



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

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

The Tennessee Collection Service Board met on July 9, 2025, in the first-floor conference room of the Davy Crockett Tower in Nashville, Tennessee. The following business was transacted:

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

BOARD MEMBERS ABSENT: Gregg Swersky and Laurie Hadwyn.

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

CALL TO ORDER/ROLL CALL

Director Gumucio called the meeting to order at 9:30 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 July 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 July 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. Hellmann motioned to adopt the agenda as amended. This was seconded by Mr. Hill. The motion passed unanimously.

APRIL MINUTES

Upon review of the minutes from April 9th meeting, Mr. Zikovich motioned to accept them. This was seconded by Mr. Hellmann. The motion passed unanimously.

DIRECTOR'S REPORT

Budget Report

Director Gumucio provided the financial information through May 2025, reflecting an additional deficit of \$82,460 leaving the reserves with \$736,962.

Director Gumucio presented the proposed 2026 meeting dates. Mr. Hellmann motioned to approve the 2026 meeting dates. This was seconded by Mr. Hill. The motion passed unanimously.

LEGAL

Legal Report (Presented by Joseph Wharton)

1. 2025006761

Respondent:

License Status: Unlicensed

First Licensed: n/a

License Expiration: n/a

Disciplinary History: NONE

Summary: The complaint alleges that the Respondent communicated with a third party regarding the collection of a debt without the consumer's prior consent. The Complainant is a business located in Tennessee. The Respondent was retained as a third-party collection service by the creditor to collect the underlying debt. The Complainant attached one of their google reviews to their complaint. The review was written by the owner of the Respondent and stated that the Complainant does not pay their vendors and they have used products that have not been paid for. The owner of the Respondent also contacted a family member of the Complainant's owner regarding the debt. During the investigation of the complaint, legal counsel for the Board searched the Board's licensing records and discovered that the Respondent does not possess a Tennessee collection service license. The Tennessee Collection Service Act states that no person shall commence, conduct, or operate a collection service business in Tennessee without a valid license issued by the Board. See Tenn. Code Ann. § 62-20-105(a) (Licenses). The Respondent's complaint response was submitted by their owner. The Respondent stated that they were a commercial collection agency licensed in New Jersey. The Respondent verified that they are trying to collect a debt owed by the Complainant. The Respondent operated as an unlicensed collection service in Tennessee by attempting to collect a debt from the Complainant, a business located in Tennessee. The Respondent's conduct constitutes a violation of Tenn. Code Ann. § 62-20-105(a) (Licenses).

Recommendation: Consent Order with a \$500.00 civil penalty plus costs when necessary 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. 2025012991

Respondent:

License Status: # Expired

First Licensed: 07/22/2019

License Expiration: 07/30/2021

Disciplinary History: NONE

Summary: This complaint alleges that the Respondent used false or misleading representations in connection to the collection of a debt. The Complainant is a Tennessee resident. The Complainant received a collection call from the Respondent on February 11, 2025. The Complainant stated that

the Respondent's agent threatened to refer the account to a law firm and file a lawsuit against the Complainant for the underlying debt. During the investigation of the complaint, legal counsel for the Board searched the Board's licensing records and discovered that the Respondent's Tennessee collection service license expired on July 30, 2021. The Tennessee Collection Service Act states that no person shall commence, conduct, or operate a collection service business in Tennessee without a valid license issued by the Board. See Tenn. Code Ann. § 62-20-105(a) (Licenses). On February 11, 2025, the Respondent operated as a collection service business in Tennessee by attempting to collect a debt from the Complainant, a Tennessee resident. The Respondent did not hold an active Tennessee collection service license on February 11, 2025; therefore, they violated Tenn. Code Ann. § 62-20-105(a) (Licenses).

Recommendation: Consent Order with a \$500.00 civil penalty plus costs when necessary 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.

