respondent, after verification was requested, sent a HIPPA release to the Complainant in order to acquire the requested verification. The Complainant did not return the release.

The Respondent advises that as their client's business is closing, the Respondent has returned all open accounts to the client. Therefore, the account is closed and collection efforts have ceased.

Recommendation: Close.

DECISION: CONCUR

16. 2017054131

Respondent:

Status: ACTIVE

First Licensed: 1/14/1993

License Expiration: 12/31/2018

Disciplinary History: 2003 Letter of Warning

This complaint arises from an alleged unpaid bill from a cable provider. The Complainant disputed the debt with the collection agency. In response, the Respondent went back to the original creditor with the Complainant's dispute. Eventually, after no response from the creditor, the Respondent claims to have ceased all collection efforts. The Respondent indicates the last call made to the Respondent was September 20, 2016. The Complainant, however, included collection letters from 2017 from a separate collection agency.

Recommendation: Close.

DECISION: CONCUR

17. 2017054171

Respondent:

Status: ACTIVE

First Licensed: 11/23/2010

License Expiration: 11/22/2018

Disciplinary History: 2016 Consent Order

This complaint arises from an alleged unpaid bill from a cable provider (the same Complainant as in #16). The Complainant disputed the debt with the collection agency. In response, the Respondent went back to the original creditor with the Complainant's dispute. The Respondent indicates they will cease all communications with the Complainant while the investigation into the matter is complete.

Recommendation: Close.

DECISION: CONCUR

18. 2017053931

Respondent:

Status: ACTIVE

First Licensed: 6/27/2014

License Expiration: 6/26/2018

Disciplinary History: None.

This complaint arises from an alleged debt stemming from an unpaid utility bill. The debt, by both parties' admission, is 13 years-old. The Complainant contacted the Respondent as the Complainant was unaware of any debt to the creditor. The Respondent CSR told the Complainant that if the debt was not satisfied it would negatively impact the Complainant's credit.

The Respondent's position is that no violations were committed. They claim to have no record that a CSR told the Complainant that the Complainant's credit would be negatively impacted. The account has been returned to the creditor and all collection efforts ceased.

Recommendation: Letter of Warning based on the CSR's statement in violation of the Fair Debt Collections Practice Act (False or Misleading Representations) and T.C.A. 62-20-115(b)(5).

DECISION: CONCUR

19. 2017054911

Respondent:

Status: ACTIVE

First Licensed: 11/05/2009

License Expiration: 11/04/2019

Disciplinary History: 2011 Letter of Warning

This complaint arises from an auto installment loan contract. The loan originated with a nationwide auto sales corporation, but was then assigned to the Respondent for service. The Complainant alleges they are receiving multiple calls from the Respondent on a daily basis and have supposedly contacted the Complainant's family members.

The Respondent is not a third-party collection service and is not covered by the applicable statutes and rules.

Recommendation: Close.

DECISION: CONCUR

20. 2017054771

Respondent:

Status: UNLICENSED

First Licensed: N/A

License Expiration: N/A

Disciplinary History: None.

This complaint arises from an alleged unpaid medical bill. The Complainant received a letter from the Respondent regarding a 2007 money judgement. The Respondent states that their files reflect the Complainant was served with process in 2007 and a judgement granted to the creditor roughly two months later. It appears the Complainant received only the one letter.

The Respondent acknowledges the judgement is now too old to collect and has since closed the file and ceased all collection attempts.

Recommendation: Close.

DECISION: CONCUR

21. 2017055621

Respondent:

Status: ACTIVE

First Licensed: 2/20/1975

License Expiration: 12/31/2018

Disciplinary History: None.

The Complainant admits to the underlying debt (medical bill). The Complainant has made regular payments to the Respondent via a payment plan. It appears the Complainant had regularly received a paper statement, but did not see one in the mail in August. Consequently, the Complainant set up an on-line account with the Respondent in order to make the normal \$50.00 payment. The on-line payment system, however, is set up to default to the entire balance if an amount is not selected prior to submitting the payment. This led to the Complainant's account being debited \$1,100.

