



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

**Meeting Minutes for October 9, 2024
Davy Crockett Tower
Conference Room 1-B**

The Tennessee Collection Service Board met on October 9, 2024, in the first-floor conference room of the Davy Crockett Tower in Nashville, Tennessee. The following business was transacted:

BOARD MEMBERS PRESENT: Laurie Hadwyn, Chip Hellmann, Jason Hill,

BOARD MEMBERS ABSENT: Gregg Swersky, and Tony Zikovich.

STAFF MEMBERS PRESENT: Roxana Gumucio, Joseph Wharton, and Robert Hunter

CALL TO ORDER/ROLL CALL

Director Gumucio called the meeting to order at 9:31 a.m. and took roll, establishing that a physical quorum was present.

NOTICE OF MEETING

Director Gumucio read the notice of the meeting as follows: "Notice of the October 9, 2024, meeting of the Collection Service Board including date, time, and location has been noticed on the website since July 14, 2023; additionally, this month's agenda has been posted on the website since October 2, 2024."

Individuals who wish to make a public comment on an item listed on the posted agenda during the scheduled public comment period will need to sign in on the provided sign-in sheet or by placing their name in the chat box online. It is requested that comments be limited to three (3) minutes out of respect for other speakers.

AGENDA

Mr. Jason Hill motioned to adopt the agenda as amended. This was seconded by Ms. Laurie Hadwyn. The motion passed unanimously.

JULY MINUTES

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

DIRECTOR'S REPORT

Budget Report

Director Gumucio provided the financial information through June 30, 2024, reflecting an additional deficit of \$100,478 leaving the reserves with \$814,245.

LEGAL

Legal Report (Presented by Joseph Wharton)

1. 2024028031

Respondent:

License Status: #Unlicensed

First Licensed: n/a

License Expiration: n/a

Disciplinary History: None

Summary: This complaint was referred to the Department from the Division of Consumer Affairs. The complaint alleges that the Respondent contacted the Complainant regarding the collection of a debt after the Complainant advised the Respondent that they wished communications cease. The Complainant is a Tennessee resident. The Respondent called the Complainant on May 1, 2024, and attempted to collect a debt. During the phone call, the Complainant asserted that the debt was barred due to the statute of limitations and requested that the Respondent not contact him again. The Complainant received another call from the Respondent on May 3, 2024, and they filed this complaint. The Respondent advised in their response to the complaint that the Complainant's contact information was removed from the account on May 1, 2024. The Respondent also advised in their response that they are not licensed by this Board. Legal counsel for the Department searched the Board's licensing records and was unable to find the Respondent's Tennessee collection service license. The Tennessee Collection Service Act requires that all collection service businesses operating or conducting business in Tennessee obtain a license from the Board. *See Tenn. Code Ann. § 62-20-105(a)* (Licenses: No person shall commence, conduct, or operate any collection service business in this state unless the person holds a valid collection service license issued by the board under this chapter or prior state law.). The Respondent engaged in unlicensed activity by attempting to collect a debt from a Tennessee resident without a Tennessee collection service license.

Recommendation: Consent Order with a \$500.00 civil penalty and authorization for formal hearing for violation of Tenn. Code Ann. § 62-20-105(a) (Licenses).

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

2. 2024028701

Respondent:

License Status: #Active

First Licensed: 10/05/2012

License Expiration: 10/04/2024

Summary: This complaint was referred to the Department by the Division of Consumer Affairs and involves the same Respondent as complaint 2024030491. The complaint involves a validation of debt. The Respondent purchased the underlying debt from the original creditor. On February 27, 2024, the Complainant issued the Respondent a written request for validation of debt via certified mail. The Respondent sent the Complainant documentation that validated the debt on March 6, 2024. The documentation included copies of the original loan agreement and account statements. The Complainant issued a second letter to the Respondent on April 1, 2024. In the second letter, the Complainant demanded that the Respondent provide proof that the Complainant consented to the Respondent's purchase of the underlying account. On April 10, 2024, the Respondent responded to the second letter with the same

documentation provided on March 6, 2024. If a consumer requests a validation of debt from a collection service, the collection service shall cease collection of the debt until verification of the debt is provided to the consumer. *See Rules of the Tennessee Collection Services Board*. 0320-05-.07(2) (Validation of Debts; Disputed Debts: If the consumer notifies the debt collector or collection service in writing within the thirty-day period described in paragraph (1) that the debt, or any portion thereof is disputed, or that the consumer requests the name and address of the original creditor, the collection service shall cease collection of the debt, or any disputed portion thereof, until the collection service obtains verification of the debt or a copy of the judgment, or name and address of the original creditor is mailed to the consumer by the collection service.). The Respondent's responses to both of the Complainant's letters complied with the rules of the Board. The Respondent provided the original creditor's name, address, loan agreement, and account statements to validate the debt. The Complainant filed this complaint because the Respondent did not provide documentation proving that the Complainant consented to the Respondent's purchase of the debt. The loan contract contains a "transfer of rights" section. The section states, "we may sell or otherwise transfer your Account and amounts owed by you to another creditor at any time. If we do, this Agreement will remain in effect." The original creditor was allowed to sell the account to the Respondent without consent from the Complainant, and the Respondent is not required to provide proof of such consent to collect the debt.

Recommendation: Close.

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

3. 2024030491

Respondent:

License Status: #Active

First Licensed: 10/05/2012

License Expiration: 10/04/2024

Disciplinary History: None

Summary: This complaint involves the same Respondent as complaint 2024028071. The complaint involves a debt dispute and an allegation that the Respondent harassed the Complainant. The Complainant stated that the Respondent called them on numerous occasions in May 2024 to collect a debt that was previously paid in full. The Respondent stated in their response that they purchased the underlying debt on December 31, 2019. The Respondent provided the account history to validate the debt, and they stated that the Complainant's account was placed in a "cease and desist" status which will prevent future communications. The Board does not have jurisdiction over debt disputes i.e., disputed accounts regarding payment, sum balance, or terms. The rules of the Board prohibit a collection service from engaging in harassment or abuse. *See Rules of the Tennessee Collection Services Board*. 0320-05-.04(1) (Harassment or Abuse: A debt collector or collection service may not engage in any conduct the natural consequence of which is to harass, oppress or abuse any person in connection with the collection of a debt. Without limiting the general application of this prohibition, the following conduct is a violation of this section: The use or threats of violence or other criminal means to harm the physical person, reputation, or property of any person; the use of obscene or profane language or language the natural consequence of which is to abuse the hearer or reader; the publication of a list of consumers who allegedly refuse to pay debts, except to a consumer reporting agency; the advertisement for sale of any debt to coerce payment; causing a telephone to ring or engaging any person in telephone conversation repeatedly or continuously with intent to annoy, abuse, or harass any person at the dialed number; and the placement of calls without meaningful disclosure of the caller's identity). The Complainant did not attach evidence of the Respondent's collection calls to the complaint. The Board's legal counsel contacted the Complainant on several occasions and requested that they provide evidence of the Respondent's calls. The Complainant did not respond to the requests.

Recommendation: Close.

