



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

**Board Meeting Minutes for July 13, 2016
First Floor Conference Room 1-B
Davy Crockett Tower**

The Tennessee Collection Service Board met on July 13, 2016, in the first floor conference room of Davy Crockett Tower in Nashville, Tennessee. Mr. Howard called the meeting to order at 9:38 a.m. and the following business was transacted:

BOARD MEMBERS PRESENT: Bart Howard, Elizabeth Trinkler, Chip Hellmann, Angela Hoover, and Steven Harb.

BOARD MEMBERS ABSENT: None.

STAFF MEMBERS PRESENT: Nikole Avers, Aisha Carney, Sarah Mathews, Rianna Womack.

ROLL CALL/NOTICE OF MEETING

Director Avers read notice of the meeting into the record, as follows: "Notice of the July 13, 2016 meeting for the Collection Service Board was posted to the Collection Service Board website on June 14, 2016."

AGENDA

Mr. Hellmann motioned to adopt the agenda as written. This was seconded by Ms. Trinkler. The motion carried by unanimous roll call vote.

MINUTES

Mr. Howard asked if there was a motion to adopt the minutes from the May 11, 2016 meeting as written. Ms. Trinkler motioned to adopt minutes. Mr. Harb seconded. The motion carried by unanimous roll call vote.

DIRECTORS REPORT

Director Avers reviewed the board's expenditures and projected budget. There were no legislative updates this month.

APPLICATION REVIEW

None.

LEGAL REPORT

1. 2016001891

Status: Expired
First Licensed: 01/06/2012
License Expiration: 01/05/2016
Disciplinary History: None.

This is a re-presentment from the May 2016 meeting:

This complaint was filed by a consumer and alleged that the Respondent attempted to collect an invalid debt. Complainant alleges that Complainant did not pay because the original account owner failed to properly submit claim to insurance company and they submitted claim with invalid social security number and did not check with the hospital for the correct information. In addition to the complaint, the State's system shows the Respondent's license is expired.

Respondent stated the account for the debt in question has been closed and return to the client.

Recommendation: Counsel recommends the authorization of a **civil penalty in the amount of Five Hundred Dollars (\$500)** to be satisfied within thirty (30) days of execution of the Consent Order for unlicensed conduct, which is in violation of **T.C.A. 62-20-105(a) & T.C.A. 62-20- 115(b)(5)**. Such Consent Order is to contain Cease and Desist language applicable to the Respondent and any agents working on its behalf prohibiting the Respondent and its agents from collecting debts in Tennessee until and unless appropriate licensure is obtained. Such terms are to be settled by Consent Order or Formal Hearing.

Decision: The Board voted to accept the recommendation of legal counsel and requested that legal send a letter of notice to the client (if identification of client was provided) of Respondent's license status in reference to T.C.A. § 62-20-118.

It was noticed after the May 2016 meeting that the Respondent had an active license in Tennessee at the time the above-mentioned phone calls were made. All the phone calls took place in December 2015 and Respondent's license did not expire until January 5, 2016. Therefore, this Respondent was actively licensed in Tennessee at the time of the phone calls.

New Recommendation: Counsel recommends this matter be **dismissed**.

Decision: The Board voted to accept the recommendation of legal counsel.

2. 2016008911

Status: Not Licensed.
Disciplinary History: None.

This is a re-presentment from the May 2016 meeting:

This complaint was filed by consumer and alleged unlawful debt and Respondent is not licensed in Tennessee. The Complainant alleges that they have not requested any service from the original creditor, nor do they utilize the original creditor's services. The amount involved is \$459.12. Respondent did not respond to the complaint allegation. Counsel has proof the complaint was delivered to the Respondent.

Recommendation: Counsel recommends the authorization of a **civil penalty in the total amount of Seven Hundred Fifty Dollars (\$750.00)**, which represents Five Hundred Dollars (\$500) for unlicensed conduct, which is in violation of **T.C.A. 62-20-105(a) & T.C.A. 62-20-115(b)(5)** and Two Hundred Fifty Dollars (\$250) for failure to respond to the complaint, which is a violation of **T.C.A. 62-20-115(a)(3) & T.C.A. 62-20-115(b)(5)** to be satisfied within thirty (30) days of execution of the Consent Order. Such Consent Order is to contain Cease and Desist language applicable to the Respondent and any agents working on its behalf prohibiting the Respondent and its agents from collecting debts in Tennessee until and unless appropriate licensure is obtained. Such terms are to be settled by Consent Order or Formal Hearing.