The Respondent admits to a flaw in the on-line payment system and refunded the balance debited, including any overdraft fees incurred by the Complainant.

Recommendation: Close.

DECISION: CONCUR

22. 2017055921

Respondent:

Status: ACTIVE

First Licensed: 10/26/1987

License Expiration: 12/31/2018

Disciplinary History: None.

This complaint arises out of an alleged debt stemming from unpaid medical bills. The Complainant does not dispute the validity of the debt, only that the Respondent has requested she provide a breakdown of her income and expenses in order to justify the payment plan. Apparently, the Complainant had agreed to a \$50 a month payment plan on a \$2,300 account. The Respondent states it is common practice to ask for this information before they agree to a certain amount on a repayment plan.

There is no evidence of any statutory or rule violations.

Recommendation: Close.

DECISION: CONCUR

23. 2017057381

Respondent:

Status: ACTIVE

First Licensed: 4/08/2014

License Expiration: 4/07/2018

Disciplinary History:

This case arises from an allegation of harassment by the Respondent. The Complainant only provides scant information regarding the complaint. The complaint form contains only the statement, "Harassment calls from collection services." The Respondent states that they have contacted the Complainant by phone, but only to discuss the debt. The Respondent goes on to say that they were made aware by the Complainant that the business was struggling financially and attempted to make payment arrangements with the Complainant. They also, apparently, have requested a balance sheet for the business in order to come up with a suggested amount as the Complainant's first language is not English.

There is no evidence of any statutory or rule violations.

Recommendation: Close.

DECISION: CONCUR

24. 2017057451

Respondent:

Status: ACTIVE

First Licensed: 1/22/1988

License Expiration: 12/31/2018

Disciplinary History: 2008 Letter of Warning; 2010 Consent Order; *owes a fine

This complaint arises out of an alleged debt stemming from an unpaid medical bill. The Complainant states that the Respondent sent a collections notice attempting to collect a debt from a past due medical bill. The notice was in the Complainant's name; however, the Complainant denied ever receiving service from the creditor.

The Respondent explains that the service was provided to a minor child and that there were two addresses on file: one for the mother and one for the stepfather. The Respondent eventually found an address for the child's biological father and sent the notice there. The Complainant's information has been removed from the file and closed.

There is no evidence of any statutory or rule violations.

Recommendation: Close.

DECISION: CONCUR

25. 2017058501

Respondent:

Status: ACTIVE

First Licensed: 4/03/2007

License Expiration: 4/02/2019

Disciplinary History: 2011 Letter of Warning

This complaint arises over the validation of a debt stemming from an unpaid medical bill. The Complainant is a citizen of Georgia and the complaint was actually filed by the Georgia Consumer Protection Unit as the Respondent has a Tennessee mailing address. The Complainant alleges that validation of the debt was requested; however, it was never provided by the Respondent. The underlying bills appear to stem from service at an emergency room.

The Respondent states that the service charges were sent to the Complainant. The Respondent, additionally, attached copies of those charges along with the response. This may be a dispute over what medical insurance was to pay. There are no apparent violations of statutes or rules.

Recommendation: Close.

DECISION: CONCUR

26. 2017058881

Respondent:

Status: ACTIVE

First Licensed: 4/07/2004

License Expiration: 12/31/2018

Disciplinary History: None.

This complaint arises out of the Complainant's allegation that he was threatened by the Respondent. The Complainant alleges the Respondent contacted his employer on a number of occasions and informed the employer he was being "served papers." The Complainant also alleges the Respondent has threatened criminal prosecution, although a "civil warrant" is the document used for civil actions in Tennessee (may be some confusion as to terminology).

The Complainant does admit a debt was owed to the original creditor, but states it was settled in 2012.

