



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

Meeting Minutes for November 18, 2020
WebEx Teleconference
Davy Crockett Tower

The Tennessee Collection Service Board met on November 18, 2020, via a WebEx Teleconference. The following business was transacted:

BOARD MEMBERS PRESENT: Chip Hellmann, Jason Hill, and Gregg Swersky

BOARD MEMBERS ABSENT: Josh Holden

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

CALL TO ORDER/NOTICE OF MEETING

Director Kopchak called the meeting to order at 9:34 a.m. and read the notice of meeting into the record as follows: "Notice of the November 18, 2020 meeting of the Collection Service Board including date, time and location has been noticed on the website since August 15, 2019; additionally, this month's agenda has been posted on the website since November 9, 2020."

ROLL CALL/STATEMENT OF NECESSITY

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

AGENDA

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

AUGUST MINUTES

Upon review of the minutes from August's meeting, Mr. Hellmann motioned to accept them. This was seconded by Mr. Hill. The motion carried by unanimous roll call vote.

DIRECTOR'S REPORT

Budget Report

Director Kopchak reviewed the budget for the first three (3) months of FY 2021, July through September. Director Kopchak also highlighted that in July an error was made, and some legal costs were incorrectly allocated to the Board. He stated that this error will be revised, and that the budget is trending normally.

Mr. Hellman inquired about the current number of active licensees and Director Kopchak stated that he would be able to provide that information at the next meeting. Director Kopchak also added that the number of licensees has decreased due to legal exemptions that allow for some agencies to not require licensure. Mr. Hellman followed up by asking how the general public would be able to obtain information about the license status of an agency. Director Kopchak stated that they could access this information by visiting www.verify.tn.gov or by submitting a public records request.

Director Kopchak noted to the Board that their next meeting would be taking place in January, as opposed to February. He also informed the Board about a consumer publication created by the administrative staff that contained tips for assisting the public with making smart financial decisions related to upcoming holiday spending. Director Kopchak explained that there will be future publications with varying topics distributed to increase public outreach and protection.

LEGAL

Legal Report (Presented by Hugh Cross)

NEW CASES

1. 2020055461

Respondent:

License Status: - ACTIVE

First Licensed: 3/14/2006

License Expiration: 3/13/2021

Disciplinary History: 2006 Letter of Warning; 2018 Letter of Warning

Summary: This complaint was forwarded to the Department from another agency alleging unfair practices by attempting to collect interest incidental to the principal obligation. The collection of interest on a debt incidental to the principal obligation is not allowed unless such amount is expressly authorized by agreement creating the debt or is permitted by law. See Tenn. Rules of Tennessee Collection Service Board § 0320-05-.06(1)(a) (Unfair Practices). The Respondent stated that they contacted the Complainant and has otherwise resolved the issue. However, this complaint appears to fall outside Board jurisdiction as the attempt to collect occurred outside Tennessee. Further, the Complainant resides outside Tennessee.

Recommendation: Closure.

BOARD DECISION: The Board accepted counsel's recommendation.

2. 2020056041

Respondent:

License Status: - ACTIVE

First Licensed: 10/27/2009

License Expiration: 10/26/2021

Disciplinary History: None

Summary: This consumer complaint alleges that the Respondent law firm mailed a collection letter to the Complainant's home, addressed to the Complainant's adult child for delinquent parking violations.

According to the Complainant, the delinquent parking violations belong to the Complainant's adult child, and they should not have been mailed to the Complainant's address as their adult child does not reside at that address. The Complainant states that the Respondent intentionally contacted family and otherwise disclosed private matters in order to shame their adult child into paying the parking violations. The Respondent denies the allegations stating that the address came back as part of a professional skip-trace vendor report compiled after running the license plate associated with the parking violations. However, this complaint is outside Board jurisdiction as attorneys are excluded from the Tennessee Collection Services act per Tenn. Code Ann. § 62-20-103.

Recommendation: Closure.

BOARD DECISION: The Board accepted counsel's recommendation.