3. 2025013131

Respondent:

License Status: #Active

First Licensed: 03/30/1998

License Expiration: 12/31/2026

Disciplinary History: 2005-LOW, 2012-LOW, 2013-LOW

Summary: This complaint alleges that the Respondent made false or misleading representations in connection with the collection of a debt. The Complainant asserted that the Respondent misrepresented a debt as a tort in order to deceive the Complainant into paying an illegitimate debt. The rules of the Board prohibit the use of any false, deceptive, or misleading representation or means in connection with the collection of any debt. See Rules of the Tennessee Collection Service Board. 0320-05-.05(1) (False or Misleading Representations). In their response to the complaint, the Respondent stated that they contacted the Complainant regarding an insurance subrogation claim. The Respondent stated that the Complainant had been found responsible for a car accident through their investigation of the accident and review of the police report. The Respondent asserted that an insurance subrogation claim constitutes a tort not a form of indebtedness. Additionally, the Respondent stated that the Complainant's account has been closed in their office. There is no evidence that the Respondent used false or misleading representations to collect a debt from the Complainant. Therefore, 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. 2025013321

Respondent:

License Status: #Active

First Licensed: 10/20/2021

License Expiration: 10/19/2025

Disciplinary History: 2023-LOW, 2024-LOW, 2024-LOW

Summary: This complaint involves the same Respondent as complaints 2025013431 and 2025026011. This complaint contains an allegation that the Respondent communicated with a third party in connection with debt collection and a debt dispute. The underlying debt is a medical debt. The Complainant alleged that the Respondent intentionally communicated with their parents when the Respondent sent the initial notice of debt to their address. The rules of the Board prohibit a

collection service from communicating with third parties in connection to the collection of a debt without the prior consent of the consumer. See Rules of the Tennessee Collection Service Board. 0320-05-.03(2)(a) (Communication in Connection with Debt Collection: Communication with third parties). The Respondent stated in their response that the initial notice was issued to the address provided by the creditor. Furthermore, the Respondent stated that the initial notice was never returned as undeliverable. The Respondent utilized the contact information provided by the creditor and was unaware that the Complainant no longer resided at the address. The complaint also alleges that the Respondent had misrepresented the debt in question. The rules of the Board prohibit a collection service from using any false, deceptive, or misleading representation or means in connection with the collection of any debt. See Rules of the Tennessee Collection Service Board. 0320-05-.05(1) (False or Misleading Representations). The Complainant stated that they already paid the debt in full; therefore, the account should be satisfied. The Respondent advised that the Complainant paid the original account balance in full, but the Complainant's insurance company reprocessed the claim, and as a result, the account balance was increased to the current amount. The Respondent closed the Complainant's account on March 19, 2025. There is no evidence that the Respondent made false or misleading representations in connection with the collection of this debt. 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.

5. 2025013431

Respondent:

License Status: #Active

First Licensed: 10/20/2021

License Expiration:10/19/2025

Disciplinary History: 2023-LOW,2024-LOW,2024-LOW

Summary: This complaint involves the same Respondent as complaints 2025013321 and 2025026011. The complaint alleges that the Respondent used false or misleading representations in connection with the collection of a debt. Specifically, the Complainant asserted that the Respondent collected the debt from the Complainant's partner after submitting a claim to Medicaid for the remaining balance. The Respondent was retained as a third-party collection service by the creditor on February 6, 2025, to collect a medical debt owed by the Complainant. At the time the account was referred to the Respondent, the Complainant's primary health insurer had already paid its portion of the account balance leaving an unpaid amount of \$146.77. On February 18, 2025, the Complainant's partner contacted the creditor and provided the Complainant's Medicaid information. The creditor submitted a claim to Medicaid for the remaining balance. Later that day, the Complainant's partner contacted the Respondent and authorized the Respondent to pay the remaining balance of the debt with their credit card. The Respondent was completely unaware that the creditor was provided with the Complainant's Medicaid information. The Respondent refunded the \$146.77 to the Complainant's partner once they became aware that a Medicaid claim was submitted by the creditor. The rules of the Board prohibit a collection service from using any false, deceptive, or misleading representation or means in connection with the collection of any debt. See Rules of the Tennessee Collection Service Board. 0320-05-.05(1) (False or Misleading Representations). The Respondent's lack of knowledge that a Medicaid claim was going to be submitted by the creditor toward the remaining balance establishes that the Respondent did not

use false or deceptive means to collect a debt. Fraud and deception require that an individual act with knowledge of the falsity of their representations. The Respondent did not act in a manner that they knew was false or fraudulent. 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.

