



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

**Meeting Minutes for November 13, 2019**  
**First Floor Conference Room 1-B**  
**Davy Crockett Tower**

The Tennessee Collection Service Board met on November 13<sup>th</sup>, 2019, in the first floor conference room of Davy Crockett Tower in Nashville, Tennessee. Chairman Bart Howard called the meeting to order at 9:30 a.m. and the following business was transacted:

**BOARD MEMBERS PRESENT:** Bart Howard, Steve Harb, and Josh Holden (Teleconference)

**BOARD MEMBERS ABSENT:** Angela Hoover and Chip Hellmann

**STAFF MEMBERS PRESENT:** Glenn Kopchak, Ashley Thomas, Carol McGlynn, Dennis Gregory, Robert Hunter, and Angela Nelson

**CALL TO ORDER/ROLL CALL**

Chairman Howard called the meeting to order. Director Kopchak took roll and established that quorum was present.

**STATEMENT OF NECESSITY/NOTICE OF MEETING**

Recognizing the absence of a physical quorum, Director Kopchak read the Statement of Necessity into the record. Mr. Harb put forward a motion to accept it as written, which Chairman Howard seconded. The motion passed unanimously by roll call vote. Director Kopchak also read the notice of meeting into the record as follows: "Notice of the November 13<sup>th</sup>, 2019 meeting of the Collection Service Board was posted to the Collection Service Board website on November 1<sup>st</sup>, 2019."

**AGENDA**

Mr. Harb motioned to adopt the Agenda. This was seconded by Chairman Howard. The motion carried by unanimous roll call vote.

**MINUTES**

Upon review of the minutes from August's meeting, Chairman Howard motioned to adopt the minutes. This was seconded by Mr. Harb. The motion carried by unanimous roll call vote.

**DIRECTOR'S REPORT**

***Budget Report***

Director Kopchak reviewed the budget and the current reserve balance. He stated that overall the budget is healthy and trending normally.

### ***NACARA Conference Update***

Chairman Howard briefly discussed his attendance at the recent NACARA conference in Santa Fe, NM. Chairman Howard highlighted several topics that were discussed, including the use of email and social media tools for collection actions, data security, and additional enhancements to the Nationwide Multistate Licensing System (NMLS). Chairman Howard indicated that the Board continues to be interested in onboarding to NMLS and was pleased to hear that the program has that possibility under consideration.

## **LEGAL**

***Legal Report*** (Presented by Dennis Gregory)

### **NEW CASES**

- 1. 2019039641**  
**Respondent:**  
**License Status: - ACTIVE**  
**First Licensed: 3/2/2012**  
**License Expiration: 3/1/2020**  
**Disciplinary History:**

#### **Summary:**

The Complainant claims to have received a collection letter regarding his "estate." Clearly, the Complainant is living, so he is confused as to why he is receiving a collections notice.

The Respondent acknowledges that they committed a mistake through the receipt of some incorrect information. The account has been closed and the matter returned to the original creditor.

**Recommendation: Close.**

**BOARD DECISION: The Board accepted counsel's recommendation.**

- 2. 2019046621**  
**Respondent:**  
**License Status: - ACTIVE**  
**First Licensed: 10/25/2000**  
**License Expiration: 12/31/2020**  
**Disciplinary History:**

#### **Summary:**

The Complainant alleges the Respondent has been contacting her by phone regarding a student loan debt. The Complainant says the debtor is her step-daughter; however, she did not co-sign the loan nor did anyone else. The Complainant says she has attempted to block the number, but the Respondent only calls from another number. It is not clear how long this has gone on for, but at least for some time.

The Respondent says they do not “own the account but was attempting to collect the total outstanding balance.” They went on to say that they were not aware that the debtor no longer lived at the address associated with the listed telephone number. Arguably, if that was the last number on file, it is reasonable to assume the debtor might still live there. The Respondent has since removed the Complainant’s number from their records.

