



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

**Board Meeting Minutes for April 5, 2017  
First Floor Conference Room 1-B  
Davy Crockett Tower**

The Tennessee Collection Service Board met on April 5, 2017, in the first floor conference room of Davy Crockett Tower in Nashville, Tennessee. Director Kopchak called the meeting to order at 9:36 a.m. and the following business was transacted:

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

**BOARD MEMBERS ABSENT:** Chip Hellmann.

**STAFF MEMBERS PRESENT:** Glenn Kopchak, Shilina Brown, Laura Martin, Lindsey Shepard and Eman Youssef.

**ROLL CALL/NOTICE OF MEETING**

Director Kopchak read notice of the meeting into the record, as follows: "Notice of the April 5, 2017 meeting of the Collection Service Board posted to the Collection Service Board website on March 30, 2017". Bart Howard, Steven Harb, Elizabeth Trinkler, and Angela Hoover were present. Chip Hellman was absent.

**AGENDA**

A motion was made to approve the agenda and carried by unanimous vote.

**MINUTES**

The motion to adopt the minutes from the February 8, 2017 meeting was motioned and carried by unanimous vote.

**DIRECTORS REPORT**

Director Kopchak presented the budget. There were no legislative updates to report.

**LEGAL REPORT**

Per the new rule, starting January 23, 2017, a change of ownership is only required if there is 50% or more change of control/ownership within a collection agency.

**1. 201607218**

Entity: 924262  
Status: Active, #1195

First Licensed: 8-2-2011  
License Expiration: 8-1-2017  
Disciplinary History: None

This case arises out of a consumer complaint alleging a medical provider improperly forwarded a debt to collections. Complainant visited a medical provider in 2012. When his insurer did not pay, the provider placed the debt for collection with Respondent. Respondent sent Complainant an initial notice letter. Complainant forwarded the initial notice letter to his insurer. The insurer paid the bill. Complainant claims that the alleged debt still appears on his credit history.

Respondent states that their only contact with Complainant was the initial notice letter. Upon receiving a copy of the complaint, Respondent closed Complainant's account. Respondent also submitted a request to delete the debt from Complainant's credit history.

**Recommendation:** Counsel recommends that this matter be DISMISSED

**DECISION: CONCUR**

**2. 2017006381**

Status: Active, no. 948  
First Licensed: 11/20/2008  
License Expiration: 11/19/2018  
Disciplinary History: None

This case arises out of a consumer complaint alleging Respondent, a third party debt collector, charged a 43% debt collection fee. A medical provider ("Creditor") placed a bill for \$459.75 with Respondent for collections. Respondent sent Complainant an initial notice letter for \$657.44. The initial notice letter does not indicate that a collection fee was added. Instead, the letter states that the entire \$657.44 is due to the Creditor.

The underlying contract that created the debt states as follows, "In the event my account is placed with an outside collection agency for collection, I agree to pay all collection cost, court, and attorney fees incurred to collect my account." Complainant's signature immediately follows. The contract does not list a collection fee percentage.

Respondent claims that the 43% fee was added by the original debtor before transferring Complainant's account to collections. However, documents provided by Respondent show that Complainant owes only \$459.75. Someone from Respondent's company handwrote on the printout from her account as follows: "acct bal (\$459.75) + 43% collection fee (\$197.69) = \$657.44 total." Another representative from Respondent stated to our investigator that they only charge a 28% contingency fee. However, documentation clearly shows that Respondent charged a 43% fee. By Respondent's own admission, the fee they charge is a contingency fee. Contingency fees are not paid until after the collection of the debt.

**Recommendation:** Counsel recommends that this matter be DISCUSSED by the Board. Consider \$1,000.00 civil penalty with formal charges authorized for violation of Rule 0320-02-.02 (misrepresenting the terms of its listing contract or the commission chargeable thereunder)

**DECISION: CONCUR and add cease and desist language in Consent Order stating that Respondent will not attempt to collect unearned contingent fees in an initial notice letter without itemizing the fees.**

**3. 2016073571**

Entity: 925883  
Status: Active, #453  
First Licensed: 11-30-2001  
License Expiration: 04-04-2019  
Disciplinary History: None

This case arises out of a consumer complaint alleging deceptive acts and harassment. Specifically, Complainant alleges she received approximately twenty (20) automated phone calls per day for ten (10) days from a caller identifying itself as “[Respondent] with an investment opportunity for [Complainant].”

