TENNESSEE
COLLECTION SERVICE BOARD
MINUTES

DATE: July 13, 2011

PLACE: Andrew Johnson Tower – 2nd Floor Conference Room
710 James Robertson Parkway
Nashville, Tennessee

PRESENT: Board Members:
Bart Howard, Chairman
Beth Dixon
James Mitchell

ABSENT: Elizabeth Trinkler, Vice Chairman

PRESENT: Staff Members:
Donna Hancock, Executive Director
Terrance Bond, Assistant General Counsel
Susan Lockhart, Executive Assistant

GUESTS: Graham Matherne, Amber Johns and David Winters

CALL TO ORDER: Chairman Howard called the meeting to order at 9:40 a.m. and the following business was transacted:

Roll Call - Director Hancock called the roll. Three (3) of the four (4) board members were present. Ms. Trinkler was absent.

AGENDA: Ms. Dixon made a motion to accept the agenda as amended, seconded by Mr. Mitchell. **Motion Carried.**

Minutes – Mr. Mitchell made a motion to approve the minutes of the May 11, 2011 meeting, seconded by Ms Dixon. **Motion Carried.**

LOCATION MANAGER APPLICATION FOR DAVID WINTERS –

Graham Matherne, Counsel for the Bureau of Collection Recovery LLC, and David Winters appeared before the Board to request Mr. Winters not be required to take the examination to reapply for licensure. After some discussion, Mr. Mitchell made a motion to approve Mr. Winters's application for licensure without the need to re-examination, seconded by Ms. Dixon. **Motion Carried.**

LEGAL REPORT – TERRANCE BOND, ASSISTANT GENERAL COUNSEL

Mr. Bond presented a draft for a Notice of Rulemaking Hearing for the Board's review concerning the examination fee for location managers. He advised that his recommendation to change Rule 0320-01-.02 resulted in the failure of the Board to receive any bids on the recent request for proposal regarding a vendor to perform the location manager examination as required

by law. After some discussion, Mr. Bond asked for a roll call vote to approve the notice. The members voted as follows: Mr. Mitchell – yes; Ms. Dixon – yes; and Chairman Howard – yes. **Motion Carried.**

Mr. Bond read the regulatory flexibility economic impact information for the record and asked if the members had any objections to any of the items as they were read. No comments or objections were raised by the Board and Mr. Bond advised that he would prepare the economic impact statement to be signed after the Rulemaking Hearing scheduled for September 14, 2011.

Mr. Bond then presented the following Legal Report for the board's consideration:

RE-PRESENTED MATTERS:

1. 200706794-1

200706794-1: The Respondent provides cable connect and disconnect services for a major service provider with customers in Tennessee. Incident to its technical services, the Respondent occasionally collects money from customers whose accounts as past due and subject to a disconnect order from the service provider. In cases where the Respondent does not collect money from the customer and disconnects and retrieves the service equipment, any remaining unpaid balance is delegated to a licensed collection service for collection. The Board previously authorized formal hearing against the Respondent upon belief that the Respondent was engaged in the "collection service" business; however, upon further review by counsel and, in consultation with litigation counsel, it appears that the Respondent's activities do, at this time, not fall within the scope of activities intended to be regulated as "collection service business".

Recommendation: Close with no further action.

2. 201002744-1

201002744-1: The Complainant alleges that the Respondent sent him a dunning letter relative to his allegedly past due account after he sent the Respondent a "cease and desist" notice via certified mail. The Complainant states that the "cease and "desist" demand was mailed to the Respondent on June 8, 2010 and received on June 10, 2010. Respondent denies receipt of a June "cease and desist" letter, stating instead that two (2) "cease and desist" letters were received on January 4, 2010 and August 8, 2010 (the Complainant's account was placed twice by the client). Respondent states that it complied with both requests.

UPDATE: Counsel for the Respondent states that, at the time the dunning notice was sent, the Complainant's old account placement was in a "purged" status and the old placement records (including the Complainant's "cease communication" demand) could not be accessed. Counsel for the Respondent indicates that the Respondent is now updating its recordkeeping software to allow new account placements to be cross-referenced with old placements in order to prevent contact with consumers whose account were previously in "cease communication" status before re-placement. Counsel requests a reduction in the proposed civil penalty.