**Recommendation: Close.**

**BOARD DECISION: The Board accepted counsel’s recommendation.**

**3. 2019038501**

**Respondent:**

**License Status: UNLICENSED**

**First Licensed: N/A**

**License Expiration: N/A**

**Disciplinary History:**

**Summary:**

The Complainant had been making monthly payments on a medical bill in collections. In April, the Complainant’s credit score dropped 27 points due to the bill. As an aside, it seems likely the Complainant’s credit report already reflected the delinquency. In any event, the score seems to have dropped.

The Respondent appears to possess no TN Collections Service License. There are no previous complaints dealing with this Respondent.

**Recommendation: Letter of Warning for unlicensed activity.**

**BOARD DECISION: The Board accepted counsel’s recommendation.**

**4. 2019046721**

**Respondent:**

**License Status: - ACTIVE**

**First Licensed: 4/19/2018**

**License Expiration: 4/18/2020**

**Disciplinary History:**

**Summary:**

The Complainant is receiving collections communications from the Respondent, alleging he owes a debt. The Complainant claims that his identity was stolen and has provided proof of the same to the Respondent.

The Respondent says, to the contrary, they have not received any notice of the Complainant’s identity theft. In an effort to resolve this, however, the Respondent has agreed to cease all collection efforts, inform the credit reporting bureau and return the account to the client.

**Recommendation: Close.**

**BOARD DECISION: The Board accepted counsel's recommendation.**

5. **2019046271**

**Respondent:**

**License Status: - ACTIVE**

**First Licensed: 8/11/2011**

**License Expiration: 8/10/2021**

**Disciplinary History: None**

**Summary:**

This complaint stems from a medical bill. The Complainant alleges they were billed twice for the same service. The Complainant says they paid in January 2019, but then was sent a demand letter in May 2019. The Respondent said they had no record of the payment. The Complainant did not provide any proof of payment.

The Respondent says they checked with the original creditor (hospital) and they say the amount remains unpaid. The amount in controversy appears to be roughly \$98.00. As of now, there is no proof of any violations on the part of the Respondent.

**Recommendation: Close.**

**BOARD DECISION: The Board accepted counsel's recommendation.**

6. **2019046711**

**Respondent:**

**License Status: - ACTIVE**

**First Licensed: 3/30/1998**

**License Expiration: 12/31/2020**

**Disciplinary History: 2012 Letter of Warning**

**Summary:**

This is the same Complainant as in #4 above. The Complainant claims he is the victim of identity theft. The bills appear to be cable and telephone.

The Respondent has determined the service address to be the same as the Complainant's. The account became delinquent in 2016. They also have no record of any police report or affidavit evidencing the Complainant's identity theft.

**Recommendation: Close.**

**BOARD DECISION: The Board accepted counsel's recommendation.**

7. **2019047121**

**Respondent:**

**License Status: - ACTIVE**  
**First Licensed: 3/14/2006**  
**License Expiration: 3/13/2021**  
**Disciplinary History: 2018 Letter of Warning**

**Summary:**

The Complainant is an out-of-state individual alleging the Respondent violated the "Tennessee Truth In-Lending ID Act." The Complainant says the Respondent is either using "robo-calls" or calling his phone that shows up under a number that is associated with a New Jersey phone number. The act the Complainant references may be TCA 47-18-2302(a) that prohibits a person or entity from using a phone service to "knowingly cause any caller identification service to transmit misleading or inaccurate caller information...with the intent to defraud or cause harm to another person or to wrongfully obtain anything of value."

The Respondent says they have multiple collection licenses. The calls that are placed to debtors in those other states are associated with areas codes in those states. All the numbers are apparently registered to the Respondent and not under some phantom name.

It appears that in order for the Respondent to violate the referenced statute, the Respondent would have to "knowingly" cause the Complainant's phone to ring in addition to the phone number not being associated with the Respondent.

**Recommendation: Close.**

**BOARD DECISION: The Board accepted counsel's recommendation.**

8. **2019056391**  
**Respondent:**  
**License Status: - ACTIVE**  
**First Licensed: 10/31/2018**  
**License Expiration: 10/30/2020**  
**Disciplinary History: None**

**Summary:**

This complaint deals with a medical bill in collections. The Complainant says he received a phone call from the Respondent regarding the collection of the medical bill. The Respondent admits he owes the bill. The complaint seems to be about who "owns" the debt and the Complainant's desire to work exclusively with the hospital.

