

**TENNESSEE
COLLECTION SERVICE BOARD
MINUTES**

DATE: July 11, 2012

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

PRESENT: Board Members:
Bart Howard, Chairman
Elizabeth Trinkler, Vice Chairman
Elizabeth Dixon

ABSENT: Chip Hellmann

PRESENT: Staff Members:
Donna Hancock, Executive Director
Chris Whittaker, Assistant General Counsel
Susan Lockhart, Executive Assistant

GUESTS: Terrance Bond

CALL TO ORDER: Chairman Howard called the meeting to order at 9:30 a.m. and the following business was transacted:

Roll Call - Director Hancock called the roll and three (3) of the four (4) board members were present. Mr. Hellmann was absent.

Agenda – Ms. Trinkler made a motion to adopt the agenda, seconded by Ms. Dixon. **MOTION CARRIED.**

Minutes – Ms. Trinkler made a motion to approve the minutes of the May 9, 2012 meeting, seconded by Ms. Dixon. **MOTION CARRIED.**

CHRIS WHITTAKER, ASSISTANT GENERAL COUNSEL

Mr. Whittaker presented the following Legal Report for the Board’s consideration:

1. **2012006181**
2. **2012007721**

Year License Issued: N/A
License Expiration Date: N/A

The above-referenced complaints allege unlicensed collections conduct by multiple related entities who have been sued in multiple civil courts in several states. In addition to these two complaints, there are at least three (3) additional open complaints pending before the Board

with regard to these entities. The Board has already authorized formal hearings for the three additional complaints referenced above.

Recommendation: Authorize referral of these two complaints to Litigation to be combined with other open complaints against these entities for one formal hearing to encompass all open complaints against these related entities.

3. 2011027521

Year License Issued: 2011
License Expiration Date: 04/06/2013

The complaint alleges harassment, that the Respondent attempted to collect more money than was owed pursuant to the Complainant's auto loan contract, and that the Respondent wrongfully ordered the repossession of the Complainant's vehicle. The Complainant has hired an attorney and his case has been consolidated as part of a class action lawsuit against the Respondent.

Recommendation: Place this complaint into Litigation Monitoring status pending the outcome of the Complainant's civil lawsuit.

4. 2012006641

Year License Issued: 2010
License Expiration Date: 10/05/2012

The complaint alleges that the Respondent failed to provide proof of surety bond coverage to the Board in a timely manner. The investigation revealed that the agency's website is no longer functional, that all phone numbers associated with the agency have been disconnected and are no longer in service, that certified mail addressed to the agency came back marked "refused", and that the company who used to assist the agency in maintaining compliance with state licensing requirements has not heard from the agency in months and believes that the agency has closed and ceased doing business.

Recommendation: Close and flag the complaint. If the Respondent does not provide proof of surety bond coverage and timely renew its license before the expiration date of the agency's license, its collection service license shall be closed.

5. 2012011971

Year License Issued: 1998
License Expiration Date: 02/12/2014

The complaint alleges that the Respondent agency violated the FDCPA by making misleading statements to the debtor. The investigation revealed a court order finding that the Respondent did violate the FDCPA by making misleading statement. Mitigating factors are that the billing issues which gave rise to the dispute between the agency and the Complainant were very complex and that the Complainant is a retired insurance adjuster who appears to have been intentionally attempting to manipulate the Respondent agency's representatives into making statements which would violate the FDCPA. While some disciplinary action may be necessary

for the Respondent's violation of the FDCPA, the nature of the violation cited by the judge in the court order does not appear to be intentional or egregious.

Recommendation: Formal hearing with authority to settle by Consent Order with a \$ 500.00 civil penalty.