Original recommendation: Authorize formal hearing with authority to settle by Consent Order and payment of a $1,000.00 civil penalty.

Final Recommendation: Authorize formal hearing with authority to settle by Consent Order and payment of a $500.00 civil penalty.

3. 201000980-1

201000980-1: The Complainant alleges that the Respondent continued attempting to collect an alleged debt from her after she timely mailed the Respondent a notice of dispute and demand for validation. The Complainant documented at least two (2) telephone calls that the Respondent placed to her after the dispute notice and demand for validation were received. The Respondent states that it is no longer handling the alleged account and that such account has been returned to the client.

UPDATE: The Respondent denies receiving the Complainant's demand to provide validation on the alleged account. Counsel for the Respondent provided an affidavit from the Respondent's mail handling personnel stating that no correspondence from the Respondent was received either on or around the date the Complainant mailed the validation notice. Counsel for the Respondent also provided the account notes for the alleged account, which show an extremely high call volume to the Complainant's residential telephone. For example, between the dates of February 22 and February 27, 2010, the Respondent documented forty-two (42) calls to the Complainant (none of which resulted in a contact). Approximately ten calls a day were placed on both the 24th and 25th, with several calls each day being placed at intervals of less than one hour. It is the Respondent's position that the call pattern alone does not constitute harassment (Respondent's counsel states that case law on harassment via repeated telephone ringing was still developing during its contacts with the Complainant and did not make clear that the Respondent's calling behaviors were impermissible), especially since the Respondent did not receive any requests from the Complainant to cease such conduct; however, the Respondent has, according to counsel, now overhauled its dialer system in order to address any concerns that the Board may have over call frequency. Under the new system, according to the Respondent, consumers should not receive more than four (4) calls a day when there has been no contact. In the event of a contact, consumers should not be contacted again during that day unless they are directed to do so by a third party.

Original Recommendation: Authorize formal hearing with to settle by Consent Order and payment of a $2,000.00 civil penalty.

Final Recommendation: Authorize formal hearing with authority to settle by Consent Order and payment of a $1,000.00 civil penalty.

4. 200902453-1

200902453-1: The Complainant alleges that the Respondent continues to pursue legal action against him relative to a debt that he states he does not owe. The Respondent failed to respond to the complaint, despite accepting service of same.

UPDATE: The Respondent, through its attorney, filed a late response, wherein it indicated that the Complainant was not the party sought and it has ceased all proceedings against him. Counsel also states that, while legal action was commenced against the Complainant in the

name of the Respondent, Respondent did not in any way participate in the pursuit of litigation against the Complainant.

Original Recommendation: Authorize formal hearing with authority to settle by Consent Order and payment of a $1,000.00 civil penalty.

Final Recommendation: Close with no further action.

5. 201002910-1

201002910-1: The Complainant states that the Respondent, a licensed collection agency, failed to honor its promise to delete a collection item from her credit report after she tendered settlement in full of the collection account. The Complainant provided a copy of a written agreement provided to her by the Respondent, which indicates that upon receipt of her payment, the collection account would be considered "settled in full"—the agreement is silent as to whether the Respondent's tradeline would be deleted after settlement. The Respondent states that it will request removal of its tradeline as an accommodation to the Complainant. It appears that the Respondent used the services of an unlicensed collection agency to secure payment from the Complainant.

UPDATE: The Respondent, through counsel, states that it was unaware that its servicing agency did not hold a collection service license in Tennessee and has, in light of such information, directed the agency to cease collection efforts on its behalf. The agency confirms that it has ceased collection efforts in Tennessee. In addition, the Respondent provided excerpts from its contract with the servicing agency, which obligate the servicing agency to comply with all "state collection practices acts".

Original Recommendation: Authorize formal hearing with authority to settle by Consent Order and payment of a $1,000.00 civil penalty.

Final Recommendation: Close with a letter of warning.

6. 201003356-1

201003356-1 The Respondent's location manager license was issued in error by the board office. The office sent the Respondent written notice of the error and a request to return the license within fifteen (15) days of receipt of the notice. The Respondent states that he sent both his license and an application to re-take the examination in response to the board's request, however, office records do not indicate that either of items were received.

UPDATE: The administrative office ultimately located the Respondent's license, which he timely returned.