The Respondent explains that the debt was placed with them for collection. Since the call with the Complainant, the Respondent has placed the file in a "do not call" status, but will continue other efforts to collect the debt until the hospital tells them to stop.

**Recommendation: Close.**

**BOARD DECISION: The Board accepted counsel's recommendation.**

9. **2019052161**  
**Respondent:**  
**License Status: - ACTIVE**  
**First Licensed: 10/22/2013**  
**License Expiration: 10/21/2019**  
**Disciplinary History: None**

**Summary:**

This complaint deals with a medical bill. The Complainant received a collection notice from the Respondent saying the Complainant owed money to a hospital. The Complainant says they never received any services from the particular hospital.

The Respondent attempted to verify the debt with the hospital, but the hospital could not locate a record for the Respondent. The Respondent has since closed and returned the file to the hospital.

**Recommendation: Close.**

**BOARD DECISION: The Board accepted counsel's recommendation.**

10. **2019064961**  
**Respondent:**  
**License Status: - EXPIRED**  
**First Licensed: 12/2/2016**  
**License Expiration: 12/1/2018**  
**Disciplinary History: None**

**Summary:**

This complaint was lodged by the Respondent as a self-reported incident. The Respondent's TN license expired December 1, 2018. Near the end of July 2019, the Respondent's compliance officer contacted the TDCI and explained that due to their CFO's health problems, they allowed their TN license to lapse. Apparently, the CFO, who was responsible for state compliance, failed to inform the compliance officer of the license status. The Respondent wants to re-instate.

It is unclear whether or not the Respondent made collection attempts while in an "expired" status.

**Recommendation: Consent Order for \$250.00 and authorization for formal hearing for violation of T.C.A. 62-20-105(a) (unlicensed activity) OR allow the Respondent to re-instate with no discipline.**

**BOARD DECISION: The Board elected to close this complaint with no action and allow Respondent to re-instate their license.**

11. **2019062901**  
**Respondent:**  
**License Status: - ACTIVE**  
**First Licensed: 5/9/2012**

**License Expiration: 6/13/2021**

**Disciplinary History: None**

**Summary:**

The Complainant is in collections stemming from an alleged credit card debt with Citibank. The Complainant says they used the card once for the purchase of a washer/dryer. They go on to say the card was paid off and never used again.

The Respondent provided evidence that the credit card was opened in 2009 with the last payment being received in September 2015. The statements have the Complainant's name on them. If the Complainant believes this is a case of identity theft, then they should file a police report and contact the Respondent. Otherwise, the Respondent's actions appear legitimate.

**Recommendation: Close.**

**BOARD DECISION: The Board accepted counsel's recommendation.**

**12. 2019068931**

**Respondent:**

**License Status: - ACTIVE**

**First Licensed: 7/29/1999**

**License Expiration: 12/31/2020**

**Disciplinary History: None**

**Summary:**

This complaint stems from an overdue cable bill. The Complainant says they found the Respondent's name on their credit report. The Complainant does not recognize the Respondent or what the alleged debt stems from.

The Respondent says the cable service was in the Respondent's name and became delinquent in December 2017. The statements provided appear to be in the Respondent's name; however, the first and last names are very common. The service address also does not match that of the Complainant's, but this could be due to a move. In any event, the Complainant should contact the Respondent if they never had cable service or never lived at the service address.

**Recommendation: Close.**

**BOARD DECISION: The Board accepted counsel's recommendation.**

**13. 2019064271**

**Respondent:**

**License Status: - ACTIVE**

**First Licensed: 8/11/2011**

**License Expiration: 8/10/2021**

**Disciplinary History: None**

**Summary:**

This complaint appears to stem from a medical bill involving an out-of-state Complainant (Texas). The Complainant, however, only says they are "being scammed." They do not explain if they actually received medical services or make any reference to a specific hospital.