6. 2025017551

Respondent:

License Status: #Active

First Licensed: 03/19/2008

License Expiration: 03/18/2027

Disciplinary History: 2021-LOW,2024-LOW

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 balance. On February 10, 2025, The Respondent reported a collections account on the Complainant's credit history. The Complainant disputed the debt and asserted that the account information reported to the credit bureaus was inaccurate because they believed that they had the legal right to break the lease early due to alleged violations to the Uniform Residential Landlord and Tenant Act. *See* Tenn. Code Ann. § 66-28-304(a)(2) (Maintenance by Landlord). 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 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 response. The documents refute the Complainant's assertion that the credit information reported to the credit bureaus was false. There is no evidence that the Respondent communicated information that is known or should be known to be false to the credit reporting agencies. 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.

7. 2025018991

Respondent:

License Status: #Active

First Licensed: 10/24/2011

License Expiration: 10/23/2025

Disciplinary History: NONE

Summary: This administrative complaint alleges that the Respondent operated as a collection service in Tennessee without a surety bond posted in full force and effect as required by the Tennessee Collection Service Act. The Tennessee Collection Service Act requires that all collection service businesses have a surety bond posted in full force and effect during all periods and in all places and areas in which the licensee is doing business within this state as a collection service. *See* Tenn. Code Ann. § 62-20-110(a) (Bond; certificate of deposit). The staff for the Board issued notices of impending expiration of the Respondent's surety bond on February 10, 2025, February 20, 2025,

and March 3, 2025. The Respondent did not respond to the notices, and this complaint was filed on April 4, 2025. In their response to the complaint, the Respondent stated that there was some confusion on uploading the surety bond certificate to the appropriate online portal. The Respondent attached an updated surety bond continuation certificate to their response. The certificate establishes that on November 4, 2024, the Respondent's surety bond expiration date was extended from January 1, 2025, to January 1, 2026. 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. 2025012391

Respondent:

License Status: #Active

First Licensed: 10/27/2009

License Expiration: 10/26/2025

Disciplinary History: NONE

Summary: This complaint alleges that the Respondent violated the Tennessee Collection Service Act and the rules of the Board by refusing to issue a letter that stated an account was closed. The Complainant is a medical provider. One of the Complainant's patients pays their medicals bills directly and then files for reimbursements from the insurer. On January 8, 2025, the Complainant received two collection letters from the Respondent advising that the patient's insurance company had adjusted their claim, and the Complainant needed to repay approximately \$900.00 to the insurance company. The Complainant issued a letter to the Respondent on January 30, 2025, that explained they did not receive the insurance payments directly and the patient filed the claim as a refund. On February 18, 2025, the Respondent called the Complainant and advised that the account had been closed. The Complainant then asked for written confirmation of this fact, and the Respondent stated that as a business practice they do not normally issue written confirmations of account closures. The Respondent advised in their response to the complaint that they will provide the requested written confirmation to the Complainant. Neither the Tennessee Collection Services nor the rules of the Board require a collection service to issue written confirmations of account closures. The allegations in the complaint constitute 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.

9. 2025014221

Respondent:

License Status: App withdrawn

First Licensed: n/a

License Expiration: n/A

Disciplinary History: NONE

Summary: This complaint alleges that the Respondent reported inaccurate credit information to the credit reporting agencies. The Complainant previously filed three separate complaints containing the same allegation with the Consumer Financial Protection Bureau. The Respondent is a business that purchases charged-off accounts from third-party creditors. The Respondent uses a third-party collection service business to collect their purchased accounts, and the collection

service business holds an active Tennessee collection service license. Pursuant to the Tennessee Collection Service Act, any person that holds or acquires accounts, bills or other forms of indebtedness through purchase, assignment, or otherwise; and only engages in collection activity through the use of a licensed collection agency is exempt from the Tennessee Collection Service Act. See Tenn. Code Ann. § 62-20-103(a)(9) (Exemptions). Therefore, the Respondent is exempt from the Tennessee Collection Service Act, and the Board does not have jurisdiction over their conduct. Recommendation: Close.

