



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

**Meeting Minutes for April 13, 2022  
Davy Crockett Tower  
Conference Room 1-B**

The Tennessee Collection Service Board met on April 13, 2022, in the first floor conference room of the Davy Crockett Tower in Nashville, Tennessee. The following business was transacted:

**BOARD MEMBERS PRESENT:** Chip Hellmann, Tony Zikovich, and Jason Hill

**BOARD MEMBERS ABSENT:** Josh Holden, and Gregg Swersky

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

**CALL TO ORDER/ROLL CALL**

Director Kopchak called the meeting to order at 9:30 a.m. and took roll, establishing that a physical quorum was present.

**AGENDA**

Mr. Hellmann motioned to adopt the agenda as amended. This was seconded by Mr. Hill. The motion passed unanimously.

**JANUARY MINUTES**

Upon review of the minutes from January's meeting, Mr. Hellmann motioned to accept them. This was seconded by Mr. Hill. The motion passed unanimously.

**RULEMAKING HEARING**

The Rulemaking Hearing began at 9:33 am and ended at 9:46 am. A transcript of the proceeding will be made available upon receipt from the court reporter present.

**DIRECTOR'S REPORT**

***Budget Report***

Director Kopchak provided a brief overview of the budget for the months of December 2021 through February 2022. Director Kopchak highlighted that there was an increase in expenses in this period due to the legal costs associated with the rules update. Director Kopchak also noted that a general decline in revenue was coming from the decrease in licensees, as well as the termination of solicitor cards. Director Kopchak concluded that the impact of these changes on the budget would continue to be monitored by administrative staff, and at this time there was no need to be concerned due to the Board's healthy reserve status.

### ***Meeting Date Change***

Director Kopchak informed the Board that the NACARA Conference will be taking place in Nashville on October 12<sup>th</sup>, 2022, which is the same day as their regularly scheduled Board meeting. Director Kopchak requested that the Board reschedule the meeting to either October 5<sup>th</sup> or October 19<sup>th</sup> to accommodate Mr. Hellmann's participation in the conference. Mr. Hill motioned to reschedule the meeting to October 5<sup>th</sup>, 2022. This was seconded by Mr. Hellmann. The motion passed unanimously.

## **LEGAL**

***Legal Report*** (Presented by Hugh Cross)

## **NEW CASES**

### **1. 2021076631**

**Respondent:**

**License Status: Active**

**First Licensed: 03/14/2006**

**License Expiration: 03/13/2023**

**Disciplinary History: 2018 Letter of warning, 2018 letter of warning, 2021 Letter of warning,**

**Summary:** This complaint by a former client/creditor alleges Respondent is collecting an amount in fees that is not expressly authorized by the underlying agreement. Complainant is not a consumer or debtor, but a former client that had collectible accounts with Respondent. Complainant received multiple invoices with charges and was not clear on what those charges were. Complainant contacted Respondent to clarify the charges. Complainant still did not understand the charges after speaking with Respondent which resulted in filing this complaint. Respondent states the invoice was for a maintenance fee included in the underlying agreement. This maintenance fee is charged to clients that have open accounts but have not placed business with Respondent for at least six (6) months. Respondent stated these fees have since been removed, and all remaining accounts have been closed for this client. Licensees may collect fees when those fees are created by an underlying agreement between a collection service and creditor. See Rules of Tennessee Collection Service Board § 0320-05-.06(1)(a) (Prohibits collection of any amount (including any interest, fee, charge, or expense incidental to the principal obligation) unless such amount is expressly authorized by the agreement creating the debt or is permitted by law). Here, fees were added for maintenance as part of the underlying agreement between Complainant and Respondent. Overall, there does not appear to be a violation and this issue revolves more around miscommunication between Complaint and Respondent and does not require board involvement.

**Recommendation:** Close.

**BOARD DECISION: CONCUR**

### **2. 2021080361**

**Respondent:**

**License Status: Active #**

**First Licensed: 10/20/2021**

**License Expiration: 10/19/2023**

**Disciplinary History: None.**

**Summary:** This consumer complaint alleges Respondent improperly reported Complainant to the major credit bureaus. The complaint also alleges Respondent failed to provide a debt validation letter. Complainant also disputes the underlying debt. Respondent states the accounts are collectible so any reporting to credit bureaus was proper. Respondent states Complainant contacted their firm on multiple dates requesting validation of the debt which was provided. However, Respondent states that Complainant also requested that Respondent stop contact via telephone. Respondent states that Complainant's account was coded to stop further telephone calls. However, an internal error also blocked any further written communication from being sent to Complainant including the additional debt validation letter Complainant requested. Respondent states an internal audit was conducted to ensure this type of error is not repeated. Respondent submitted documentation showing debt validation letters were sent to Complainant, although the additional validation letter was not sent due to internal error, as previously discussed. There is no jurisdiction over the dispute of the underlying debt.

**Recommendation:** Close.

**BOARD DECISION: CONCUR**

**3. 2021081071**

**Respondent:**

**License Status: Active**

**First Licensed: 06/05/1997**

**License Expiration: 12/31/2022**

**Disciplinary History: 2007 letter of warning, 2007 Letter of Warning, 2009 Consent order with civil penalty**

**Summary:** This complaint alleges unlicensed activity. Complainant also disputes the underlying debt. Respondent provided their license number which is currently active. Respondent stated they have closed the account and forwarded to the initial creditor for further review regarding the debt dispute. There does not appear to be a violation. There is no jurisdiction over the dispute of the underlying debt.

