



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

**Meeting Minutes for April 9, 2025
Davy Crockett Tower
Conference Room 1-B**

The Tennessee Collection Service Board met on April 9, 2025, 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, Gregg Swersky, and Tony Zikovich.

BOARD MEMBERS ABSENT: Jason Hill

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

CALL TO ORDER/ROLL CALL

Director Gumucio called the meeting to order at 9:39 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 April 9, 2025, meeting of the Collection Service Board including date, time, and location has been noticed on the website since July 17, 2024; additionally, this month's agenda has been posted on the website since April 1, 2025."

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. Hellman motioned to adopt the agenda as amended. This was seconded by Ms. Hadwyn. The motion passed unanimously.

JANUARY MINUTES

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

DIRECTOR'S REPORT

Budget Report

Director Gumucio provided the financial information through February 2025, reflecting an additional deficit of \$74,991 leaving the reserves with \$744,431.

LEGAL

Legal Report (Presented by Joseph Wharton)

1. 2024060541

Respondent:

License Status: #Active

First Licensed: 11/22/2021

License Expiration: 11/21/2025

Disciplinary History: None

Summary: This complaint alleges that the Respondent engaged in unlicensed activity by attempting to collect a debt from the Complainant with an expired license. On November 11, 2024, the Complainant noticed that the Respondent reported a collections account on their credit report. The account's origination date was July 7, 2020, and the Respondent started reporting the account to the credit bureaus on October 9, 2020. The Complainant conducted a license search on the Respondent and discovered that the Respondent was not licensed from May 12, 2019, to November 22, 2021. The Complainant asserted that the Respondent engaged in unlicensed activity by collecting a debt with an expired 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 has been granted two licenses by the Board. The Respondent's previous license expired May 19, 2019, and their current license was issued on November 22, 2021. When the Respondent reported the Complainant's account to the credit bureaus on October 9, 2020, they engaged in collection activity without a valid license in violation of Tenn. Code Ann. § 62-20-105(a). A previous complaint was filed against the Respondent for unlicensed activity in 2021. On October 26, 2021, the Board issued the Respondent a letter of warning regarding the expired license and the requirements of Tenn. Code Ann. § 62-20-105(a). The Respondent advised that they hired a licensing service in response to the previous letter of warning to ensure that they maintained an active license in Tennessee. Although the Respondent violated Tenn. Code Ann. § 62-20-105(a) in 2020 regarding the Complainant's account, the previous letter of warning and the Respondent's maintenance of an active license since November 22, 2021, justify the issuance of another letter of warning as opposed to a civil penalty.

Recommendation: Letter of Warning regarding Tenn. Code Ann. § 62-20-105(a) (Licenses).

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

2. 2024064971

Respondent:

License Status: Active

First Licensed: 09/11/1997

License Expiration: 12/31/2026

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, 2018-consent order, 2024- Consent Order

Summary: This complaint was referred to the Department from the Division of Consumer Affairs, and it involves the same Respondent as complaint #2025005831. The complaint alleges that the Respondent

failed to issue a notice of debt as required by the rules of the Board and engaged in unlicensed activity. On October 19, 2024, the Complainant was notified that the Respondent reported a collection account on their credit report. The Complainant stated that they never received a notice of debt from the Respondent. The Complainant also stated that they conducted a license search, and they did not find an active license issued to the Respondent. 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). According to the Board's records, the Respondent possessed an active license at all times relevant to the complaint; therefore, they did not engage in unlicensed activity. The rules of the Board require that a collection service issue a written notice of debt within five days of the initial communication with the consumer. *See Rules of the Tennessee Collection Service Board*, 0320-05-.07(1) (Validation of Debts; Notice of debt; contents. Within five (5) days after the initial communication with a consumer in connection with the collection of any debt, a debt collector shall, unless the following information is contained in the initial communication or the consumer has paid the debt, send the consumer a written notice containing: (a) the amount of the debt; (b) the name of the creditor to whom the debt is owed; (c) a statement that unless the consumer, within thirty (30) days after receipt of the notice, disputes the validity of the debt, or any portion thereof, the debt will be assumed to be valid by the collection service; (d) a statement that if the consumer notifies the collection service in writing within the thirty-day period that the debt, or any portion thereof, is disputed, the collection service will obtain verification of the debt or a copy of a judgment against the consumer and a copy of such verification or judgment will be mailed to the consumer by the collection service; and (e) a statement that, upon the consumer's written request within the thirty-day period, the collection service will provide the consumer with the name and address of the original creditor, if different from the current creditor.). The Respondent stated in their response that they issued the initial notice of debt to the Complainant on or about March 28, 2024. The notice was issued to the same address that the Complainant identified as their residence in the complaint, and it was not returned as undeliverable. The notice of debt was the initial communication between the Respondent and the Complainant, and it contained all the information required by Rules of the Tennessee Collection Service Board, 0320-05-.07(1). 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.