Respondent mailed Complainant an initial notice letter on November 6, 2016. Complainant mailed Respondent a dispute letter on November 21, 2016. Records from Respondent indicate that they called Complainant sixteen (16) times total between November 9, 2016, and November 12, 2016. Respondent did not call before 8 a.m. or after 9 p.m. A third party requested that Respondent cease communication with Complainant on November 12, 2016, at which point Respondent stopped calling. Respondent marked Complainant’s account as “disputed” upon receiving Complainant’s November 21, 2016 letter.

Upon investigation, Complainant stated that Respondent did not contact them between before 8 a.m. or after 9 p.m. Complainant was not able to provide phone records supporting her claim. Respondent denies representing itself as a caller with an investment opportunity.

A copy of the complaint was sent via certified mail to Respondent. Respondent did not respond to the complaint. Respondent did timely respond to the Board’s investigator.

**Recommendation:** Letter of Warning for violation of T.C.A. § 62-20-115(a)(3) (failing to respond to complaint within twenty (20) days)

**DECISION: \$250.00 civil penalty with formal charges authorized for violation of T.C.A. § 62-20-115(a)(3) (failing to respond to complaint within twenty (20) days)**

**4. 2016072181**

Entity: 929352

Status: Active, #666  
First Licensed: 09-01-2005  
License Expiration: 12-31-2018  
Disciplinary History: None

This case was opened as an administrative complaint alleging Respondent's net client trust account was at a deficit. Respondent is a nationwide debt collection corporation that does business in at least forty (40) states. Respondent's 2015 financial instatement, included with its renewal application, stated that the company had a negative trust balance of approximately -\$350,000.00. The 2015 financial statement was reviewed by a certified public accountant.

Respondent claims that the deficit was due to a "timing issue." Respondent's attorneys process payments through a trust account. The attorneys report collections to Respondent in month of collection, and they remit the funds the succeeding month. Respondent claims that they remit payment to clients prior to receiving the trust funds from their attorneys. Going forward, Respondent stated it would include the legal receivables account in trust calculations. Respondent included a 2016 financial statement showing that trust cash exceeded trust client payable for all twelve (12) months.

**Recommendation:** Counsel recommends that this matter be DISMISSED

**DECISION: CONCUR**

**5. 2017002381**

Entity: 927654  
Status: Active, #399  
First Licensed: 03-07-2001  
License Expiration: 12-31-2018  
Disciplinary History: None

This case arises out of an administrative complaint alleging that Respondent's net client trust account was at a deficit. Respondent is a nationwide collection corporation. Its 2015 revenue exceeded \$100 million. Respondent submitted a 2015 balance sheet with its 2017-2018 renewal application that stated that the company had a negative trust balance of approximately -\$30 million. The financial statement was audited by a certified public accountant.

Respondent's renewal application was initially denied. Respondent then submitted a corrected 2015 balance sheet. The original 2015 balance sheet classified Client Payable and Appeals Reserve as "accounts due to clients." Respondent then sent a corrected 2015 balance sheet that reclassified Client Payable and Appeals Reserve amounts as "all other liabilities." The corrected balance sheet showed Respondent's trust account exceeded accounts due to clients. Respondent claims the reclassified Client Payable and Appeals Reserve were of a medical auditing (non-collection) client for which there is no trust bank account fiduciary responsibility.

**Recommendation:** Counsel recommends that this matter be DISMISSED

**DECISION: CONCUR**

**6. 2017000951**

Entity: 921629  
Status: Active, #193  
First Licensed: 11-19-1997  
License Expiration: 12-31-2018  
Disciplinary History: None

This case arises out of a consumer complaint alleging Respondent added a 25% debt collection fee. Complainant also alleges Respondent did not read out the proper disclosures regarding debt collection over the phone. An investigator contacted Complainant for more information, but she stopped returning his calls.

Respondent claims that they read out the mini-Miranda during all telephone communications with Complainant. Respondent further claims that the creditor added a 30% collection fee when it transferred the account for collection. A print-out from Respondent of the Complainant's collection account includes the 30% fee in the original balance. Complainant paid the entire balance after filing her complaint. I was unable to verify whether the underlying contract between creditor and Complainant authorized a collection fee.

**Recommendation:** Counsel recommends that this matter be DISMISSED

**DECISION: CONCUR**

**7. 2017000871**

Status: Unlicensed  
Disciplinary History: None

This case arises out of a consumer complaint against a medical service provider. Complainant claims that Respondent did not properly file a claim with her insurance company. Respondent claims that Complainant provided them with the wrong name, which made it impossible to verify proof of insurance. Respondent is a medical provider attempting to collect a debt incurred in the normal course of business.

**Recommendation:** Counsel recommends that this matter be DISMISSED as Respondent is exempt from licensure pursuant to Tenn. Code Ann. § 62-20-103(a)(3).

