



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

**Board Meeting Minutes for October 10, 2018
First Floor Conference Room 1-B
Davy Crockett Tower**

The Tennessee Collection Service Board met on October 10, 2018, in the first floor conference room of Davy Crockett Tower in Nashville, Tennessee. Mr. Howard called the meeting to order at 9:30 a.m. and the following business was transacted:

BOARD MEMBERS PRESENT: Bart Howard, Steve Harb, Angela Hoover

BOARD MEMBERS ABSENT: Chip Hellmann, Josh Holden

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

NOTICE OF MEETING / ROLL CALL

Director Glenn Kopchak provided the notice of meeting. Director Kopchak took a roll call and noted a physical quorum.

AGENDA

Ms. Hoover motioned to adopt the agenda. This was seconded by Mr. Harb. The motion carried by unanimous vote.

MINUTES

Ms. Hoover made a motion to adopt the minutes from the August 8, 2018 meeting as written. Mr. Harb seconded. The motion was carried by unanimous vote.

DIRECTOR'S REPORT

Director Kopchak provided a detailed summary of the budget, to include trending and overall fiscal health. Since implementing two (2) of the three (3) prong strategy and ceasing to refer complaints outside board jurisdiction and withdrawals, expenses have been effectively controlled yielding a net deficit only once in six (6) months.

APPLICATION REVIEW

When administratively conducting application reviews, the Board previously voted in favor of allowing administration the authority to approve applications that had pending litigation if there is no complaint or pending litigation in Tennessee or evidence of moral turpitude; however, the question regarding disclosures of pending litigation in Tennessee where the case is sealed and therefore allegation unknown was not answered at that time.

Mr. Harb motioned to approve the application if upon hearing from the applicant their self-disclosures regarding this case would not be considered moral turpitude. This was seconded by Ms. Hoover. The motion carried by unanimous vote.

LEGAL REPORT

1. 2018032701

Respondent:

License Status: - ACTIVE

First Licensed: 8/11/2011

License Expiration: 8/10/2019

Disciplinary History: None

Summary:

This complaint arises out of an insurance billing dispute. The Complainant says the relevant medical insurance carrier informed her that the amount in collections should not be the patient's responsibility. Apparently, the underlying charges stemmed from medical supplies going back to 2014.

The Respondent provided a response in which they say they are ceasing collection efforts and are returning the file to their client. The issue may re-surface, but is seemingly back in the hands of the original creditor for now.

Recommendation: Close.

BOARD DECISION: CONCUR

2. 2018033361

Respondent:

License Status: – EXPIRED - GRACE

First Licensed: 8/25/2016

License Expiration: 8/24/2018

Disciplinary History: None

Summary:

The Complainant claims that he was a victim of identity theft a couple of years ago. The Complainant had an account in collections with the Respondent. The Complainant, upon receiving the first few collections notices, filed an identity theft report (or found the old one) and sent it to the Respondent.

The Respondent says they have closed the file and have contacted the credit reporting bureaus. Apparently, it was some time before the Complainant contacted the Respondent about the disputed account.

Recommendation: Close.

BOARD DECISION: CONCUR

3. 2018033821

Respondent:

License Status: - ACTIVE

First Licensed: 6/27/2014

License Expiration: 6/26/2020
Disciplinary History: 2018 Letter of Warning

Summary:

The Complainant says he has disputed this alleged debt with other collection agencies over the course of a couple of years. He says his credit report is free of any derogatory information, but he received a collection notice in May 2018 from the Respondent. The alleged debt appears to stem from a private college or vocational institute.

The Respondent claims the complaint is the first notice they have received from the complainant disputing the alleged debt. The account is now in a dispute status while the Respondent reaches back to the original creditor. Thus far, there appear to be no violations.

Recommendation: Close.

BOARD DECISION: CONCUR

4. 2018034531

Respondent:
License Status: - ACTIVE
First Licensed: 7/08/2015
License Expiration: 7/07/2019
Disciplinary History: None

Summary:

This complaint is opened against a collection service company based in Ohio. The Complainant says she is being harassed by the Respondent via telephone. The Complainant, however, does not dispute the debt.

The Respondent says they do not own any such account nor have any record of the Complainant. The Respondent goes on to point out that another company with a similar name operates in New York.