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

4. 2024032141

Respondent:

License Status: #Active

First Licensed: 01/05/1979

License Expiration: 12/31/2024

Disciplinary History: None

Summary: This complaint alleges that the Respondent used false or misleading representations in connection with the collection of a debt. The underlying debt is a medical bill in the amount of \$124.06. The creditor retained the Respondent to provide third party collection services on the account. The Complainant attached one of the Respondent's collection notices to the complaint. The collection notice includes a provision that states, "unless you pay this debt in full to this office by the 21 day of June, 2024 by 2:00 P.M., your delinquency will be reported and show on your credit record, and legal action may result from a final review of your failure to pay." The Complainant asserted that the Respondent's statement "your delinquency will be reported and show on your credit record" constitutes a false representation because the credit bureaus no longer report medical collections under \$500.00. The rules of the Board prohibit a collection service from threatening to take any action that cannot legally be taken or that is not intended to be taken. *See Rules of the Tennessee Collection Services Board. 0320-05-.05(1)(e) (False or Misleading Representations).* On April 11, 2023, Equifax, Experian, and TransUnion announced that they will remove and no longer report medical collections under \$500.00. The Respondent's letter was issued after April 11, 2023, and therefore, constitutes a false or misleading statement. The Respondent's conduct violated Rules of the Tennessee Collection Services Board. 0320-05-.05(1)(e) (False or Misleading Representations). The issuance of a letter of warning as opposed to a civil penalty is justified because medical collections under \$500.00 were removed by the credit bureaus as a matter of policy not law.

Recommendation: Letter of warning regarding Rules of the Tennessee Collection Services Board. 0320-05-.05(1)(e) (False or Misleading Representations).

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

5. 2024032481

Respondent:

License Status: #Active

First Licensed: 03/18/2021

License Expiration: 03/17/2025

Disciplinary History: None

Summary: This complaint was referred to the Department from the Division of Financial Institutions. The complaint alleges that the Respondent harassed the Complainant in connection with the collection of a debt and reported inaccurate information to the credit bureaus. The underlying debt is a residential lease balance. On October 20, 2022, the creditor assigned the Complainant's account to the Respondent to provide third party collection services. The Respondent issued the initial notice of the collection action to the Complainant via email and subsequently reported the debt to the credit bureaus. The Complainant previously filed several debt disputes on the account. In the complaint, the Complainant claimed that they did not enter into a contract with the Respondent, and they did not consent to the reporting or assigning of this debt to any entity other than the original creditor. The Respondent stated in their response to the complaint that the previous disputes were handled in accordance with the FDCPA and FCRA. The Respondent attached copies of the signed residential lease and lease ledger to their response to validate the debt. The Respondent stated that the Complainant has not provided any documentation that refutes the validity of the debt, but the account has now been placed in a "disputed" status with the credit bureaus. The rules of the Board prohibit a collection service from communicating to any person credit information that is known or should be known to be false. *See Rules of the Tennessee Collection Services Board. 0320-05-.05(1)(h) (False or Misleading Representations: communicating or threatening to communicate to any person credit information that is known or should be known to be false, including the failure to*

communicate that a disputed debt is disputed.). The validation documentation supports the Respondent's assertion that they did not report information to the credit bureaus that they knew or should have known to be false. The Complainant did not provide any documentation that refutes the accuracy the validation documentation produced by the Respondent. The rules of the Board prohibit a collection service from engaging in harassment or abuse. See Rules of the Tennessee Collection Services Board. 0320-05-.04(1) (Harassment or Abuse: A debt collector or collection service may not engage in any conduct the natural consequence of which is to harass, oppress or abuse any person in connection with the collection of a debt. Without limiting the general application of this prohibition, the following conduct is a violation of this section: The use or threats of violence or other criminal means to harm the physical person, reputation, or property of any person; the use of obscene or profane language or language the natural consequence of which is to abuse the hearer or reader; the publication of a list of consumers who allegedly refuse to pay debts, except to a consumer reporting agency; the advertisement for sale of any debt to coerce payment; causing a telephone to ring or engaging any person in telephone conversation repeatedly or continuously with intent to annoy, abuse, or harass any person at the dialed number; and the placement of calls without meaningful disclosure of the caller's identity). The Complainant did not attach evidence of the Respondent's communications to the complaint. The Board's legal counsel emailed the Complainant on several occasions and requested that they provide documentation to substantiate the allegation of harassment. The Complainant did not respond to the requests.

Recommendation: Close.

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

6. 2024032501

Respondent:

License Status: #Active

First Licensed: 06/18/2013

License Expiration: 06/17/2025

Disciplinary History:2024-Letter of warning

Summary: This complaint was referred to the Department from the Division of Financial Institutions. The complaint alleges that the Respondent harassed the Complainant in connection with the collection of a debt and reported inaccurate information to the credit bureaus. The underlying debt is an unsecured line of credit. On October 22, 2021, all rights, title, and interest in the debt were assigned to the Respondent from the original creditor. The Respondent issued a credit reporting notice to the Complainant on June 23, 2023, and subsequently reported the debt to the credit bureaus. The Complainant previously filed several debt disputes on the account. In the complaint, the Complainant claimed that they did not enter into a contract with the Respondent; therefore, the credit information reported to the credit bureaus is inaccurate. The Respondent stated in their response to the complaint that the account was reported as "disputed" to the credit bureaus upon receipt of the Complainant's first dispute. The Respondent attached copies of the loan agreement, loan statements, and transaction history to their response to validate the debt. The Respondent advised that the original loan agreement included an "assignment" provision that permitted the original creditor to assign the agreement without the Complainant's prior consent. The rules of the Board prohibit a collection service from communicating to any person credit information that is known or should be known to be false. See Rules of the Tennessee Collection Services Board. 0320-05-.05(1)(h) (False or Misleading Representations: communicating or threatening to communicate to any person credit information that is known or should be known to be false, including the failure to communicate that a disputed debt is disputed.). The validation documentation supports the Respondent's assertion that they did not report information to the credit bureaus that they knew or should have known to be false. The Complainant did not provide any documentation that refutes the accuracy the validation documentation produced by the Respondent. The rules of the Board prohibit a collection service from engaging in harassment or abuse. See Rules of the Tennessee Collection Services Board. 0320-05-.04(1) (Harassment or Abuse: A debt collector or collection service may not engage in any conduct the natural consequence of which is to harass, oppress or abuse any person in connection with the collection of a debt. Without

limiting the general application of this prohibition, the following conduct is a violation of this section: The use or threats of violence or other criminal means to harm the physical person, reputation, or property of any person; the use of obscene or profane language or language the natural consequence of which is to abuse the hearer or reader; the publication of a list of consumers who allegedly refuse to pay debts, except to a consumer reporting agency; the advertisement for sale of any debt to coerce payment; causing a telephone to ring or engaging any person in telephone conversation repeatedly or continuously with intent to annoy, abuse, or harass any person at the dialed number; and the placement of calls without meaningful disclosure of the caller's identity). The Complainant did not attach evidence of the Respondent's communications to the complaint. The Board's legal counsel emailed the Complainant on several occasions and requested that they provide documentation to substantiate the allegation of harassment. The Complainant did not respond to the requests.

Recommendation: Close.