Recommendation: Send the Respondent and the employing agency (if any) a CEASE and DESIST notice.

Final Recommendation: Close with no action.

7. 200902508-1

200902508-1: The Complainant alleges that the Respondent continued to contact her concerning an allegedly past due account after she verified with the Respondent's agent that she was not the responsible party. The Respondent states that it removed the Complainant's telephone number immediately after it spoke with the Respondent's agent by telephone but the Respondent's account notes indicated two (2) additional telephone calls were placed to the Complainant following its initial conversation with the Complainant.

UPDATE: The Respondent, through counsel, requests a reduction in the proposed civil penalty to $1,200.00.

Original Recommendation: Authorize formal hearing with authority to settle by Consent Order and payment of a $2,000 civil penalty.

Final Recommendation: Authorize formal hearing with authority to settle by Consent Order and payment of a $1,200.00 civil penalty.

8. 201002911-1

201002911-1: The Complainant alleges that the Respondent unlawfully tendered a postdated check in payment of a settlement balance on a past due account after she paid the outstanding balance by debit card. Additionally, the Complainant alleges that the Respondent continued to demand payment from her after debit payment was made. The Respondent states that the check was presented due to a "bona fide error". The Respondent's account notes show that the Respondent placed at least two (2) collection-related telephone calls to the Complainant following its receipt of her settlement payment—during each of the calls, the Respondent documented the Complainant's assertion that the account had been settled in full and that no additional monies were due. The Respondent failed to update the Complainant's account status after the calls were received and only made efforts to rectify the error once a complaint was filed.

UPDATE: The Respondent, through counsel, requests a reduction in the proposed civil penalty to $1,200.00.

Original Recommendation: Authorize formal hearing with authority to settle by Consent Order and payment of a $2,000.00 civil penalty.

Final Recommendation: Authorize formal hearing with authority to settle by Consent Order and payment of a $1,200.00 civil penalty.

9. 201003501-1

201003501-1: The Respondent failed to respond to a duly served complaint requesting proof of renewed bond. The Respondent has undergone a change in ownership structure and maintains a valid bond under the new ownership structure.

UPDATE: The Respondent provided additional information showing that evidence of continuing bond coverage was forwarded to the administrative office in advance of the bond expiration date.

Original Recommendation: Authorize formal hearing with authority to settle by Consent Order and payment of a $1,000.00 civil penalty.

Final Recommendation: Close with no action.

10. 201000982-1

201000982-1: The Complainant alleges that the Respondent: 1) failed to provide a validation notice within five (5) days of an initial communication relative to her alleged debt; 2) viewed her credit report for a non-permissible purpose; 3) failed to update her credit report after she transmitted written notice of her dispute of the alleged debt; used abusive and/or harassing statements during a collection-related telephone call, 4) made misleading statements concerning the alleged past due account, 5) failed to meaningfully disclose the identity of the company; and 6) threatened to communicate false information relative to a past due account. In support of the complaint, the Complainant submitted typewritten entries documenting her interactions with the Respondent and its agent.

According to the entries, the Respondent's first communication with her occurred on February 19, 2010—during the call, the Respondent allegedly could not provide the Complainant with the name of the creditor or the amount of the alleged debt and refused to provide the name of the agency he or she represented. During such call, the agent allegedly indicated that the Complainant would receive a dunning notice within five (5) days of the February 19, 2010 contact.

The Complainant also documented a call from the Respondent on March 4, 2010, wherein the Respondent's agent allegedly indicated that no "letter" had been mailed yet. The Complainant also documented a call from the Respondent on March 5, 2010, where the agent allegedly stated that a validation notice had been mailed approximately fifteen (15) days prior to the call, although the exact date could not be confirmed.

According to the Complainant, when she attempted to request validation of the account, the agent allegedly accused her of trying "typical deadbeat stall tactics". The agent also allegedly made the following statements during the call: 1) that the Complainant should "admit that [she] has no money and that not even people who love [her] trust [her] enough to loan [her] some money so that she can make even a $25.00 payment, 2) that the agent "was simply trying to keep her out of court and help [her avoid the embarrassment of having to stand in open court and admit that [she] doesn't pay [her] bills and that [she] essentially steals from [creditor] because [she] now has goods from [creditor] that [she] refuses to pay for."; and, 3) that "obviously [creditor] was wrong to trust [her] and that since [creditor] was the only one who trusts [her], he was going to note the account that [she] refuses to make payment and refuses to honor [her] word." Immediately following this communication, the Complainant alleges that she contacted the Respondent and advised a "supervisor" of the agent's alleged action. According to the Complainant, she was told "if you don't fucking like it, pay your bills."

