



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

**Meeting Minutes for May 13, 2020
WebEx Teleconference
Davy Crockett Tower**

The Tennessee Collection Service Board met on May 13, 2020, via a WebEx Teleconference. The following business was transacted:

BOARD MEMBERS PRESENT: Bart Howard, Josh Holden, and Chip Hellmann

BOARD MEMBERS ABSENT: None

STAFF MEMBERS PRESENT: Glenn Kopchak, Roxana Gumucio, Hugh Cross, Dennis Gregory, Carol McGlynn, Robert Hunter, and Angela Nelson

CALL TO ORDER/NOTICE OF MEETING

Director Kopchak called the meeting to order at 9:30 a.m. and read the notice of meeting into the record as follows: "Notice of the May 13th, 2020 meeting of the Collection Service Board was posted to the Collection Service Board website on May 6th, 2020."

ROLL CALL/STATEMENT OF NECESSITY

Director Kopchak took roll and established that a quorum was present. Director Kopchak then read the Statement of Necessity into the record. Mr. Hellmann motioned to accept it as written. This was seconded by Chairman Howard. The motion carried by unanimous roll call vote.

AGENDA

Prior to the review of the agenda, Director Kopchak took a moment to introduce the new Board staff attorney, Mr. Hugh Cross.

Mr. Hellmann motioned to adopt the agenda. This was seconded by Mr. Holden. The motion carried by unanimous roll call vote.

FEBRUARY MINUTES

Upon review of the minutes from February's meeting, Chairman Howard motioned to accept these minutes. This was seconded by Mr. Hellmann. The motion carried by unanimous roll call vote.

DIRECTOR'S REPORT

Budget Report

Director Kopchak reviewed the budget for the last three (3) months of record, December 2019 through February of 2020. Director Kopchak noted that there was nothing out of the ordinary and the budget was trending normally. Chairman Howard asked if there was any progress in the last 3 months regarding disciplinary action case revenue collections. Director Kopchak indicated that consideration is ongoing for NMLS onboarding to enhance these collection capabilities, among other advantages.

NACARA Conference

Director Kopchak stated that the annual NACARA Conference would be taking place October 4th through the 7th in Nashville. Director Kopchak suggested that since the conference is taking place locally, it could allow for more Board and staff members to attend. Mr. Hellmann stated his support for having as many members attending as possible, to include Director Kopchak and Mr. Robert Hunter. Chairman Howard motioned to approve travel to the NACARA conference for Mr. Holden, Mr. Hellmann, Director Kopchak, and Mr. Hunter. This was seconded by Mr. Hellmann. The motion carried by unanimous roll call vote.

2021 Board Meeting Dates

Director Kopchak presented the Board with the scheduled meeting dates for 2021 as January 13th, April 14th, July 14th, and October 14th. Mr. Hellmann pointed out that the Board meetings usually take place on Wednesdays, and October 14th, 2021 is a Thursday. Director Kopchak agreed to make a change to October 13th to maintain consistency. Mr. Hellmann motioned to approve these dates as amended. This was seconded by Chairman Howard. The motion carried by unanimous roll call vote.

LEGAL

Legal Report (Presented by Dennis Gregory)

NEW CASES

1. 2019101181

Respondent:

License Status: - ACTIVE

First Licensed: 7/29/2002

License Expiration: 12/31/2020

Disciplinary History: 2011 Letter of Warning

Summary:

This complaint was opened by a member of the Board's full-time staff. In 2019, the Connecticut Department of Banking issued a Cease and Desist Order against the Respondent, alleging the Respondent had purposefully collected funds from Connecticut consumers and entered into contracts with Connecticut-based creditors while it was unlicensed as a collection agency in Connecticut.