The Respondent advised that the account was placed with them for collection on July 2, 2019. The Respondent has opted to close the account and return it to the original creditor.

**Recommendation: Close.**

**BOARD DECISION: The Board accepted counsel's recommendation.**

**14. 2019068281**

**Respondent:**

**License Status: - ACTIVE**

**First Licensed: 9/1/2005**

**License Expiration: 12/31/2020**

**Disciplinary History: None**

**Summary:**

This stems from a dispute over the Complainant's credit report. The Complainant was sued in a civil lawsuit in 2010 after defaulting on an apartment lease. The Complainant settled with the Respondent after the judgement was placed with them for collection. The Complainant settled the debt with the Respondent in 2011. The Complainant is now under the impression the negative information should have been deleted altogether in 2011. Apparently, the credit report was still showing the debt until 2017.

The Respondent explains that they reported the update in 2011 to the credit bureaus; however, the negative information stays on the report for seven years pursuant to the Fair Credit Reporting Act (FCRA). It is unknown if the report was showing as "settled" or "disputed."

**Recommendation: Close.**

**BOARD DECISION: The Board accepted counsel's recommendation.**

**15. 2019070001**

**Respondent:**

**License Status: - ACTIVE**

**First Licensed: 8/11/2011**

**License Expiration: 8/10/2021**

**Disciplinary History: None**

**Summary:**

This complaint stems from a number of medical bills in collection. The Complainant has roughly seven separate accounts from a hospital now being handled by the Respondent. The Complainant



alleges the balance is increasing for no apparent reason. They also claim the Respondent refused to provide them with an itemized bill.

The Respondent provided a break-down of what the Complainant owes. Pursuant to T.C.A. 62-20-114(2), the collection licensee is required to "issue, upon request, individual collection receipts, showing the amount and date of payment, names of the debtor and creditor and the balance, if any remaining unpaid."

**Recommendation: Letter of Instruction regarding the duty to provide, upon request, an itemization. In the alternative, simply close the complaint.**

**BOARD DECISION: The Board elected for counsel to send Respondent a Letter of Instruction.**

16. **2019061511**

**Respondent:**

**License Status: UNLICENSED**

**First Licensed: N/A**

**License Expiration: N/A**

**Disciplinary History: None**

**Summary:**

This complaint arises from a medical bill. The Complainant received medical care at a local hospital in 2017 and submitted all relevant insurance information. The Complainant says she started receiving collection calls from the Respondent in 2018-the last one being received in May 2019 (this complaint was made in July 2019).

The Complainant's insurance carrier sent a letter to the original creditor (hospital) explaining that the hospital had not timely filed the insurance claim after they were provided with the Complainant's information. Therefore, the claim was denied (in 2018). The insurance carrier also pointed out in the letter that the hospital is contractually obligated to file claims with them (the insurance) within 120 days. If not, the claim is summarily denied and the patient is to be held harmless.

While there has been response from the Respondent, they may have ceased collection attempts as May 2019 was the last known contact with the Complainant. In any event, the Respondent appears unlicensed. As they are out of state, a cease and desist letter may be the best option, particularly if they have not made any further collection attempts.

**Recommendation: Send a Cease and Desist Letter.**

**BOARD DECISION: The Board accepted counsel's recommendation.**

17. **2019076321**

**Respondent:**

**License Status: - ACTIVE**

**First Licensed: 3/14/2006**

**License Expiration: 3/13/2021**

**Disciplinary History: 2018 Letter of Warning**

**Summary:**

The Complainant alleges they received a collection letter from what appears to be an optometrist's office. The Complainant claims no knowledge of the bill or the creditor.

The Respondent says they had a new client place some accounts with them in August 2019. Soon after notices went out, a number of consumers claimed they had never had any dealings with the creditor or had no outstanding balance. After further investigation, it turned out the account list was not up-to-date. Consequently, the original creditor has requested the Respondent cease all collection activities, which the Respondent claims to have done.