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

10. 2025015541

Respondent:

License Status: #Active

First Licensed: 03/19/2003

License Expiration: 12/31/2026

Disciplinary History: NONE

Summary: This complaint alleges that the Respondent refused to remove a collection account from the Complainant's credit report despite the Complainant disputing the account on numerous occasions. The Complainant stated that they disputed the underlying debt on ten separate occasions between May 2024 and March 2025. The Complainant attached a copy of a state court order, dated November 5, 2024, that demanded the creditor remove the account from the Complainant's credit report. The state court order also assessed damages and attorney costs against the creditor. If a consumer disputes a debt in writing, the rules of the Board require that a collection service cease collection of the debt and provide the consumer with verification of the debt. See Rules of the Tennessee Collection Service Board. 0320-05-.07(2) (Validation of Debts: Disputed Debts). The Respondent stated in their response that each time the account was disputed, the account status with the credit reporting agencies was updated to "disputed," the account was investigated, and the creditor validated the account. The Respondent made multiple attempts during the disputes to contact the Complainant's legal counsel, and it appears that they did not receive a response. According to the Respondent's account notes, the Respondent received a copy of the state court order on March 20, 2025. The Respondent investigated the account once again and decided to close the account and remove the account from the Complainant's credit report on March 27, 2025. 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. 2025017691

Respondent:

License Status: #Expired

First Licensed: 04/08/2013

License Expiration: 04/07/2023

Disciplinary History: NONE

Summary: This complaint was referred to the Department from the Division of Consumer Affairs. The complaint alleges that the Respondent harassed the Complainant in connection to the collection of a debt. The Complainant is a Tennessee resident. The Complainant received a collection call from the Respondent on March 19, 2025. The Complainant stated that the Respondent's agent threatened to file a lawsuit against the Complainant and their spouse for the underlying debt. The Complainant stated that the debt was approximately ten years old and

outside of the statute of limitations. The Complainant asserted the conduct of the Respondent's agent constituted harassment. The Respondent did not respond to the complaint. During the investigation of the complaint, legal counsel for the Board searched the Board's licensing records and discovered that the Respondent's Tennessee collection service license expired on April 7, 2023. The Tennessee Collection Service Act states that no person shall commence, conduct, or operate a collection service business in Tennessee without a valid license issued by the Board. See Tenn. Code Ann. § 62-20-105(a) (Licenses). On March 19, 2025, the Respondent operated as a collection service in Tennessee by attempting to collect a debt from the Complainant, a Tennessee resident. The Respondent did not hold an active Tennessee collection service license on March 19, 2025; therefore, they violated Tenn. Code Ann. § 62-20-105(a) (Licenses).

Recommendation: Consent Order with a \$500.00 civil penalty plus costs when necessary 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.

12. 2025019471

Respondent:

License Status: Active

First Licensed: 10/11/2018

License Expiration: 10/10/2026

Disciplinary History: 2024-LOW

Summary: This complaint was referred to the Department from the Department of Financial Institutions. The complaint alleges that the Respondent engaged in unfair practices to collect a debt by repossessing the Complainant's vehicle. The Complainant entered into a lease-to-own contract for a vehicle with the original creditor. The original creditor went out of business, and the account servicing rights were transferred to the Respondent. The Respondent provided a copy of an email issued to the Complainant that advised starting March 1, 2023, the account would be serviced by the Respondent instead of the original creditor. The account was charged off on August 31, 2024, resulting in a deficiency balance of \$30,021.66. After the account was charged off, the Respondent repossessed the leased vehicle and advised that the vehicle will be sold at auction and the proceeds will be deducted from the account balance. The Complainant asserted that the vehicle repossession was illegal because the Respondent was not a party to the original contract. The Tennessee Collection Service Act and the rules of the Board do not prohibit the transfer of accounts. See Tenn. Code Ann. § 62-20-105(d) (Licenses; necessity; employees; multiple locations). 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. 2025019731