3. 2024064991

Respondent:

License Status: Active

First Licensed: 11/24/2020

License Expiration: 11/23/2026

Disciplinary History: None

Summary: This complaint alleges that the Respondent failed to provide the Complainant with adequate information regarding several debts. The Respondent was retained to provide third-party collection services for a medical creditor. The Complainant owes multiple debts to the medical creditor. In May 2024, the Complainant paid a single debt in full to the Respondent and believed all accounts were satisfied. In October 2024, the Complainant received two letters from the Respondent regarding two additional accounts owed to the creditor. The Complainant alleged that the Respondent failed to adequately communicate with them because the Respondent did not advise in May that there were other open accounts. As part of the complaint, the Complainant requested that the Respondent provide additional information to verify the accounts. The Respondent advised in their response that the Complainant did satisfy one the creditor's accounts in May; however, the other accounts remain open. The Respondent provided a comprehensive list of the creditor's accounts to the Complainant via mail and discussed the accounts in detail with the Complainant over the phone. The basis of the complaint appears to be the Complainant's misunderstanding that the satisfaction of the single account in May did not satisfy all of his accounts with the creditor. The Respondent issued all the required notices to the Complainant and provided the Complainant with additional documentation to verify the accounts in response to the

complaint. *See Rules of the Tennessee Collection Service Board*. 0320-05-.07(1) (Validation of Debts; Notice of debt). The Respondent's conduct also conformed with the rules of the Board regarding the collection of multiple debts. *See Rules of the Tennessee Collection Service Board*. 0320-05-.08 (Multiple Debts: If any consumer owes multiple debts and makes any single payment to any collection service with respect to such debts, such collection service may not apply such payment to any debt that is disputed by the consumer and, where applicable, shall apply such payment in accordance with the consumer's directions.). 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.

4. 2024064721

Respondent:

License Status: #Unlicensed

First Licensed: n/a

Disciplinary History: None

Summary: This administrative complaint alleges that the Respondent engaged in unlicensed activity. The complaint arises from the same facts as complaint #2024049631, which was presented to the Board on the January 8, 2025. The underlying debt is for homeowners' association fees. The Complainant filed the previous complaint against a payment processing company that does not engage in collection services and is not subject to the Board's jurisdiction. However, the Complainant provided several emails that established a third-party company provided collection services on the HOA account. During the review of the previous complaint, the Board's legal counsel searched the Board's licensing records for the third party's collection service license and discovered the third party did not possess a Tennessee collection service license. This administrative complaint was filed due to that discovery. 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)*. The Board's staff issued the complaint to the Respondent on three separate occasions, but did not receive a response to the complaint. The Respondent violated Tenn. Code Ann. § 62-20-105(a) by collecting a debt from a Tennessee resident without an active collection service license issued by the Board.

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.

5. 2024066261

Respondent:

License Status: #Unlicensed

First Licensed: n/a

License Expiration: n/a

Disciplinary History: None

Summary: This complaint alleges that the Respondent engaged in unlicensed activity and harassed the Complainant in connection with the collection of a debt. The Complainant is a Tennessee resident, and they received a collection call from the Respondent on December 13, 2024. The underlying debt is a medical bill that was incurred in 2012. The Complainant stated that they received the collection call while they were at work, and the Respondent threatened to sue them to collect the debt. The Complainant asserted that the Respondent's conduct constituted harassment. The Complainant also conducted a license search on the Respondent and discovered that the Respondent did not possess a 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)*. The Respondent did not respond to the complaint. Legal counsel for the Board searched the Board's licensing records and verified that the Respondent does not possess a Tennessee collection service license. The Respondent's website states that the company provides debt resolution and

credit counseling services to consumers. The website does not indicate that the Respondent is a collection service. Legal counsel for the Board contacted the Complainant and requested that the Complainant provide proof of the Respondent's communications. The Complainant did not provide proof of the Respondent's collection communications. Due to the lack of evidence of the Respondent's collection activity, a letter of warning appears to be more appropriate than the issuance of a consent order.