The Respondent states that an account validation notice was sent to the Complainant on January 1, 2010 and was not returned as undeliverable. The Respondent states also that it has not furnished any information relative to the Complainant's account to a credit reporting agency. Respondent admits that the March 4, 2010 call occurred and states that there was no discussion of a letter or a debt as a third party allegedly answered the telephone. The Respondent admits that the March 5, 2010 call occurred but denies al allegations that its agent took unlawful action during the telephone call, stating instead that the agent attempted to enter into a payment arrangement with the Complainant and was told by the Complainant that she had never received a validation notice. According to the Respondent, the Complainant's account has been placed in a "cease communication" status after receiving a letter from the Complainant on March 10, 2010 requesting validation of the account.

UPDATE: The Respondent provide additional information, including telephone recordings and detailed account notes, in support of its positions that it did not act unlawfully in its dealings with the Respondent. The account notes show that a validation notice was mailed to the Complainant on January 1, 2010. In addition, the notes do not show that a telephone call was placed to the Complainant on February 19, 2010. The Respondent's telephone recordings of its agent conversations with the Complainant on March 4th and March 5th do not show that the Respondent admitted that a validation notice was not sent to the Complainant. In addition, the recordings do not show that the Respondent's agent used abusive and/or threatening language toward to the Complainant at any time during the conversation.

Original Recommendation: Authorize formal hearing with authority to settle by Consent Order and payment of a civil penalty of not less than $5,000.00.

Final Recommendation: Close with a letter of warning re: false statements.

11. 2010034241

The Complainant alleges that the Respondent engaged in unlawful collection tactics relative to a past due account that she owed. The Complainant documented three (3) telephone calls to her place of employment from the Respondent wherein the Respondent allegedly continued speaking to her after she informed the Respondent that she could not receive such calls at her place of employment. During two (2) of the calls, the Respondent allegedly stated to the Complainant that her wages would be garnished if she failed to make a satisfactory payment arrangement. The Respondent states that its records do not support the Complainant's account and that it only has one (1) documented request to cease contacting the Complainant, which it honored. In addition, the Respondent states that its agent was never rude to the Complainant, but rather, the agent was "informative and assertive", according to its records. The Respondent states that it has documented the matter involving the Complainant in the agent's records.

UPDATE: The Respondent provided additional information (including detailed account notes) showing that, during three (3) telephone conversations with the Complainant, the Complainant advised the Respondent's agents that she could not speak with them while she was with a client at work. The Complainant made one (1) request that the Respondent cease contacting her at work, after which the Respondent removed the Complainant's place of employment telephone number, according to the Respondent's records. The Respondent admits that, during the telephone conversations, agents may have discussed wage garnishment as a possibility if the Complainant did not restore her account to "current" status—it is the Respondent's position

that these statements were lawfully made because: a) a wage garnishment was lawfully authorized and b) the subject account was a student loan account and an "Administrative Wage Garnishment" (AWG) was an authorized means of collecting the unpaid account absent the Complainant's voluntary compliance with a repayment plan.

Original Recommmendation: Authorize formal hearing with authority to settle by Consent Order and payment of a $5,000.00 civil penalty.

Final Recommendation: Close with a letter of warning re: threatening statements.

12. 201002897-1

201002897-1: The Complainant alleges that the Respondent is operating an unlicensed collection service in this state. The Respondent states that it is licensed under its corporate name but conducts business under a "dba" name. The Respondent provided a copy of its corporate name license, which is valid. The "dba" name is not of record in the Collection Service Board office. Additionally, the Respondent was sent a letter of warning in July 2010 regarding the use of an unlicensed trade name.

UPDATE: The Respondent provided additional information showing that it submitted a request to the office that its licensing records be updated to reflect its "dba" name prior to the complaint filing date. Office records show that the "dba" was entered prior to the complaint filing date.