Decision: The Board voted to accept the recommendation of legal counsel.

It was noticed after the May 2016 meeting that the Respondent was unlicensed in Tennessee and therefore, in accordance with T.C.A. § 62-20-115(a)(3), only a licensee can be assessed a civil penalty for the failure to respond to a complaint. T.C.A § 62-20-115(a)(3) states in pertinent part, "The licensee shall, within twenty (20) days, file with the board the licensee's sworn answer to the complaint."

New Recommendation: Counsel recommends the authorization of a **civil penalty in the total amount of Five Hundred Dollars (\$500.00)** for unlicensed conduct, which is in violation of **T.C.A. 62-20-105(a) & T.C.A. 62-20-115(b)(5)** to be satisfied within thirty (30) days of execution of the Consent Order. Such Consent Order is to contain Cease and Desist language applicable to the Respondent and any agents working on its behalf prohibiting the Respondent and its agents from collecting debts in Tennessee until and unless appropriate licensure is obtained. Such terms are to be settled by Consent Order or Formal Hearing.

Decision: The Board voted to accept the recommendation of legal counsel. 3.

3. 2016009491

Status:	Active
First Licensed:	06/05/1997
License Expiration:	12/31/2016
Disciplinary History:	2009005661 Consent Order for \$2,000
	2006041311 Closed with Letter of Instruction
	2005044931 Closed with Letter of Warning
	2003147921 Closed with a Letter of Reprimand

This is a re-presentment from the May 2016 meeting:

This complaint was filed by a consumer and alleges the Respondent failed to comply with any applicable state laws or regulations. Complaint alleges that on December 15, 2014, Complainant cancelled service with the company and requested a final bill, which was never received. Complainant alleges that prior to receiving notice from Respondent, that Complainant had received a total of three (3) notices from two (2) other collection companies for the same debt. Complainant alleges that he responded to all three (3) notices disputing this debt. On January 7, 2016, Complainant received a notice from Respondent regarding the same debt. On January 30, 2016 Complainant wrote a letter to Respondent stating that he had received prior notices and submitted correspondence disputing the debt.

Respondent stated that upon receipt of Complainant's letter dated January 30, 2016, Respondent

immediately placed the account on hold and did not have any further contact with Complainant until validation of the account was sent to Complainant on February 11, 2016. Respondent states the account has been closed.

Recommendation: *Counsel recommends the authorization of a **civil penalty in the amount of Five Hundred Dollars (\$500)** for unlicensed conduct, which is in violation of **T.C.A 62-20- 105(a) & T.C.A. 62-20-115(b)(5)** to be satisfied within thirty (30) days of execution of the Consent Order. Such Consent Order is to contain Cease and Desist language applicable to the Respondent and any agents working on its behalf prohibiting the Respondent and its agents from collecting debts in Tennessee until and unless appropriate licensure is obtained. Such terms are to be settled by Consent Order or Formal Hearing.*

Decision: The Board voted to accept the recommendation of legal counsel.

It was noticed after the May 2016 meeting that the Respondent has an active license in Tennessee. Additionally, as noted in the Respondent's response above, upon receipt of the Complainant's letter dated January 30, 2016, the Respondent immediately placed the account on hold and had no further contact with Complainant.

New Recommendation: Counsel recommends this matter be **dismissed**.

Decision: The Board voted to accept the recommendation of legal counsel.

4. 2016002151

Status:	Active
First Licensed:	08/06/2015
License Expiration:	08/05/2017
Disciplinary History:	None.

This is a re-presentment from the May 2016 meeting:

This complaint was filed by a consumer and alleged that the Respondent is obtaining a license through misrepresentation or fraud and violation, or cooperating with other in violating, any provision of this chapter, or any rule lawfully promulgated by the board.