Recommendation: Close and a new complaint opened against the correct Respondent

BOARD DECISION: CONCUR

5. 2018036901

Respondent:
License Status: - ACTIVE
First Licensed: 11/23/2010
License Expiration: 11/22/2018
Disciplinary History: 2016 Consent Order

Summary:

This complaint arises from an alleged debt stemming from a credit card bill. It is not clear, however, whether the credit card was in the Complainant's name or her ex-spouse's name. In any event, the Complainant is getting the collection notices at her address and says the matter was resolved with the original creditor.

The Respondent has never responded to the complaint. The certified mail was not signed for, but the complaint was also e-mailed.

Recommendation: Consent Order with a \$250.00 civil penalty and authorization for formal charges for failure of a licensee to respond to a sworn complaint in accordance with T.C.A. 62-20-115(3).

BOARD DECISION: CONCUR

6. 2018031131

Respondent:

License Status: UNLICENSED

First Licensed: N/A

License Expiration: N/A

Disciplinary History: None

Summary:

The Complainant alleges he was contacted by the Respondent who said they are handling an account in collections stemming from a pay day loan from 2012-2013. The Complainant says he has no recollection of the debt. The Respondent attempted to get the Complainant to agree to a payment plan via docu-sign. The Complainant refused.

The Respondent possesses no Tennessee license.

Recommendation: Consent Order for \$500.00 and authorization for formal hearing for violation of T.C.A. 62-20-105(a) (unlicensed activity).

BOARD DECISION: CONCUR

7. 2018031701

Respondent:

License Status: - ACTIVE

First Licensed: 12/13/2013

License Expiration: 12/12/2019

Disciplinary History: None

Summary:

This complaint stems from a medical bill. The date of service was April 13, 2017. The Complainant's insurance paid \$1,358.33, but the creditor claims there was \$484.82 that was not covered by the Complainant's insurance. The creditor has notified the Respondent that the Complainant's insurance provider was "non-contracted" at the time of service. Basically, it was an out of network service. In the meantime, the Respondent has placed the account into a "cease collection" status while the parties discuss the matter.

Recommendation: Close.

BOARD DECISION: CONCUR

8. 2018035061

Respondent:

License Status: - ACTIVE

First Licensed: 7/18/2014

License Expiration: 7/17/2020

Disciplinary History: None

Summary:

This complaint stems from a medical bill. The Complainant's medical bill was placed with the Respondent for collection in 2015. Over the course of three years, the Complainant has made payments of varying amounts. Within the year, the Complainant has requested assistance in accessing the Respondent's on-line payment system, but has received only intermittent assistance. It is not clear if the on-line system is the only way to make payments. The Complainant is now making payments pursuant to an agreed judgement that was taken in January 2017.

The Respondent says they have worked with the Complainant on trying to figure out the on-line payment system. There are no apparent violations.

Recommendation: Close.

BOARD DECISION: CONCUR

9. 2018036001

Respondent:

License Status: - EXPIRED

First Licensed: 7/16/2009

License Expiration: 7/15/2013

Disciplinary History: None

Summary:

The Complainant was sued in TN general sessions court stemming from some debt. The Complainant claims the Respondent is unlicensed, more specifically, that the Respondent's license expired in 2013 and was never renewed.

The Respondent is a law firm and is exempt from licensure.

Recommendation: Close.

BOARD DECISION: CONCUR

10. 2018039981

Respondent:

License Status: - ACTIVE

First Licensed: 1/28/2010

License Expiration: 1/27/2020

Disciplinary History: None

Summary:

The Complainant was sued in TN general sessions stemming from what appears to be the repossession and deficiency balance from a car repossession and subsequent sale. The Complainant opted to go to trial (set for September 25, 2018) to contest the validity and authenticity of the attorney's supporting documents. The Complainant's chief complaint is that the finance document is not the original despite the fact the attorney filed an affidavit with the court under the Tennessee Rules of Evidence for a business records exception. Further, he is attempting to assert that he only contracted with the car sales entity/dealer and not the company who purchased the account.

Furthermore, the matter is now outside the purview of the collection statute.

Recommendation: Close.