Original Recommendation: Authorize formal hearing with authority to settle by Consent Order and payment of a $1,000.00 civil penalty.

Final Recommendation: Close with no action.

13. 201003191-1

The Complainant alleges that the Respondent continued to demand payment of an alleged past due account after she sent three (3) notices, including one via certified mail, return receipt requested (which was delivered to the respond prior to its dispatch of the third dunning notice) stating that she did not owe the claimed balance and requesting that the Respondent cease collection efforts relative to the balance. The Respondent states that the account has been recalled by its client and that it has closed its collection file on the Complainant and requested that its entries on the Complainant's credit report be removed.

UPDATE: The Respondent supplemented its initial response to the complaint, stating that it has no record of the Complainant's first two (2) notices of dispute and that it immediately complied with the Complainant's third notice (which was received) by reporting the account as "disputed" with credit reporting agencies and attempting to obtain validation pursuant to the Complainant's demand. The Respondent states that it ultimately indicated to its client that the account was "uncollectible" and that the client opted to forgive the allegedly past due balance.

Original Recommendation: Authorize formal hearing with authority to settle by Consent Order and payment of a $3,000.00 civil penalty.

Final Recommendation: Close with a letter of warning re: recordkeeping.

NEW PRESENTATIONS:

14/15. 201100265/6

201100265/6-1: The Complainant alleges that the Respondent refused to send him a "release" letter after he tendered what the Respondent indicated would be settlement in full on a past due account. The Complainant states that he has received verbal assurances from the Respondent that his account has been paid in full, but the Respondent has not yet sent him the requested acknowledgement and the account has allegedly been assigned to another collection service by the creditor. The Respondent states that it took possession of the account on April 28, 2010 and closed the account and returned same to its client on October 26, 2010.

Recommendation: Authorize formal hearing with authority to settle by Consent Order and civil penalty payment of a not less than $1,000.00.

16. 201100490-1

201100490-1: An administrative office complaint alleges that the Respondent continued to conduct collection service business in Tennessee while its surety bond expired. According to administrative office records, the bond was expired from December 9, 2010 until February 15, 2011. The Respondent admits that its bond was expired on the above-referenced dates, stating that the failure to renew the bond was due to an oversight. The Respondent now holds a valid bond.

Recommendation: Close with a letter of warning.

17. 201100316-1

201100316-1: The Complainant alleges that the Respondent made an entry on his credit reporting concerning an item that he does not owe. The Complainant provided a copy of a notice of dispute he mailed to the Respondent, dated February 8, 2011, which referenced the Respondent's negative entry, dated on or around January 20, 2011 and requested that the negative entry be removed. The Respondent states that, in response to the complaint, it has ceased collections on the account, returned the account to its client for further review, and requested that its tradeline be deleted from the Complainant's credit report.

Recommendation: Close with no action.

18. 201100348-1

201100348-1: The Complainant alleges that the Respondent continued calling him after disputed a commercial collection account both verbally and in writing. The Respondent states that it has suspended collection activity on the account, pursuant to the Complainant's request, and sent the

account back to its client for further review. The Respondent indicates that it will close the account if it does not receive a response from its client.

Recommendation: Close with no action.

19. 201100401-1

201100401-1: The Complainant alleges that the Respondent refused to validate an entry it made on his credit report. Further, the Complainant alleges that the Respondent entered an incorrect amount and failed to note that the account was disputed. The Complainant states that the Respondent's actions have resulted in damage to his credit standing and has demanded that the Respondent pay him $96,000.00 as compensation for the alleged damage.

The Respondent denies the Complainants allegations, stating the following: 1) No entries were made to the Complainant's credit report, as the alleged past due amount does not meet the Respondent's credit reporting threshold; however, the Respondent did access the Complainant's report after the Complainant's alleged account was assigned in August 2010 for scoring purposes; 2) The Complainant's account was marked as "disputed" in the Respondent's records, but such information was not provided to any credit reporting agencies, as the account was not reported; 3) The amount the Respondent demanded was consistent with the client's records indicating the Complainant's allegedly past due balance; 4) The Respondent transmitted, via certified mail with return receipt showing the Complainant's printed name and signature, validation documents it obtained from its client pursuant to Complainant's request, including, but not limited to: a "Healthcare Consent and Authorization Form", which set forth the Complainant's responsibility to pay for services rendered by the client and which was signed by the Complainant's spouse. The Respondent states that the account has now been closed and returned to its client, and that, as an accommodation to the Complainant, it has submitted a request to credit reporting agencies that information regarding its access to the Complainant's credit report be deleted.