**DECISION: CONCUR**

**8. 2017002591**

Entity: 924208

Status: Expired – Grace, #18  
First Licensed: 03-17-1975  
License Expiration: 12-31-2016  
Disciplinary History: None

This case arises out of a consumer complaint alleging Respondent served her with a civil summons at her place of business. Complainant further alleges Respondent refused to provide validation of the debt.

Respondent received assignment of the underlying debt from a medical provider. Respondent claims it mailed Complainant an initial notice letter on August 6, 2016. The notice was not returned as undeliverable. On November 16, 2016, the creditor granted Respondent permission to sue. A civil summons was issued on November 29, 2016, listing both a home address and work address for Complainant. The home address listed on the summons is different from the home address Complainant provided with her complaint. A third party process server served Complainant at her work address on January 4, 2017. On January 5, 2017, outside the thirty (30) day window, Complainant's husband called Respondent and verbally requested an itemization. Respondent told Complainant's husband to contact his insurance company. Respondent also gave Complainant's husband two (2) payment options for satisfying the account. Complainant's husband said he would consider them and call back. On January 13, 2017, Complainant's husband called Respondent and stated he should not be responsible for court cost. On January 17, 2017, the creditor told Respondent to cease collection on the account. That same day, Respondent ceased collection and mailed Complainant a letter stating that it had requested the debt be removed from Complainant's credit history.

NOTE: Respondent's license expired December 31, 2016. However, it was acquired in January 2017 by a company whose license is still active.

**Recommendation:** Counsel recommends that this matter be DISMISSED

**DECISION: CONCUR**

**9. 2017008521**

Entity: 924208  
Status: Expired – Grace, #18  
First Licensed: 03-17-1975  
License Expiration: 12-31-2016  
Disciplinary History: None

This case arises out of a consumer complaint alleging Respondent did not Creditor transferred one of Complainant's accounts to Respondent, a third party debt collector. Respondent sent Complainant an initial notice letter. Complainant claims he responded in writing informing Respondent that their information was incorrect and instructing them to contact Creditor for additional information.

Respondent states that they mailed Complainant an initial notice letter on September 6, 2016. On September 30, 2016, Respondent received Complainant's letter. According to Respondent, the letter stated as follows, "...[Y]our request for payment to the above mentioned account has been denied. If you have any further questions, please call your client, [Creditor], for further information." Upon receipt of Complainant's letter, Respondent changed the status of the account to "Cease and Desist." Complainant sent a second letter to Respondent on January 26, 2017, disputing his account. Respondent changed Complainant's account to "disputed." On January 31, 2017, Respondent submitted a request to credit reporting agencies to have the account withdrawn.

**Recommendation:** Counsel recommends that this matter be DISMISSED

**DECISION: CONCUR**

**10.2017006101**

Status: 1765  
First Licensed: 10/2/2014  
License Expiration: 10/1/2018  
Disciplinary History: 201606411 - OPEN

This case arises out of a consumer complaint stating only as follows, "I have paid. These people have the canceled checks to prove it." Complainant does not allege any violations of state or federal collection law. Respondent replied to the complaint that Complainant's account is closed in their system. Respondent further claimed they will have no further communication with Complainant regarding this matter.

**Recommendation:** Counsel recommends that this matter be DISMISSED

**DECISION: CONCUR**

**11.2017006731**

Entity: 919957  
Status: Active, #1765  
First Licensed: 10-02-2014  
License Expiration: 10-01-2018  
Disciplinary History: None

This case arises out of a consumer debt dispute letter which the consumer sent to both Respondent and the Board. Complainant's alleged debt was referred to Respondent by a cable service provider. Respondent mailed Complainant an initial notice letter on January 18, 2017. Complainant responded in writing to dispute the debt and request validation on January 31, 2017. Complainant cc'd the Collection Service Board on that letter. The Board forwarded a copy

of the letter to Respondent. Respondent replied to the Board that they have closed Complainant's file and returned the account to the cable service provider.

**Recommendation:** Counsel recommends that this matter be DISMISSED

**DECISION: CONCUR**

**12.2017007671**

Status: Unlicensed  
Disciplinary History: None

This case arises out of a consumer complaint alleging Respondent refused to take his payments. Respondent is a law firm. Complainant's debt was referred to Complainant to file suit on September 12, 2016. A court date was set for October 10, 2016. Respondent claims they did not accept Complainant's payment because they had already filed a Slow Pay Motion. Their Motion needed to be heard before there was an acceptance of an arrangement or payment.

Complainant also alleges Respondent lied about receiving a December payment. Respondent denies ever receiving a December payment. Each party alleges that the other has been rude and condescending.