Recommendation: Letter of Warning regarding Tenn. Code Ann. § 62-20-105(a) (Licenses).

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

6. 2025001061

Respondent:

License Status: #Active

First Licensed: 10/11/2018

License Expiration: 10/10/2026

Disciplinary History: 2024-Letter of warning

Summary: This complaint alleges that the Respondent purposefully withheld the title to the Complainant's vehicle after the account was paid in full. The Respondent provided third-party collection services on the Complainant's vehicle loan. The Complainant stated that they paid the account in full in October 2024, and as of January 7, 2025, the Respondent had not issued the vehicle title. The Respondent advised the Complainant on January 7, 2025, that they were waiting on the creditor's approval to close the account and issue the vehicle title. The conduct alleged in this complaint involves the issuance of the title to the Complainant's vehicle, which is controlled by the creditor not the Respondent. The issuance of a vehicle title falls outside of the Board's jurisdiction. Additionally, the complaint was received by the Board on January 7, 2025, but a copy of the complaint was not issued to the Respondent before January 23, 2025. The Tennessee Collection Service Act requires that the Board transmit any complaint to the accused licensee within 15 days of receipt. *See* Tenn. Code Ann. § 62-20-115(a)(2) (Investigations; revocation, suspension or nonrenewal: The board shall transmit any such complaint within fifteen (15) days of receipt of the complaint to the accused licensee by first class mail.).

Recommendation: Close.

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

7. 2025000921

Respondent:

License Status: #Active

First Licensed: 10/02/2014

License Expiration: 10/01/2026

Disciplinary History: 2023-Letter of warning, 2024-Letter of warning, 2025- letter of warning

Summary: This complaint alleges that the Respondent used false or misleading representations in connection with the collection of a debt. The Respondent issued a collection letter to the Complainant's spouse on December 20, 2024, regarding a medical bill. After the Complainant received the collection letter, they contacted the creditor to discuss the account. The Complainant claimed that the creditor advised that the underlying account was current, and the account was not referred to the Respondent for collections. The rules of the Board prohibit a collection service from using any false representation regarding the character, amount, or legal status of any debt. *See* Rules of the Tennessee Collection Service Board. 0320-05-.05(1)(b) (False or Misleading Representations). The Respondent advised in their response that the account was closed in their system and the Complainant should contact the creditor for further inquiries regarding the account. It appears that the basis of the complaint involves a miscommunication between the creditor and the Respondent. It is unlikely that the Respondent would have come into possession of the underlying account information unless it was provided by the creditor. 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

8. 2025005881

Respondent:

License Status: #Active

First Licensed: 01/26/1998

License Expiration: 12/31/2026

Disciplinary History: None

Summary: This complaint was referred to the Department from the Division of Consumer Affairs. The complaint alleges that one of the Respondent's agents attempted to coerce the Complainant into making a debt payment by taking a mortgage deferment. The underlying debt is a credit card account. The Respondent was retained by the creditor to provide third-party collection services on the Complainant's account. On January 25, 2025, the Respondent placed a collection call with the Complainant. The Complainant stated that the Respondent's agent demanded that they use their social security income or enroll in a mortgage deferment to pay the debt. The Complainant asserted that the agent's conduct constituted coercion and violated Tennessee's debt collection laws. The Respondent's legal counsel provided a recording of the collection call from January 25, 2025. During the conversation, the agent asked the Complainant for information regarding their income and assets. The Complainant advised that the only source of income for the household was social security. The Complainant also advised that they have a mortgage on their house. The agent told the Complainant that they could pursue a mortgage deferment, which would allow the Complainant to postpone a mortgage payment until the end of the loan and use those funds to pay off the collection account. The agent did not demand that the Complainant get a mortgage deferment, but it was brought up as an option. The rules of the Board prohibit a collection service from using unfair practices to collection a debt. See Rules of the Tennessee Collection Service Board. 0320-05-.06 (Unfair Practices). The agent's conduct was aggressive but did not constitute an unfair practice in violation of Rules of the Tennessee Collection Service Board. 0320-05-.06. 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.