6. 2012000651

Year License Issued: 2005
License Expiration Date: 12/31/2012

The complaint alleges that the Respondent agency entered into a settlement agreement with the Complainant with the understanding that, if the Complainant complied with the terms of the settlement agreement, the account in question would not be reported to the credit bureaus as a collection item. The investigation revealed that the Complainant did comply with all aspects of the settlement agreement, but that the Respondent erroneously and inadvertently reported the account as a collection item to at least one credit bureau prior to the completion of the settlement agreement. In the complaint, the Complainant's only request is that this item be removed from his otherwise excellent credit report. The Respondent took full responsibility for its error, and has stated that it will immediately begin working on having the account removed from the Complainant's credit report as a collection item. A Letter of Instruction would require the Respondent to remove the account as a collection item from the Complainant's credit report and provide proof of having done so as a condition of closing this complaint. Should the Respondent fail to have the account removed from the Complainant's credit report, additional disciplinary action could be taken against the Respondent.

Recommendation: Close upon the issuance of a Letter of Instruction requiring the Respondent to remove the above-referenced account from the Complainant's credit report as a collection item and to provide proof of same to the Board.

7. 2012007201

Year License Issued: 2008
License Expiration Date: 10/13/2012

The complaint alleges that the Respondent failed to provide proof of surety bond coverage to the Board in a timely manner. The investigation revealed that the Respondent agency did provide proof of surety bond coverage in a timely manner, but that the amount of coverage was insufficient based on the number of employees the agency has. The agency's Controller apologized for the misunderstanding and stated in writing that he is currently working with the agency's surety bond carrier to update the agency's surety bond coverage to the correct amount. Although the Respondent will not be able to provide proof of adequate surety bond coverage before today's meeting, the Respondent appears to be making every reasonable effort to comply with Tennessee law relative to surety bond coverage for collection agencies.

Recommendation: Close upon the issuance of a Letter of Instruction requiring the Respondent to obtain the appropriate amount of surety bond coverage as soon as possible and to provide proof of same to the Board.

8. 2012001681

Year License Issued: N/A

License Expiration Date: N/A

The complaint alleges that the Respondent, a law firm not licensed by this Board, engaged in misrepresentation in a collection letter by including a statement that the firm was licensed by the Tennessee Collection Service Board. In its timely filed response, the lead partner at the Respondent law firm acknowledged the error, stating that a letter vendor that the firm occasionally uses accidentally included the inaccurate statement. The firm has since stopped using the letter vendor which made the mistake, and has provided a revised form collection letter to Board counsel that does not contain the inaccurate statement. Additionally, the Respondent law firm is exempt from the licensing requirements of the Tennessee Collection Service Act.

Recommendation: Close upon the issuance of a Letter of Warning.

9. 2012006591

Year License Issued: 2006

License Expiration Date: 06/26/2012

The complaint alleges that the Respondent failed to provide timely proof of adequate surety bond coverage to the Board as required by law. Although the Respondent did provide proof of continuous surety bond coverage which reflected no coverage gaps, it took the Respondent longer than thirty (30) days to provide such proof. The Respondent acknowledged the oversight and apologized for any inconvenience.

Recommendation: Close upon the issuance of a Letter of Warning.

10. 2012007241

Year License Issued: 1979

License Expiration Date: 12/31/2012

The complaint alleges that the Respondent agency attempted to collect a debt which was discharged in bankruptcy by the Complainant. The investigation revealed insufficient evidence to support the Complainant's claim. However, it appears that the Complainant did make a written request that the Respondent agency no longer contact him regarding this debt, and that the agency placed one (1) collection phone call to the Complainant after receiving the cease and desist communication request. The Respondent stated that the phone call which was placed to the Complainant after the agency received the cease and desist communication letter was an error caused by a computer glitch. The agency had two phone numbers on file for the Complainant, and a "do not call" phone block was placed on the Complainant's primary phone number but not on the Complainant's secondary phone number. Immediately upon learning of the complaint, the Respondent placed a "do not call" block on the Complainant's other phone number, placed a "do not contact" notation on the Complainant's account in their system, closed the Complainant's account and returned it to the client, and advised that the agency will make no further collection contact of any kind with the Complainant regarding this account in the future.

