



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

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

The Tennessee Collection Service Board met on February 13, 2019, in the first floor conference room of Davy Crockett Tower in Nashville, Tennessee. Mr. Howard called the meeting to order at 9:41 a.m. and the following business was transacted:

BOARD MEMBERS PRESENT: Bart Howard, Steve Harb and Josh Holden.

BOARD MEMBERS ABSENT: Chip Hellmann and Angela Hoover

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

NOTICE OF MEETING

Director Glenn Kopchak provided the notice of meeting.

AGENDA

Mr. Holden motioned to adopt the Agenda. This was seconded by Mr. Harb. The motion carried by unanimous voice vote.

MINUTES

Mr. Harb motioned to adopt the minutes from the December 12, 2018 meeting as written. Mr. Holden seconded. The motion was carried by unanimous voice vote.

DIRECTOR'S REPORT

Director Kopchak reviewed the expenditure and revenue report with the board. The Board expressed some concern regarding the collection of fines assessed over the past couple of years. Mr. Howard noted that it may be easier to encourage resolution for those respondents who were assessed fines on the legal report if they had licenses in other states that could be jeopardized by Tennessee's participation in the Nationwide Multistate Licensing System (NMLS).

Mr. Harb motioned to send as board representatives Mr. Howard and Director Kopchak to attend the 2019 North American Collection Agency Regulatory Association (NACARA) conference in Santa Fe, New Mexico. Mr. Holden seconded. The motion was carried by unanimous voice vote.

Mr. Holden motioned to continue using Robert's Rules of Order to govern meeting procedure. Mr. Harb seconded. The motion was carried by unanimous voice vote.

LEGAL REPORT (Presented by Dennis Gregory)

1. 2018078771

Respondent:

License Status: UNLICENSED

First Licensed: N/A

License Expiration: N/A

Disciplinary History: None

Summary:

The Complainant claims they were a victim of identity theft. The Respondent does not appear to be a collections agency, but rather a pay day loan entity. The Complainant claims to have never done business with the Respondent, therefore, the Complainant believes they are a victim of identity theft.

The Respondent has since been attempting to gain information from the Complainant so they can rectify the problem. The Respondent appears only to be attempting to collect its own debt. Further, if the Complainant's identity has been compromised, then the demands for payment were presumably going to the correct address from the Respondent's point of view. The Respondent has stopped sending notices to the Complainant and is trying to get in touch with them in order to get their names off any mailing list.

Recommendation: Close.

BOARD DECISION: CONCUR

2. 2018065001

Respondent:

License Status: - ACTIVE

First Licensed: 2/25/2016

License Expiration: 2/24/2020

Disciplinary History: None

Summary:

The Complainant found a credit report entry showing a delinquent account relating to a cable bill. The Complainant claims to have never received notice of the alleged debt before it was reported to the credit reporting bureau.

The Respondent is not required to provide notice to the debtor before the matter is reported to the credit reporting bureaus. The Fair Debt Collections Practices Act (FDCPA) validation notice is triggered after the initial communication with the consumer concerning the alleged debt. Credit reporting is not a direct or indirect communication with a debtor.

Recommendation: Close.

BOARD DECISION: CONCUR

3. 2018065021

Respondent:

License Status: - ACTIVE

First Licensed: 6/27/2014
License Expiration: 6/26/2020
Disciplinary History: 2018 Letter of Warning

Summary:

The Respondent serviced a lien held by its client, a bank, against property owned by the Complainants. Therefore, the lien was held by the bank, but only serviced by the Respondent. The Complainants admit they fell behind on the loan years ago, but finally negotiated a settlement. The payoff was on July 19, 2018. The Complainants claim that some representative of the Respondent told them the lien would be released within 30 days. When the lien was not released after 30 days, the Complainants filed the complaint.

The Respondent says they have no record of anyone telling the Complainants the lien would be released within 30 days. Furthermore, they contend they are not responsible for the actual release of the lien-the bank is. The Respondent does say the Complainants were likely told the lien would be released "between 30 and 60 days." In any event, the bank released the lien roughly 60 days after the payoff. The Complainants may have a cause of action against the bank, but the Respondent collection agency did not hold the lien.

Recommendation: Close.