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

7. 2024032541

Respondent:

License Status: #Active

First Licensed: 01/28/2010

License Expiration: 01/27/2026

Disciplinary History: None

Summary: This complaint was referred to the Department from the Division of Financial Institutions. The complaint alleges that the Respondent harassed the Complainant in connection with the collection of a debt and reported inaccurate information to the credit bureaus. The underlying debt is a cell phone installment contract. The Respondent purchased the debt from the creditor in December 2023. The Respondent emailed the Complainant a notice of account acquisition on December 21, 2023. In the complaint, the Complainant asserted that they did not enter into a contract with the Respondent; therefore, the credit information reported to the credit bureaus is inaccurate. The Respondent attached a copy of the signed installment contract to their complaint response to validate the debt. The Respondent advised that although their records validate the debt, they have decided to terminate collection efforts on the Complainant's account, close the file, and request that the credit bureaus delete the tradeline from the Complainant's credit reports. The rules of the Board prohibit a collection service from communicating to any person credit information that is known or should be known to be false. *See Rules of the Tennessee Collection Services Board*. 0320-05-.05(1)(h) (False or Misleading Representations: communicating or threatening to communicate to any person credit information that is known or should be known to be false, including the failure to communicate that a disputed debt is disputed.). The validation documentation supports the Respondent's assertion that they did not report information to the credit bureaus that they knew or should have known to be false. The Complainant did not provide any documentation that refutes the accuracy the validation documentation produced by the Respondent. The rules of the Board prohibit a collection service from engaging in harassment or abuse. *See Rules of the Tennessee Collection Services Board*. 0320-05-.04(1) (Harassment or Abuse: A debt collector or collection service may not engage in any conduct the natural consequence of which is to harass, oppress or abuse any person in connection with the collection of a debt. Without limiting the general application of this prohibition, the following conduct is a violation of this section: The use or threats of violence or other criminal means to harm the physical person, reputation, or property of any person; the use of obscene or profane language or language the natural consequence of which is to abuse the hearer or reader; the publication of a list of consumers who allegedly refuse to pay debts, except to a consumer reporting agency; the advertisement for sale of any debt to coerce payment; causing a telephone to ring or engaging any person in telephone conversation repeatedly or continuously with intent to annoy, abuse, or harass any person at the dialed number; and the placement of calls without meaningful disclosure of the caller's identity). The Complainant did not attach evidence of the Respondent's communications to the complaint. The Board's legal counsel emailed the

Complainant on several occasions and requested that they provide documentation to substantiate the allegation of harassment. The Complainant did not respond to the requests.

Recommendation: Close.

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

8. 2024028821

Respondent:

License Status: #Active

First Licensed: 09/11/1997

License Expiration: 12/31/2024

Disciplinary History: 2006-consent order, 2007- consent order, 2007- Letter of warning, 2008-consent order, 2009-LOW, 2010-LOW,2011-LOW, 2016-C. order, 2017-consent order

Summary: This complaint involves the same Respondent as complaints 2024030381 and 2024030901. The complaint was referred to the Department from the Division of Consumer Affairs. The complaint alleges that the Respondent engaged in unfair practices by garnishing the Complainant's wages after the debt was paid in full. The Respondent purchased the underlying debt on April 21, 2020. The Respondent was granted a judgment against the Complainant for the debt on June 1, 2021. On March 22, 2024, the Complainant paid the debt in full voluntarily. The Respondent received the funds and notated the account as paid. However, the Complainant's wages began to be garnished by the Respondent on April 5, 2024. The Complainant stated that between April 5, 2024, and May 17, 2024, the Respondent garnished a total \$1,866.35 from their wages despite the fact the debt was already paid in full. The Respondent stated that a release of garnishment was signed on May 15, 2024. The Respondent was informed on May 31, 2024, that garnished funds were sent to the Court. The Respondent stated that all garnished funds were returned to the Complainant. The Complainant confirmed that all garnished funds were refunded by the Complainant. The rules of the Board prohibit a collection service from collecting any amount unless such amount is expressly authorized by the agreement creating the debt or is permitted by law. *See Rules of the Tennessee Collection Services Board, 0320-05-.06(1)(a) (Unfair Practices)*. The Respondent should have filed the release of garnishment as soon as the Complainant paid the debt in full on March 22, 2024. The Complainant was temporarily deprived of their wages after they satisfied the debt. Due to the fact that all garnished funds were returned to the Complainant, the Respondent did not ultimately collect an amount exceeding the debt. However, the Respondent's apparent delay in filing the release of garnishment caused the Complainant to temporarily lose income that they were entitled to retain and justifies the issuance of a letter of warning.

Recommendation: Letter of warning regarding Rules of the Tennessee Collection Services Board, 0320-05-.06(1)(a) (Unfair Practices).

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

9. 2024030381

Respondent:

License Status: #Active

First Licensed: 09/11/1997

License Expiration: 12/31/2024

Disciplinary History: 2006-consent order, 2007- consent order, 2007- Letter of warning, 2008-consent order, 2009-LOW, 2010-LOW,2011-LOW, 2016-C. order, 2017-consent order

Summary: This complaint involves the same Respondent as complaints 2024028821 and 2024030901. The complaint alleges that the Respondent harassed the Complainant in connection with the collection of a debt. On February 23, 2024, the Complainant received a letter from the Respondent's attorney that advised a judgment lien was filed with the Register of Deeds Office against the Complainant's property. The letter included the following notice "This communication is from a debt collector. This is an attempt to collect a debt and any information obtained will be used for that purpose." The Complainant asserted that the notice constitutes abusive language because the Respondent attempted to collect a debt after a

judgment was entered. The Respondent stated in their response to the complaint that the underlying account was placed with their attorney on April 19, 2023. The attorney issued an initial demand letter on April 26, 2023. The collection suit was filed on September 25, 2023, and the Complainant was personally served on October 24, 2023. The Respondent stated that the notice complied with applicable laws. The rules of the Board prohibit a collection service from engaging in harassment or abuse. See Rules of the Tennessee Collection Services Board. 0320-05-.04(1) (Harassment or Abuse: A debt collector or collection service may not engage in any conduct the natural consequence of which is to harass, oppress or abuse any person in connection with the collection of a debt. Without limiting the general application of this prohibition, the following conduct is a violation of this section: The use or threats of violence or other criminal means to harm the physical person, reputation, or property of any person; the use of obscene or profane language or language the natural consequence of which is to abuse the hearer or reader; the publication of a list of consumers who allegedly refuse to pay debts, except to a consumer reporting agency; the advertisement for sale of any debt to coerce payment; causing a telephone to ring or engaging any person in telephone conversation repeatedly or continuously with intent to annoy, abuse, or harass any person at the dialed number; and the placement of calls without meaningful disclosure of the caller's identity). The Respondent's notice does not constitute harassment or abuse because the natural consequence of the notice language did not harass, oppress, or abuse the Complainant. The notice merely advised the Complainant that the Respondent was a debt collector trying to collect a debt. Furthermore, Rules of the Tennessee Collection Services Board. 0320-05-.05(1)(k) states "A debt collector or collection service may not use any false, deceptive, or misleading representation or means in connection with the collection of any debt. Without limiting the general application of this prohibition, the following conduct is a violation of this section: the failure to disclose in the initial communication with the consumer, whether written or oral, that the debt collector is attempting to collect a debt and that any information obtained will be used for that purpose, and the failure to disclose in subsequent communications that the communication is from a debt collector, except that this paragraph shall not apply to a formal pleading made in connection with a legal action." If the Respondent would not have included the notice, they would have violated Rules of the Tennessee Collection Services Board. 0320-05-.05(1)(k) (False or Misleading Representations).