3. 2020051611

Respondent:

License Status: - ACTIVE

First Licensed: 3/14/2006

License Expiration: 3/13/2021

Disciplinary History: 2006 Letter of Warning; 2018 Letter of Warning

Summary: This complaint is from an attorney on behalf of a consumer providing documentation that they received a default judgment against the Respondent after the Respondent failed to appear at a civil hearing filed and sought out-of-state. Further, the Complainant alleges that the Respondent refuses to pay the judgment. The attorney whom filed this complaint is licensed out-of-state. The consumer at issue of the initial civil lawsuit is also located out-of-state. The Respondent is licensed in Tennessee. The Respondent denies they are refusing to pay the judgment and state that they are currently in discussions with the Complainant to resolve the matter. This complaint appears to fall outside Board jurisdiction as it relates to a civil matter to be resolved between the parties.

Recommendation: Closure.

BOARD DECISION: The Board accepted counsel's recommendation.

4. 2020053811

Respondent:

License Status: - ACTIVE

First Licensed: 10/5/2012

License Expiration: 10/4/2020

Disciplinary History: None

Summary: This consumer complaint alleges that the Respondent repeatedly calls the Complainant and family members in effort to collect. The Complainant did not submit any documentation to substantiate this claim. The Respondent denied the allegation and stated that they strictly prohibit third party disclosure. Further, the Respondent stated that their records indicate that the Complainant's account has been closed and will report this account as paid to the Credit Reporting agencies, also requesting the removal of any prior reporting.

Recommendation: Closure.

BOARD DECISION: The Board accepted counsel's recommendation.

5. 2020056621

Respondent:

License Status: - ACTIVE

First Licensed: 10/14/2019

License Expiration: 10/13/2021

Disciplinary History: None

Summary: This consumer complaint alleges that the Respondent would not provide validation of debt and erroneously reported the Complainant to credit reporting agencies. The Respondent denies the allegation. The Respondent provided documentation showing that notification of account placement was mailed to the Complainant on February 21, 2019. Further, the Respondent stated that on May 1, 2020, the Respondent spoke to the Complainant concerning this account, and they agreed to a monthly payment arrangement which the Complainant subsequently failed to keep. The Respondent received a letter of dispute from the Complainant on June 30, 2020 which was marked dispute, and a request for additional information added to the account, and a credit deletion was coded. The Respondent transmitted a credit deletion request to the credit reporting agencies on July 7, 2020. The Respondent provided documentation showing that the Complainant's account remains outstanding.

Recommendation: Closure.

BOARD DECISION: The Board accepted counsel's recommendation.

6. 2020059471

Respondent:

License Status: - ACTIVE

First Licensed: 4/16/2013

License Expiration: 7/23/2021

Disciplinary History: None

Summary: This consumer complaint alleges that the Respondent repeatedly calls the Complainant and family members in effort to collect. The Respondent denies the allegations stating that the Complainant filed a complaint against the wrong collection agency. Specifically, the Respondent stated the Complainant's name nor address were listed in their system or in their call logs. Further, the Respondent stated that they do not employ anyone by the name of the agent listed in the complaint, and that they do not use aliases. The Complainant responded that they apologize for filing a complaint against the wrong collection agency. Further, the Complainant stated that the agent whom was placing the repeated phone calls has not called back after being advised that a complaint will be filed.

Recommendation: Closure.

BOARD DECISION: The Board accepted counsel's recommendation.

7. 2020057631

Respondent:

License Status: - ACTIVE

First Licensed: 6/19/2015
License Expiration: 6/18/2021
Disciplinary History: None

Summary: This consumer complaint alleges that the Respondent would not provide validation of debt. Further, the Complainant disputes the debt stating that the claim was improperly filed resulting in the Respondent creating two fraudulent collection accounts. The Respondent denies the allegations stating that in March 2020 a validation letter was mailed to the Complainant which included a statement of charges. Further, the Respondent stated that one of the two accounts is valid. As of June 26, 2020, the second account has since been marked as duplicate and will no longer show as an outstanding balance. However, the Respondent stated that the initial claim was properly submitted to the appropriate insurance carrier. The Respondent also states that the initial account is on hold until they receive a response from the physician's group and insurance company in question.

Recommendation: Closure.

BOARD DECISION: The Board accepted counsel's recommendation.