Recommendation: Close with no action.

20. 201100484-1
21. 201100486-1
22. 201100487-1

Each of the above-referenced are administrative office complaints alleging that the Respondents, who are licensed location managers, failed to prove that they were either employed by a licensed collection agency or employed by an attorney at law in a position directly-related to the solicitation of accounts receivable in the two-year period preceding their most recent license renewal. Upon review, it appears that none of the Respondents meet the criteria for continuing eligibility for a location manager license set forth in Tenn. Code Ann. §62-20-108(d).

Recommendation: Authorize formal hearing with authority to settle by Consent Order of voluntary license revocation for each of the Respondents.

23. 201100488-1

201100488-1: The Complainant alleges that the Respondent continued contacting her concerning an allegedly past due account after she sent the Respondent written notice that the subject account has been satisfied with the creditor. The Respondent denies continued contact, stating that the Complainant's account was recalled by its client shortly after placement. The Respondent submitted its account notes, which show that the client placed the Complainant's account on October 29, 2010 and then recalled same on November 12, 2010. According to the records, the Respondent placed one (1) call to the Complainant during such period, wherein the Complainant advised the Respondent that she would address the matter with the client directly. The Respondent's notations on November 12 indicate that the Complainant paid the outstanding balance to the client.

Recommendation: Close with no action.

24. 201100491-1

201100491-1: An administrative office complaint alleges that the Respondent failed to provide evidence that it maintained a separate fiduciary or trust bank account with sufficient funds at all times to disburse all amounts due all clients on its most recent license renewal application. Administrative office records indicate that the Respondent failed to respond to the office's request for such proof and to the request for a response to a complaint opened due to their failure to provide such proof.

Recommendation: Authorize formal hearing with authority to settle by Consent Order and payment of a $1,000.00 civil penalty if the Respondent can provide proof of its compliance with applicable law within ten (10) business days of a request from legal counsel. If the Respondent cannot provide such proof, the civil penalty offer shall be increased to $2,000.00 and the Respondent will be required to provide proof within thirty (30) days that it is in compliance with applicable law.

25. 201100528-1

201100528-1: The Complainant stated that she has still not received sufficient validation from the Respondent of a past due account she allegedly owes. According to the Complainant, she received a dunning notice from the Respondent, to which she promptly responded and demanded validation of the alleged account. The Respondent provided her what it believed to be validation of the alleged account; however, the Complainant, after reviewing her own account records, can find no proof that she ever entered into the transaction giving rise to the allegedly past due account. The Respondent states that it has made valuable efforts to provide the Complainant with sufficient information; but, in light of the Complainant's ongoing dispute, it has elected to close the account, return same to its client, cease collection efforts and requests that its tradeline be deleted from the Complainant's credit reports.

Recommendation: Close with no action.

26. 201100529-1

201100529-1: The above-referenced complaint does not allege any unlawful action by the Respondent, who is the payment agent for the US Department of Education relative to defaulted student loan payments, but rather, the complaint addresses an ongoing dispute with the Department of Education and the Treasury Department over the amount of the Complainant's past due obligation.

Recommendation: Close with no action.

27. 201100676-1

201100676-1: An administrative office complaint alleges that the Respondent failed to respond to an office request for proof of a valid surety bond. The Respondent provided proof that it timely submitted such documents to the office's attention, but such documents were never received.

Recommendation: Close with no further action.

28. 201100685-1

201100685-1: An administrative office complaint alleges that the Respondent failed to respond to an office request for proof of a valid surety bond. The Respondent indicates that it has ceased operations in Tennessee. Its license status is now "delinquent".

Recommendation: Close and flag.

Final Recommendation: Send the Respondent a letter advising that it must comply with Tenn. Code Ann. §62-20-116 relative to cessation of collection service business.