Recommendation: Close upon the issuance of a Letter of Warning.

11. 2012008171

Year License Issued: 2009
License Expiration Date: 05/03/2013

The complaint alleges that the Respondent failed to provide timely proof of adequate surety bond coverage to the Board as required by law. Although the Respondent did provide proof of continuous surety bond coverage which reflected no coverage gaps, it took the Respondent longer than thirty (30) days to provide such proof. The Respondent acknowledged the oversight and apologized for any inconvenience.

Recommendation: Close upon the issuance of a Letter of Warning.

12. 2011031441

Year License Issued: 2009
License Expiration Date: 11/23/2013

The complaint alleges that the Respondent failed to provide timely proof of adequate surety bond coverage to the Board as required by law. The investigation revealed that the Respondent did timely provide proof of adequate surety bond coverage to the Board.

Recommendation: Dismiss the complaint.

13. 2012001191

Year License Issued: 1981
License Expiration Date: 12/31/2012

The complaint alleges that the Respondent agency engaged in harassment and unprofessional conduct while attempting to collect a debt from the Complainant and that the Respondent attempted to collect money from the Complainant which was not owed. The investigation revealed that the Complainant filed a civil lawsuit against Respondent based on the same set of facts set forth in her complaint to the Board, but that the Complainant voluntarily dismissed her lawsuit against the Respondent. Additionally, after the Complainant dismissed her civil lawsuit, she voluntarily entered into a payment arrangement with the Respondent regarding the debt that is the subject of this dispute, and she ultimately paid the debt in full. There is insufficient evidence of any legal violation(s) by the Respondent to support the imposition of disciplinary action against the Respondent regarding its conduct relative to the allegations in this complaint.

Recommendation: Dismiss the complaint.

14. 2012001271

Year License Issued: 1988
License Expiration Date: 12/31/2012

The complaint alleges that the Respondent attempted to collect money that the Complainant does not owe. The investigation revealed that the Complainant's true dispute is with his dentist's office (the client of the Respondent agency) over whether dental work performed by his dentist was properly billed to the Complainant's insurance company. The legal citations provided by the Complainant as part of his complaint pertain to laws and regulations which apply to dentists, and the Board has no jurisdiction over such claims. The investigation further revealed that the Respondent did properly validate the debt in question when the Complainant requested that it do so, that the Respondent has not reported the disputed debt to any credit bureaus, and that the Respondent has not taken and will not engage in any further collection efforts on this account until after the Board conducts its preliminary consideration of this complaint. There is insufficient evidence of any legal violation(s) by the Respondent to support the imposition of disciplinary action against the Respondent regarding its conduct relative to the allegations in this complaint.

Recommendation: Dismiss the complaint.

15. 2012001441

Year License Issued: N/A
License Expiration Date: N/A

The complaint alleges that the Respondent engaged in unlicensed collection conduct. The investigation revealed that the Respondent, a non-licensee, took assignment of a large number of accounts, including the account at issue in this complaint, from the original creditor. The Respondent then retained a Tennessee-licensed attorney employed by a Tennessee-based law firm to file suit against the Complainant in an attempt to collect the assigned debt. It does not appear that the Respondent ever made any affirmative attempt to collect the assigned debt from the Complainant, but it does appear that the unlicensed Respondent did act lawfully by retaining a Tennessee attorney to file suit to attempt to collect the assigned debt. There is insufficient evidence of any legal violation(s) by the Respondent to support the imposition of disciplinary action against the Respondent regarding its conduct relative to the allegations in this complaint.

Recommendation: Dismiss the complaint.

16. 2012001691

Year License Issued: N/A
License Expiration Date: N/A

The complaint alleges that the Respondent, a law firm not licensed by this Board, engaged in unlicensed collection conduct. The investigation revealed that the Respondent is exempt from the licensing requirements of the Act, and as such, is not subject to the jurisdiction of or discipline by the Board.

Recommendation: Dismiss the complaint.