Complainant alleges that on Wednesday, December 9, 2015, she received a call while in a meeting from an employee of the Respondent. The employee began speaking extremely rapidly in a rather hostile tone of voice. Complainant alleges that the first words she understood clearly were "attorney" and "affidavit." Complainant excused herself from the meeting and starting asking questions, trying to determine what the Respondent's employee was referred to. Complainant alleges that Respondent's employee stated that he was from the legal department and was holding an affidavit to procure a court judgment against Complainant, to which she responded for what? Complainant alleges the Respondent's employee then identified whom he was calling on behalf of and the Complainant has an account with said company, but no past due payments, Respondent employee proceeded to tell her it was in regards to a debt from the 1990's. Complainant alleged she told the Respondent's employee she had no recollection of such account. Complainant stated this was well past Tennessee's six (6) year statute of limitations. Complainant alleges Respondent employee ended the call with something along the lines of "you don't believe me?" "wait and see." Complaint alleges at this time she felt intimidated and threatened.

Complainant alleges after researching legalities of debt collection that she called the number back and spoke with a different employee of the Respondent, who had difficulty locating the account by Complainant's phone number. Respondent employee said he would find a supervisor to assist the Complainant and the original caller came on the line. At this time, Complainant alleges she said "I'd better not, I repeat better not, be subjected to any type of legal process."

Complainant alleges the Respondent employee became belligerent and told her not to threaten him, the conversation proceeded and then Complainant hung up the phone.

Complainant alleges that the original Respondent employee said he was an attorney, after calling the Respondent back on December 10, 2015 and speaking with the office manager, Complainant ascertained that original caller was not an attorney. Complainant alleges that the office manager of Respondent did indicate that they had correctly interpreted her response to the call as a request to cease contacting the Complainant by phone. Complainant required written validation of the debt and provided her correct mailing address and stated she would follow up with a written request, signed and notarized also. On December 15, 2015, Complainant wrote a letter to the Respondent requested validation of the, she asked that the debt be treated as in dispute and that the Respondent only contract her in writing, no further telephone calls would be accepted.

Respondent did not respond to the complaint allegation. Counsel has proof the complaint was delivered to the Respondent.

Recommendation: *Counsel recommends the authorization of a **civil penalty in the amount of Two Hundred Fifty Dollars (\$250)** for failure to respond to the complaint, which is a violation of T.C.A. 62-20-115(a)(3) & T.C.A. 62-20-115(b)(5).*

Decision: *The Board voted to authorize a civil penalty in the total amount of Seven Hundred Fifty Dollars (\$750.00), which represents Five Hundred Dollars (\$500) in violation of 15 USC § 1692e and Two Hundred Fifty Dollars (\$250) for failure to respond to the complaint in violation of T.C.A. §§ 62-20-115(a)(3) and 62-20-115(b)(5).*

Counsel spoke with a representative from the Respondent's office on May 25, 2016 and was informed that the Respondent mailed a response to our office on January 28, 2016. Counsel has received a copy of this letter.

New Recommendation: Counsel recommends the authorization of a civil penalty in the amount of **Five Hundred Dollars (\$500.00)** in violation of 15 USC § 1692e.

Decision: **The Board voted to accept the recommendation of legal counsel.**

5. 20150223311

Status:	Active – Collection Service Agency
First Licensed:	06/04/2007
License Expiration:	06/03/2017
Disciplinary History:	None.

This is a re-presentment from the May 2016 meeting:

This complaint was filed by a consumer and alleged that the Respondent attempted to collect a disputed debt and harassed the Complainant by sending twelve (12) letters to collect this debt.

Complaint alleges that this debt involves two (2) shipments of coins. One shipment was paid for and

Complainant supplied a bank statement, which shows a payment of \$89.95. But the second shipment is the disputed amount, the amount in dispute is \$118.40, which the Complainant states was returned to the Company and Complainant provided proof of return in the form of a signed certified mail slip.

Respondent stated in its response that at this time, the Complainant's account is marked as disputed and not to be called, Respondent states it will ensure the Complainant's information remains disputed and that Complainant should not receive any additional calls from the Respondent regarding this account. Counsel has received proof that Complainant's account has been placed in a disputed state and on a no call list.