8. 2020057681

Respondent:

License Status: - ACTIVE

First Licensed: 11/20/2008

License Expiration: 11/19/2020

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

Summary: This consumer complaint alleges that the Respondent refused to provide the Complainant with name for the creditor at issue. Upon further review of the complaint, the Complainant included the name for the creditor at issue in the body of their complaint which tends to show the Complainant already had the name for the creditor at issue. The Respondent denied the allegations stating that this account was opened in December 2019, but the Complainant did not request the information until July 2020. At that time, the Respondent attempted to contact the creditor for an itemized statement, but the creditor was closed at that time due to COVID-19. The Respondent states they have closed the account and submitted to have the account removed from the Complainant's credit file due to their client's limited ability to operate and provide any further information due to the ongoing pandemic.

Recommendation: Closure.

BOARD DECISION: The Board accepted counsel's recommendation.

9. 2020067391

Respondent:

License Status: - ACTIVE

First Licensed: 11/30/2001

License Expiration: 12/31/2020

Disciplinary History: None

Summary: This consumer complaint alleges that the Respondent would not provide validation of debt upon request. The Respondent denies the allegations stating that the Complainant requested collection

receipts on August 14, 2020 and itemized statements along with a letter advising that the accounts have been documented as disputed were mailed to the Complainant on August 24, 2020. Further, the Respondent stated that the Complainant's accounts have since been cancelled from collections, removed from the consumer's credit report, and otherwise returned to the original creditor.

Recommendation: Closure.

BOARD DECISION: The Board accepted counsel's recommendation.

10. 2020067241

Respondent:

License Status: - ACTIVE

First Licensed: 5/23/2016

License Expiration: 5/22/2022

Disciplinary History: None

Summary: This consumer complaint alleges that the Respondent made repeated harassing phone calls to the Complainant and to a member of the Complainant's family. Further, the Complainant denies being associated with the account in collection. The Respondent denies the allegations stating that their records shows one outbound call to the Complainant and their return phone call to the collector. Further, the Respondent provided documentation showing that the Complainant is the registered agent associated with the account in collection.

Recommendation: Closure.

BOARD DECISION: The Board accepted counsel's recommendation.

11. 2020067181

Respondent:

License Status: - ACTIVE

First Licensed: 6/27/2006

License Expiration: 6/26/2022

Disciplinary History: None

Summary: This consumer complaint alleges the Respondent is unlicensed. The consumer is located out of state. Respondent denies the allegations. Counsel verified the Respondent is currently licensed in Tennessee.

Recommendation: Closure.

BOARD DECISION: The Board accepted counsel's recommendation.

12. 2020073391

Respondent:

License Status: - ACTIVE

First Licensed: 11/3/2007

License Expiration: 1/14/2022

Disciplinary History: None

Summary: This consumer complaint alleges that the Respondent falsely reported the Complainant to credit reporting agencies. The Complainant also alleges the Respondent did not accept a debt management proposal and would not accept an alternative payment arrangement. The Respondent denies the allegation. The Respondent provided documentation showing that the Complainant applied for and was approved for an installment loan. Further, the Respondent stated that the Complainant gave notice of enrollment in a debt management plan whom would begin making the required monthly payments. However, the debt management provider did not make the required payments, and the Respondent subsequently reported the Complainant's missed payment to the credit bureaus. Finally, the Respondent stated they have no record of alternative payment arrangements being requested.

Recommendation: Closure.

BOARD DECISION: The Board accepted counsel's recommendation.

13. 2020075861

Respondent:

License Status: - ACTIVE

First Licensed: 3/1/2013

License Expiration: 2/28/2021

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 multiple times to provide information relating to the replacement bond as is required by statute (T.C.A. 62-20-110(a)). The Respondent has since notified the program and provided proof of a renewed bond.

Recommendation: Closure.

BOARD DECISION: The Board accepted counsel's recommendation.