BOARD DECISION: CONCUR

11. 2018035711

Respondent:

License Status: UNLICENSED

First Licensed: N/A

License Expiration: N/A

Disciplinary History: None

Summary:

The Complainant is a Tennessee attorney submitting the complaint on behalf of his client. The client allegedly owes \$12,796.71 for some service performed by the original creditor. A collections notice was sent to the attorney's client on May 14, 2018.

The Respondent admits the notice was sent in error and is now transferring the file to a local Tennessee attorney for action. The Respondent is not licensed in Tennessee.

Recommendation: Consent Order for \$500.00 and authorization for formal hearing for violation of T.C.A. 62-20-105(a) (unlicensed activity).

BOARD DECISION: CONCUR

12. 2018033401

Respondent:

License Status: – APP WITHDRAWN

First Licensed: N/A

License Expiration: N/A

Disciplinary History: None

Summary:

This complaint was opened against an unlicensed entity; however, all collection efforts appear to have been carried out by a licensed entity. The Complainant says he was a victim of identity theft some time ago. Consequently, he has received random collection notices in the last year. The entity that responded to the complaint says they are the servicer of the account while the owner is a different, unlicensed entity. The owner acquired the subject account in July 2017 from a nationwide bank.

The servicer says they will cease all collection efforts and return the file to the owner. Additionally, they will notify all three major credit reporting agencies of the fraud as well.

Recommendation: Close.

BOARD DECISION: CONCUR

13. 2018042691

Respondent:

License Status: - ACTIVE

First Licensed: 4/03/2007

License Expiration: 4/02/2019

Disciplinary History: 2011 Letter of Warning

Summary:

This complaint stems from a medical bill. The Complainant received medical services from a doctor's office that supposedly charged her insurance. Later, however, the Complainant's bill was turned over to collections.

The Respondent says that the bill is not for a "facility charge," but rather for the doctor. The doctor, apparently, bills separate from the facility. The Respondent did not receive any insurance information from the Complainant for the doctor's portion. The Respondent says they have worked with the Complainant to submit insurance information so a claim may be filed retroactively.

Recommendation: Close.

BOARD DECISION: CONCUR

14. 2018039761

Respondent:

License Status: - ACTIVE

First Licensed: 8/11/2011

License Expiration: 8/10/2019

Disciplinary History: None

Summary:

This complaint stems from an emergency services bill in 2017. The Complainant seems a bit confused as there is talk in the complaint about already paying the hospital. This bill is for the ambulance service.

The Respondent provided the information sent to the Complainant. There are no statutory or rule violations.

Recommendation: Close.

BOARD DECISION: CONCUR

15. 2018038841

Respondent:

License Status: - VOLUNTARY SURRENDER

First Licensed: 11/06/2012

License Expiration: 11/05/2014

Disciplinary History: None

Summary:

The Complainant purchased a vehicle from a franchise car dealership in December 2017. The Respondent then purchased the contract from the dealer roughly one month later. There was a problem, then, that arose between the Respondent and Complainant concerning the payoff of the vehicle once the Complainant traded the vehicle six-months later. The complaint makes no mention of the contract/account ever going to a third-party collection service. This is not a complaint within the Board's purview.

Recommendation: Close.

BOARD DECISION: CONCUR

16. 2018034741

Respondent:

License Status: - ACTIVE

First Licensed: 5/21/1996

License Expiration: 12/31/2018

Disciplinary History: None

Summary:

The Complainant says he was the victim of identity theft sometime in the past. Consequently, that led to the Complainant receiving a collection notice and negative report on his credit.

The Respondent says they relied on the original creditor in order to validate the debt when the Complainant questioned the debt. After the Complainant provided the Respondent a copy of the police report referencing the fraudulent activity, the Respondent was able to update its records and close and return the file to the creditor. It appears the Respondent took all the appropriate steps given the circumstances.

Recommendation: Close.

BOARD DECISION: CONCUR

17. 2018042811

Respondent:

License Status: - ACTIVE

First Licensed: 5/24/1990

License Expiration: 12/31/2018

Disciplinary History: None

Summary:

The Complainant (out-of-state resident) wrote a \$1,000 personal check to the original creditor on May 25, 2018. The check was returned for insufficient funds. The Respondent received the returned item on June 13, 2018 and began to process it for collection. On June 26, 2018, the Complainant called the Respondent directly and informed them she had paid the item in person at the creditor's place of business. Somewhere in this process, the Respondent allegedly hung up the phone on the Complainant.