Recommendation: *There is no evidence of a violation on the part of Respondent. As such, Counsel recommends that this matter be **closed with no further action.***

Decision: *The Board voted to send a letter of instruction regarding T.C.A. § 62-20-115(b)(5) and 15 USC § 1692d, regarding to the excessive amount of letters sent to the Complainant.*

Counsel received correspondence from the Respondent's office on May 27, 2016 and was informed that the Respondent mailed only two (2), not twelve (12) letters to the Complainant. After reviewing the file it appears the twelve (12) letters were from the original creditor.

New Recommendation: Counsel recommends this matter be **dismissed.**

Decision: **The Board voted to accept the recommendation of legal counsel.**

6. 2016021021

Status:	Active
First Licensed:	10/02/2014
License Expiration:	10/01/2016
Disciplinary History:	None.

This complaint was filed by a consumer and alleged that the Respondent attempted to collect debt on account subject to identify theft.

The Complainant alleges that a bill was sent by Respondent with a current balance due of \$646.61 and that this account was created by a fictitious entity which used Complainant's name, home address and other identification to create a false credit card cashing system. The Complainant alleges there were multiple charges ran through this account and Complainant continued getting bills for it and has refused to pay. Complainant believes this entity also filed false income tax returns in order to seek improper refunds, which resulted in a delay of over one (1) year for the Complainant to receive a tax refund. Complainant alleges repeatedly writing to the entity sending the bills, advising them that this is an identity theft situation and the Complainant will not pay.

Respondent stated that it understands the Complainant has disputed the account and that it resulted from identity theft/fraud. Respondent has researched this matter and updated the Complainant's account to reflect that this matter is based on identity theft/fraud and has notified the creditor of this. Respondent has closed the Complainant's account its system and it is the intent to the Respondent to have no further communication with Complainant relating to this matter.

Recommendation: There is no evidence of a violation on the part of Respondent. As such,

Counsel recommends that this matter be **dismissed**.

Decision: The Board voted to accept the recommendation of legal counsel.

7. 2016021871

Status: Active
First Licensed: 11/15/2010
License Expiration: 01/02/2018
Disciplinary History: 2015001481 Formal Charges Authorized (9/14)

This complaint was filed by a consumer and alleged that the Respondent attempted to collect a wrong debt. Complainant alleges that the debt collection notice received from the Respondent (dated 12/11/15) did not state that the Complainant had the right to verification of the debt and made no mention of federal law. Complainant alleges that the amount of the debt is incorrect, as the insurance company used the incorrect doctor number to figure out the amount of reimbursement.

Respondent stated that in its initial collection letter sent to the Complainant on October 29, 2015, it advised the consumer of their rights to request validation or dispute the debt. This letter additionally stated that the Complainant must notify the office within 30 days or the Respondent's office would assume the debt was valid. Respondent stated the letter attached to the by the Complainant dated December 11, 2015 was the second letter sent. Respondent stated that in regards to the amount of the debt, the Respondent was not advised by the original creditor that there was an error on the account. Counsel received a copy of the initial letter dated October 28, 2015 from the Respondent.

Recommendation: There is no evidence of a violation on the part of Respondent. As such, Counsel recommends that this matter be **dismissed**.

Decision: The Board voted to accept the recommendation of legal counsel.

8. 2016021891

Status: Not Licensed.
Disciplinary History: None.

This complaint was filed by a consumer and alleged that the Respondent attempted to collect a debt that the Complainant does not owe. Complainant alleges that Complainant never used a credit card and has contacted and spoke with an employee of the Respondent about this matter already.

A response was submitted on behalf of the Respondent from the third-party debt collector and states that the account originated in December 2000 with the original creditor. In December 2002, the account was charged off in the amount of \$459.70. Respondent acquired the account on September 25, 2012 and as of today the balance is \$869.15.

Counsel has reviewed the Respondent's webpage and believes that Respondent is in the business of purchasing debts and the management of the debt is outsourced to a third-party which specializes in the management of these types of assets and who is a licensed collection agency in Tennessee. In reviewing the Complainant's documents it appears the Respondent is listed as the

“current owner” but the third-party company’s name is who it appears the letter and collection notice is ultimately from. Additionally, the letter states that “Third-Party manages the above referenced account for Respondent...”