The Respondent explains that the Cease and Desist Order stemmed from two, inadvertent errors on their part. First, the marketing group with which the Respondent contracts accidentally wrote contracts for three Connecticut creditors. Second, payments for roughly ten Connecticut consumers were processed by the Respondent through a technical, payment processing error. The Respondent, after detecting the error,

refunded the money to the licensed collection agency. The total dollar amounts added up to \$6,000.00. Currently, the Respondent is working out a settlement (probably a Consent Order) with the Department of Banking in order to put this matter to bed.

This complaint does not involve Tennessee consumers and does appear to be as a result of error rather than intent.

Recommendation: Close.

BOARD DECISION: The Board accepted counsel's recommendation.

2. 202000061

Respondent:

License Status: UNLICENSED

First Licensed: N/A

License Expiration: N/A

Disciplinary History: None

Summary:

The Complainant says she has received phone calls from an entity that claims to be a law firm, saying she owes \$736.79 from a "Cash Central" (payday loan) account opened in 2015. The Complainant further explains that she paid roughly \$700.00 in early 2019 and now the Respondent has since asked for more money. Cash Central appears to be a payday loan service operating in California, Idaho, Mississippi, and Texas.

The Respondent (separate from the law firm) is a California collection service that is not licensed in TN. The law firm, however, may or may not be licensed by the Bar in TN (counsel could find no record of them in TN). The law firm also appears to be located in California. In any event, the Respondent admits that their agents attempted to collect on the account. They go on to say that the specific agents were reprimanded and then "terminated for violating company policy." The Complainant's account was later closed with the Respondent.

It is not clear if the Complainant lived in California then later moved to Tennessee unbeknownst to the Respondent. Regardless, there was an attempt to collect in Tennessee.

Recommendation: Letter of Warning for unlicensed activity.

BOARD DECISION: The Board accepted counsel's recommendation.

3. 2020002841

Respondent:

License Status: - ACTIVE

First Licensed: 6/20/2019

License Expiration: 6/19/2021

Disciplinary History: None

Summary:

The Complainant is in collections with the Respondent over a \$1,500.00 bill stemming from a debt with a Tennessee public university. The Complainant says she has not attended class at this school in over 30 years.

The Respondent says they have verified the debt with the school which was placed with them for collection in December 2019. The Respondent does not address, specifically, what the debt stems from or when it originated. It does not appear to be related to a student loan obligation.

Assuming it is a 30-year-old debt, it would certainly be beyond the statute of limitations for a breach of contract lawsuit. It could, however, be subject to collection attempts. There are no violations at this point.

Recommendation: Close.**BOARD DECISION: The Board accepted counsel's recommendation.****4. 2020008661****Respondent:****License Status: - ACTIVE****First Licensed: 9/11/1997****License Expiration: 12/31/2020****Disciplinary History: 2011 Letter of Warning, 2018 Consent Order****Summary:**

The Complainant says he is receiving phone calls from the Respondent seeking someone that does not reside at his address.

The Respondent explains that they received the number that apparently belongs to the Complainant from someone else in the same geographic area. Possibly, the real debtor lived there at one time but has moved on. The Respondent has marked the Complainant's number as "wrong number" and should no longer receive phone calls.

Recommendation: Close.**BOARD DECISION: The Board accepted counsel's recommendation.****5. 2020014671****Respondent:****License Status: - ACTIVE****First Licensed: 7/29/1999****License Expiration: 12/31/2020****Disciplinary History: None**

Summary:

The Complainant says he received a phone call from the Respondent about a cable bill in collections. The Complainant says he never received any notification in the mail or any other validation from the Respondent. The Respondent, however, claims a letter was sent. He says he requested a letter or validation before he just paid the balance over the phone. No letter or other validation was ever sent. In February 2020 the Complainant found a negative notation on his credit stemming from the cable bill.

The Respondent explains that it was a bill from Comcast in the amount of \$256.62. The Respondent admits it did not "properly assist [the Complainant] with his requests." The Fair Debt Collections Practices Act requires validation of the debt prior to reporting, although the Respondent claims they mailed out a letter. The Respondent is not really making an admission of any violation. They just say they did not help him, properly, from a customer service standpoint.