17. 2012004611

Year License Issued: 1975

License Expiration Date: 12/31/2012

The complaint alleges that the Respondent engaged in harassment while attempting to collect a debt from the Complainant. The investigation revealed that the Complainant's true dispute is regarding medical treatment she received from a hospital (the Respondent's client). The Complainant believes that she should not have to pay for medical services received that she claims that she did not need or authorize. However, any such dispute is outside the jurisdiction of the Board. Additionally, the investigation revealed that the Respondent properly validated the debt in question when the Complainant requested that they do so, and that the Respondent, as evidenced in a CD recording of its phone calls with the Complainant, engaged in no harassing conduct toward the Complainant.

Recommendation: Dismiss the complaint.

18. 2012004621

Year License Issued: 1990
License Expiration Date: 12/31/2008

The complaint alleges that the Respondent engaged in harassment while attempting to collect a debt from the Complainant. The investigation revealed that the Complainant's true dispute is regarding medical treatment she received from a hospital (the Respondent's client). The Complainant believes that she should not have to pay for medical services received that she claims that she did not need or authorize. However, any such dispute is outside the jurisdiction of the Board. Additionally, the investigation revealed that the Respondent properly validated the debt in question when the Complainant requested that they do so, and that the Respondent engaged in no harassing conduct toward the Complainant.

Recommendation: Dismiss the complaint.

19. 2012005661

Year License Issued: 1997
License Expiration Date: 12/31/2012

The complaint alleges that the Respondent is violating the law by refusing to remove and/or delete all information regarding the Complainant's two accounts from the Respondent's computer system. One of the accounts was fraudulent, and the other was discharged in bankruptcy. The Respondent closed both accounts immediately upon speaking with the Complainant and determining that these accounts were not properly collectible. The Respondent has a right to maintain accurate account records in its own system, and its refusal to delete its own business records is not a violation of any state or federal law.

Recommendation: Dismiss the complaint.

20. 2012006191

Year License Issued: 2006
License Expiration Date: 03/13/2013

The complaint alleges that the Respondent provided misleading information while attempting to collect a debt and attempted to collect money not owed from the Complainant. The investigation revealed that the debt in question originated from the Complainant's completing of a Pharmacy Technician program. The Complainant was more than 11 months behind on his payments to the original creditor when the creditor referred the debt to the Respondent for collection. The contract the Complainant signed with the creditor specifically allows for the creditor to assess interest and collection costs against the Complainant if his account is referred for collection. The Complainant has never disputed the original balance owed on his account, and in fact, he continues to make payments on the account. The interest and collection fees charged to the Complainant's account were all charged by the original creditor, not the Respondent. There is no evidence of any legal violation(s) by the Respondent to support the imposition of disciplinary action against the Respondent regarding its conduct relative to the allegations in this complaint.

Recommendation: Dismiss the complaint.

21. 2012006511

Year License Issued: 1998
License Expiration Date: 12/31/2012

The complaint alleges that the Respondent attempted to collect money that the Complainant does not owe. The investigation revealed that the Respondent purchased a large number of accounts from the bankruptcy estate of a large, nationwide movie chain which went out of business and bankrupt several years ago. The Respondent made one collection phone call and sent one collection letter to the Complainant. During the phone call, the Complainant verbally disputed the debt. Immediately after being advised that the account was disputed, the Respondent marked the account as disputed, closed the account in its system, and returned it to the bankruptcy trustee with a notation that no further collection activity would be conducted with regard to the Complainant's disputed account. There is no evidence of any legal violation(s) by the Respondent to support the imposition of disciplinary action against the Respondent regarding its conduct relative to the allegations in this complaint.

Recommendation: Dismiss the complaint.

22. 2012006601

Year License Issued: 1997
License Expiration Date: 12/31/2012

The complaint alleges that the Respondent failed to provide timely proof of adequate surety bond coverage to the Board as required by law. The investigation revealed that the Respondent did timely provide proof of adequate surety bond coverage to the Board.