29. 201100678-1

201100678-1: An administrative office complaint alleges that the Respondent failed to respond to an office request for proof of a valid surety bond. The Respondent submitted proof that it did maintain a valid surety bond for all dates that it conducted business in this state.

Recommendation: Close with a letter of warning re: timely response to requests.

30. 201100688-1

201100688-1: An administrative office complaint alleges that the Respondent failed to respond to an office request for proof of a valid surety bond. The Respondent submitted proof that it did maintain a valid surety bond for all dates that it conducted business in this state.

Recommendation: Close with a letter of warning re: timely response to requests.

31. 201100693-1

201100693-1: The Complainant alleges that the Respondent engaged in unlicensed activity by serving her, through its attorneys, with a summons to appear in court relative to an allegedly past due account. The Complainant also states that the venue of the action is improper, as she know longer lives in the county where suit was filed. The Respondent states that it is in compliance with applicable law and that the Complainant's arguments concerning venue are not properly before the Board and should be resolved by a court of competent jurisdiction. Documents provided by the Complainant show that all collection action was initiated against the Complainant by Tennessee-licensed attorneys and that the summons was served upon the Complainant while the Respondent's collection service license was valid.

Recommendation: Close with no action.

Final Recommendation: Send the Respondent a letter advising that it must comply with Tenn. Code Ann. §62-20-116 relative to cessation of collection service business.

32. 201100732-1

201100732-1: An administrative office complaint alleges that the Respondent failed to respond to an office request for proof of a valid surety bond. The Respondent submitted proof that it did maintain a valid surety bond for all dates that it conducted business in this state.

Recommendation: Close with a letter of warning re: timely response to requests.

33. 201100734-1

201100734-1: An administrative office complaint alleges that the Respondent failed to respond to an office request for proof of a valid surety bond. The Respondent submitted proof that it did maintain a valid surety bond for all dates that it conducted business in this state.

Recommendation: Close with a letter of warning re: timely response to requests.

MOTION: Ms. Dixon made a motion to accept Legal's recommendation on all of the complaints presented as amended, seconded by Mr. Mitchell. **MOTION CARRIED.**

Chairman Howard advised that a publicly traded agency recently reported a loss of $60 million and asked if a review of their financial stability be pursued. After some discussion, it was determined that a review would not be warranted at this time.

ADMINISTRATIVE REPORT – DONNA HANCOCK, EXECUTIVE DIRECTOR

Complaint Status Report - Ms. Hancock presented a comparison of the complaints pending in July 2010 to those currently pending.

COLLECTION LOCATION APPLICATIONS REVIEW

Information submitted by the following agencies was presented for discussion to determine if their business practices require a license to operate a collection agency in Tennessee.

FAN Distributing, LLC – The information presented was a follow-up to the Board's questions resulting from their review at the previous meeting. After some discussion, the Board requested Ms. Hancock to ask FAN Distributing's representatives if they could participate in the next board meeting scheduled for 9/14/11, via teleconference, to discuss this matter.

Equinox Financial Management Solutions, Inc. – After some discussion, the Board advised that the information provided would require the agency to be licensed as a collection agency. Mr. Bond was asked to respond to Equinox's correspondence on the Board's behalf.

Kubler Corporation – After some discussion, the Board advised that the information provided would require the agency to be licensed as a collection agency. Ms. Hancock was asked to respond to Kubler's correspondence on the Board's behalf.

LOCATION MANAGER APPLICATION REVIEW

The following Location Manager Application previously denied by the Board was presented for reconsideration at the applicant's request that included additional information:

Mark Sopata – Ms. Dixon made a motion to approve the application, seconded by Mr. Mitchell. **MOTION CARRIED.**

The following Location Manager Applications were presented to the Board for their consideration:

Brandon Arenda – Ms. Dixon made a motion to approve the application, seconded by Mr. Mitchell. **MOTION CARRIED.**

Ronald Bay – Mr. Mitchell made a motion to deny the application citing TCA 62-20-125(3), seconded by Ms. Dixon. **MOTION CARRIED.**

Yvonne Cooper – Ms. Dixon made a motion to approve the application, seconded by Mr. Mitchell. **MOTION CARRIED.**

Linda Dameron – Ms. Dixon made a motion to deny the application citing TCA 62-20-125(3), seconded by Mr. Mitchell. **MOTION CARRIED.**