Recommendation: Letter of Instruction for FDCPA compliance.

BOARD DECISION: The Board accepted counsel's recommendation.

6. 2020007701

Respondent:

License Status: - ACTIVE

First Licensed: 4/03/2019

License Expiration: 4/02/2021

Disciplinary History: None

Summary:

This complaint was opened by a member of the Board's full-time staff. The staff member received a notice of cancellation from the Respondent's bond issuer. The Respondent was contacted via email a number of times in order to provide information relating to the replacement bond as is required by statute (T.C.A. 62-20-110(a)). There has still been no response from the Respondent.

Recommendation: Consent Order with a \$250.00 civil penalty and authorization for formal charges for failure of a licensee to respond to the Board's complaint in accordance with T.C.A. 62-20-115(3).

BOARD DECISION: The Board accepted counsel's recommendation.

7. 2020014641

Respondent:

License Status: - ACTIVE

First Licensed: 5/3/1994

License Expiration: 12/31/2020

Disciplinary History: None

Summary:

The Complainant says she called the Respondent to inquire about an alleged debt after receiving a collection letter from the Respondent. The Complainant says the Respondent did not provide her with the information to "confirm or dispute the charge." The Respondent only informed her a letter would be coming to her detailing the charges stemming from the debt.

The Respondent says that the Complainant or the Complainant's spouse (not clear who called in) refused to provide a name or mailing address for security purposes so they did not provide any information about the debt. According to the response, they remain ready to provide any information so long as they can verify with whom they are speaking. Presumably, the letter the Complainant received provided some information about the debt.

Recommendation: Close.

BOARD DECISION: The Board accepted counsel's recommendation.

8. 2020018771

Respondent:

License Status: - ACTIVE

First Licensed: 2/15/2005

License Expiration: 12/31/2020

Disciplinary History: 2010 Consent Order

Summary:

The Complainant says she is receiving collection notices from the Respondent in connection to a debt to FedEx. The Complainant does not deny doing business with FedEx; however, claims that there is no debt owed as all transactions were done by debit card. The Complainant resides in Illinois and the Respondent is located in South Carolina but licensed in TN.

The Respondent says they were hired by FedEx to pursue collection on outstanding invoices. They placed a couple of "dialer calls" to FedEx's customers but did not receive a response. In March 2020, FedEx recalled the accounts as "the customer has involved FedEx Executive Services." According to the Respondent, the file is now closed.

Unfortunately, counsel is unfamiliar with the term "dialer calls." Regardless, it appears there was some collection action stemming from alleged overdue accounts. With nothing additional from either party, there does not appear to be any violation.

Recommendation: Close.

BOARD DECISION: The Board accepted counsel's recommendation.

9. 2020009791

Respondent:

License Status: UNLICENSED

First Licensed: N/A

License Expiration: N/A

Disciplinary History: None

Summary:

The Complainant claims to have received a call from the Respondent at her place of work concerning a past due payment with "Plain Green." According to the Complainant, the Respondent's representative went on to tell her to "leave the premises" or she would be arrested. The Respondent then later called the Complainant's sister and told her that the Complainant was going to be arrested if she did not pay. Apparently, the Complainant does owe "Plain Green" some money but had not given the Respondent permission to talk with anyone else about the debt.

There is no information for the Respondent aside from being located, supposedly, in Amherst, NY. While these are clear FDCPA violations, there may be little way to assess any discipline with this unlicensed, out of state entity.

Recommendation: Send a Cease and Desist Letter for unlicensed activity.

BOARD DECISION: The Board accepted counsel's recommendation.

10. 2020023501

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 was contacted by the Respondent stemming from a 17-year-old debt related to a vehicle repossession. The Respondent does not deny defaulting on the car loan. The Complainant's issue is that the debt is old at this point. Consequently, he says he will not pay.