Once it was verified that the Complainant had paid in full, the Respondent closed the account and withdrew the matter from collections.

Recommendation: Close.

BOARD DECISION: CONCUR

18. 2018042851

Respondent:

License Status: - ACTIVE

First Licensed: 1/22/1988

License Expiration: 12/31/2018

Disciplinary History: 2010 Letter of Warning; 2010 Consent Order

Summary:

The Complainant owed an amount for services at a doctor's office. Initially, the Complainant called the Respondent and asked for the Respondent to "hold" the account until she could make a new appointment with the doctor. The doctor's office, apparently, was refusing to schedule a new appointment until some portion of the bill was paid off.

Eventually, the Complainant paid the bill off and is now, presumably, able to schedule new appointments. There appear to be no statutory or rule violations.

Recommendation: Close.

BOARD DECISION: CONCUR

19. 2018040891

Respondent:

License Status: - ACTIVE

First Licensed: 3/23/2011

License Expiration: 3/22/2019

Disciplinary History: 2014 Letter of Warning

Summary:

The Complainant is an office manager at a doctor's office. The Complainant explains that the office used to send patients for drug screening to a lab that filed for bankruptcy protection. Someone informed them their patients would not receive collection notices, but eventually the patients did receive such notices in May 2018. The Complainant appears to have filed the complaint out of concern for several patients affected. Presumably, their insurance would not cover the entire cost of the drug screen.

The Respondent collector explains that the bankruptcy court deemed the debts legitimate and allowed the debts to be transferred to another party. However, the Respondent says no more calls will be made to consumers as the accounts have been "recalled" by their client.

Recommendation: Close.

BOARD DECISION: CONCUR

20. 2018039941

Respondent:
License Status: - ACTIVE
First Licensed: 3/23/2011
License Expiration: 3/22/2019
Disciplinary History: 2014 Letter of Warning

Summary:

This complaint is somewhat related to the complaint immediately preceding. The Complainant had received services from the drug-screening company referenced in the other complaint. As explained earlier, the bankruptcy court permitted these debts to be purchased by a third-party collection service. Now, however, the accounts are being recalled at the request of the client.

Recommendation: Close.

BOARD DECISION: CONCUR

21. 2018047771

Respondent:
License Status: UNLICENSED
First Licensed: N/A
License Expiration: N/A
Disciplinary History: None

Summary:

The Complainant received a collection letter from an attorney. The Complainant filed the complaint alleging the Respondent is unlicensed in Tennessee. The Respondent is an attorney and is exempt from licensure under T.C.A. 62-20-103(2).

Recommendation: Close.

BOARD DECISION: CONCUR

22. 2018045811

Respondent:
License Status: UNLICENSED
First Licensed: N/A
License Expiration: N/A
Disciplinary History: None

Summary:

The complaint stems from a debt incurred in 2016. The Complainant has apparently been making payments, but is falling behind. The Complainant says the Respondent collector is calling her place of work.

There appears to be no record of a license for this Respondent.

Recommendation: Consent Order for \$500.00 and authorization for formal hearing for violation of T.C.A. 62-20-105(a) (unlicensed activity).

BOARD DECISION: CONCUR

23. 2018047341

Respondent:

License Status: - ACTIVE

First Licensed: 7/29/1999

License Expiration: 12/31/2018

Disciplinary History: None

Summary:

The complaint arises from a utility bill. The Complainant sold a house in Illinois and moved to Tennessee. After closing in late 2017, the Complainant received a final bill issued on December 11, 2017 showing a "0" balance. Due to some mistake on the part of the utility company, the Complainant was sent a refund of \$1,092.95, but was later determined to be in error. According to the utility company, the Complainant owed \$1,092.95 rather than having a credit. The amount was placed with the Respondent for collection on May 3, 2018.

The Complainant attempted to find out why she owed rather than having a credit. According to the Complainant, the Respondent reported the debt to the credit reporting bureaus on July 3 and July 10, 2018, causing the Complainant's credit score to drop by 30 points. Ultimately, this is why the complaint was made. The Complainant went on to pay off the debt and, according to the Respondent, the credit reporting bureaus were notified thereafter.