Recommendation: Close.

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

10. 2024030901

Respondent:

License Status: #Active

First Licensed: 09/11/1997

License Expiration: 12/31/2024

Disciplinary History: 2006-consent order, 2007- consent order, 2007- Letter of warning, 2008-consent order, 2009-LOW, 2010-LOW,2011-LOW, 2016-C. order, 2017-consent order

Summary: This complaint involves the same Respondent as complaints 2024028821 and 2024030381. The complaint alleges that the Respondent violated Tenn. Code Ann. § 60-20-124 (Assignment of Indebtedness) by filing suit against the Complainant in its own name, and the Respondent's attorney violated Tenn. Code Ann. § 62-20-105 (Licenses). The Respondent purchased the underlying debt on May 25, 2022. The Respondent placed the account with their attorney on April 19, 2023. The Respondent's attorney filed a collection action against the Complainant on September 25, 2023. The Court granted a judgment in favor of the Respondent on November 17, 2023. Tenn. Code Ann. § 60-20-124 (Assignment of Indebtedness) applies to debt collectors that are granted a limited right by the creditor to file suit in their own name as the real party of interest. Tenn. Code Ann. § 60-20-124 does not apply to the Respondent because the Respondent purchased the underlying debt, and they have the right to file suit in their own as the owner of the account. The Respondent's attorney does not hold a license issued by the Board. However, Tenn. Code Ann. § 62-20-103(a)(2) (Exemptions) states that the Tennessee Collection Service Act does not apply to attorneys at law. The Respondent's attorney is exempt from the Tennessee

Collection Service Act and did not violate Tenn. Code Ann. § 62-20-105 (Licenses). There does not appear to be a violation of the Tennessee Collection Service Act or the rules of the Board promulgated thereunder.

Recommendation: Close.

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

11. 2024033611

Respondent:

License Status: #Active

First Licensed: 10/03/2023

License Expiration: 10/02/2025

Disciplinary History: 2024-Letter of warning

Summary: This complaint involves the same Respondent as complaints 2024033631 and 2024037321. The complaint concerns a debt dispute and a request for validation. The Respondent purchased the underlying debt from the original creditor on March 28, 2024. The Respondent then transferred the account to a related business entity but remained as the servicer on the account. The Respondent issued the initial notice of the debt acquisition to the Complainant on April 8, 2024. The initial notice informed the Complainant of their right to dispute the account under the Fair Debt Collection Practices Act and that a negative report may be submitted to a credit reporting agency if the terms of the credit obligations were not fulfilled. The Complainant received the initial notice and mailed the Respondent a written debt dispute and request for validation of debt on April 20, 2024. The Complainant believed that the letter was lost in transit based on the USPS tracking website. The USPS tracking website does not indicate that the letter was delivered to the Respondent. The Complainant filed this complaint on June 16, 2024, to dispute the debt and request a validation of debt. The Respondent stated in their response that prior to this complaint they received a debt dispute from the Complainant on April 24, 2024. The Respondent also received 2 Consumer Financial Protection Bureau complaints filed by the Complainant on June 17, 2024, and June 21, 2024. The Respondent stated that they investigated these disputes and responded timely. The Respondent asserted that the information reported to the credit bureaus was accurate and attached copies of the loan application, loan agreement, account history, and bill of sale to their response. The rules of the Board state that if a consumer notifies a collection service in writing that a debt is disputed, the collection service shall cease collection of the debt, or any disputed portion thereof, until the collection service obtains verification of the debt, and a copy of such verification is mailed to the consumer. See Rules of the Tennessee Collection Services Board. 0320-05-.07(2) (Validation of debt: Disputed Debts). The Respondent investigated the account and supplied the Complainant with documentation that validates the debt. There is no evidence that the Respondent reported inaccurate information to the credit bureaus. There does not appear to be a violation of the Tennessee Collection Service Act or the rules of the Board promulgated thereunder.

Recommendation: Close.

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

12. 2024033631

Respondent:

License Status: #Active

First Licensed: 10/03/2023

License Expiration: 10/02/2025

Disciplinary History: 2024-Letter of warning

Summary: This complaint involves the same Respondent as complaints 2024033611 and 2024037321. This complaint involves the same Complainant and underlying debt as complaint 2024037321. The complaint alleges that the Respondent is trying to collect a debt with an inaccurate balance. The Complainant asserted that the account balance on the underlying debt is inaccurate because it does not account for a \$50.00 payment submitted on June 12, 2020. This complaint amounts to a debt dispute. The

Board does not have jurisdiction over debt disputes i.e., disputed accounts regarding payment, sum balance, or terms.

Recommendation: Close.

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

13. 2024036691

Respondent:

License Status: #Active

First Licensed: 12/14/2006

License Expiration: 12/13/2024

Disciplinary History: 2010-consent order, 2010-consent order, 2010-consent order, 2011-letter of warning, 2012- letter of warning, 2023-letter or warning, 2023-letter or warning, 2023-letter or warning, 2024-Letter of warning

Summary: This complaint was referred to the Department from the Division of Consumer Affairs. The complaint alleges that the Respondent violated the rules of the Board regarding communication in connection with debt collection. The Complainant claimed that the Respondent contact them at work on numerous occasions and disclosed information regarding the Complainant's debt with their coworkers. The rules of the Board prohibit a collection service from contacting a consumer at their place of employment if the debt collector knows or has reason to know that the consumer's employer prohibits the consumer from receiving such communication. See Rules of the Tennessee Collection Services Board. 0320-05-.03(1)(a)(3) (Communication in Connection with Debt Collection). The rules of the Board places restrictions on a collection service's communication with third parties. See Rules of the Tennessee Collection Services Board. 0320-05-.03(2)(a) (Communications with third parties: Except as otherwise authorized in this rule, without the prior consent of the consumer provided directly to the debt collector or collection service, or the express permission of a court of competent jurisdiction, or as reasonably necessary to effectuate a post-judgment judicial remedy, a debt collector may not communicate, in connection with the collection of any debt, with any person other than the consumer, his attorney, a consumer reporting agency if otherwise permitted by law, the creditor, the attorney of the creditor, or the attorney of the collection service.). The Respondent admitted that they contacted the Complainant at work, but they were unaware that the Complainant did not want to receive calls at work. The Complainant did not provide evidence to substantiate the claim that the Respondent communicated with their coworkers. However, it is not unreasonable to assume that if the Respondent was contacting the Complainant at work that they communicated with the Complainant's coworkers. The Respondent's conduct appears to violate the rules of the Board, but due to the lack of evidence substantiating the Complainant's allegations, a letter of warning as opposed to a civil penalty is the appropriate resolution to this complaint.

Recommendation: Letter of warning regarding Rules of the Tennessee Collection Services Board. 0320-05-.03(1)(a)(3) (Communication in Connection with Debt Collection) and Rules of the Tennessee Collection Services Board. 0320-05-.03(2)(a) (Communication with third parties).