The Respondent explains that they made the attempt to collect as there is no statute of limitations for requesting payment (which is correct). As the Complainant has stated he will not pay, the account will be closed (since they cannot sue him). The Respondent further explains that they did not report to the credit bureaus.

Recommendation: Close.

BOARD DECISION: The Board accepted counsel's recommendation.

11. 2020028451

Respondent:

License Status: - ACTIVE

First Licensed: 11/30/2001

License Expiration: 4/4/2021

Disciplinary History: 2017 Consent Order

Summary:

The Complainant says she is receiving collection calls from the Respondent from various numbers. The times at which the calls are received are not noted. The calls came in over the course of roughly three weeks-so possibly a newly placed account. In any event, the Complainant says she does not have any debt with the Respondent or its client and has told the Respondent this information on numerous occasions. She says they are looking for the same individual each time they call.

The Respondent says they had a telephone number on file for the real debtor that is identical to that of the Respondent's. They have made a note of this in their system and say the Complainant should not receive any further calls.

Recommendation: Close.

BOARD DECISION: The Board accepted counsel's recommendation.

REPRESENTS

12. 2019091291

Respondent:

License Status: UNLICENSED

First Licensed: N/A

License Expiration: N/A

Disciplinary History: None

Summary:

The Complainant says she received a phone call from a TN phone number asking explaining to her that she was involved in a lawsuit. Eventually, she found out that she had been sued by a creditor. The Respondent is not a third-party collection service, rather a law firm or something else. There was no documentation or any other evidence of communication that identified the Respondent as a collection service.

The Respondent is outside the jurisdiction of the Board.

Recommendation: Close.

BOARD DECISION: The Board elected to defer this complaint and to represent at the next meeting after investigating whether the Respondent is actually a law firm.

NEW INFORMATION: After some research, the Respondent appears to be a group posing as a "mediation firm," but are not listed anywhere as a pure collections agency. They are also not a law firm. The Complainant would be better served to report the matter to the FTC.

NEW RECOMMENDATION: Close.

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

13. 2019087731

Respondent:

License Status: UNLICENSED

First Licensed: N/A

License Expiration: N/A

Disciplinary History: None

Summary:

The Complainant alleges the Respondent has sent him collection notices within the past few months. Apparently, this matter was sent to collections in error in 2011 when the Complainant contacted the Respondent's president and "sorted" it out back then. The Respondent is now attempting to collect the same alleged debt. The Complainant provided no documentation or explanation of what the matter stems from.

The Respondent does appear to be unlicensed in TN. No response has been forthcoming from the Respondent. There is also no known registered agent for the Respondent based on a corporate filing search, making service of process difficult.

Recommendation: Letter of Warning for unlicensed activity.

BOARD DECISION: The Board elected to defer this complaint to the next meeting so that counsel can investigate and collect more information about this Respondent.

NEW INFORMATION: Aside from a different address, counsel for the board was unable to find any new information about what kind of actor the Respondent is.

NEW RECOMMENDATION: Impose the Letter of Warning or Close.

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

14. 2019087051

Respondent:

License Status: - ACTIVE

First Licensed: 10/29/2007

License Expiration: 10/28/2020

Disciplinary History: 2010 Consent Order; 2014 Letter of Warning

Summary:

The Complainant says she had an account with a cellular phone company that was cancelled in May 2019. Now, however, the Complainant alleges she is receiving phone calls from the Respondent saying she owes money. The Complainant now disputes owing anything to the original creditor.

The Respondent has not responded to this complaint. Some representative for the Respondent signed for the complaint sent via certified mail.

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: The Board accepted counsel's recommendation.

NEW INFORMATION: The Respondent did, in fact, respond to the complaint. The response simply never made it into the complaint file.

NEW RECOMMENDATION: Close.

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

ADJOURNMENT

There being no other new business, Chairman Howard made a motion to adjourn. This was seconded by Mr. Hellmann. The motion carried by unanimous roll call vote. The meeting adjourned at 10:00 a.m.