Recommendation: Dismiss the complaint.

23. 2012006611

Year License Issued: 1988
License Expiration Date: 12/31/2012

The complaint alleges that the Respondent failed to provide timely proof of adequate surety bond coverage to the Board as required by law. The investigation revealed that the Respondent closed down due to the declining health of its owner and surrendered its license.

Recommendation: Dismiss the complaint.

24. 2012006621

Year License Issued: 2008
License Expiration Date: 01/27/2013

The complaint alleges that the Respondent failed to provide timely proof of adequate surety bond coverage to the Board as required by law. The investigation revealed that the Respondent did timely provide proof of adequate surety bond coverage to the Board.

Recommendation: Dismiss the complaint.

25. 2012006671

Year License Issued: 1988
License Expiration Date: 12/31/2012

The complaint alleges that the Respondent attempted to collect money that the Complainant does not owe. The Complainant claims that the original creditor, his dentist's office, incorrectly submitted his insurance claim and that the incorrect submission led to his account being turned over for collection. However, it appears that the Complainant's insurance was appropriately billed, but that the carrier only made a partial payment on his account because the claim exceeded the maximum allowable benefits available to him under his insurance policy. The investigation further revealed that the Respondent assessed no collection fees of any kind on the Complainant's account, and that the additional interest and penalties added to the Complainant's account were appropriately assessed by the original creditor.

Recommendation: Dismiss the complaint.

26. 2012006721

Year License Issued: 1988
License Expiration Date: 12/31/2012

The complaint alleges that the Respondent attempted to collect money that the Complainant does not owe. The investigation revealed that the Complainant took out a student loan to attend college but that she fell behind on her loan and could not make her payments on time. The original creditor assigned the Complainant's account to the Respondent for collection, and the only charges added to the account were interest charges authorized by the Complainant's contract with the creditor. It appears that the Respondent offered the Complainant several options to make payments toward her loan, but that the Complainant simply did not have the money to comply with any of the proposed payment arrangements. Once the Complainant filed her complaint with the Board, the original creditor recalled the account from the Respondent. As

such, the Respondent has not and will not engage in any further collection activity with regard to the Complainant's account.

Recommendation: Dismiss the complaint.

27. 2012006941

Year License Issued: 2001
License Expiration Date: 12/31/2012

The complaint alleges that the Respondent attempted to collect money that the Complainant does not owe. The investigation revealed that the Complainant received benefits from the GI bill to attend college, but that he subsequently withdrew from college without an appropriate reason. As a result of his withdrawal, the Veterans Administration sought to recover some of the money it paid out for the Complainant to attend college. The Complainant provided paperwork reflecting that his appeal to the VA to waive its claim for reimbursement of the money it sought due to the Complainant's unjustified withdrawal from college was denied. It appears that the Respondent only had the Complainant's account for approximately thirty (30) days before the VA recalled the account and removed it from the Respondent's system. There is no evidence of any legal violation(s) by the Respondent to support the imposition of disciplinary action against the Respondent regarding its conduct relative to the allegations in this complaint.

Recommendation: Dismiss the complaint.

28. 2012006981

Year License Issued: 2005
License Expiration Date: 12/31/2012

The complaint alleges that the Respondent attempted to collect money that the Complainant does not owe and that the Respondent refused to validate the debt despite the Complainant's request that he do so. The investigation revealed that the Complainant's true dispute was with his phone carrier over the amount of a phone bill on a closed phone service account. After some negotiation directly with the creditor, the creditor reduced the Complainant's account balance to zero and removed the account from the Respondent's system. Additionally, the Complainant's request for validation also contained an explicit request for the Respondent to cease and desist all communication with him regarding the account. As such, the Respondent complied with the Complainant's cease and desist request and engaged in no further collection activity regarding the Complainant's account.

Recommendation: Dismiss the complaint.