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

14. 2024035871

Respondent:

License Status: #Active

First Licensed: 12/14/2006

License Expiration: 12/13/2024

Disciplinary History: 2010-consent order, 2010-consent order, 2010-consent order, 2011-letter of warning, 2012- letter of warning, 2023-letter or warning, 2023-letter or warning, 2023-letter or warning, 2024-Letter of warning

Summary: This complaint involves the same Respondent as complaints 2024036691, 2024030371, 2024044291, and 2024046431. The complaint alleges that the Respondent levied the Complainant's bank account to collect a debt outside of the statute of limitations. The Complainant stated that the Respondent

levied all the funds in their bank account on April 26, 2024. The Complainant asserted that the debt was “time-barred” because the account was no longer reported on her credit. The Respondent stated in their response that they obtained a judgment against the Complainant on January 12, 2024, and the levy occurred within the applicable statute of limitations. The Respondent attached a copy of the judgment to their response. The rules of the Board prohibit a collection service from collecting 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. *See Rules of the Tennessee Collection Services Board*. 0320-05-.06(1)(a) (Unfair Practices). Pursuant to Tenn. Code Ann. § 28-3-110(2), the statute of limitations for enforcing judgments in the state of Tennessee is 10 years. The Respondent levied the Complainant’s bank account within 10 years of the date of judgment. There does not appear to be a violation of the Tennessee Collection Service Act or the rules of the Board promulgated thereunder.

Recommendation: Close.

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

15. 2024030371

Respondent:

License Status: #Active

First Licensed: 12/14/2006

License Expiration: 12/13/2024

Disciplinary History: 2010-consent order, 2010-consent order, 2010-consent order, 2011-letter of warning, 2012- letter of warning, 2023-letter or warning, 2023-letter or warning, 2023-letter or warning, 2024-Letter of warning

Summary: This complaint concerns the same Respondent as complaints 2024036691, 2024035871, 2024044291, and 2024046361. The complaint alleges that the Respondent’s attorney harassed the Complainant between February 12, 2024, and May 3, 2024. The complaint also alleges that the Respondent violated Tenn. Code Ann. § 60-20-124(c). The Board does not have jurisdiction over the Respondent’s attorney. *See* Tenn. Code Ann. § 62-20-103(a)(2) (Exemptions: This chapter does not apply to: attorneys at law). Tenn. Code Ann. § 60-20-124(c) states, “no collection service licensee shall commence any litigation authorized by this section, unless the collection service licensee appears by an attorney admitted to practice law in this state.” Tenn. Code Ann. § 60-20-124 concerns assignments of indebtedness and does not apply to the Respondent because they purchased the underlying account and did not bring suit under a limited assignment of rights. The Respondent was also represented in this matter by an attorney licensed in Tennessee.

Recommendation: Close.

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

16. 2024035741

Respondent:

License Status: #Active

First Licensed: 01/20/2022

License Expiration: 01/19/2026

Disciplinary History: none

Summary: This complaint alleges that the creditor placed the Complainant’s account with the Respondent for collections improperly. The Complainant stated that their account should not have been placed with a collection service because the account was not delinquent. The creditor retained the Respondent on April 12, 2024, to provide third-party collection services on the Complainant’s account. Upon receipt of this complaint, the Respondent contacted the creditor regarding the Complainant’s allegations. The creditor advised the Respondent that account was placed properly because the account became delinquent on November 12, 2023, and the account was charged off March 28, 2024. The Respondent advised the Complainant of these facts, and the Complainant has since agreed to make voluntary payments on the account. The allegations in this complaint concern the conduct of the creditor not the Respondent. The

creditor is a bank, and they are not regulated by the Board. See Tenn. Code Ann. § 62-20-103(a)(4) (Exemptions: This chapter does not apply to any state or national bank; state or federal mutual savings bank; state or federal savings institution; or any parent, subsidiary, or affiliate of any of the foregoing). There does not appear to be a violation of the Tennessee Collection Service Act or the rules of the Board promulgated thereunder.

Recommendation: Close.

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

17. 2024035851

Respondent:

License Status: #unlicensed

First Licensed: n/a

License Expiration: n/a

Disciplinary History: None

Summary: This complaint alleges that the Respondent violated the rules of the Board by contacting a third party and disclosing the details of the Complainant's account without authorization. The Complainant stated that one of the Respondent's representatives contacted one of their personal friends on Facebook messenger and requested that the friend make a payment on the account because the Complainant would not do so. The Respondent advised in their response that they are trying to collect their own account. The Respondent does not hold an active license issued by the Board. Tenn. Code Ann. § 62-20-103(b) states, "nothing contained within this chapter shall be construed to require an individual or business entity that collects only the individual's or its own unpaid accounts to submit to licensure or regulation by the collection service board." The Respondent's conduct is outside of the Board's jurisdiction pursuant to Tenn. Code Ann. § 62-20-103(b).

Recommendation: Close.

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

18. 2024037321

Respondent:

License Status: #Active

First Licensed: 10/03/2023

License Expiration: 10/02/2025

Disciplinary History: 2024-Letter of warning

Summary: This complaint involves the same Respondent as complaints 2024033611 and 2024033631. This complaint involves the same facts as complaint 2024033631. The Complainant stated that the account balance asserted by the Respondent is incorrect because it does not account for payments made directly to the creditor. The Complainant filed a separate complaint with the Consumer Financial Protection Bureau on May 29, 2024. In response to that complaint, the Respondent provided the Complainant with copies of the account agreement, transaction history, and the bill of sale establishing the current owner of the account. The Respondent stated that the documentation validated the debt and established that the asserted balance was accurate. The Complainant claimed that the documentation provided by the Respondent constituted a "non-detailed verification," and they filed this complaint and complaint 2024033631 with the Board. The Board does not have jurisdiction over debt disputes i.e., disputed accounts regarding payment, sum balance, or terms. The rules of the Board state that if a consumer notifies a collection service in writing that a debt is disputed, the collection service shall cease collection of the debt, or any disputed portion thereof, until the collection service obtains verification of the debt, and a copy of such verification is mailed to the consumer. See Rules of the Tennessee Collection Services Board. 0320-05-.07(2) (Validation of debt: Disputed Debts). The Respondent's production of the account agreement, transaction history, and the bill of sale complied with the rules of the Board. There does not appear to be a violation of the Tennessee Collection Service Act or the rules of the Board promulgated thereunder.

Recommendation: Close.

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

19. 2024037841

Respondent:

License Status: #vol surrender

First Licensed: 11/06/2012

License Expiration: 11/05/2014

Disciplinary History: none

Summary: This complaint was referred to the Department from the Division of Consumer Affairs. The complaint alleges that the Respondent violated the Fair Debt Collection Practices Act (FDCPA) and the Board's rules regarding communications with consumers by contacting the Complainant after 9:00 p.m. The Respondent advised in their response that they are trying to collect their own account; therefore, the FDCPA and the Tennessee Collection Services Act do not apply to their conduct. The Respondent does not hold an active license issued by the Board. Tenn. Code Ann. § 62-20-103(b) states, "nothing contained within this chapter shall be construed to require an individual or business entity that collects only the individual's or its own unpaid accounts to submit to licensure or regulation by the collection service board." The Respondent's conduct is outside of the Board's jurisdiction pursuant to Tenn. Code Ann. § 62-20-103(b).

Recommendation: Close.