**Recommendation:** Counsel recommends that this matter be DISMISSED, as Respondent is a law firm exempt under T.C.A. § 62-20-103(a)(2).

**DECISION: CONCUR**

**13.2017006811**

Entity: 919880  
Status: Active, #914  
First Licensed: 04-21-2008  
License Expiration: 04-20-2017  
Disciplinary History: None

This case arises out of a consumer complaint alleging a medical provider mishandled an insurance claim. Complainant received care from a medical provider in October 2014. A few weeks later, she received a bill for \$293.00. Complainant contacted her insurance, who said the medical provider never filed a claim. Complainant responded to her medical provider with copies of her driver's license and insurance card and requested that they forward the bill to her insurer. The medical provider continued to bill Complainant directly every thirty (30) days for eight (8) months. The medical provider then referred the debt to Respondent.

Respondent sent Complainant an initial notice letter. Complainant sent Respondent a detailed explanation of events and included copies of her insurance card and driver's license. Respondent verified the debt. The medical provider told Respondent that it had submitted the



claim to Complainant's address but was not paid. Respondent conveyed this information to Complainant. Complainant stated that the provider had billed the wrong insurer. Complainant then filed this complaint. In response, Respondent states that they have adjusted patient's account balance to zero.

**Recommendation:** Counsel recommends that this matter be DISMISSED

**DECISION: CONCUR**

**14.2017012421**

Entity: 927683  
Status: Active, #1398  
First Licensed: 3-22-2013  
License Expiration: 3-21-2019  
Disciplinary History: None

This case arises out of a consumer complaint disputing the validity of a debt. Respondent stated that they would cease collection activities and close Complainant's account. Respondent did not report the alleged debt to the credit bureau.

**Recommendation:** Counsel recommends that this matter be DISMISSED

**DECISION: CONCUR**

**15.2017012301**

Entity: 925952  
Status: #98, Active  
First Licensed: 6-5-1997  
License Expiration: 12-31-2018  
Disciplinary History: 2009005661 – Consent Order w/ \$2,000 civil penalty for asking debtor's neighbor to assist them in contacting debtor and asking neighbor to put note in debtor's mailbox

This case arises out of a consumer complaint alleging unlicensed activity. Complainant included a copy of an October 2016 letter from Respondent offering to settle an outstanding debt. Respondent has been actively licensed since 1997.

Respondent received a copy of the complaint via certified mail but did not provide a response. The copy of the complaint was not specifically addressed to Respondent's contact for routing communication from the Board.

**Recommendation:** Letter of Warning for violation of T.C.A. § 62-20-115(a)(3) (failing to respond to complaint within twenty (20) days).

**DECISION: \$250.00 civil penalty with formal charges authorized for violation of T.C.A. § 62-20-115(a)(3) (failing to respond to complaint within twenty (20) days).**

**16.2017002511**

Status: 183

First Licensed: 1/26/1981

License Expiration: 12/31/2018

Disciplinary History: None

Entity: 921622

The Complainant received notification from the Respondent on November 22, 2016 concerning a debt owed by the Complainant in the amount of \$145.23. The Complainant states the debt is invalid and refuting the debt. The Complainant alleges the Respondent contacted the home warranty company with which the Complainant originally entered into the transaction with and requested that the company move the automatic draft date for payment to a date later in the month. The Complainant was assured by the sales representative it would not be a problem to pick the date for payment and it would require payment a month in advance. The company refused to change the draft date. The Complainant requested to speak to a supervisor, however, no supervisor was available, so the Complainant left a message for the supervisor. A supervisor did not call back for weeks and the Complainant no longer wanted to do business with the company. The Complainant indicates that the company misrepresented themselves and refuses to do business with them. Complainant refutes any additional monies are due to the Respondent. There is no indication the Complainant notified the company concerning cancellation of the contract.

The Respondent provided a written response. The original company cancelled the home warranty and closed the account on November 10, 2016 for non-payment. The Respondent states the account was placed in collection on November 21, 2016 for nonpayment and a past due balance. The Respondent states the Complainant did not notify the Respondent that the Complainant was refuting the debt. Also, the Complainant refused to send a letter refuting the debt because the Complainant stated a contract was never signed and services were not rendered. The Respondent stated that in order to move her draft date to a later date of the month for the following month, it was necessary for the Complainant to pay a month in advance and the Complainant refused to pay in advance. The Respondent returned the original debt to the company and has ceased any collection activity on December 16, 2016 after it received a letter from the Complainant with allegations similar to those included in the complaint.