**Recommendation: Close.**

**BOARD DECISION: The Board accepted counsel's recommendation.**

**18. 2019077681**

**Respondent:**

**License Status: - ACTIVE**

**First Licensed: 7/3/2018**

**License Expiration: 7/2/2020**

**Disciplinary History: None**

**Summary:**

The Complainant runs a business in which they contracted with Sprint for phone service. Due to poor cell service quality, the Complainant returned the phones and cancelled the contract. After some discussions in-store and on the phone, the Complainant was told they would owe no money for cancellation. Eventually, however, the matter ended up in collections.

The Respondent says they received the account from Sprint, but were later told to return the accounts as the referral to collection had been made in error. The Respondent says they have complied with the request.

**Recommendation: Close.**

**BOARD DECISION: The Board accepted counsel's recommendation.**

**19. 2019070671**

**Respondent:**

**License Status: UNLICENSED**

**First Licensed: N/A**

**License Expiration: N/A**

**Disciplinary History: None**

**Summary:**

The Complainant says the Respondent is attempting to collect a debt from them when they are not licensed to do so in Tennessee. The Complainant does not say what type of debt it is.

The Respondent is not licensed; however, they are a law firm that is exempt under T.C.A. 62-20-103. They are not required to have a collection service license.

**Recommendation: Close.**

**BOARD DECISION: The Board accepted counsel's recommendation.**

**20. 2019076931**

**Respondent:**

**License Status: - ACTIVE**

**First Licensed: 3/14/2006**

**License Expiration: 3/13/2021**

**Disciplinary History: 2018 Letter of Warning**

**Summary:**

This complaint arises from a medical bill. In September 2019, the Complainant started receiving collection notices and noticed entries on his credit report from the Respondent. After inquiring, he found out the issue was an overdue medical bill from the doctor's office that treated his now deceased father. The father passed away in November 2017 in Texas. Somehow, the hospital used the Complainant's social security number instead of the father's. The names are not that similar aside from the last name and the first letter of the first name. The Complainant says he had to recently accept a higher interest rate on a loan because of the hit to his credit score.

The Respondent says they received word from the original creditor soon after this complaint was lodged that the wrong social security number was associated with the account. The doctor's office confirmed it through the hospital's patient/family advocate that the Complainant's social security number was the one in the hospital's system. Apparently, the hospital staff put the Complainant's social security number in the system instead of his father's. The Respondent does not admit to it, but the personal information was not, apparently, verified before collection activity was initiated.

While neither party goes into any detail, it appears the debt showed up on the Complainant's credit report prior to verification of the correct party. There were no attachments with the complaint to compare dates, etc. The Complainant (who says he is an attorney and resides in the District of Columbia) alleges the Respondent has not registered with the "Secretary of State's Department of Consumer and Regulatory Affairs." Based on the research counsel has completed, there is no such requirement.

**Recommendation: Discussion.**

**BOARD DECISION: The Board elected to close this complaint with no action.**

**21. 2019077241**

**Respondent:**

**License Status: - EXPIRED**  
**First Licensed: 4/28/2009**  
**License Expiration: 4/27/2019**  
**Disciplinary History: None**

**Summary:**

This complaint arises from a medical bill. The Complainant originally believed the medical services, which were for his son, were above the "fair market value in Memphis." The original bill was \$490.00. \$30.00 co-pay was made and then a 60% discount was applied since the Complainant's former spouse had no insurance coverage. This left a remaining balance of \$166.00 which the Complainant disputed. As could be expected, the bill eventually ended up in collection.

In January 2019, the Complainant sent a check for half the billed amount with the check marked "for payment in full of disputed account..." The Complainant says the check was cashed soon after, but then he received another notice for the adjusted amount. The Complainant believes the "payment in full" language on the check discharged the debt. It appears he was making an "accord and satisfaction" argument pursuant to T.C.A. 47-3-311.