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

20. 2024038721

Respondent:

License Status: #Active

First Licensed: 03/15/2018

License Expiration: 03/14/2026

Disciplinary History: 2018-Letter of warning

Summary: This complaint alleges that the Respondent harassed the Complainant in connection with the collection of a debt. The Complainant stated that the Respondent called her more than 60 times from different phone numbers between March and July 2024. On July 11, 2024, the Complainant answer one of the Respondent's collection calls. The Complainant claimed that one of the Respondent's representatives used curse words during the call. The Respondent provided a written transcript of the portion of the conversation that the Complainant claimed a curse word was used. The transcript does not include curse words or threatening language on behalf of the Respondent. The Respondent stated that they never called the Complainant twice on the same date and all their collection calls complied with the Fair Debt Collection Practices Act (FDCPA). The Respondent's records indicate that the phone call on July 11, 2024, was the first time the Complainant spoke with one of the Respondent's representatives. The Complainant's account was placed in a "cease communication" status on July 11, 2024, and the Respondent has not contacted the Complainant since that date. The rules of the Board prohibit a collection service from engaging in any conduct the natural consequence of which is to harass, oppress, or abuse any person in connection with the collection of a debt. See Rules of the Tennessee Collection Services Board. 0320-05-.04(1) (Harassment or Abuse: Without limiting the general application of this prohibition, the following conduct is a violation of this section: The use or threats of violence or other criminal means to harm the physical person, reputation, or property of any person; the use of obscene or profane language or language the natural consequence of which is to abuse the hearer or reader; the publication of a list of consumers who allegedly refuse to pay debts, except to a consumer reporting agency; the advertisement for sale of any debt to coerce payment; causing a telephone to ring or engaging any person in telephone conversation repeatedly or continuously with intent to annoy, abuse, or harass any person at the dialed number; and the placement of calls without meaningful disclosure of the caller's identity.). The FDCPA limits the amount of collection calls that a collection service can make to a consumer to 7 calls within a

7-day period. If the Respondent contacted the Complainant 60 times between March and July 2024, as alleged, the communications complied with the FDCPA standard. There does not appear to be a violation of the Tennessee Collection Service Act or the rules of the Board promulgated thereunder.

Recommendation: Close.

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

21. 2024039231

Respondent:

License Status: #Active

First Licensed: 01/28/2010

License Expiration: 01/27/2026

Disciplinary History: none

Summary: This complaint involves a debt dispute and an allegation of unlicensed activity. The Complainant claimed that the Respondent filed a collection action in state court for an illegitimate debt and operated as a collection service in Tennessee without a license. The Respondent purchased the underlying debt on August 24, 2023, and they provided documentation that validates the debt. The Respondent holds an active license issued by the Board. The Board does not have jurisdiction over debt disputes i.e., disputed accounts regarding payment, sum balance, or terms.

Recommendation: Close.

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

22. 2024041761

Respondent:

License Status: #-Active

First Licensed: 05/12/2014

License Expiration: 05/11/2026

Disciplinary History: none

Summary: This complaint alleges that one of the Respondent's representatives harassed the Complainant during a collection call on July 25, 2024. The Complainant stated that the representative refused to provide the name of the collection service or allow the Complainant to dispute the debt. The Respondent stated in their response that these allegations are false. The Respondent claimed that the Complainant was abusive and belligerent during the call. The Respondent's President contacted the Complainant after the call with the representative. The President informed the Complainant that the debt related to a residential lease signed by the Complainant, and a judgment was granted in favor of the creditor. The Complainant stated that they were disputing the debt because the property was unlivable, and their roommates were responsible for the debt. The Respondent also claimed that the Complainant threatened to file a complaint with the Board during the call. The Respondent advised that Complainant's account was placed in a "do not contact" status, and the account was reported as disputed to the credit bureaus. The Respondent attached the lease agreement, final account statement, applications for tenancy, and the civil summons to their response as validation of the debt. The rules of the Board prohibit a collection service from engaging in any conduct the natural consequence of which is to harass, oppress, or abuse any person in connection with the collection of a debt. See Rules of the Tennessee Collection Services Board. 0320-05-.04(1) (Harassment or Abuse: Without limiting the general application of this prohibition, the following conduct is a violation of this section: The use or threats of violence or other criminal means to harm the physical person, reputation, or property of any person; the use of obscene or profane language or language the natural consequence of which is to abuse the hearer or reader; the publication of a list of consumers who allegedly refuse to pay debts, except to a consumer reporting agency; the advertisement for sale of any debt to coerce payment; causing a telephone to ring or engaging any person in telephone conversation repeatedly or continuously with intent to annoy, abuse, or harass any person at the dialed number; and the placement of calls without meaningful disclosure of the caller's identity.). The phone call between the Complainant and the Respondent's representative appears to involve anger and/or frustration from both

parties. However, the best practice would have been for the representative to provide the name of the collection service and instructions on how the Complainant could file a written debt dispute.

Recommendation: Letter of Warning regarding Rules of the Tennessee Collection Services Board. 0320-05-.04(1) (Harassment or Abuse).

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

23. 2024043151

Respondent:

License Status: Active

First Licensed:03/19/2008

License Expiration: 03/18/2025

Disciplinary History: 2021-LOW, 2024 LOW

Summary: This complaint involves the same Respondent as complaint 2024043381. The complaint alleges that the Respondent used false or misleading representations in connection with the collection of a debt. On December 31, 2021, the Respondent was retained by the creditor to provide third-party collection services on a residential lease. The Respondent issued the initial notice of debt to the Complainant on January 4, 2022. The Respondent reported the debt to Experian, Transunion, and Equifax on February 28, 2022. The Complainant contacted the Respondent via phone on April 8, 2022, and verified the Respondent's mailing address for payments. The Complainant stated that one of the Respondent's representatives advised that if the debt was paid in full, the debt would be removed from his credit history. After the conversation, the Complainant paid the debt in full. The Complainant noticed that the debt is still listed on his credit reports, and they filed this complaint. The Complainant claimed that the Respondent used the misleading representation that the debt would be deleted from their credit report to trick them into paying the debt. The Complainant also claimed that the information the Respondent communicated to the credit bureaus was false. The rules of the Board prohibit a collection service from using false or misleading representations in connection with the collection of any debt. *See Rules of the Tennessee Collection Services Board*. 0320-05-.05 (False or Misleading Representations). The Respondent denied that their representative advised the Complainant that the debt would be deleted from their credit history after it was paid in full. The Respondent stated that the representative advised the Complainant that the account would be listed as "paid," but the account tradeline could not be deleted from the credit reports. Upon receipt of the Complainant's payment, the Respondent stated that the account status was updated to "paid." The Respondent asserted that deleting the account from the Complainant's credit reports would constitute a communication known to be false because the debt was paid in full. The Complainant did not provide evidence to substantiate the allegation that the Respondent's representative advised that the account would be deleted from their credit reports. The fact that the Complainant voluntarily paid the account balance refutes the allegation that the information reported to the credit bureaus was known to be false.

Recommendation: Close.