Counsel confirmed that the third-party, who submitted the response to this complaint, is actively licensed in Tennessee.

Recommendation: There is no evidence of a violation on the part of Respondent. As such, Counsel recommends that this matter be **dismissed**.

Decision: The Board voted to accept the recommendation of legal counsel.

9. 2016022781

Status:	Active
First Licensed:	09/30/2013
License Expiration:	09/29/2017
Disciplinary History:	2014007201 Letter of Warning

This complaint was filed by a consumer and alleged that the Respondent refused to stop reporting the debt as the Complainant’s. Complainant alleges that after reviewing a credit report, Complainant disputed the item on the credit report to be erroneous and should be removed. Complainant additionally requested that the Respondent validate the debt, requesting copies of anything to show that Complainant was responsible for the debt and Respondent sent two (2) bills. Respondent stated that the Complainant’s account has been disputed and validation of the debt has been provided. Respondent states the last four numbers of the social security number on the original creditor’s account do match the information provided on the credit bureau dispute.

Recommendation: There is no evidence of a violation on the part of Respondent. As such, Counsel recommends that this matter be **dismissed**.

Decision: The Board voted to accept the recommendation of legal counsel.

10. 2016022991

Status:	Active
First Licensed:	06/29/1983
License Expiration:	12/31/2016
Disciplinary History:	2013007101 Letter of Warning 2013008051 Letter of Warning

This complaint was filed by a consumer and alleged fraudulent, unsigned debt collection. Complainant alleges receiving a fraudulent, unsigned debt collection letter from the Respondent on March 4, 2016. In a letter to the Respondent, dated April 11, 2016, Complainant alleges that the Respondent purchased the account from the original creditor or another third party debt buyer. Complainant alleges having no contract with the Respondent or the seller of the debt. Complainant alleges demanding from the Respondent proof that Respondent is the holder in due course of the alleged debt by providing a certified, notarized copy of the purchase agreement. Additionally, Complainant stated in this letter that unless the Respondent is the holder in due course of the alleged original contract/note the Complainant wishes to have no further contact with the Respondent. Complainant stated that the letter was notice to inform the Respondent that

they have no right to contact the Complainant in regards to the alleged debt at Complainant's home, neighbors, relatives or place of employment and that this letter is a demand notice to cease all further communication with Complainant. Complainant made a request for validation in the letter.

Respondent stated it has received the correspondence from Complainant and the address listed on the Complainant's correspondence did not match our address on record; however, the Complainant made specific reference to correspondence received from the Respondent has mailed to the address which matches the address in Respondent's record. For that reason, the Respondent states the requested validation documents were mailed under separate cover to the documented address on file, but were unfortunately returned to our office as undeliverable. Respondent states the Complainant should contact the Respondent and verify identity to enable Respondent to update its records and/or provide additional information regarding the personal business matter.

Recommendation: There is no evidence of a violation on the part of Respondent. As such, Counsel recommends that this matter be **dismissed**.

Decision: The Board voted to accept the recommendation of legal counsel.

11. 2016023091

Status: Not Licensed.
Disciplinary History: None.

2016023092

Status: Expired
First Licensed: 7/16/2009
License Expiration: 7/15/2013
Disciplinary History: None.

This complaint was filed by a consumer and alleged that the Respondent's refused to tell the Complainant the balance of the debt. Respondent 1 is a lawyer that previously worked for Respondent 2 (law firm).

Complainant alleges that on January 15, 2015, Respondent 1 signed off on an Agreed Order of Substitution of Counsel and Complainant has not received anything in print from Respondent 1. Complainant alleges that the last time she called she spoke with Respondent 1's supervisor, who stated that by law they cannot contact Complainant until they have received the balance. Complainant alleges calling multiple times requesting the balance and each time is told that they have not received that information from another attorney. Complainant alleges that Respondent 1's supervisor stated that he has received several payments now that were made to the Court.

A response was submitted on behalf of the Respondent 1 by Respondent 2 (law firm), which was his former employer. The statement states that Respondent 2 was retained to collect unpaid accounts and Respondent 1 was an attorney for the firm, but is no longer an employee of the firm. Upon receipt of this complaint, Respondent 2 reviewed the file and investigated this matter. Complainant had been making payments on the account since February 2016 and the current balance reflected is \$3,623.62. Respondent 2 additionally provided validation of the debt to Complainant on May 11, 2016.