The Respondent says that the folks that handle the payment lock box are not responsible for payments and were not authorized to accept a settlement from the Complainant. In August 2019, the Respondents say they refunded the amount paid in January 2019. Arguably, this may not have "renewed the debt" as the money was not refunded within 90 days. However, the Respondent says the partial payment was not "subject to a bona fide dispute" and that the Complainant "did not negotiate settlement" before sending in the check with the "paid in full" language. The only negotiating the Complainant had done prior to sending the check to the Respondent was negotiating with the doctor's office.

The Respondent goes on to say that their organization is not a collection agency, but rather a "wholly owned subsidiary" of a healthcare organization. The Respondent is no longer in business and all collection activities are now handled by a division of the original creditor. According to them, the collection subsidiary went out of business in 2018. At the time this matter began, however, the Respondent was licensed.

Ultimately, the creditor reached out to the Complainant's former spouse and it appears both parents have now paid off the balance.

**Recommendation: Close and Flag.**

**BOARD DECISION: The Board accepted counsel's recommendation.**

22. **2019078221**  
**Respondent:**  
**License Status: - ACTIVE**  
**First Licensed: 11/2/2016**  
**License Expiration: 11/1/2020**  
**Disciplinary History: None**

**Summary:**

**\*This is the same Complainant and facts as in #14 above.** This stems from a dispute over the Complainant's credit report. The Complainant was sued in a civil lawsuit in 2010 after defaulting on an apartment lease. The Complainant settled with the Respondent after the judgement was placed with them for collection. The Complainant settled the debt with the Respondent in 2011. The Complainant is now under the impression the negative information should have been deleted altogether in 2011. Apparently, the credit report was still showing the debt until 2017.

The Respondent explains that they reported the update in 2011 to the credit bureaus; however, the negative information stays on the report for seven years pursuant to the Fair Credit Reporting Act (FCRA). It is unknown if the report was showing as "settled" or "disputed."

**Recommendation: Close.**

**BOARD DECISION: The Board accepted counsel's recommendation.**

23. **2019078851**

**Respondent:**

**License Status: - ACTIVE**

**First Licensed: 10/22/2003**

**License Expiration: 12/31/2020**

**Disciplinary History: None**

**Summary:**

This complaint stems from a medical bill. The only information the Complainant provides is that the Respondent "is improperly sharing my medical information."

The Respondent says they are, indeed, attempting to collect a debt owed to their client. They have apparently verified the amount with the creditor and shared the same with the Complainant.

**Recommendation: Close.**

**BOARD DECISION: The Board accepted counsel's recommendation.**

24. **2019078971**

**Respondent:**

**License Status: - ACTIVE**

**First Licensed: 6/27/2014**

**License Expiration: 6/26/2020**

**Disciplinary History: 2018 Letter of Warning**

**Summary:**

This complaint arises from a cable service bill. The Complainant is currently incarcerated in a Tennessee state prison and has been since 2014. He disputes the bill, and claims that he never

had the service prior to 2014. The Complainant is due to be released soon and likely wants to clear the problem up prior to that time.

The Respondent has closed the account in their office and returned the account to the original creditor.

**Recommendation: Close.**

**BOARD DECISION: The Board accepted counsel's recommendation.**

25. **2019079511**

**Respondent:**

**License Status: - ACTIVE**

**First Licensed: 8/11/2011**

**License Expiration: 8/10/2021**

**Disciplinary History: None**

**Summary:**

This complaint stems from a medical bill. The Complainant was injured in an automobile accident in Tennessee on July 25, 2018. They received treatment at a local hospital where a bill remained unpaid. The Complainant had been in the process of settling with the other driver's liability insurance; however, the Respondent was given the account for collection. The issue here is that the Complainant is being charged additional for a filing fee in general sessions.

The Respondent says they are handling the creditor's account and did file suit in general sessions to recover. On September 6, 2019, the Respondent received \$587.87 from the Complainant after (likely) the Complainant settled with the other driver's insurance carrier. The Respondent has now opted to close the account and return it to the creditor.