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

24. 2024043381

Respondent:

License Status: #Active

First Licensed:03/19/2008

License Expiration: 03/18/2025

Disciplinary History: 2021-LOW, 2024 LOW

Summary: This complaint involves the same Respondent as complaint 2024043151. The complaint alleges that the Respondent used false or misleading representations in connection with the collection of a debt. The Respondent was retained by the creditor to provide third-party collection services on a debt owed by the Complainant. The Complainant stated that the Respondent has an inaccurate business address listed in its Better Business Bureau profile. The inaccurate address prevented the Complainant from filing a debt dispute and requesting a validation of debt. The rules of the Board prohibit a collection service from

using false or misleading representations in connection with the collection of any debt. *See Rules of the Tennessee Collection Services Board*. 0320-05-.05 (False or Misleading Representations). During the review of the complaint, legal counsel for the Board reviewed the Respondent's Better Business Bureau profile, and the listed address matches one of the addresses in the Respondent's licensing file. The address does not appear to be a false or misleading representation. The Respondent advised that the account has now been returned to the creditor and they sent a request to the credit bureaus to delete the account tradeline from the Complainant's credit report. There does not appear to be a violation of the Tennessee Collection Service Act or the rules of the Board promulgated thereunder.

Recommendation: Close.

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

25. 2024045311

Respondent:

License Status: #Active

First Licensed: 03/18/2019

License Expiration: 03/17/2025

Disciplinary History: 2024-Letter of warning

Summary: This complaint was referred to the Department from the Division of Consumer Affairs. The complaint alleges that the Respondent placed a levy on the Complainant's bank account without providing notice of the collection action. The Respondent, as assignee of the creditor, filed a collection suit against the Complainant. The Respondent stated in their response that the Complainant was served with the civil summons on March 4, 2024, and a judgment was entered on April 22, 2024. The Respondent also advised that the Complainant set up a payment arrangement on the debt in April 2024. The payment arrangement required the Complainant to make a monthly payment of \$134.00 starting on April 19, 2024. The Complainant missed the payments scheduled for May and June and did not contact the Respondent. Due to the missed payments and lack of communication from the Complainant, the Respondent filed a writ of garnishment on July 12, 2024. The basis of this complaint regards the service of process of the civil summons and the writ of garnishment issued by the state court. The Board does not have jurisdiction to review the adequacy of service of process of a state court action. The Complainant should address these issues with the state court, which is the appropriate judicial body to evaluate the adequacy of service of process and writs of garnishment.

Recommendation: Close.

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

26. 2024042501

Respondent:

License Status: #Active

First Licensed: 10/20/2021

License Expiration: 10/19/2025

Disciplinary History: 2024-Letter of warning, 2024- Letter of warning, 2024-letter of warning

Summary: This complaint was referred to the Department from the Division of Consumer Affairs. The complaint was filed with the Division of Consumer Affairs on July 1, 2024. The complaint alleges that the Respondent failed to provide verification of a debt to the Complainant. The Respondent was retained by the creditor to provide third-party collection services on a medical debt on December 1, 2023. The Respondent issued the Complainant an initial notice of debt on December 4, 2023. The Complainant filed a previous complaint against the Respondent with the Division of Consumer affairs on January 21, 2024. As part of the resolution of that complaint, the Respondent issued a letter on April 5, 2024, that advised they would send verification of the debt to the Complainant. However, the Complainant did not receive verification of the debt from the Respondent, and they filed the second complaint with the Division of Consumer Affairs. The Respondent stated in their response to this complaint that the verification of debt was not provided to the Complainant because the account was placed in a "cease communication" status,

and the account status prevented the verification of debt from being issued. The Respondent attached the verification documentation to their response. The verification documentation included the initial notice of debt, an itemized account statement, and the creditor's patient care record. The rules of the Board state that if a consumer notifies a collection service in writing that a debt is disputed, the collection service shall cease collection of the debt, or any disputed portion thereof, until the collection service obtains verification of the debt, and a copy of such verification is mailed to the consumer. See Rules of the Tennessee Collection Services Board. 0320-05-.07(2) (Validation of debt: Disputed Debts). The Complainant attached an email from Experian to the complaint. The email was issued on May 23, 2024, and advised that the Respondent reported the debt on the Complainant's credit report on May 20, 2024. The Respondent reported the debt to Experian before the verification of debt was mailed to the Complainant. Additionally, the Respondent's initial notice included a section titled "How can you dispute the debt?". The section states in pertinent part "if you write us by 2/17/24, we must stop collection on any amount you dispute until we send you information that shows you owe the debt(s)." The Respondent's conduct did not conform to the statement on the initial notice of debt and violated Rules of the Tennessee Collection Services Board. 0320-05-.07(2).

Recommendation: Consent Order with a \$500.00 civil penalty and authorization for formal hearing for violation of Rules of the Tennessee Collection Services Board. 0320-05-.07(2) (Verification of debt: Disputed Debts).

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

27. 2024044291

Respondent:

License Status: #Active

First Licensed: 12/14/2006

License Expiration: 12/13/2024

Disciplinary History: 2010-consent order, 2010-consent order, 2010-consent order, 2011-letter of warning, 2012- letter of warning, 2023-letter or warning, 2023-letter or warning, 2023-letter or warning, 2024-Letter of warning

Summary: This complaint involves the same Respondent as complaints 2024036691, 2024035871, and 2024030371. The parties and underlying facts of this complaint are the same as complaint 2024026031, which was presented to the Board at the board meeting on July 10, 2024. The complaint alleges that the Respondent filed suit against the Complainant and obtained a judgment from the state court improperly. The Respondent purchased the underlying debt in March 2021 as evidenced by the bill of sale. The bill of sale states in pertinent part "Seller hereby transfer, sells, conveys, grants, and delivers to Buyer, its successors and assigns, without recourse except as set forth in the Agreement, to the extent of its ownership, the Accounts as set forth in the Notification Files (as defined in the Agreement), delivered by Seller to Buyer on or about 18th of March 2021, and as further described in the agreement." The Respondent retained legal counsel and filed suit against the Complainant in state court on August 30, 2023. The state court issued a judgment in favor of the Respondent on May 29, 2024. The summons issued in the collection action identifies the Respondent as an "assignee" of the original creditor. The Complainant claimed that the Respondent's collection action violated a provision of the underlying debt agreement because the Respondent purchased the account "without an assignment of any rights which was required by section 14." This complaint is based on a dispute regarding the terms of assignment included in the original debt contract. The Board does not have jurisdiction over debt disputes i.e., disputed accounts regarding payment, sum balance, or terms. The allegation contained in this complaint falls under the jurisdiction of the state court and should be adjudicated in that forum. At this time, the Respondent is entitled to collect the debt pursuant to the judgment issued by the state court. There does not appear to be a violation of the Tennessee Collection Service Act or the rules of the Board promulgated thereunder.

Recommendation: Close.