BOARD DECISION: CONCUR

4. 2018066561

Respondent:
License Status: – EXPIRED GRACE
First Licensed: 2/20/1975
License Expiration: 12/31/2018
Disciplinary History: None

Summary:

The Complainant paid off a medical bill in collections on August 16, 2018. The Complainant resides in Missouri, but the collection agency is in Tennessee. The Complainant claims that his credit report did not reflect the pay off as of September 18, 2018. The Complainant called the Respondent, demanding to speak to a supervisor and was hung up on. This complaint followed.

The Respondent said that an internal investigation found that the "CBR input file did not process according to protocol. The issue has been identified and corrected." The Respondent went on to say that the consumer's account has been manually deleted with Transunion. This latter action took place in September 2018.

The credit reporting bureau would, ultimately, be responsible for updating the Complainant's credit report.

Recommendation: Close.

BOARD DECISION: CONCUR

5. 2018066901

Respondent:

License Status: - ACTIVE
First Licensed: 2/25/2016
License Expiration: 2/24/2020
Disciplinary History: None

Summary:

This complaint stems from a cable bill that was placed in collections. The Complainant says the original debt of \$171.31 was charged off after it was disputed. Apparently, the Complainant may not fully understand what “charged off” means. The Complainant also says the Respondent is not licensed in Tennessee.

The Respondent explained that the bill was sent to collections from the cable provider and the information was reported to the credit reporting bureau as a “disputed” account. The Respondent indicated that the account has now been recalled by the creditor and that no further collection attempts will be made. Further, the Respondent has requested the credit report entry be removed as the creditor has recalled the account.

Recommendation: Close.

BOARD DECISION: CONCUR

6. 2018067471

Respondent:
License Status: - ACTIVE
First Licensed: 9/10/2010
License Expiration: 9/9/2020
Disciplinary History: None

Summary:

The Complainant does not dispute the underlying debt in this complaint. The only complaint appears to be the Complainant’s allegation that the Respondent is unlicensed in Tennessee.

The Respondent is fully licensed as a collections agency in Tennessee.

Recommendation: Close.

BOARD DECISION: CONCUR

7. 2018068331

Respondent:
License Status: - ACTIVE
First Licensed: 8/7/2008
License Expiration: 8/06/2020
Disciplinary History: None

Summary:

This complaint stems from a state tax liability assessment. The Complainant disputed his tax liability for 2016 and eventually the matter was turned over to collections. Eventually, a levy was executed on the Complainant’s bank account, which the Complainant also disputed. At roughly the same time the

levy attached, the state revenue office recalled the account. Consequently, the levy was cancelled and a check was sent to the Complainant for the amount taken from the account.

There does not appear to be any violations of statutes or rules. At best, the state revenue office and the Respondent should have acted a bit more in sync.

Recommendation: Close.

BOARD DECISION: CONCUR

8. 2018069411

Respondent:

License Status: – EXPIRED GRACE

First Licensed: 10/21/1987

License Expiration: 12/31/2018

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

Summary:

The Complainant has ten medical bills that are being handled in collection by the Respondent. The Complainant made a payment of \$25.00 pursuant to their monthly payment arrangement on August 24, 2018. On September 28, 2018 the Complainant called the Respondent to make another payment for that month. At that time, a representative of the Respondent told the Complainant his accounts had been sold to another collection agency. A supervisor got on the line, but could not explain why the accounts had been sold.

The Respondent says that the accounts were re-called from the other collection agency since the filing of the complaint. The Respondent also said they had not reported any information to the credit reporting bureaus. As to the alleged sale of the accounts, the Respondent says they do not sell accounts. In any event, the accounts are back with the Respondent with the same payment arrangement in effect.

In a rebuttal statement, the Complainant says his credit report does show the open accounts with the Respondent. The fact the accounts are reported are not a violation of any statute or rule.

Recommendation: Close.

BOARD DECISION: CONCUR

9. 2018072441

Respondent:

License Status: - ACTIVE

First Licensed: 8/11/2011

License Expiration: 8/10/2019

Disciplinary History: None

Summary:

The Complainant discovered negative information on their credit report from an open account held by the Respondent. The Complainant says they called the Respondent to dispute the matter and was hung up on. The Complainant claims to have never received any validation by mail.