The Fair Credit Reporting Act (FCRA) does not appear to specifically prohibit the collector from reporting the same information within a 30-day period.

Recommendation: Close.

BOARD DECISION: CONCUR

24. 2018041051

Respondent:

License Status: - ACTIVE

First Licensed: 12/13/2013

License Expiration: 12/12/2019

Disciplinary History: None

Summary:

The Complainant says a representative of the Respondent is calling and harassing her, demanding she pay over the phone. The Respondent cannot locate any information for the Complainant in their records. The Respondent requested information on the Complainant such as a full name, social security number or the original creditor. Thus far, TDCI has been unable to reach the Complainant in order to get any of this information.

Recommendation: Close.

BOARD DECISION: CONCUR

25. 2018042831

Respondent:
License Status: - ACTIVE
First Licensed: 6/03/2015
License Expiration: 6/02/2019
Disciplinary History: None

Summary:

The Complainant alleges she is being threatened over the phone by the Respondent with “legal action” if she does not contact them. Apparently, nothing has been mailed to the Respondent. The Complainant neither admits nor denies owing the debt. The Complainant submitted recordings of the calls she attributes to the Respondent. After listening to the recording, the Respondent’s representatives identify themselves by a name close to that of Respondent’s, but not the exact name on the license. This may be why the Complainant thinks the Respondent is unlicensed.

The Respondent says they have not called the Complainant nor do any of the numbers provided by the Complainant belong to any number used by the Respondent. In terms of their threats of “legal action,” the Respondent’s representatives told the Complainant the account was about to go into “check systems.” The representatives then go on to say there “could be freezing of assets and bank accounts.” One recording does mention that they are going to call a number that was provided by the Complainant at some point. This number, according to the Complainant, was her deceased father’s. The representative said they might take this action because they could not get in touch with her. Therefore, no one seems to have actually spoken with a third-party about the debt.

Recommendation: Close.

BOARD DECISION: CONCUR

26. 2018044671

Respondent:
License Status: - EXPIRED
First Licensed: 7/16/2009
License Expiration: 7/19/2011
Disciplinary History: None

Summary:

The Complainant was sued by the Respondent in general sessions. The Complainant now alleges the Respondent is unlicensed as a collection agency.

The Respondent is unlicensed; however, it is a law firm. The Respondent is exempt from licensure.

Recommendation: Close.

BOARD DECISION: CONCUR

27. 2018044891

Respondent:
License Status: - ACTIVE
First Licensed: 8/25/2016
License Expiration: 8/24/2020
Disciplinary History: None

Summary:

The Complainant says they are receiving phone calls from the Respondent at various times of the day and night regarding an alleged debt.

The Respondent has yet to respond to the complaint.

Recommendation: Consent Order for \$250.00 for failure of a licensee to respond to a sworn complaint in accordance with T.C.A. 62-20-115(3).

BOARD DECISION: THE BOARD REJECTED COUNSEL'S RECOMMENDATION AND ELECTED TO SEND A CONSENT ORDER WITH A \$500.00 CIVIL PENALTY.

28. 2018039181

Respondent:

License Status: - ACTIVE

First Licensed: 10/21/1987

License Expiration: 12/31/2018

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

Summary:

This complaint deals with a medical bill. The Complainant appears to be demanded validation of the debt.

The Respondent says the account was placed with them for collection on June 6, 2017 in the amount of \$1,530.17. The Complainant, apparently, made two \$200.00 payments and then ceased paying. Since the filing of the complaint, the Respondent says they have sent the file back to the creditor. It appears the Complainant acknowledged he owed the debt by paying \$400.00. There are no apparent violations.

Recommendation: Close.

BOARD DECISION: CONCUR

CASES TO BE RE-PRESENTED

29. 2018009181

Respondent:

License Status: - ACTIVE

First Licensed: 4/25/2011

License Expiration: 4/24/2019

Disciplinary History: None

Summary:

This complaint was lodged by an employee of a bankruptcy trustee. The trustee sent payment to a listed creditor as part of a chapter 13 bankruptcy payment plan. The Respondent has contacted the trustee with a collections notice after the original creditor claimed that the check was returned for insufficient funds.