**Recommendation:** Counsel recommends that this matter be DISMISSED.

**DECISION: CONCUR**

**17.2017009361**

Status: 681

Entity: 929367

First Licensed: 2/25/2016  
Expires: 2/24/2018  
Disciplinary History: None

The Complainant alleges the Respondent breached the Complainant's privacy for intentional fraudulent bill collection against a party using birth date and social security number instead of contacting the actual person that owes the debt. The Complainant states her husband did not have an outstanding balance and never has had one. Complainant demands to know how the Respondent was able to access the information the husband's information and threaten her husband with a judgment order.

The Respondent's attorney provided a response and stated the company placed the debt with the Respondent on January 20, 2017 in the amount of \$186.41 and provided the Respondent with the address, date of birth and social security number. An initial collection letter was mailed out on January 26, 2017. The notice provided the requisite information with the required notices, including the notice of the Complainants' husband's right to dispute the account and the other necessary disclosures. The notice did not threaten the Complainant's husband in any manner. The Complainant contacted the Respondent on February 8, 2017 and disputed the account and stated it was a fraudulent account. The Respondent updated the account to a dispute status and notified the creditor of the dispute and fraud claim. A fraud packed was also mailed to the Complainant on February 10, 2017. On February 16, 2017, the Respondent received a letter from the Complainant stated the account is not fraudulent and belongs to her son who has the same name as her husband. The Complainant stated that her son has not lived with them for nine years and has multiple outstanding accounts. On February 16, 2017, the Respondent closed the account and will not conduct any further collection activity regarding the account.

**Recommendation:** Counsel recommends that this matter be DISMISSED.

**DECISION: CONCUR**

**18.2017008531**

Status:  
First Licensed:  
License Expiration:  
Disciplinary History:

The Complainant provided an invoice from the Respondent concerning a debt owed in the amount of \$876.13 with some handwritten notes by the Complainant indicating that a response was provided to the Respondent on January 9, 2017, however the invoice was dated January 18, 2017. Additionally, there was an additional handwritten note indicating that the Complainant has no job to pay the debt. There was no additional information provided by the Complainant concerning the exact nature of the complaint against the Respondent.

The Respondent provided a response and stated the Complainant filed a complaint which originated with the Office of Consumer Affairs and was referred to the Board, however, there was no actual complaint included in the documents sent to the Respondent and upon further internal investigation discovered an individual did call concerning the account referenced on the invoice, but would not identify herself and terminated the call. Without proper identification, the Respondent is unable to exercise proper Fair Debt Collections Practices Act privacy protection conduct and there was no ability for the Respondent to discuss the matter further with the unidentified caller.

**Recommendation:** Counsel recommends that this matter be DISMISSED.

**DECISION: CONCUR**

**19.2017003881**

**Entity: 921606**

Status: 163

First Licensed: 9/11/1997

License Expiration: 12/31/2018

Disciplinary History: 2016014551- CONSENT ORDER WITH \$1,000 CIVIL PENALTY

A judgment lien was placed against the Complainant's property and it was paid on October 5, 2016, however, the Respondent has failed to release the lien despite the Complainant's repeated attempts to contact both the Respondent and the Respondent's attorney.

Respondent provided a response and stated the request to release the lien had been sent to the Respondent's law firm for a release to be filed. The Respondent apologizes for the inconvenience to the Complainant and has resent the request to its attorney. According to the Complainant, as of February 16, 2017, the Respondent or the Respondent's attorney have still not released the lien and the calls by the Complainant to the Respondent's attorney to request release of the lien continue to be unsuccessful.

**Recommendation:** Counsel recommends the authorization of a civil penalty in the amount of One Thousand Dollars (\$1,000) to be satisfied within thirty (30) days of execution of the Consent Order. Such terms are to be settled by Consent Order or Formal Hearing.

**DECISION: CONCUR**

**20.2017005081****Entity: 928466**

Status: 610

First Licensed: 2/15/2005

License Expiration: 12/31/2018

Disciplinary History: 2017010551 2017017071 2017017511 2017017731 2017017931  
2017018821- all are open cases

Complainant alleges the Respondent is attempting to collect a debt in Tennessee and is an unlicensed collection company in Tennessee. Respondent provided a response and stated it is attempting to collect a debt and they are licensed. The Respondent's license expired on December 31, 2016 and during the collection period, the Respondent was licensed in the State of Tennessee.