The Respondent claims the account stems from a medical bill. A collection notice was sent to the Complainant's last known address on August 8, 2018 and was returned seven days later. The Respondent has still been unable to get a good address for the Complainant. The Respondent now claims to have instructed the credit reporting agencies to remove the account from the Complainant's file.

Recommendation: Close.

BOARD DECISION: CONCUR

10. 2018072541

Respondent:

License Status: UNLICENSED

First Licensed: N/A

License Expiration: N/A

Disciplinary History: None

Summary:

The Complainant has a credit card account that is past due and in collections. There appears to be no dispute concerning the validity of the debt; however, the Complainant only wants to pay the original creditor. Further, the Complainant claims they are receiving harassing telephone calls from the Respondent.

There is no record of any license with the Board.

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

11. 2018073301

Respondent:

License Status: - ACTIVE

First Licensed: 12/6/1999

License Expiration: 12/31/2020

Disciplinary History: None

Summary:

The Complainant is the spouse of a deceased individual who allegedly owed a debt to a credit card agency. The alleged debtor died in May 2017. The spouse alleges the collection action constitutes fraud.

The Respondent indicates the matter was placed with them for collection in September 2018. The alleged debtor's status was unknown to both the creditor and Respondent. The Respondent indicates they have closed their file and returned the matter to the creditor.

Recommendation: Close.

BOARD DECISION: CONCUR

12. 2018074981

Respondent:

License Status: - ACTIVE

First Licensed: 3/14/2006

License Expiration: 3/13/2019

Disciplinary History: 2018 Letter of Warning, 2018 Letter of Warning

Summary:

The Complainant is an individual who works in a chiropractor's office. The Complainant had previously utilized the Respondent's services to collect on overdue accounts. The Complainant, however, terminated the Respondent's services in 2008. The Complainant recently received a \$25.00 monthly fee invoice even though the Respondent has not collected any monies for the Complainant since 2010.

The Respondent says the invoice stems from services "beyond debt collection, including but not limited to credit reporting, scrubs of bankruptcies and litigious consumers, and location tools." This may be a mistake on the part of the Respondent as it has clearly been almost a decade since the Complainant notified the Respondent to stop collecting on their accounts. The Respondent says they will stop sending any further fee invoices.

Recommendation: Close.

BOARD DECISION: CONCUR

13. 2018075331

Respondent:

License Status: UNLICENSED

First Licensed: N/A

License Expiration: N/A

Disciplinary History: None

Summary:

The Complainant says she is being contacted by the Respondent regarding a debt that is in a debt consolidation program. The Complainant further alleges that she is receiving phone calls at work and that family members are getting calls from the Respondent. The Complainant has requested these calls cease and that the Respondent only contact her through the mail.

The Respondent says they were never notified in writing that the Complainant was in a debt consolidation program. The Respondent goes on to say that when the Complainant requested no calls be made while she was at work, that request was honored. The Respondent also contends that no information was shared with any third parties such as family members. All further communication will be through the mail.

Recommendation: Close.

BOARD DECISION: BOARD REJECTED THE RECOMMENDATION AND ELECTED TO SEND A CONSENT ORDER WITH A \$500.00 CIVIL PENALTY FOR UNLICENSED ACTIVITY, HOWEVER, UPON FURTHER RESEARCH COUNSEL DETERMINED THAT THIS RESPONDENT HAS A PARENT ENTITY THAT IS DULY LICENSED IN TENNESSEE AND THIS WILL BE RE-PRESENTED AT THE MAY 8, 2019 MEETING FOR CLOSURE.

14. 2018077121

Respondent:

License Status: UNLICENSED

First Licensed: N/A

License Expiration: N/A

Disciplinary History: None

Summary:

The Complainant received a general sessions civil warrant stemming from a debt with a former creditor. The debt had been acquired by another entity; however, the lawsuit is being handled by a Tennessee law firm. The Complainant says she attempted to call the number on the warrant, but was unable to reach anyone.

The Respondent says the Complainant's calls came in outside their normal business hours, but they were finally able to get in touch with the Complainant. The Respondent says they were able to make payment arrangements with the Complainant. The Respondent is a law firm and is exempt from licensure. There are no other issues to address.