**Recommendation: Close.**

**BOARD DECISION: The Board accepted counsel's recommendation.**

26. **2019079351**

**Respondent:**

**License Status: - EXPIRED**

**First Licensed: 1/6/2012**

**License Expiration: 1/5/2016**

**Disciplinary History: None**

**Summary:**

This complaint stems from an unpaid utility bill. The Complainant, who lives in New York, says they received a collection notice from a Tennessee utility provider. The Complainant has also seen the alleged debt on their credit report. The Complainant claims to have never lived in Tennessee and is, rightfully, perplexed.

The Respondent says they no longer service accounts for that particular utility provider effective September 30, 2019. The account has been closed and returned to the creditor. The Respondent goes on to say that although the account is closed with them, it can be placed with another collection agency. The Respondent says the Complainant should contact the utility provider directly and file a fraud report if the collection attempts continue.

**Recommendation: Close.**

**BOARD DECISION: The Board accepted counsel's recommendation.**

**27. 2019081071**

**Respondent:**

**License Status: - ACTIVE**

**First Licensed: 1/15/2014**

**License Expiration: 1/14/2020**

**Disciplinary History: None**

**Summary:**

The Complainant says he received a collection letter that contained his first name, but had a different last name. In any event, the Complainant, apparently, received a bankruptcy discharge that included the Respondent's client (original creditor).

The Respondent says they are not attempting to collect a debt from the Complainant. They think the letter was sent to him in error and, coincidentally, the Complainant's name is the same as the intended receipt. The Complainant's name is a very common one.

**Recommendation: Close.**

**BOARD DECISION: The Board accepted counsel's recommendation.**

#### **CASES TO BE REPRESENTED**

**28. 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 Complainants 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**

**NEW INFORMATION:** All attempts at serving the Respondent with the Consent Order have failed. There have been no new complaints since this complaint lodged on August 3, 2017.

**NEW RECOMMENDATION: Close.**

**NEW BOARD DECISION: The Board accepted counsel's recommendation.**

29. **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**

**NEW INFORMATION:** All attempts at serving the Respondent with the Consent Order have failed. There have been no new complaints since this complaint lodged on May 10, 2018.

**NEW RECOMMENDATION: Close.**

**NEW BOARD DECISION: The Board accepted counsel's recommendation.**

30. **2018061631**

**Respondent:**

**License Status: UNLICENSED**

**First Licensed: N/A**

**License Expiration: N/A**

**Disciplinary History: None**



## **Summary:**

This complaint deals with an allegation of unlicensed collection activity. The complainant alleges the Respondent is acting as an unlicensed collection service for chiropractic services. The Complainant claims she has had a medical lien filed against her by the Respondent acting on behalf of a chiropractor. There is no dispute that the Complainant received treatment from the subject chiropractor. The Complainant is now engaged in a civil lawsuit stemming from a personal injury claim. The chiropractor's lien, undoubtedly, has become relevant to the Complainant's settlement since the chiropractor will have to be paid.

The Respondent says they are not a debt collection agency. Rather, they claim to be an "independent personal injury case management and consulting company." They work, exclusively, in the chiropractic profession. According to one of the owner's: "They verify the injured parties' coverage, manage their entire file while they are treating, bill auto insurance for med-pay only and assist unrepresented patients with settling their own claim with the third-party insurance carrier."

The Respondent is not an office extension for this chiropractor, so they are a third-party. A license would not be required for any of the "consulting" they provide to the chiropractor. The act of filing a medical lien, while close to the definition of collection, is not specifically addressed by the statute. The Complainant provided no other form of communication with the Respondent, such as letters demanding payment, etc.

**Recommendation: Close or send out for investigation to gain more information**

**BOARD DECISION: THE BOARD ELECTED TO SEND THIS FOR INVESTIGATION AND THEN REPRESENT FOR DECISION.**

**New Information: Investigation Report received 2/13/19**

The Respondent did cooperate with the TDCI investigator assigned to the complaint. The Respondent explains (as they did originally) that they are a personal injury case management and consulting company who specifically cater to the chiropractic profession. They contract with doctors in the chiropractic field to help them manage recovering payments on services they've (chiropractors) provided to patients receiving medical services for injury sustained as a result of an auto accident.