Recommendation: There is no evidence of a violation on the part of Respondent 1 or Respondent 2. As such, Counsel recommends that both matters be **dismissed**.

Decision: The Board voted to accept the recommendation of legal counsel.

12. 2016023121

Status: Active.
First Licensed: 07/26/2005
License Expiration: 12/31/2016
Disciplinary History: None.

This complaint was filed by a consumer and alleges that the Respondent attempted to collect a debt that the Complainant does not owe. Complainant alleges that she received a letter on April 11, 2016 stating she owed money to a company. Complainant called the company on October 17, 2015 and asked them to cancel her service and was told they needed a letter stating this, to which the Complainant mailed a certified letter on October 19, 2015. The Complainant's payments were set up on autopay and Complainant's MasterCard continued to make the payments after she cancelled the service. On December 1, 2015, Complainant called MasterCard and explained that she had cancelled her service and should no longer be paying. Complainant was sent a new MasterCard.

Respondent stated that per the Complainant's complaint, the account has been closed and returned to the Respondent's client as of April 22, 2016. All collection efforts have ceased since that time and the Complainant has received no further communication from Respondent's office. Respondent states it appears that the complaint is related to the service provided by Respondent's client, rather than Respondent's collection efforts.

Recommendation: There is no evidence of a violation on the part of Respondent. As such, Counsel recommends that this matter be **dismissed**.

Decision: The Board voted to accept the recommendation of legal counsel.

13. 2016028671

Status: Active
First Licensed: 11/19/1997
License Expiration: 12/31/2016
Disciplinary History: 2009024241 Consent Order for \$500
2009012661 Letter of Warning
2009005711 Letter of Warning

This complaint was filed by a consumer and alleged that the Respondent called the Complainant on successive days, which is excessive and harassing. Complainant paid some money against an account but could not pay the remaining balance due to limited income and other medical expenses. Complainant states that when the Respondent calls they are sometimes pushy and do not understand when the Complainant cannot pay. Complainant states on two occasions Respondent has called on successive days.

Respondent stated they have talked with the Complainant on several occasions and he has never

communicated that he does not want communication from Respondent's office. Respondent has ceased communication with the Complainant and he will not receive any more calls or letters from Respondent.

Recommendation: There is no evidence of a violation on the part of Respondent. As such, Counsel recommends that this matter be **dismissed**.

Decision: The Board voted to accept the recommendation of legal counsel.

14. 2016029161

Status:	Expired
First Licensed:	03/08/2004
License Expiration:	12/31/2014
Disciplinary History:	None.

This complaint was filed a consumer and alleged that the Respondent refused to give her the debt documents and refused to return her phone calls.

Complainant alleges that Respondent never provided a debt verification letter stating the amount owed and name and address of the original creditor. Complainant alleges that she received a subpoena from the Respondent in which she is asked to appear before the Court on April 20, 2016 to testify and bring along multiple documents. Complainant attempted contacting the Respondent, but Respondent stated that she had to speak with their attorney. Complainant contacted Respondent's attorney's office numerous times requesting documentation and written confirmation, but they never responded. Complainant alleges that she was prepared to make her statement when she went to Court, but was not allowed to provide her statement before the judge. The judge asked each individual if they brought the documents listed on the subpoena and then told you to wait outside for Respondent's attorney. Complainant alleges that the attorney had made a copy of her file due to all of her previous request for an explanation. Respondent's attorney examines all personal information and asked the Complainant to sign a receipt for \$1710.96 and make \$50 monthly payments.

Respondent states that it does not attempt to collect debts. Respondent is a debt buyer and all accounts that are purchased by the Respondent are placed with law firms for collection. Respondent does not have a license in Tennessee because it does not collect or attempt to collect debts, but merely owns the debts.

Recommendation: There is no evidence of a violation on the part of Respondent. As such, Counsel recommends that this matter be **dismissed**.

Decision: The Board voted to accept the recommendation of legal counsel.

15. 2016029231

Status:	Not Licensed.
Disciplinary History:	None.