29. 2012007191

Year License Issued: 2005
License Expiration Date: 12/31/2012

The complaint alleges that the Respondent failed to provide timely proof of adequate surety bond coverage to the Board as required by law. The investigation revealed that the Respondent closed down due to the resignation of its owner and surrendered its license.

Recommendation: Dismiss the complaint.

30. 2012008061

Year License Issued: 1998
License Expiration Date: 12/31/2012

The complaint alleges that the Respondent attempted to collect money that the Complainant does not owe. The investigation revealed that the Respondent purchased a large number of accounts from the bankruptcy estate of a large, nationwide movie chain which went out of business and bankrupt several years ago. The Respondent made one collection phone call and sent one collection letter to the Complainant. During the phone call, the Complainant verbally disputed the debt. Immediately after being advised that the account was disputed, the Respondent marked the account as disputed, closed the account in its system, and returned it to the bankruptcy trustee with a notation that no further collection activity would be conducted with regard to the Complainant's disputed account. There is no evidence of any legal violation(s) by the Respondent to support the imposition of disciplinary action against the Respondent regarding its conduct relative to the allegations in this complaint.

Recommendation: Dismiss the complaint.

31. 2012008161

Year License Issued: 2011
License Expiration Date: 07/27/2013

The complaint alleges that the Respondent failed to provide timely proof of adequate surety bond coverage to the Board as required by law. The investigation revealed that the Respondent did timely provide proof of adequate surety bond coverage to the Board.

Recommendation: Dismiss the complaint.

32. 2012008181

Year License Issued: 2005
License Expiration Date: 12/31/2012

The complaint alleges that the Respondent failed to provide timely proof of adequate surety bond coverage to the Board as required by law. In its response to the complaint, the Respondent, a California corporation, stated that it no longer intended to engage in collection service activity in Tennessee and surrendered its license.

Recommendation: Dismiss the complaint.

33. 2012008191

Year License Issued: 2009
License Expiration Date: 09/28/2013

The complaint alleges that the Respondent failed to provide timely proof of adequate surety bond coverage to the Board as required by law. The investigation revealed that the Respondent did timely provide proof of adequate surety bond coverage to the Board.

Recommendation: Dismiss the complaint.

34. 2012011731

Year License Issued: 2005
License Expiration Date: 12/31/2012 (voluntarily surrendered 05/01/2012)

The complaint alleges that the Respondent failed to provide proof of surety bond coverage to the Board in a timely manner. The investigation revealed that the agency's website is no longer functional, that all phone numbers associated with the agency have been disconnected, and that certified mail addressed to the agency came back marked "refused". According to a former manager at the company, the agency is out of business now because all of the agency's assets were purchased by another agency. Since the agency no longer exists, it will conduct no further collection service business in Tennessee.

Recommendation: Dismiss the complaint.

35. 2012011751

Year License Issued: 2008
License Expiration Date: 01/28/2013 (voluntarily surrendered 04/11/2012)

The complaint alleges that the Respondent failed to provide timely proof of adequate surety bond coverage to the Board as required by law. In its response to the complaint, the Respondent stated that it no longer intended to engage in collection service activity in Tennessee and surrendered its license.

Recommendation: Dismiss the complaint.

36. 2012014001

Year License Issued: 2010
License Expiration Date: 12/28/2012

The complaint alleges that the Respondent failed to provide timely proof of adequate surety bond coverage to the Board as required by law. The investigation revealed that the Respondent did timely provide proof of adequate surety bond coverage to the Board.

Recommendation: Dismiss the complaint.