**Recommendation:** Counsel recommends that this matter be DISMISSED.

**DECISION: CONCUR**

**21.2017006481****Entity: 1172725**

Status: Unlicensed

First Licensed:

License Expiration:

Disciplinary History: None

Complainant was contacted by the Respondent concerning a debt in the original principal amount of \$2,891.25, with the current balance due of \$3,470.70 including fees. The Complainant told the Respondent, the Complainant was in contact with the original creditor. According to the Complainant, the Respondent told the Complainant that a negative report would be placed on the Complainant's Experian credit report regarding the collection account unless it was paid immediately. The Complainant advised the Respondent they were not licensed in Tennessee. Respondent told the Complainant an attorney would contact the Complainant concerning the debt. Subsequently, the Complainant received a demand letter from the Respondent's attorney. The letter from the attorney threatened lawsuits would be filed against the Complainant both personally and against the Respondent's business.

The Respondent provided a response and stated the Complainant contacted the Respondent concerning unlicensed status. The Respondent stated it was an oversight and the Respondent would no longer engage in unlicensed collection activity. The file was sent to an attorney and the Respondent closed the file for this matter.

**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). 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: CONCUR**

### **22.2017002751**

**Entity: 923348**

Status: 269

First Licensed: 5/14/1998

License Expiration: 12/31/2018

Disciplinary History: None

The Complainant worked as a psychologist and left the private practice in the hands of her brother, also a psychologist and he left the practice about six to twelve months after the Complainant. The Complainant received a collection letter stating the Respondent was attempting to collect a debt on behalf of the federal government. The Complainant states that according to the collection letter the Complainant saw a patient in 2009 with the referenced insurance carrier and the Complainant billed the insurance company and received payment for the services. According to the Complainant, it turns out the patient was not eligible for the insurance with the carrier and this came to light after the treatment had already been paid by the insurer. The Complainant claims the Respondent sent a form with no address, no provider, no patient name and only included dates of service. The Complainant asked the Respondent to validate the money was received with the necessary redactions. The Respondent claimed there would be too many redactions and could not provide a validation of the payment being made to the Complainant. The Complainant stated the statute of limitations for collection of debts in Tennessee or Washington is six years and this debt is eight years old. Following the initial collection letter, the Complainant received another letter from a different collection agency with the same information and the Complainant sent a letter requesting validation of the debt and they sent the same type of letter with redacted information and no patient name. The Complainant could not determine whether the account belonged to the Complainant or the brother who took over the practice. Although a provider number was included, the Complainant does not recall or have any records of the provider number since the Complainant closed the practice in 2009. The original debt was \$1,500 and it has now increased to \$2,500. The Complainant does not know how to proceed because it cannot identify the account.

The Respondent provided a response and stated that on September 5, 2016, the United States Department of Treasury placed the delinquent Department of Defense debt with the Respondent for the Complainant. On January 5, 2017, the Respondent received the Complainant's request for validation documents and those documents were sent to the Complainant.

**Recommendation:** Counsel recommends that this matter be DISMISSED.

**DECISION: CONCUR**

**23.2017002961**

**Entity: 1170974**

Status: Unlicensed

First Licensed:

License Expiration:

Disciplinary History: None

The Complainant alleges she made an agreement with the Respondent attorney and the homeowner association on September 21, 2015 to make \$150/month payments regarding a judgment against the Complainant in the amount of \$2,483.42. The Complainant contacted the Respondent for the final payment amount and the Respondent stated the final amount due was \$150 as of December 16, 2016 and the account would be closed. A week later the Complainant requested the paperwork for her account and another \$505.43 was due on the account as of August 31, 2015 with the inclusion of additional late fees. According to the Complainant, the late fees owed were only \$170 (\$10 per month), however, there was approximately an additional \$300 added to the late fees. The payment agreement included language concerning future monthly payments would be paid directly to the homeowner association and would include the \$10 late fee. According to the payment agreement, the Complainant would have to pay \$38.94, instead of the \$28.92 homeowner dues in the future. However, an e-mail indicates that the ongoing homeowner dues were \$30.00 plus a \$20.00 late fee. Therefore, the current balance due was actually \$555.43. The Complainant alleges the Respondent attorney advised the Complainant to discontinue contacted the homeowner association. The Complainant alleges the Respondent stated the payment agreement could be changed at any time and the account was not closed. Also, the Respondent attorney stated to the Complainant the lien would remain on the home and the Complainant had to sign a new agreement. Complainant insists the balance was paid in full on December 2, 2016, however, the Complainant has agreed to pay the late fees, but not the additional \$305.43.