This complaint was filed by a consumer alleging that Tennessee consumers are being contacted via email by a fake company posing a collection agency. Counsel requested a copy of the email from the Complainant. After some research, Counsel determined this was the same Respondent

we received a complaint on in May 2016. There appear to be multiple unanswered complaints filed with the Better Business Bureau.

Recommendation: At the May 2016 meeting the Board voted to close and flag this Respondent in the event additional information is received. At this time, we have received another complaint, but no additional information has been received. **Counsel recommends the Board discuss how they would like counsel to proceed at this time.**

Decision: The Board voted to Close and Flag. In addition, the Board voted to forward this matter to the District Attorney's office for further investigation, review and resolution.

16. 2016029611

Status:	Active
First Licensed:	03/14/2006
License Expiration:	03/13/2017
Disciplinary History:	2006012401 Letter of Warning

This complaint was filed by a consumer and alleged that the Respondent is collecting an invalid debt. Complainant disputed the validity of the account on April 29, 2016, due to the claim not being sent to her insurance provider in a timely manner. Complainant received a letter from Respondent on March 16, 2016 explaining the debt and that Respondent was a debt collector. Complainant also states that when she spoke with Respondent's representative on March 22, the representative failed to verify her first and last name, social security number nor did he give her the mini Miranda as required by federal law.

Respondent stated that after receiving the Complainant's dispute letter on May 4, 2016, the Respondent placed the account on hold pending further information from their client (original creditor). Respondent has not received a response from their client. Respondent requested that the credit bureaus to whom it had been reported delete the Complainant's tradelines as well. Since receiving the dispute, the Respondent has not attempted to collect the debt from Complainant.

Recommendation: There is no evidence of a violation on the part of Respondent. As such, Counsel recommends that this matter be **dismissed**.

Decision: The Board voted to accept the recommendation of legal counsel.

17. 2016029641

Status:	Not Licensed.
Disciplinary History:	None.

This complaint was filed by a consumer and alleged that the Respondent sent a letter dated March 29, 2016 stating that the Complainant owed \$190.31. The Complainant alleged that in addition to the letter, Respondent called the Complainant to collect a debt owed.

Respondent stated that the letter to the Complainant was sent out in error and should have never gone out. Respondent has a program that segregates all accounts from states that Respondent does not have a license in and puts an automatic cease and desist on them. Respondent stated they have investigated this matter and since corrected it, all activity with the Complainant's

account has ceased. Respondent apologized for the inconvenience.

Recommendation: Counsel recommends the authorization of a **civil penalty in the total amount of Five Hundred Dollars (\$500.00)** for unlicensed conduct, which is in violation of **T.C.A. 62-20-105(a) & T.C.A. 62-20-115(b)(5)** to be satisfied within thirty (30) days of execution of the Consent Order. Such Consent Order is to contain Cease and Desist language applicable to the Respondent and any agents working on its behalf prohibiting the Respondent and its agents from collecting debts in Tennessee until and unless appropriate licensure is obtained. Such terms are to be settled by Consent Order or Formal Hearing.

Decision: The Board voted to accept the recommendation of legal counsel.

18. 2016032881

Status:	Active
First Licensed:	11/24/2009
License Expiration:	11/23/2017
Disciplinary History:	2011032141 Letter of Warning

This complaint was filed by a consumer. Complainant alleges that on May 23, 2016, Complainant received a letter from the Respondent, who claimed to be a collections agency. The letter contained a list four (4) items due for payment: items #1-3 were for services the Complainant has never used or heard of and item #4 was for a rent payment to the Complainant's landlord, which had been paid in full. The name to whom the check was made out to, the date and the amount match the actual check that was mailed from Complainant's bank to landlord's bank. Complainant is concerned that the check was intercepted and the information was used to create the fraudulent letter received.

Respondent stated that it is in the business of provided financial services for financial institutions and one of those services includes "check recovery solutions." This is when checks that are returned as unpaid to business customers are re-presented for further collection. The landlord is a business customer and as a creditor provided Respondent with a debt collection matter regarding the Complainant. Respondent sent the letter in an attempt to collect the debt. At about that time, Complainant paid the creditor (landlord) in full and Respondent has ceased all collection efforts. Respondent has not collected any funds from the Complainant and noted that some of the debts listed on the letter were in error and have been corrected.