The Respondent acknowledges the account was placed with them for collection. According to them, the only record of phone calls to the Complainant was one call to the home phone, which was unanswered. The Respondent indicates that they "do not threaten legal action" and did not attempt to contact the Complainant at the place of employment. Finally, the Respondent states the account is being closed and there will be no further contact made.

Recommendation: \$1,000 civil penalty and a Consent Order in violation of the Fair Debt Collections Practice Act (False or Misleading Representations) and T.C.A. 62-20-115(b)(5).

DECISION: BOARD DISAGREES. THE BOARD WANTS LEGAL TO REQUEST THE TRANSCRIPT/RECORDING OF THE ALLEGED CALLS AND RE-PRESENT ONCE THEY HAVE BEEN REVIEWED.

27. 2017059161

Respondent:

Status: UNLICENSED

First Licensed: N/A

License Expiration: N/A

Disciplinary History: None.

This complaint arises out of an alleged debt stemming from a defaulted payday loan from 2012. The Complainant does not specifically deny knowledge of the loan. The Complainant takes the view the collection efforts are a scam.

The Respondent indicates the debt is from a defaulted payday loan in the amount of approximately \$900. The Respondent is not licensed, however, they describe themselves as a "Mediation Firm." In further explanation, the Respondent says once they are assigned the debt, the creditor has already requested civil action against the debtor. Their role is to attempt a settlement of the debt on a "voluntary basis."

The Respondent appears to be a debt collector who is operating without a license.

Recommendation: \$250 civil penalty and a Consent Order for failure to secure licensing in accordance with T.C.A. 62-20-105(a).

DECISION: CONCUR

28. 2017059451

Respondent:

Status: ACTIVE

First Licensed: 7/07/2000

License Expiration: 12/31/2018

Disciplinary History: 2007 Letter of Warning; 2011 Consent Order

This Complainant was sued in a Tennessee civil court in November 2015. The Complainant does not refute the underlying debt. The case was later continued by the plaintiff on two separate occasions. After the second setting, and the plaintiff failing to appear, the judge dismissed the civil suit with prejudice on June 13, 2016. In August 2017, the Complainant received a collections notice from an unrelated collections agency explaining they were pursuing the same debt.

The Respondent indicates they have closed their account with the Complainant. The Respondent, admittedly, has no control over what action the new collections agency may take. There appears to be no statutory or rule violations.

Recommendation: Close.

DECISION: CONCUR

29. 2017059921

Respondent:

Status: ACTIVE

First Licensed: 2/25/2016

License Expiration: 2/24/2018

Disciplinary History: None.

The Complainant alleges the Respondent is contacting him regarding an alleged debt of which the Complainant disputed with another collections agency a decade ago. The Complainant alleges the Respondent is being "re-aged" by the collection agency in order to make it appear that the Complainant opened the account in April 2017.

The Respondent signed for the complaint via certified mail and has failed to respond.

Recommendation: \$500 civil penalty and a Consent Order for failure of a licensee to respond to a sworn complaint in accordance with T.C.A. 62-20-115(3).

DECISION: CONCUR

30. 2017060131

Respondent:

Status: ACTIVE

First Licensed: 9/11/1997

License Expiration: 12/31/2018

Disciplinary History: 2010 Letter of Warning; 2010 Consent Order; 2012 Letter of Warning;

This complaint arises out of a disputed debt arising from a personal credit line agreement. The Complainant is primarily disputing the amount owed. The line of credit was opened in February 2006. The Complainant contends the loan amount didn't change from 2006-2012. Now believes the original loan is paid off (appears that APR increased original balance). The last payment was received in June 2013.

The Respondent appears to be making collection efforts within the limits of the applicable statutes and rules.

Recommendation: Close.