The Respondent provided a response and stated the Complainant paid fourteen payments of \$150.00 and one payment of \$85.00 for a total of \$2,335.00. This left an outstanding balance of \$148.42 which was unpaid. The Respondent has no record of a payment of \$150.00 being made on December 2, 2016. The homeowner association was not taking the additional \$10 payment from the Complainant by an auto draft from the Complainant's bank account and it was incumbent upon the Complainant to pay the additional late fee to the homeowner association directly as stated in the payment agreement. Additionally, the Respondent states a notice of increase of monthly assessments was sent to the Complainant on February 1, 2016 advising the Complainant the assessment and late fees were increased by the homeowner association from \$28.94 to \$30.00 with the corresponding late fee increasing to \$20.00 per month effective immediately and the Complainant was under obligation to pay the new assessment and late

fees. The Respondent stated, the homeowner association has waived \$110.00 in late fees, however, there is still a current unpaid balance \$280.43 and the Respondent cannot release the lien against the Complainant.

**Recommendation:** Counsel recommends that this matter be DISMISSED as Respondent is exempt from licensure as an attorney-at-law pursuant to Tenn. Code Ann. § 62-20-103(2).

**DECISION: CONCUR**

**24.2017004231**

**Entity: 1171640**

Status: Unlicensed

First Licensed:

License Expiration:

Disciplinary History: None

The Complainant has purchased a vehicle from a used car auto dealer and made the payments directly to the used car dealer. The Complainant was out of the country for an extended period of time and relied on his son to make the payments directly to the used car dealer. The Complainant allowed the son to drive the vehicle during the time the Complainant was out of the country and the son was involved in an accident. Although the police report clearly indicated the accident was not the son's fault and the insurance company for the other driver accepted liability, the son failed to contact the insurance company following the accident or let anyone know about the accident. Therefore, when the Complainant returned to the United States, he contacted the insurance company and although they stated that they had accepted liability, since no person ever came forward, the case was closed and the insurance company is now declining the claim. The insurance company claims it was no longer responsible due to the amount of time that has passed. After repeated calls by the Complainant to the insurance company, the insurance company did agree to go to the used car lot and assess the damage, however, still refused to accept liability. Additionally, the used car dealer has demanded payment for the arrears and damage to the vehicle and has refused to release the car to the Complainant after he stated he would resume making payments and fix the vehicle. An attorney for the used car dealer contacted the Complainant and stated a judgment in the amount of \$5,707.37, including costs and interest was obtained against the Complainant. Complainant claims he was not aware of the judgment and did not receive a summons or any notice. A letter was sent to the Complainant by the Respondent on August 28, 2015 detailing the amounts owed and the judgment. The Complainant did not contact the Respondent and never sent a response or an objection to the Respondent.

The Respondent did not provide a response to the complaint.

**Recommendation:** Counsel recommends that this matter be DISMISSED as Respondent is exempt from licensure as an attorney-at-law pursuant to Tenn. Code Ann. § 62-20-103(2).



## **DECISION: CONCUR**

### **25.2017008931**

**Entity: 1174011**

Status: Unlicensed

First Licensed:

License Expiration:

Disciplinary History: None

The Complainant states a debt was owed and Complainant was attempting to “work out a plan” when the Respondent called the Complainant fourteen times in a 10 minute period and demanded the Complainant get out Complainant’s checkbook and “make a payment” on the debt immediately. The Complainant requested an additional 20 days and the Respondent refused to grant the additional time. The Complainant advised the Respondent that Complainant would file a complaint for harassment and the Respondent stated that the Complainant would not do anything. According to the Complainant, the Respondent stated that the Complainant would not be able to get away from the Respondent. The Respondent would not allow the Complainant to speak, continuously interrupted the Complainant and was hostile. Respondent did not provide a response

**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 failure to respond to the complaint, which is a violation of Tenn. Code Ann. § 62-20-115(a)(3) & Tenn. Code Ann. § 62-20-115(b)(5).

## **DECISION: CONCUR**

### **26.2017011201**

**Entity: 1175488**

Status: Unlicensed

First Licensed:

License Expiration:

Disciplinary History: None

The Complainant alleges the Respondent contacted the Complainant and asked if the Complainant lived at a certain address and when the Complainant responded “no,” the Respondent laughed and stated “you’re the one.” The Complainant states the Respondent began efforts to ruin the Complainant’s stellar credit rating and accused the Complainant of owing a balance to Comcast of \$208.00. The Complainant states Comcast has millions of customers and this was a mistaken key stroke that has caused trouble for the Complainant. Additionally, the Complainant alleges the Respondent has failed to make an adequate investigation of the amounts actually owed by the Complainant and has failed to provide the Complainant with due process.

The Respondent provided a response and stated the Complainant's account has been placed in a disputed status and Comcast has sent the consumer a complete fraud packet. Additionally, Comcast will have the fraud team investigate the matter further. Additionally, the Respondent has provided a fraud packet to the Complainant. The Respondent has ceased all collection activity on the account pending the outcome of the investigation.