Recommendation: There is no evidence of a violation on the part of Respondent. As such, Counsel recommends that this matter be **dismissed**.

Decision: The Board voted to accept the recommendation of legal counsel.

19. 2016033351

Status:	Active
First Licensed:	01/27/2005
License Expiration:	12/31/2016
Disciplinary History:	2013006361 Letter of Warning 2007066391 Letter of Warning

This complaint was filed by a consumer. Complainant alleges that she received a copy of her credit report and found the Respondent listed. Upon receiving this report, Complainant wrote a

letter to the Respondent on July 14, 2015, requesting validation of the alleged debt. Complainant disputed the account and requested verification of the debt in multiple letters between July 2015 and April 2016, but Complainant has received no response from Respondent. Complainant provided Counsel with proof for at least two (2) of the letters from the USPS that the letters were sent via certified mail, both of which were delivered to the Respondent's address and signed for.

Respondent stated that it is their interpretation of federal law that they do not have to supply itemized statements after the thirty (30) day validation period has expired. However, Respondent attempted to get an itemized statement from the facility, but they switched billings companies and are having a hard time providing. Additionally, the Respondent would like to know how the Board suggests they handle provided statements after the thirty (30) day validation period has expired. Counsel spoke with the Respondent and they provided me with documentation that the first letter was sent to the Complainant on March 7, 2014 and a second letter was sent on April 9, 2014.

Recommendation: There is no evidence of a violation on the part of Respondent. As such, Counsel recommends that this matter be **dismissed**.

Decision: The Board voted to accept the recommendation of legal counsel.

20. 2016029281

Status:	Active
First Licensed:	11/20/1997
License Expiration:	12/31/2016
Disciplinary History:	None.

This complaint was filed by a consumer and alleged that the Respondent placed a collection account on Complainant's credit report without validating the debt.

Complainant alleges that on March 31, 2016, a mortgage lender notified Complainant that a collection account appeared on his credit report. Complainant alleges that the Respondent has never contacted him about this account and the alleged debt was not validated prior to being placed on Complainant's credit report. On April 2, 2016, Complainant sent a certified letter to Respondent and Credit Report Company requesting removal of this account from his credit report as well as validation of the debt. Credit Report Company replied stating the Respondent had verified the debt to them and therefore it would not be removed. Additionally, Complainant sent a letter to the Better Business Bureau and Respondent replied to the BBB, stating that two (2) letters were sent to the Complainant in February 2016. Complainant alleges that his mailing address as been the same for the last four (4) years and he did not receive anything from the Respondent.

Respondent states that Complainant's account was turned over to them on January 29, 2016 from their client. Their client filed a lawsuit on this case against the Complainant and was awarded a judgement in the amount of \$5,760.00, to date the Complainant has paid on the account and the balance as of June 8, 2016 is \$1,680.62. Respondent states that two (2) letters were sent to Complainant. The first on February 1, 2016, this letter gave the Complainant the 30 day notice of the debt. The second letter was in regards to the civil judgment of the debt. Neither of the two letters was returned and the address given to the State matches the Complainant's address on file with the Respondent. On April 2, 2016, the Respondent received a CEASE & DECIST letter from the

Complainant and has not contacted her since.

Recommendation: There is no evidence of a violation on the part of Respondent. As such, Counsel recommends that this matter be **dismissed**.

Decision: The Board voted to accept the recommendation of legal counsel.

NEW COLLECTION SERVICE BOARD FAQ'S

- (1) What is a "personal or business financial statement" as required by TCA 62-20-106(2)?
 - a. A personal or corporate financial statement is a reviewed compiled or audited financial statement with and balance sheet and has been prepared by a public accountant or certified public accountant.
 - b. A personal or corporate financial statement is NOT a federal or state income tax return.
- (2) Can an entity applying for licensure submit its parent company's financial statement in lieu of its own financial statement?
 - a. No. The Board has stated that the then entity applying for licensure must submit its own financial statement and not the financial statement of a parent company.

NEW BUSINESS

There being no other new business, Mr. Howard adjourned the meeting at 10:55 a.m.