DECISION: CONCUR

31. 2017060381

Respondent:

Status: ACTIVE

First Licensed: 9/11/1997

License Expiration: 12/31/2018

Disciplinary History: 2010 Letter of Warning; 2010 Consent Order; 2012 Letter of Warning;

This complaint arises from a release of lien matter. The Complainant is a Tennessee attorney representing a seller purchasing a piece of property owned by the estate of a deceased individual. The property had a judgement lien that had been serviced by the Respondent. The seller contacted the Respondent and negotiated a payoff amount; however, a release of lien was not sent by the Respondent in a prompt fashion.

The Respondent admits in its response the process took longer than it should have, but had sent the release of lien by the time the complaint was filed. The Complainant submitted a rebuttal, explaining that he wished to withdraw the complaint now that the matter was resolved.

Recommendation: Close.

DECISION: CONCUR

32. 2017060441

Respondent:

Status: UNLICENSED

First Licensed: N/A

License Expiration: N/A

Disciplinary History: None.

This complaint arises from debt collection attempts by the Respondent on behalf of a nationally-known cable provider. It should be pointed out that the Respondent is not an insurance carrier for the cable provider in this complaint attempting to assert a subrogation claim. The Complainant allegedly hit and damaged underground cable facilities belonging to the creditor/cable provider while installing water, gas and electricity. The amount sought is the amount paid to replace the damaged property. The Complainant claims the Respondent's representatives are harassing employees by phone and in person. The Respondent is unlicensed as a collections service in Tennessee.

Based on the definition of "Collection service" in T.C.A. 62-20-102(3), the Respondent's actions appear to be consistent with that of third-party collector, requiring a license.

Recommendation: \$500 civil penalty and a Consent Order for failure to secure licensing in accordance with T.C.A. 62-20-105(a).

DECISION: CONCUR

33. 2017060711

Respondent:

Status: ACTIVE

First Licensed: 11/23/2010

License Expiration: 11/22/2018

Disciplinary History: 2016 Civil Penalty

This complaint arises from an alleged debt stemming from an unpaid cable bill. The Complainant received a collections notice from the Respondent and requested verification of the debt. The Respondent provided the verification, but did not include a copy of the original service agreement.

There are no statutes or rules that require the Respondent to obtain the original service agreement. In any event, the Respondent claims to have closed the account and returned the matter to the creditor at their request.

Recommendation: Close.

DECISION: CONCUR

34. 2017060751

Respondent:

Status: ACTIVE

First Licensed: 9/26/2012

License Expiration: 9/25/2018

Disciplinary History: 2017 Consent Order

This complaint arises out of alleged unpaid medical bills. The Complainant acknowledges service at the original creditor; however, the Complainant contends payments were made directly to the original creditor before the accounts went to collections. The Respondent received all six accounts from the creditor within a 30-day period. They remained unreported by the Respondent for six months. They were ultimately reported to the credit bureaus at the end of the six-month period. The Complainant claims he paid the exact same amount to the Respondent, thus paying double for the same debt.

The Respondent disputes the Complainant's version of events. If the original creditor did, in fact, receive payments the creditor would owe the Complainant a reimbursement. There is also the possibility the over-payments could be applied to other open account with the creditor if there were any others. In any event, the Respondent indicates they have deleted the accounts since the filing of this complaint.

Recommendation: Close.

DECISION: CONCUR

35. 2017061141

Respondent:

Status: ACTIVE

First Licensed: 4/03/2007

License Expiration: 4/02/2019

Disciplinary History: 2011 Letter of Warning

This complaint stems from an alleged debt from unpaid medical bills from December 2016. The Respondent contacted the Complainant who later requested validation of the debt. The Respondent did provide the requested information. The Complainant's chief complaint is that the negative information appeared on her credit report before the first collection notice was sent.

The Respondent explains that they are unaware of what date Credit Karma displayed the negative information. The account was received from the original creditor on May 5, 2017. The Respondent says they did not report to the credit bureau until August 6, 2017. The account is now paid in full and the Respondent is closing the file and updating the information with the credit bureaus. There is no evidence of any statutory or rule violations.