In their standard agreement with chiropractors, it states that the Respondent "agrees to serve as a liaison between client and client's legal counsel and third party to promote efficiency and assist with collection." Additionally, the Respondent will "negotiate all claims and settlements with insurance adjusters and/or legal counsel on behalf of the client." These actions are coupled with the filings of numerous medical liens. The investigator was not provided with any letters or other correspondence that could be interpreted as collection letters or notices. Apparently, the Respondent does not use those or they did not share those with the investigator.

Finally, the Respondent states that "collections" as it relates to their contracts only pertain to Med Pay, personal health policies and/or final settlements. The Respondent is compensated by a percentage of the "collected funds of open accounts."

### **New Recommendation: Discussion.**

**BOARD DECISION:** The Board elected to authorize a formal hearing and send a consent order with a \$500.00 civil penalty for unlicensed activity. The consent order will also include cease and desist language and give the Respondent sixty (60) days to apply for licensure. If within that sixty (60) day period, Respondent fails to apply for licensure, then counsel may refer this matter to the local district attorney's office.

**New Information:** The Respondent agreed to meet, informally, with a Board member and counsel for the Board to discuss their operations following the August meeting. During that meeting, the Respondent owner explained that they work exclusively for chiropractors. Their primary service is contacting the injured party's auto insurance carrier in order to assist the chiropractor in getting paid for services to the injured party. *They do not, however, handle any money.*

The insurance money is paid directly to the chiropractor with the Respondent's compensation then being a percentage of the money received. The Respondent also never contacts the patient for payment. The earlier investigation confirmed that fact after a few patients were questioned about the Respondent. None of them were aware of the Respondent's involvement with their chiropractor.

### **New Recommendation: Discussion.**

**NEW BOARD DECISION: The Board elected for counsel to send a cease and desist letter to Respondent.**

### ***AG Opinion Discussion***

The Board requested an Attorney General's opinion regarding TCA § 62-20-102(3) requesting clarifiers as to what constitutes "notes" and whether a duty is owed by the Board to make a determination if a respondent can exercise this exemption or whether the burden of proof falls on the respondent or parties involved in the complaint. The Attorney General provided their responses to these questions as follows:

#### Question 1

What is the meaning of "notes" in Tenn. Code Ann. § 62-20-102(3), which exempts from the definition of "collection service" any person that engages in the "collection of notes or guarantees"?

#### Opinion 1

Read in the context of § 62-20-102(3), "notes" is best understood as encompassing only written promissory notes, i.e., unconditional written promises, signed by the maker, to pay absolutely and in any event a certain sum of money either to, or to the order of, the bearer or a designated person.

#### Question 2

When the Collection Services Board receives a complaint against a collection service licensee, does it have a duty to investigate whether the underlying debt constitutes a note or guarantee that would exempt the collector from the licensing requirements of the Tennessee Collection Services Act?

#### Opinion 2

In reviewing written complaints, the Board should inquire as to the nature of the underlying debt to make sure that it is covered by the Act.

The Board discussed the opinions provided and did inquire about situations that arise regarding guarantees. Director Kopchak responded that a disclaimer can be included in the original notice sent to a Respondent clarifying that an agency collecting on a note or guarantee would be exempt from having a license.

#### **NEW BUSINESS**

Chairman Howard addressed the topic of revenue collected from fines. He expressed concern that agencies were getting away with failing to pay these fines due to there not being an effective way to truly obligate payment. He suggested that if the program were on NMLS where discipline would be shared with other states, the respondents would be more apt to pay these fines to avoid putting their other licenses in jeopardy elsewhere. Director Kopchak pointed out that in the meantime, if the Board was interested in continuing to track the total amount of case revenue collected from fines, they could look at the "Case Revenue" line of the budget.

#### **ADJOURNMENT**

There being no other new business, Mr. Harb made a motion to adjourn. Chairman Howard seconded. The motion was carried by unanimous roll call vote. The meeting adjourned at 10:55 a.m.