Judy Erickson – Mr. Mitchell made a motion to deny the application citing TCA 62-20-125(3), seconded by Ms. Dixon. **MOTION CARRIED.**

Charles Hansford – Ms. Dixon made a motion to deny the application citing TCA 62-20-125(3), seconded by Mr. Mitchell. **MOTION CARRIED.**

Jay Dee Jones – Mr. Mitchell made a motion to approve the application, seconded by Ms. Dixon. **MOTION CARRIED.**

James Levy – Mr. Mitchell made a motion to deny the application citing TCA 62-20-125(3), seconded by Ms. Dixon. **MOTION CARRIED.**

Kevin McKenzie – Mr. Mitchell made a motion to deny the application citing TCA 62-20-125(3), seconded by Ms. Dixon. **MOTION CARRIED.**

Julia Mendes – Ms. Dixon made a motion to deny the application citing TCA 62-20-125(3), seconded by Mr. Mitchell. **MOTION CARRIED.**

The Board took a short break at 11:45 a.m. and reconvened at 11:55 a.m.

Paul Mora – Ms. Dixon made a motion to deny the application citing TCA 62-20-125(3), seconded by Mr. Mitchell. **MOTION CARRIED.**

Max Nieves – Mr. Mitchell made a motion to deny the application citing TCA 62-20-125(3), seconded by Ms. Dixon. **MOTION CARRIED.**

Vishwanath Pai – Mr. Mitchell made a motion to deny the application citing TCA 62-20-125(3), seconded by Ms. Dixon. **MOTION CARRIED.**

Kevin Rico – Mr. Mitchell made a motion to deny the application citing TCA 62-20-125(3), seconded by Ms. Dixon. **MOTION CARRIED.**

Tramaine Scott – The Board advised Mr. Scott's application could be approved administratively upon receipt of additional information requested.

Jerry Spiegalhauer - Mr. Mitchell made a motion to deny the application citing TCA 62-20-125(3), seconded by Ms. Dixon. **MOTION CARRIED.**

Jimmy Townsley - Ms. Dixon made a motion to deny the application citing TCA 62-20-125(3), seconded by Mr. Mitchell. **MOTION CARRIED.**

Hugh Workman - Ms. Dixon made a motion to deny the application citing TCA 62-20-125(3), seconded by Mr. Mitchell. **MOTION CARRIED.**

Kendra Young - Ms. Dixon made a motion to deny the application citing TCA 62-20-125(3), seconded by Mr. Mitchell. **MOTION CARRIED.**

David Newman - The Board advised Mr. Newman's application could be approved administratively upon receipt of additional information requested.

Sumit Abrol – Ms. Dixon made a motion to approve the application, seconded by Mr. Mitchell. **MOTION CARRIED.**

Ronez Dollar - Ms. Dixon made a motion to deny the application citing TCA 62-20-125(3), seconded by Mr. Mitchell. **MOTION CARRIED.**

Kirk Dugan - The Board advised Mr. Newman's application could be approved administratively upon receipt of additional information requested.

NEW BUSINESS OR UNFINISHED BUSINESS:

Ms. Hancock advised that she had just been handed an email request for 4-5 potential candidates to take the next Location Manager examination scheduled for 9/16/11. Applications for these individuals have not yet been received and therefore the 90 day deadline in which applications must be received in order to qualify for the 6/17/11 examination cannot be met. Ms. Hancock further advised that when the examination contract with the testing vendor expired on 6/30/11, schedules and application deadlines for future examinations had been removed from the board's website creating an unknown testing schedule for the remainder of 2011. After some discussion and until the next testing contract is in place, the Board agreed to allow Director Hancock to approve applicants for testing without meeting the 90 day application deadline provided that the applicants meet all other application requirements. Applicants failing to meet all other application requirements will be brought to the board for a decision on qualifications and issuance. As the Board's delegate, Chairman Howard agreed to review applications as necessary for the September 2011 examination.

Chairman Howard advised that he would be unable to attend the NACARA Conference in September 2011. The Board requested that Mr. Bond and Mr. Mitchell attend as their representatives.

ADJOURN: Being no further business to discuss, the meeting adjourned at 12:30 p.m.

Bart Howard

Bart Howard, Chairman