The Complainant says the check was, in fact, good as the Complainant provided proof of the check clearing. The Respondent is an out of state licensee, but has not responded to the complaint. It appears the notice went out in error, although there is no way to know any back-story until the Respondent answers the complaint. As in the complaint above, this appears to be another instance where the Respondent received the complaint, but has never made it to the correct desk for a response.

Recommendation: Letter of Warning for failure of a licensee to respond to a sworn complaint in accordance with T.C.A. 62-20-115(3).

BOARD DECISION: THE BOARD REJECTED THE RECOMMENDATION AND ELECTED TO SEND A CONSENT ORDER WITH A CIVIL PENALTY OF \$250.00 FOR FAILURE TO RESPOND TO A COMPLAINT.

New Information: The Respondent did, in fact, respond to the complaint in a timely fashion. For reasons unknown, the response did not make it into the file prior to the complaint's presentation at the August meeting.

New Recommendation: Close.

NEW BOARD DECISION: CONCUR

30. 2016043131

Respondent:

License Status: UNLICENSED

First Licensed: N/A

License Expiration: N/A

Disciplinary History: None

Summary: Previously presented on September 14, 2016.

Previous Recommendation: Authorize formal and send a Consent Order for unlicensed activity with a civil penalty of \$1000.00.

New Information: The debtor is deceased and the Respondent is no longer attempting to collect on the debt. Based on documents provided by the Respondent, the Complainant's grandfather did, in fact, sign an agreement in 2001. Thus, it appears there was a debt. The Respondent, however, was simply not licensed at the time. Based on a conversation with the Respondent, the Respondent claims they were unaware the Respondent's grandfather was deceased. The Respondent explained they are closing the file as they are now aware of the deceased's status and will make no further collection attempts.

New Recommendation: Close with Letter of Warning for unlicensed activity.

NEW BOARD DECISION: THE BOARD REJECTED THE RECOMMENDATION AND ELECTED TO AUTHORIZE A FORMAL HEARING AND SEND A CONSENT ORDER WITH A CIVIL PENALTY OF \$500.00 FOR UNLICENSED ACTIVITY.

New Information: The Respondent's counsel has asked that Counsel for the Board re-present the matter as Respondent's counsel believes the applicable statute does not apply to his client as the client was not physically located in Tennessee while attempting to collect the particular debt.

New Recommendation: Counsel believes the statute as written applies to any person or firm regardless whether the collection service business is physically in the state or not. The Respondent

attempted to collect a debt from the Complainant's grandfather while unlicensed by the Tennessee collection service board. Sustain the previous decision to impose a \$500.00 civil penalty.

NEW BOARD DECISION: CONCUR

NEW INFORMATION: The subject debt was a personal guaranty. After discussion with opposing counsel and researching the statute more closely, the statute exempts the collection of "notes or guarantees" (T.C.A. 62-20-102(3)) as "collection service." The Complainant's grandfather signed a personal guaranty as part of a commercial lease agreement with the original creditor. Therefore, the fact the Respondent was not licensed in Tennessee is not a violation.

NEW RECOMMENDATION: Close.

NEW BOARD DECISION: CONCUR

RULE 0320-05-.01(5) REDLINE

When defining debt, Rule0320-05-.01(5) provides that "The term includes any debt, whether defaulted or not." At the last meeting, the Board determined that the line could create some confusion and requested that the line be removed. Per the Board's request, the line was removed and presented as a redline on the Proposed Rule Filing Form.

Ms. Hoover motioned to approve the edit as proposed. This was seconded by Mr. Harb. The motion carried by unanimous roll call vote by those present.

AGREED CITATION SCHEDULE

At the last meeting, the Board requested several edits to the Agreed Citation Schedule draft. Those edits were presented in a newly revised draft. Per the Board's instruction, this schedule would only be applied to companies with no other previous offenses. Anything not listed on the schedule in the progression detailed will result in an automatic referral to the Board.

Ms. Hoover motioned to adopt the revised Agreed Citation Schedule as written. This was seconded by Mr. Harb. The motion carried by unanimous vote.

ADJOURNMENT

There being no new business, Mr. Howard adjourned the meeting at 10:05 a.m.