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

28. 2024044721**Respondent:****License Status: #Active****First Licensed:02/01/2018****License Expiration: 01/31/2026****Disciplinary History: NONE**

Summary: This complaint was referred to the Department from the Division of Consumer Affairs. The complaint alleges that the Respondent refused to provide the Complainant with a validation of debt. The Respondent was retained to provide third party collection services by the original creditor on March 19, 2024. In March 2024, the Complainant was contacted by the Respondent regarding the collection of the debt. The Respondent received a request for validation from the Complainant on April 8, 2024. On April 17, 2024. The Respondent issued an itemized account statement from the original creditor in response to the Complainant's request. The Respondent received a second request for validation from the Complainant on May 17, 2024. The Complainant requested that Respondent provide: 1. the original contract signed by the Complainant and the original creditor, 2. the payment history of the account, and 3. proof of the debt assignment. The Complainant demanded that the Respondent issue a response to their request within 30 days. The Respondent responded to the second request for validation on July 5, 2024. The Respondent provided the Complainant with another itemized account statement. The Complainant filed this complaint because the Respondent did not provide the specific documents identified in their second request for validation. The rules of the Board require that a collection service provide the original creditor's name, the original creditor's address, and verification of the debt upon receipt of a consumer's written request for validation. See Rules of the Tennessee Collection Services Board. 0320-05-.07(2) (Validation of debt: Disputed Debts). The itemized account statement issued by the Respondent provided verification of the debt and the original creditor's information and satisfied the requirements of Rules of the Tennessee Collection Services Board. 0320-05-.07(2). The rules of the Board do not require that a collection service respond to a request for validation within 30 days. There does not appear to be a violation of the Tennessee Collection Service Act or the rules of the Board promulgated thereunder.

Recommendation: Close.**BOARD DECISION: The Board accepted legal counsel's recommendation.****29. 2024046921****Respondent:****License Status: #Active****First Licensed:10/20/2021****License Expiration: 10/19/2025****Disciplinary History: NONE**

Summary: This complaint alleges that Respondent: 1. failed to cease collection communications after the Complainant issued a written request do so, 2. failed to respond to the Complainant's request for validation of debt, and 3. misrepresented their business identity. The Respondent was retained by the creditor on August 7, 2024, to provide third-party collection services on a debt owed by the Complainant. The Respondent issued the initial notice of debt to the Complainant after the creditor placed the account with their office. The Respondent stated that this complaint was the first notice of a debt dispute or request for validation of debt that they received from the Complainant. The Respondent advised that they ceased collection efforts on this account after they received the complaint. The allegations in the complaint appear to relate to the conduct of the creditor and a previous collection service that was retained to collect the account. The Respondent received the account from the creditor 15 days before the complaint was filed, and they did not receive a written request for validation from the Complainant separate from the Complaint. In response to the complaint, the Respondent ceased collections on the account. The Complainant can request documentation to validate the debt directly from the creditor as the account has been returned to them from the Respondent. The evidence attached to the complaint regarding the Complainant's request to cease communications relates to the previous collection service employed by

the creditor not the Respondent. The final allegation of the complaint states that the Respondent, the creditor, and the previous collection service misrepresented their identities to conceal the fact that they are the same entity. Legal counsel for the Board reviewed the Respondent's licensing file to investigate the allegation. The Respondent is an limited liability company with its own employer identification number and collection service license. The Respondent appears to be partially owned by a limited liability company related to the creditor and the previous collection service. However, there is no evidence that the Respondent misrepresented its identity or that the Respondent is the same entity as the creditor or previous collection service. There does not appear to be a violation of the Tennessee Collection Service Act or the rules of the Board promulgated thereunder.

Recommendation: Close.

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

30. 2024045791

Respondent:

License Status: #Active

First Licensed: 02/01/2018

License Expiration: 01/31/2026

Disciplinary History: NONE

Summary: This complaint alleges that the Respondent harassed the Complainant in connection with the collection of a debt. The Complainant stated that the Respondent called him constantly between January 1, 2024, and August 1, 2024. The Complainant also stated that on several instances, the Respondent called him 30 times in a single day. The Respondent advised in their response that they are trying to collect their own accounts; therefore, the Fair Debt Collection Practices Act (FDCPA) and the Tennessee Collection Services Act do not apply to their conduct. The Respondent does not hold an active license issued by the Board. Tenn. Code Ann. § 62-20-103(b) states, "nothing contained within this chapter shall be construed to require an individual or business entity that collects only the individual's or its own unpaid accounts to submit to licensure or regulation by the collection service board." The Respondent's conduct is outside of the Board's jurisdiction pursuant to Tenn. Code Ann. § 62-20-103(b).

Recommendation: Close.

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

31. 2024046361

Respondent:

License Status: #Active

First Licensed: 12/14/2006

License Expiration: 12/13/2024

Disciplinary History: 2010-consent order, 2010-consent order, 2010-consent order, 2011-letter of warning, 2012- letter of warning, 2023-letter or warning, 2023-letter or warning, 2023-letter or warning, 2024-Letter of warning

Summary: This complaint involves the same Respondent as complaints 2024036691, 2024035871, 2024030371, and 2024044291. The complaint alleges that the Respondent issued a collection email to the Complainant regarding a debt owed by someone else. The Respondent stated in their response that they were trying to contact another person, and the Complainant is not the consumer. The Respondent advised that the Complainant's email address was removed from their system to ensure that no more communications were issued to the Complainant.

Recommendation: Close.

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

32. 2024044551

Respondent:

License Status: #Active

First Licensed: 06/27/2006

License Expiration: 06/26/2026

Disciplinary History: none

Summary: This complaint was referred to the Department from the Division of Consumer Affairs. The complaint involves a debt dispute and a request for verification of debt. On May 20, 2024, the Respondent was retained by the creditor to provide third-party collection services on a medical bill owed by the Complainant. The Respondent issued the initial notice of debt on May 21, 2024. The Complainant issued a written debt dispute to the Respondent on June 28, 2024. The Complainant disputed the debt because she was advised on September 19, 2024, that the debt was paid in full. The Complainant claimed that the Respondent did not respond to the debt dispute. The Respondent advised that they received the debt dispute on June 29, 2024, and they issued a response on July 1, 2024. The Respondent provided a copy of their response. The Respondent advised that the Complainant's insurer readjusted the insurance claim, and the account balance reflects the amount owed after the readjustment. The Respondent attached an explanation of benefits issued by the Complainant's insurer as verification of the debt. The Respondent advised that they did not report the debt to the credit bureaus. The Respondent's conduct complied with Rules of the Tennessee Collection Services Board. 0320-05-.07(2) (Validation of debt: Disputed Debts). Upon receipt of the dispute, the Respondent ceased collection of the debt, obtained verification of the debt, and issued the documentation to the Complainant. The Complainant disputed the debt amount because their insurer did not provide a sufficient explanation for the claim readjustment. The Board does not have jurisdiction over debt disputes i.e., disputed accounts regarding payment, sum balance, or terms. There does not appear to be a violation of the Tennessee Collection Service Act or the rules of the Board promulgated thereunder.

Recommendation: Close.

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

Motion made by Laurie Hadwyn and seconded by Chip Hellman to approve the legal report recommendations as amended. The motion carried unanimously.

Attorney for the Board, Mr. Joe Wharton, provided an update on the status of proposed rules and stated the board would have a rulemaking hearing at their January 8, 2025, meeting at 11:00 AM.

NEW BUSINESS/ADJOURNMENT

Director Gumucio asked if anyone in the public, participating in person or remotely using Teams, had comments as they relate to the agenda. There were no comments provided.

ADJOURN

There being no new business, Mr. Chip Hellman made a motion to adjourn. This was seconded by Mr. Jason Hill. The motion passed unanimously. The meeting adjourned at 9:46 a.m.