Recommendation: Close.

DECISION: CONCUR

36. 2017061291

Respondent:

Status: EXPIRED

First Licensed: 6/13/1974

License Expiration: 12/31/2016

Disciplinary History: 2008 Letter of Warning; 2013 Letter of Warning;

This complaint arises out of an erroneous credit report entry stemming from misidentification. The Complainant noticed a credit report entry related to a person with the Complainant's last name. The debt, however, did not belong to the Complainant as the Complainant says they never had any account with the creditor.

The Respondent explains they were able to locate an account in their system associated with the correct individual. The Respondent then notified the creditor. According to the Respondent, the creditor had mistakenly populated the Complainant as the consumer. The account information has since been corrected and the Respondent has updated the information with the credit reporting bureaus.

Although the Respondent's Tennessee license is expired, there is no evidence they were engaged in the collection of the alleged debt from the Complainant.

Recommendation: Close.

DECISION: CONCUR

RE-PRESENTATIONS

37. 2016075641 (SBB)

Respondent:

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 Tenn. Code Ann. § 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.

Previous 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.

ADDITIONAL INFORMATION: Respondent is a privately held receivables, acquisitions and management firm. The Respondent purchases very specific types of delinquent and charged-off consumer portfolios, including accounts that are charged off and warehoused accounts that are sitting idle for several years.

DECISION: CONCUR, however, change civil penalty to \$1,000.

NEW INFORMATION: The Respondent discontinued the Tennessee Collection Agency License in 2015 due to the enactment of 62-20-101 et seq. which exempts any person that that olds or acquires accounts bills or other forms of indebtedness through purchase, assignment or otherwise and only engages in collection activity through the use of a licensed collection agency or an attorney authorized to practice law in the state. The Respondent only purchases delinquent receivables and utilizes third party collection agencies and law firms for collection of these receivables. Additionally, it appears the Respondent contacted our office on September 3, 2014 and confirmed the Respondent was exempt.

NEW RECOMMENDATION: Close.

NEW BOARD DECISION: CONCUR

ADDENDUM – January 8, 2018 CSB Legal Report

1. 2017042381

Respondent:

Status: ACTIVE

First Licensed: 11/15/99

License Expiration: 12/31/2018

Disciplinary History: 2005 Letter of Warning; 2011 Letter of Warning

This complaint arises from a disputed debt with a cable provider. The Complainant alleges that the Respondent would call his personal phone, but that no one would speak. The Complainant contends this went on for roughly one month. Eventually, a letter from the Respondent arrived regarding the debt.

The Respondent's general counsel responded by explaining that the Complainant's account was not placed with them until April 27, 2017. The Respondent claims the calls were being made for the entire month of April. The Respondent claims the calls were not from them. An investigation was conducted by TDCI in which the Respondent's call log to the Complainant was provided. Based on the call log, the first call did not occur until April 28, 2017.

Recommendation: Close.

DECISION: CONCUR

APPLICATION REVIEW

The Board reviewed two (2) initial applications due to pending civil litigation disclosures. Since the litigation is pending outside of the State of Tennessee and no further information or disposition is available indicating moral turpitude, the Board recommended approval for both applications. Mr. Hellman made a motion to have Administration approve the applications based upon the recommendation. Mr. Harb seconded. The motion was carried by unanimous roll call vote.

Director Kopchak, then, proposed two options for handling future application reviews. Option #1- Request administrative authority to approve or deny any application with open litigation where there is no evidence of moral turpitude. Option #2- Send all applications with open litigation immediately to two members of the board for immediate review.

The Board decided to table the discussion until the next Board meeting where they hope to vote on a resolution.

ADJOURNMENT

There being no other new business, Mr. Hellman made a motion to adjourn. Mr. Harb seconded. The motion was carried by unanimous roll call vote. Mr. Howard adjourned the meeting at 2:33 p.m.