Respondent:

License Status: Active

First Licensed: 08/01/2017

License Expiration: 07/31/2025

Disciplinary History: NONE

Summary: This complaint involves the same Respondent as complaint 2025023211. The allegations in the complaint constitute a debt dispute. The Respondent was retained as a third-party collection service by the creditor. The underlying debt is an insurance subrogation claim arising from an automobile accident. The Complainant stated that their spouse was not responsible for the

automobile accident, and the debt was assessed against the wrong party. The Respondent refuted the Complainant's assertion in their response. The Respondent advised that due to the debt dispute the account will be closed and returned to the creditor. 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. 2025023211

Respondent:

License Status: #Active

First Licensed: 08/01/2017

License Expiration: 07/31/2025

Disciplinary History: NONE

Summary: This complaint involves the same Respondent as complaint 2025019731. The complaint contains a debt dispute and an allegation that the Respondent harassed the Complainant. The underlying debt is a subrogation claim arising from an automobile accident. The Respondent was retained as third-party collection service by the creditor. The Complainant disputed the debt because they claimed they were not at fault in the automobile accident, and the creditor never communicated with them regarding the insurance claim. The Board does not have jurisdiction over debt disputes i.e., disputed accounts regarding payment, sum balance, or terms. The Complainant alleged that the Respondent engaged in harassment by threatening to revoke their drivers license if the debt was not satisfied. The rules of the Board prohibit collection service businesses from engaging in any conduct that harasses, oppresses, or abuses 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). Pursuant to Tenn. Code Ann. § 55-12-105(a) (Tennessee Financial Responsibility Law of 1977: Deposit of security; proof of security), an individual's Tennessee drivers license can be suspended if they do not have vehicle insurance at the time of an accident resulting in more than \$1,500.00 in property damage. The creditor asserted that the Complainant did not have vehicle insurance at the time of the accident, and the cost of repairs was \$4,614.24. The Complainant's license could be suspended or revoked pursuant to Tennessee law if the creditor's allegations are proven to be true; therefore, the Respondent's conduct does not constitute harassment or abuse.

Recommendation: Close.

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

15. 2025020861

Respondent:

License Status: #Active

First Licensed: 03/17/2022

License Expiration: 03/16/2026

Disciplinary History: NONE

Summary: This administrative complaint alleges that the Respondent's surety bond on file with the Board lapsed on January 19, 2025. After reviewing the Respondent's licensing file, the staff for the Board emailed the Complainant to request an updated surety bond certificate on March 3, 2025, March 12, 2025, March 20, 2025, and March 31, 2025. The staff for the Board did not receive a response from the Respondent and filed this complaint on April 14, 2025. The Tennessee Collection Service Act requires that all licensees post a surety bond with the Board, and the surety bond must remain in full force and effect during all periods and in all places in which the licensee is doing business within this state. See Tenn. Code Ann. § 62-20-110(a) (Bond; certificate of deposit). The Respondent responded to the complaint on April 24, 2025. The Respondent provided a surety bond certificate with an effective period of April 4, 2025, to April 4, 2026. The surety bond certificate provided by the Respondent establishes that the Respondent allowed their surety bond to lapse from January 19, 2025, to April 4, 2025. The Respondent's conduct constitutes a violation of Tenn. Code Ann. § 62-20-110(a) (Bond; certificate of deposit).

Recommendation: Consent Order with a \$500.00 civil penalty plus costs when necessary and authorization for formal hearing for violation of Tenn. Code Ann. § 62-20-110(a) (Bond; certificate of deposit).