**Recommendation:** Close.

**BOARD DECISION: CONCUR**

**4. 2022000821**

**Respondent:**

**License Status: Active #**

**First Licensed: 01/14/1993**

**License Expiration: 12/31/2022**

**Disciplinary History: 2003 Letter of warning, 2005 Letter of warning**

**Summary:** This complaint alleges Respondent is attempting to collect the incorrect amount for an underlying medical debt. Respondent also disputes the underlying debt. Respondent confirmed the amounts included in the balance were incorrect, as alleged, because the initial balance placed with their office was incorrect. Respondent states they have since adjusted the balance to the correct amount,

however, the debt is still owing. The original creditor has also requested the account be closed. Respondent confirmed this account has been closed and returned to the creditor, as requested. There does not appear to be a violation. There is no jurisdiction over the dispute of the underlying debt.

**Recommendation:** Close.

**BOARD DECISION: CONCUR**

**5. 2022004961**

**Respondent:**

**License Status: Active**

**First Licensed: 11/23/2021**

**License Expiration: 11/22/2023**

**Disciplinary History:** None.

**Summary:** This complaint alleges Respondent continues to collect on an account that is no longer due and owing. Complainant's position is that the account was settled in a prior agreement with the initial creditor. Respondent provided documentation showing a civil suit was filed in General Sessions court by the initial creditor which resulted in dismissal without prejudice due the initial creditor being unable to have Complainant personally served. This matter ended with a settlement agreement between Complainant and the initial creditor. Complainant was obligated to make twelve (12) payments as part of the settlement. However, Respondent provided documentation showing Complainant breached the settlement agreement by failure to make payments. Complainant made a single payment, then made no further payments on the account. This resulted in breach of the settlement agreement placing Complainant's account back into due and owing status. There is no documentation to support Complainant's position that the account was settled beyond that breach. There does not appear to be a violation.

**Recommendation:** Close.

**BOARD DECISION: CONCUR**

**6. 2022005801**

**Respondent:**

**License Status: Active**

**First Licensed: 09/11/1997**

**License Expiration: 12/31/2022**

**Disciplinary History: 2007 letter of warning, 2008 Consent order, 2009 letter of warning, 2011 letter of warning, 2016 Consent order, 2018 Consent Order**

**Summary:** This complaint alleges Respondent is attempting to collect the incorrect amount for an underlying credit card debt. Respondent also disputes the underlying debt. Respondent provided documentation showing the amounts included in the balance were correct. Complainant received late fees and revolving interest that increased the balance owed. Respondent stated the initial balance placed with their office was correct, and the account remains due and owing. Respondent provided necessary information in their response should Complainant wish to settle the amount. There does not appear to be a violation. There is no jurisdiction over the dispute of the underlying debt.

**Recommendation:** Close.

**BOARD DECISION: CONCUR**

**7. 2022006971**

**Respondent:**

**License Status: Active**

**First Licensed: 01/27/2005**

**License Expiration: 12/31/2022**

**Disciplinary History: 2008 Letter of warning, 2013 letter of warning**

**Summary:** This complaint alleges Respondent is attempting to collect the incorrect amount for an underlying medical debt. Complainant does not dispute the underlying debt, only the amount. Respondent stated there are multiple accounts. Respondent confirmed the amounts included in the balance were correct. However, Respondent states there was an internal error that did not link Complainant's newest account to the remaining other accounts which made it appear the balance was incorrect. Respondent has since corrected this error, but the debt is still owing. There does not appear to be a violation.

**Recommendation:** Close.

**BOARD DECISION: CONCUR**

**8. 2022009461**

**Respondent:**

**License Status: Active**

**First Licensed: 01/13/2017**

**License Expiration: 1/12/2023**

**Disciplinary History: None.**

**Summary:** This complaint alleges Respondent failed to verify the underlying debt. Complainant also alleges during a telephone call that Respondent's agent was rude and refused to provide a license number at Complainant's request. Respondent reviewed their records and phone calls and stated, in general, their agents do not have access to company licenses and therefore the agent was unable to provide the consumer with that information at the time of the call. Further, Respondent states the account has been placed on hold, per Complainant's request.

**Recommendation:** Letter of warning regarding agent's improper behavior.

**BOARD DECISION: CONCUR**

**9. 2022012031**

**Respondent:**

**License Status: Active**

**First Licensed: 01/28/2016**

**License Expiration: 01/27/2024**

**Disciplinary History: None.**

**Summary:** This complaint alleges Respondent continues to collect on an account that is no longer due and owing. Complainant's position is that the account was settled in prior agreement with the initial creditor.

Respondent stated there are two (2) separate accounts. Complainant entered a settlement agreement for the first account which has been closed as no longer owing. Respondent stated Complainant still owes on the second account. Complainant rebutted that the second account was dismissed in court. Complainant did not provide documentation to substantiate this claim. The complaint appears to be valid based on the information submitted. There does not appear to be a violation.

**Recommendation:** Close.

**BOARD DECISION: CONCUR**

#### **NEW BUSINESS/ADJOURNMENT**

There being no new business, Mr. Hill made a motion to adjourn. This was seconded by Mr. Zikovich. The motion passed unanimously. The meeting adjourned at 9:57 a.m.