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

ADMINISTRATIVE REPORT – DONNA HANCOCK, EXECUTIVE DIRECTOR

Location Manager Exam Contract – Update – Ms. Hancock advised the Board that the Department is in the process of working on a non-competitive contract with a new vendor to administer the location manager examination. The proposed contract period with the new vendor is for July 1, 2012 thru June 30, 2013. Ms. Hancock also advised the Board that the potential contractor proposes an exam fee of \$100 per candidate. She informed the Board that in accordance with rule #0320-01-.01 the testing fee is to be set by the Board and she asked the Board to accept or decline the \$100 proposed fee. Ms. Trinkler made a motion to accept the \$100 proposed fee per exam candidate, seconded by Ms. Dixon. **MOTION CARRIED.**

NACARA Conference – September 18-20, 2012 – Ms. Hancock reminded the board the next Annual NACARA is scheduled in September and will be held in New Orleans. Ms. Trinkler withdrew her previous request to represent the board at the conference. After some discussion, the board authorized Ms. Hancock to submit travel authorization requests for Mr. Howard and Mr. Whittaker to represent the Board.

Complaint Status Report - Ms. Hancock presented a comparison of the complaints pending in July 2011 to those currently pending.

LOCATION MANAGER APPLICATION REVIEW

Ms. Hancock then presented the following Location Manager Application and additional information previously requested by the Board for their consideration:

Andrew Miller – Ms. Trinkler made a motion to approve the application, seconded by Ms. Dixon. **MOTION CARRIED.**

Ms. Hancock then presented the following new Location Manager Applications for the Board's consideration:

Michael David DiPasquale – Ms. Trinkler made a motion to approve the application, seconded by Ms. Dixon. **MOTION CARRIED.**

David Edward Curnett – Ms. Trinkler made a motion to deny the application pursuant to TCA 62-20-125(3), seconded by Ms. Dixon. **MOTION CARRIED.**

COLLECTION AGENCY: DETERMINE LICENSE REQUIREMENTS

Appearance by Terrance Bond requesting a Licensing Decision for Client – Mr. Bond, a representative of the Law Office of Barry Gammons, PLLC, in Nashville, presented a letter requesting a ruling from the Board as to whether his unnamed client's business activities would require a collection service license. Mr. Bond's letter describes his client's business practices, stating in part that the client is an out-of-state corporation, that the client does not maintain office staff for the purpose of placing or receiving calls from consumers, and that the client does not otherwise engage in any direct communication with consumers. Further, the letter states that his client does engage in credit reporting, is named as the real party-in-interest in collection lawsuits

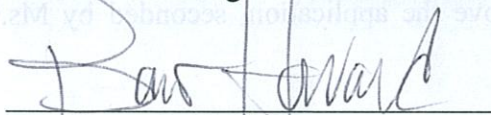
filed by its agents, and that it sends a single privacy notice to targeted consumers where required by the Gramm-Leach-Bliley Act. Mr. Bond stated that his client is a purchaser of defaulted consumer accounts who then assigns the accounts to third party licensed collection agencies or attorneys at law for collection. Mr. Bond also provided board members with copies of an example letter entitled "Notice of Privacy Policies and Practices" that his client will send to targeted consumers.

At the conclusion of Mr. Bond's presentation, Chairman Howard stated that Mr. Bond's client might be well served to obtain a collection service license from the Board to avoid any potential violations of state and/or federal law applicable to collection service agencies, but the Board did not render a formal opinion which would have required Mr. Bond's client to obtain a license. After further discussion, Ms. Trinkler made a motion to take the information provided by Mr. Bond under advisement and to address any issues similar to those raised in Mr. Bond's presentation that may arise on a case by case basis. The motion was seconded by Ms. Dixon. **MOTION CARRIED.**

NEW BUSINESS OR UNFINISHED BUSINESS:

Ms. Hancock asked the Board to clarify whether or not their authorization of the new examination fee discussed earlier in the meeting will affect the reexamination fee for location manager applicants? Assistant General Counsel Whittaker advised the Board that the intent of Rule 0320-1-.03 (3) is to assess a re-exam application fee of \$50 payable to the Board in addition to one-hundred dollars (\$100.00) per candidate paid to the testing vendor pursuant to rule 0320-1-.02(1). The Board agreed with Attorney Whittaker's assessment of the rules and fees.

AJOURN: Being no further business to discuss, the meeting adjourned at 11:00 a.m.



Bart Howard, Chairman