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

16. 2025025691

Respondent:

License Status: #Active

First Licensed: 10/02/2014

License Expiration: 10/01/2026

Disciplinary History: 2023-LOW, 2024-LOW, 2025-LOW

Summary: This complaint alleges that the Respondent failed to provide verification of a debt and charged collection fees in excess of the amount authorized by the contract creating the debt. On April 7, 2025, the Complainant issued the Respondent a written request for verification of a debt. The request was sent via certified mail and an agent for the Respondent signed the certified mail receipt on The Complainant spoke with one of the Respondent's representatives on April 28, 2025. The Complainant was informed that in addition to the debt balance the Respondent assessed collection fees in the approximate amount of \$2,200.00. The Complainant mailed a second request for verification of the debt to the Respondent on May 2, 2025, and filed this complaint on May 6, 2025. If a consumer disputes a debt in writing, the rules of the Board require that a collection service cease collection of the debt and provide the consumer with verification of the debt. See Rules of the Tennessee Collection Service Board. 0320-05-.07(2) (Validation of Debts: Disputed Debts). The Respondent advised the Complainant that the response to the first verification of debt request was issued on April 18, 2025. The Respondent also attached the verification documentation to their complaint response. The Respondent's conduct regarding the Complainant's requests for verification of the debt conformed with the rules of the Board. The rules of the Board also prohibit the collection of any amount (including any interest, fee, charge, or expense incidental to the principal obligation) unless such amount is expressly authorized by the agreement creating the debt or is permitted by law. See Rules of the Tennessee Collection Service Board. 0320-05-.06(1)(a) (Unfair Practices). The contract creating the debt permits the assessment of collection fees up to 27% of the balance. The debt balance was \$11,662.29 on April 20, 2025. As of April 20, 2025, the collection fee of 27% was capped at \$3,148.81, which is a larger amount than the \$2,200.00 assessed by the Respondent. Therefore, the collection fees assessed by the Respondent were authorized by

the underlying contract and do not violate 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.

17. 2025022121

Respondent:

License Status: Unlicensed

First Licensed: n/a

License Expiration: n/a

Disciplinary History: NONE

Summary: This complaint involves a debt dispute and unlicensed activity. The Complainant is a transportation company located in another state. The Complainant received a collection letter from the Respondent on March 21, 2025, regarding a parking ticket for \$1,020.00. The Complainant disputed the debt after receiving the collection letter. Then the Complainant received a second collection letter from the Respondent on April 11, 2025, with a new balance of \$3,500.00. The Board does not have jurisdiction over debt disputes i.e., disputed accounts regarding payment, sum balance, or terms. The Respondent appears to be a collection service located in Tennessee. During the review of the complaint, legal counsel for the Board searched the Board's licensing records to determine if the Respondent possessed a Tennessee collection service license. Legal counsel for the Board discovered that the Respondent does not possess a Tennessee collection service license. The Tennessee Collection Service Act states that no person shall commence, conduct, or operate a collection service business in Tennessee without a valid license issued by the Board. *See* Tenn. Code Ann. § 62-20-105(a) (Licenses). The Respondent violated Tenn. Code Ann. § 62-20-105(a) by operating a collection service located in Tennessee without a collection service license issued by the Board.

Recommendation: Consent Order with a \$500.00 civil penalty plus costs when necessary 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.

18. 2025023741

Respondent:

License Status: # Active

First Licensed: 10/20/2015

License Expiration: 10/19/2025

Disciplinary History: 2024-Consent Order

Summary: This complaint alleges that the Respondent attempted to collect a debt from the Complainant's minor children. The underlying debt is a residential lease balance, and the Respondent was retained as a third-party collection service by the creditor. The Complainant provided a copy of a collection notice issued by the Respondent to one of the Complainant's minor children. In their response to the complaint, the Respondent advised that this complaint was the first written dispute to investigate the underlying account. Upon receipt of the complaint, the Respondent contacted the creditor and requested an investigation of the account. The Respondent stated that two of the liable consumers initially identified by creditor were only listed as occupants on the lease and have now been released from the account file. The two consumers released from the account file were the Complainant's minor children. The Complainant remains liable for the debt. The Respondent's conduct cited in the complaint complied with the rules of the Board regarding communication. *See* Rules of the Tennessee Collection Service Board. 0320-05-.03(1) (Communication in Connection with Debt Collection: Communication with the consumer generally).

A "consumer" is defined as any natural person obligated or allegedly obligated to pay any debt. See Rules of the Tennessee Collection Service Board. 0320-05-.01(3) (Definitions). The Respondent issued the collection notices to individuals that the creditor identified as allegedly obligated to pay the debt. Once the account was disputed and it was determined that the initial list of consumers provided by the creditor was incorrect, the Respondent removed the Complainant's minor children from the 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.