9. 2025004761

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 Consumer Affairs. The complaint involves a debt dispute. The underlying debt is a cell phone lease contract, and the Respondent purchased the account from the creditor in December 2023. On February 22, 2024, the Complainant called the Respondent and disputed the debt. The Complainant disputed the debt because they claimed the underlying debt was incurred in their name fraudulently. The Complainant stated that their separated spouse used their name without permission to enroll in the cell phone lease. In response to the dispute, the Respondent suspended collection activity on the account, and on February 24, 2024, the Respondent advised the credit bureaus that the debt was disputed. The Complainant disputed the debt again in December 2024 and January 2025. Due to the Complainant's consistent assertion that the debt was incurred fraudulently, the Respondent terminated collection efforts on the account and issued a request to the credit bureaus to delete the account tradeline from the Complainant's credit history. The Respondent's conduct conformed with the rules of the Board regarding debt disputes. 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.). 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.

10. 2025005851

Respondent:

License Status: #Active

First Licensed: 09/01/2005

License Expiration: 12/31/2026

Disciplinary History: None

Summary: This complaint was referred to the Department from the Division of Consumer Affairs. The complaint alleges that the Respondent engaged in harassment and failed to issue written documentation regarding a debt to the Complainant. The underlying debt is a residential lease balance. The Respondent was retained by the creditor to provide third-party collections on the Complainant's account. In December 2024, the Complainant noticed that the Respondent reported a collections account on their credit report. The Complainant called the Respondent on several occasions in December 2024 and January 2025 to negotiate a settlement on the debt. During several of the calls, the Complainant claimed that the Respondent's agents questioned their intentions for trying to establish a payment plan and refused to agree to a settlement on the debt. The Complainant stated that the parties finally reached an agreement on a payment plan in January 2025. However, the Complainant stated that the Respondent refused to provide written documentation detailing the account balance and the terms of the payment plan. The Complainant was advised by the Respondent's manager that the Respondent does not issue formal settlement letters until the second payment is received. The Complainant also claimed that the Respondent never issued a written notice of debt before reporting the account to the credit bureaus. The Complainant asserted that conduct of the Respondent's agents constituted harassment and the Respondent's failure to issue written documentation regarding the debt violated applicable debt collection laws. The rules of the Board require that a collection service issue a written notice of debt within five days of the initial communication with the consumer. *See Rules of the Tennessee Collection Service Board*, 0320-05-.07(1) (Validation of Debts; Notice of debt). The Respondent stated in their response that the initial collection letter was issued to the Complainant on November 4, 2022. The Respondent attached a copy of the initial notice to their response. The collection letter issued on November 4, 2022, served as the initial communication with the Complainant and satisfied *Rules of the Tennessee Collection Service Board*, 0320-05-.07(1). The Respondent also attached copies of the residential lease and account ledger to their response. The Respondent stated that no previous requests for verification of the debt were received from the Complainant. The Tennessee Collection Service Act and the rules of the Board do not require that a collection service issue settlement agreements in writing.

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 reviewed the calls between the Complainant and its agents and denied the allegation of harassment. It does not appear that questioning the Complainant's intentions or refusing to enter into a settlement agreement constitute harassment or abuse as defined by *Rules of the Tennessee*

Collection Services Board. 0320-05-.04(1). 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. 2025008981

Respondent:

License Status: #-Active

First Licensed: 05/10/2013

License Expiration: 05/09/2025

Disciplinary History: None

Summary: This complaint was referred to the Department from the Division of Consumer Affairs. The complaint alleges that one of the Respondent's agents refused to provide a verification of debt to the Complainant. The Complainant received several collection text messages from the Respondent in December 2024 and January 2025. On January 17, 2025, the Complainant received a collection call from the Respondent. During the phone conversation, the Complainant requested that the Respondent issue a written notice of the debt to validate the account. The Complainant stated that the Respondent's agent refused to do so because the Respondent previously issued a written notice of debt to the Complainant's address. The Respondent's agent eventually hung-up on the Complainant. The Complainant called the Respondent back and demanded to speak to a supervisor regarding the account. The Complainant filed this complaint the next day on January 18, 2025. If a consumer disputes a debt or requests the name and address of the original creditor, the rules of the Board require that a collection service cease collection of the debt until verification documentation is mailed to the consumer. See Rules of the Tennessee Collection Services Board. 0320-05-.07(2) (Validation of Debts; Disputed Debts). The Respondent stated in their response that the initial notice of debt was issued to the Complainant's address on December 20, 2024. The Respondent advised that they reviewed the recording of the collection call that took place on January 17, 2025, and as a result, they provided targeted training to their agents. After receiving the complaint, the Respondent sent the Complainant another copy of the initial notice as well as an itemized bill from the creditor to provide verification of the debt. The Respondent should have issued the verification documentation to the Complainant on January 17, 2025, when the Complainant requested written documentation concerning the debt. The Respondent was not exempt from complying with Rules of the Tennessee Collection Services Board. 0320-05-.07(2) because the initial notice was previously issued to the Complainant at the correct address.