14. 2020077501

Respondent:

License Status: - ACTIVE

First Licensed: 11/20/2008

License Expiration: 11/19/2020

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

Summary: This consumer complaint alleges that the Respondent charged the Complainant an inappropriate collection fee. Upon further review of the complaint, this appears to be a contract dispute between the Complainant and the creditor at issue which would be outside Board jurisdiction. The inappropriate collection fee being alleged actually stems from the financial policy agreement between the Complainant and the creditor at issue. The collection fee does not relate to any fees charged by the Respondent. More specifically, the Complainant signed and agreed to a financial policy agreement with the creditor at issue effectively agreeing to a separate collection fee for any resulting balance that is placed with a collection agency. This collection fee was added to the balance owed to the creditor at issue prior to the account being placed with a collection agency.

Recommendation: Closure.

BOARD DECISION: The Board accepted counsel's recommendation.

15. 2020073921

Respondent:

License Status: - ACTIVE

First Licensed: 10/14/2019

License Expiration: 10/13/2021

Disciplinary History: None

Summary: This consumer complaint alleges that the Respondent would not provide validation of debt and erroneously reported the Complainant to credit reporting agencies. The Respondent denies the allegation. The Respondent provided documentation showing that notification of account placement was mailed to the Complainant on November 2, 2018 and March 6, 2020. The Respondent requested additional information from their client regarding the accounts, but their client did not respond with the requested information. Accordingly, the Respondent states they have closed the account and submitted to have the account removed from the Complainant's credit file.

Recommendation: Closure.

BOARD DECISION: The Board accepted counsel's recommendation.

16. 2020076821

Respondent:

License Status: - ACTIVE

First Licensed: 2/1/2018

License Expiration: 1/31/2022

Disciplinary History: None

Summary: This consumer complaint alleges failure to provide validation of debt and unlicensed activity. The Respondent denies the allegations. Further, the Respondent provided documentation to show that validation of debt was provided on multiple dates. Counsel verified the Respondent is currently licensed in Tennessee.

Recommendation: Closure.

BOARD DECISION: The Board accepted counsel's recommendation.

17. 2020078331

Respondent:

License Status: - ACTIVE

First Licensed: 4/19/2018

License Expiration: 4/18/2022

Disciplinary History: None

Summary: This consumer complaint alleges failure to validate debt, failure to provide details on how to make a payment towards the account, as well as a complaint towards agent's lack of education. The Complainant also complained about the agent's race and ethnicity. The Respondent denies the allegations. Further, the Respondent provided documentation to show that validation of debt was provided and documentation on how the Complainant may make a payment towards the account. The concerns regarding the agent's education and race lack merit and amount to a failure to state a claim.

Recommendation: Closure.

BOARD DECISION: The Board accepted counsel's recommendation.

18. 2020075841

Respondent:

License Status: - ACTIVE

First Licensed: 3/3/2008

License Expiration: 3/2/2021

Disciplinary History: None

Summary: This complaint was opened by a member of the Board's full-time staff. The Respondent was contacted via email multiple times to provide information relating to the replacement bond as is required by statute (T.C.A. 62-20-110(a)). It appears the emails were going to an email address for Respondent's former employee. The Respondent has since notified the program and provided proof of bond.

Recommendation: Closure.

BOARD DECISION: The Board accepted counsel's recommendation.

CASES TO BE REPRESENTED

19. 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 multiple times 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.

NEW INFORMATION: This complaint involves a licensed, out-of-state Respondent. Counsel mailed a Consent Order to Respondent via certified mail on May 22, 2020. Counsel mailed a second Consent Order to Respondent via certified mail on June 26, 2020. A CLEAR report was also conducted multiple times using various iterations of the Respondent's business name in effort to determine a valid address for mailing any future correspondence. The CLEAR report was returned without a sufficient address. To date, there has been no response by the Respondent. A formal disciplinary hearing cannot be conducted without proper service of process on this Respondent. Legal has received no additional information from the Complainant as would be necessary to go forward with litigation.

NEW RECOMMENDATION: Close and flag as insufficient information to go forward with litigation.

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

ADJOURNMENT

Prior to adjournment, Director Kopchak notified the Board that he was able to provide the number of licensees as requested by Mr. Hellman earlier in the meeting. He stated that the current number of active licensees is 812.

There being no other new business, Mr. Hellmann made a motion to adjourn. This was seconded by Mr. Swersky. The motion carried by unanimous roll call vote. The meeting adjourned at 10:05 a.m.