Recommendation: Close.

BOARD DECISION: CONCUR

15. 2018078301

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. The Complainant is an out of state resident that received medical services while in Tennessee. It appears the original creditor failed to file the Complainant's insurance correctly which, ultimately, led to this complaint. The debt appeared on the Complainant's credit report; however, the Complainant says the debt has never been validated.

The Respondent says the account was placed with them on January 5, 2018. They claim that an initial notice was sent to the Complainant on January 19, 2018. The Respondent acknowledges that a dispute from the Respondent was received on September 5, 2018. The Respondent claims they updated the status of the account to "disputed" shortly after the dispute letter arrived. They now have requested that the credit reporting bureaus remove the account from the Complainant's credit report. There appear to be no violations.

Recommendation: Close.

BOARD DECISION: CONCUR

16. 2018080911

Respondent:

License Status: - ACTIVE

First Licensed: 9/27/2007
License Expiration: 9/26/2020
Disciplinary History: 2013 Letter of Warning

Summary:

The Complainant has an account in collections with the Respondent. The Complainant demanded validation of the debt at the same time a complaint was lodged with the Board. The Complainant does not admit to owing the debt, but only seeks validation. The Complainant also points out the Respondent's "expired" license as of November 5, 2018. The Respondent's license expired on September 26, 2018. The Respondent sent a collections notice dated October 17, 2018.

The Respondent says they have not reported any information to the credit reporting bureaus. They also say they will place the account in a disputed status and obtain the requested documentation from the creditor. While the Respondent's license did fall into an "expired" status, the Respondent sent the subject communication to the Complainant while they were still within the 60-day grace period. Therefore, they were not unlicensed at the time.

Recommendation: Close.

BOARD DECISION: CONCUR

17. 2018081691

Respondent:
License Status: - ACTIVE
First Licensed: 10/2/2014
License Expiration: 10/1/2020
Disciplinary History: None

Summary:

The Complainant has a couple of accounts in collection stemming from unpaid medical bills. The Complainant does not dispute owing them; however, he is demanding the Respondent provide copies of the original patient agreement.

The Respondent provided the information about the debt, but could not provide the information to the Board as it is HIPPA protected. The Respondent is not required by the FDCPA to provide the original patient agreement.

Recommendation: Close.

BOARD DECISION: CONCUR

18. 2018081981

Respondent:
License Status: - EXPIRED GRACE
First Licensed: 10/26/1987
License Expiration: 12/31/2018
Disciplinary History: None

Summary:

The Complainant has an account in collections stemming from an unpaid medical bill of \$348.34. The Complainant seems to be complaining about the fact the Respondent called requesting payment. He says he cannot afford the payment plan of \$116 a month, but could pay \$25.

The Complainant received medical services in May 2018 for which the Complainant's insurance only paid a certain amount. The Complainant paid \$50 in May and then \$25 in July 2018. Afterward, the account went into collections. There are no violations.

Recommendation: Close.

BOARD DECISION: CONCUR

CASES TO BE RE-PRESENTED

19. 2018054691

Respondent:

License Status: - ACTIVE

First Licensed: 7/31/2015

License Expiration: 7/30/2019

Disciplinary History: None

Summary:

This complaint arises from an out of state, unpaid traffic ticket from 2016. The Complainant is the wife of the alleged debtor. However, the Complainant adamantly states in the complaint that her deceased husband never resided in the area where the ticket was issued. This appears to be a case of misidentification. While there is no violation for sending the collection notice to the wrong address, the Respondent has yet to respond to the complaint.

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

NEW INFORMATION: Upon receiving the Consent Order, the Respondent explained that at the time the complaint was lodged with the Board, the Respondent was in the process of installing a new "Compliance Management System." Consequently, the complaint was just not acted upon due to human error-something the compliance system will hopefully assist in avoiding.

NEW RECOMMENDATION: Close.

NEW BOARD DECISION: CONCUR

ADJOURNMENT

There being no other new business, Mr. Harb made a motion to adjourn. Mr. Holden seconded. The motion was carried by unanimous voice vote. Mr. Howard adjourned the meeting at 10:32 a.m.