Recommendation: Letter of Warning regarding Rules of the Tennessee Collection Services Board. 0320-05-.07(2) (Validation of Debts; Disputed Debts).

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

12. 2025005831

Respondent:

License Status: #Active

First Licensed: 09/11/1997

License Expiration: 12/31/2026

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, 2018-consent order, 2024- Consent Order

Summary: This complaint was referred to the Department from the Division of Consumer Affairs, and it involves the same Respondent as complaint #2024064971. The complaint alleges that the Respondent failed to provide the Complainant with a verification of debt and reported inaccurate information to the credit bureaus. The Respondent was retained by the current creditor to provide third-party collection services on a credit card account. The Complainant stated that they issued two written requests for verification of a debt to the Respondent, and the Respondent failed to respond with the appropriate documentation. The Complainant also stated that the account information reported by the Respondent to

the credit bureaus was inaccurate. If a consumer disputes a debt or requests the name and address of the original creditor, the rules of the Board require that a collection service cease collection of the debt until verification documentation is mailed to the consumer. *See Rules of the Tennessee Collection Services Board*. 0320-05-.07(2) (Validation of Debts; Disputed Debts). In their response, the Respondent advised that the Complainant previously filed two complaints with the Consumer Financial Protection Bureau (CFPB) regarding the same account. The Respondent provided copies of their CFPB responses. The documentation produced by the Respondent establishes that the Complainant has received all the documentation necessary to verify the account. On multiple occasions, the Respondent provided the creditor information, underlying contract, account ledger, and state court judgment to the Complainant. Finally, the rules of the Board prohibit a collection service from communicating or threatening to communicate to any person credit information that is known or that should be known to be false, including the failure to communicate that a disputed debt is disputed. *See Rules of the Tennessee Collection Service Board*. 0320-05-.05(1)(h) (False or Misleading Representations). There is no evidence that the Respondent reported false or inaccurate information to the credit bureaus regarding the Complainant's account. 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.

13. 2025006151

Respondent:

License Status: #Active

First Licensed: 03/18/2021

License Expiration: 3/17/2025

Disciplinary History: None

Summary: This complaint was referred to the Department from the Division of Consumer Affairs. The complaint involves a debt dispute and an allegation that the Respondent reported inaccurate information to the credit bureaus. The underlying debt is a residential lease. On December 23, 2024, the Complainant reviewed their credit report and noticed that the Respondent reported a collections account on their credit history. The Complainant disputed the debt and claimed that account information reported to the credit bureaus was inaccurate because they were not a cosigner on the residential lease. The rules of the Board prohibit a collection service from communicating or threatening to communicate to any person credit information that is known or that should be known to be false, including the failure to communicate that a disputed debt is disputed. *See Rules of the Tennessee Collection Service Board*. 0320-05-.05(1)(h) (False or Misleading Representations). The Respondent denied the Complainant's allegations. The Respondent attached copies of the underlying residential lease and account ledger to their complaint response. The documents establish that the Complainant was a cosigner on the lease. There is no evidence that the Respondent reported false or inaccurate information to the credit bureaus regarding the Complainant's account. The basis of the complaint is a debt dispute, and 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.