19. 2025026011

Respondent:

License Status: # Active

First Licensed: 10/20/2021

License Expiration: 10/19/2025

Disciplinary History: 2023-LOW,2024-LOW,2024-LOW

Summary: This complaint involves the same Respondent as complaints 2025013321 and 2025013431. The complaint contains a debt dispute and an allegation that the Respondent used false or misleading representations in connection to the collection of a debt. The underlying debt is a medical debt. The Complainant alleged that the underlying debt is fraudulent, and they do not have an account with the creditor. The Complainant stated they never received a bill from the creditor or the Respondent. The rules of the Board prohibit a collection service from using any false, deceptive, or misleading representation or means in connection with the collection of any debt. See Rules of the Tennessee Collection Service Board. 0320-05-.05(1) (False or Misleading Representations). In their complaint response, the Respondent stated that the initial notice was issued to Complainant on April 23, 2023. The Respondent asserted that the documentation verifies the validity of the debt. There is no evidence that Respondent used false or misleading representations to collect this debt from the Complainant. 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.

20. 2025028321

Respondent:

License Status: Unlicensed

First Licensed: n/a

License Expiration: n/a

Disciplinary History: NONE

Summary: This complaint alleges that the Respondent operated as a collection service in Tennessee without a license and harassed the Complainant. The Complainant is a Tennessee resident. The Complainant received two collection calls from the Respondent in May 2025. After receiving the collection calls, the Complainant researched the Respondent and discovered that the Respondent did not hold a Tennessee collection service license. The Complainant also discovered that the Respondent was involved in litigation in Idaho for operating as an unlicensed collection service in that state. 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 Tennessee Collection Service Act states that no person shall commence, conduct, or operate a collection service business in Tennessee without a valid license issued by the Board. See Tenn. Code Ann. § 62-20-105(a) (Licenses). The Respondent violated Tenn. Code Ann. § 62-20-105(a) by attempting to collect a debt from a Tennessee resident.

Recommendation: Consent Order with a \$500.00 civil penalty plus costs when necessary 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.

21. 2025028551

Respondent:

License Status: #Active

First Licensed: 01/11/2002

License Expiration: 12/31/2026

Disciplinary History: NONE

Summary: This complaint involves a debt dispute and alleges that the Respondent did not provide a verification of debt as required by the rules of the Board. The Complainant noticed that a collection account was reported on their credit report by the Respondent in April 2025. After the Complainant became aware of the debt on their credit report, they disputed the debt, but they claimed that they never received a response from the Respondent providing verification of the debt. The Board does not have jurisdiction over debt disputes i.e., disputed accounts regarding payment, sum balance, or terms. If a consumer disputes a debt in writing, the rules of the Board require that a collection service cease collection of the debt and provide the consumer with verification of the debt. See Rules of the Tennessee Collection Service Board. 0320-05-.07(2) (Validation of Debts: Disputed Debts). The Respondent was issued an agreed citation from the Board on May 20, 2025. The Respondent declined to enter into the agreed citation and filed a response to the complaint. The Respondent stated in their response that the initial notice of debt was mailed to the Complainant in July 2021 at their current address. The Respondent also attempted to contact the Complainant via phone on multiple occasions but was unable to reach them. In April 2025, the Respondent reported the debt to consumer reporting agencies. The Respondent was contacted by the Complainant for the first time on April 30, 2025. The Complainant disputed the debt via email. On May 2, 2025, the Respondent mailed verification documentation to the Complainant. The Respondent attached copies of the verification documentation their response. The Respondent was contacted by the Complainant via phone on May 15, 2025, and the parties discussed potential resolutions for the account balance. The Complainant filed this complaint four days after that conversation. 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.

Collections Cases Re-presented: NONE

Joseph Wharton updated the board on the status of the rules. They were posted on 6/26/2025, they go into effect 9/24/2025.

Mr. Hellmann made a motion to approve the legal report, Mr. Hill seconded. 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.

ADJOURN

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