14. 2025008281

Respondent:

License Status: #Active

First Licensed: 12/28/2016

License Expiration: 12/27/2025

Disciplinary History: None

Summary: This complaint appears to involve a fraudulent scam. The complaint alleges that the Respondent violated the terms of a payment arrangement by withdrawing a payment from the

Complainant's bank account one day prior to the scheduled date. The unauthorized withdrawal caused the Complainant to incur an overdraft fee with their bank. Based on the documentation provided by the Complainant and the Respondent's response to the complaint, the Respondent was misidentified by the Complainant. The documentation attached to the complaint established that a third-party company withdrew the funds from the Complainant's account, and the company has a similar name to the Respondent. However, the Respondent is located in a different state and has no connection to the company that withdrew funds from the Complainant's account. Legal counsel for the Board researched the third-party company cited in the Complainant's documentation, and could not find a website, address, or collection service license connected to the company. Finally, the company names on the payment schedule and the Complainant's bank account do not match. Due to the possibility of fraud and the lack of information on the third-party company that withdrew funds from the Complainant's bank account, this complaint should be closed and referred to the Attorney General's office for further investigation.

Recommendation: Close and refer to the Tennessee Attorney General's Office.

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

15. 2025008121

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 refused to provide the Complainant with a verification of debt. The Complainant is a resident of Tennessee. The Respondent stated in their response that the Complainant's account was sent to them for collections on January 13, 2021. The Respondent attached documentation as a verification of the debt to their complaint response. Included in that documentation was a copy of a collection notice issued to the Complainant's Tennessee address on March 3, 2025. During the review of this complaint, the Board's legal counsel searched the Board's licensing records for the Respondent's collection service license and discovered that the Respondent does not possess a 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). The Respondent violated Tenn. Code Ann. § 62-20-105(a) by collecting a debt from a Tennessee resident without an active collection service license issued by the Board.

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.

Collections Cases Re-presented:

16. 2024053161

Respondent:

License Status: #Active

First Licensed: 01/11/2002

License Expiration: 12/31/2024

Disciplinary History: None

Summary: This complaint was referred to the Department from the Division of Consumer Affairs. The complaint alleges that the Respondent breached a payment arrangement with the Complainant by withdrawing a payment from the Complainant's bank account prior to the scheduled payment date. The Complainant stated that they entered into a payment arrangement with the Respondent, and one of the plan payments was scheduled for August 30, 2024. However, the Respondent initiated the plan payment on August 23, 2024, and the payment processed on August 26, 2024. The amount of the payment was \$91.72. Due to the Respondent's withdrawal, the Complainant was charged a \$30.00 insufficient fund fee.

by their bank, and they did not have enough money to cover their basic needs for several days. The Respondent did not deny the Complainant's allegations in their response. The Complainant's bank statement indicates that the Respondent reversed the withdrawal on August 26, 2024. The rules of the Board prohibit a collection from depositing or threatening to deposit any postdated check or other postdated payment instrument prior to the date on such check or instrument. See Rules of the Tennessee Collection Service Board. 0320-05-.06(1)(d) (Unfair Practices). The Respondent's conduct constituted an unfair practice as defined by the rules of the Board and violated Rules of the Tennessee Collection Service Board. 0320-05-.06(1)(d).

Recommendation: Consent Order with a \$500.00 civil penalty and authorization for formal hearing for violation of Rules of the Tennessee Collection Service Board. 0320-05-.06(1)(d) (Unfair Practices).

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

New Information: After the consent order was issued to the Respondent, the Respondent's legal counsel scheduled a meeting with the Board's legal counsel to provide new information concerning the allegations of the complaint. During the meeting, the Respondent's legal counsel played a recording of a phone call between the Complainant and the Respondent from August 23, 2024. During the conversation, the Complainant approved the Respondent to deduct a payment from their bank account that day. The Complainant confirmed the payment date, amount, and last four digits of their bank account number. This information refutes the Complainant's allegations in the complaint and establishes that the Respondent did not violate Rules of the Tennessee Collection Service Board. 0320-05-.06(1)(d) (Unfair Practices).

New Recommendation: Close.

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

Mr. Zikovich motioned to accept counsels' recommendations. This was seconded by Ms. Hadwyn. The motion passed unanimously.

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.

Chair Hellman explained some of the changes under the Consumer Financial Protection Bureau (CFPB) and the impact it will have next year as states look at legislation due to some federal changes.

Mr. Swersky explained the role of the American Collections Association (ACA) and that they lobby for the industry.

ADJOURN

There being no new business, Ms. Hadwyn made a motion to adjourn. This was seconded by Mr. Zikovich. The motion passed unanimously. The meeting adjourned at 10:00 a.m.