**Recommendation:** Counsel recommends that this matter be DISMISSED.

**DECISION: CONCUR**

**COMPLAINTS TO BE RE-PRESENTED TO BOARD**

**27.2016072261**

**Entity: 924208**

Status: 18

First Licensed: 3/17/1975

License Expiration: 12/31/2016

Disciplinary History: None

This case arises from a consumer complaint alleging the Respondent is unlicensed. The Complainant claims this is a medical debt and she pays the bill regularly, however, the hospital has billed her separately in addition to the collection company billings. Complainant states she has been double billed several times. The Complainant states the hospital is no longer in business. The Complainant states she has an attorney. The Respondent did not provide a response.

**Previous Recommendation:** Counsel recommends a letter of warning, addressed to the attention of their legal counsel, for failure to respond to Board complaint in violation of Tenn. Code Ann. § 62-20-115(a)(3).

**PRIOR DECISION: Board authorized a consent order with a \$250.00 civil penalty.**

**ADDITIONAL REVIEW AND INFORMATION:** The original creditor placed the account with the original collection agency on November 30, 2015 for services rendered on August 12, 2014. The Complainant is listed as the guarantor and patient. The original collection company has been acquired by another company and has submitted a response and stated the Complainant was sent two letters. The Respondent was sent a letter on December 3, 2015 and December 1, 2016. The Respondent contacted the Complainant by telephone three times and the Respondent states the original collection company did not act in an aggressive manner on the telephone. Additionally, the original collection company was contacting the Complainant concerning the account and the Complainant did not indicate it was disputed. The complaint was the first notification the original collection agency was disputed and would conduct an investigation into this matter. The Respondent has properly noted the account as disputed. The original

collection company was advised of Complainant's attorney on December 6, 2016. The account has been noted to contact the attorney following the conclusion of the investigation. The Respondent is a licensed collection agency.

NOTE: The original collection agency license expired on December 31, 2016. However, it was acquired in January 2017 by a company whose license is current and active.

**UPDATED RECOMMENDATION:** Counsel recommends that this matter be DISMISSED.

**NEW DECISION: CONCUR**

**28.2015007381**

|                       |   |
|-----------------------|---|
| Status:               | Expired   |
| First Licensed:       | 02/11/2010  |
| License Expiration:   | 02/10/2016  |
| Disciplinary History: | 2013023231 Dismissed with no Action<br>2014017941 Closed with a Letter of Warning for failing to provide a current balance sheet. |

This complaint was opened after Respondent allowed its surety bond to expire. Despite efforts from Board staff to contact Respondent, Respondent never responded, and never submitted proof of a renewed bond.

Since this matter was presented, legal has discovered that Respondent business appears closed. Respondent is located in the State of New York. The Secretary of State for New York has Respondent's corporate status listed as "suspended." Respondent has not responded to communication attempts. Additionally, an internet search revealed that prior to this matter being opened with the Board, Respondent was held accountable for a significant penalty to the State of New York. Respondent's license with this Board has been expired for over a year, and there is no indication Respondent is still operating.

**Previous Decision:** \$250 civil penalty and submission of proof of an updated surety bond.

**New Recommendation:** Counsel recommends that this matter should be DISMISSED.

**NEW DECISION: CONCUR**

**29.2016064091**

|                       |            |
|-----------------------|------------|
| Status:               | Unlicensed |
| Disciplinary History: | None       |

This consumer complaint alleges Respondent had a debt listed on his credit report stating it had been "sent to collections" from the Respondent located in Monroe, Wisconsin. The Complainant determined this Respondent creditor was a catalog order company and according to the records of the Respondent, the Complainant held an account with them originally opened in February 2013. The balance listed on the Complainant's credit report was \$126.00. The Complainant states he has never purchased any items from this catalog company and this is not his debt. He contacted the Respondent on February 25, 2016 and asked them to investigate this matter. The Respondent sent the Complainant documents (Identify Theft Affidavit) to complete as proof that this was not his account in order to have the debt removed and suggested his identity may have been stolen. The Complainant responded in writing on March 14, 2016 and refused to complete the documents and told the Respondent his identity had not been stolen. The Complainant contacted the Consumer Financial Protection Bureau and opened a complaint (160707-001461). The Respondent has not responded to the Board concerning this complaint. The Respondent is not a collection agency.

**Previous 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 Tenn. Code Ann. § 62-20-105(a). 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.

**Previous Decision:** Concur.

Updated Information: The Respondent is a retail establishment and the original creditor and not a collection agency.

**New Recommendation:** Counsel recommends that this matter should be DISMISSED.

**NEW DECISION: CONCUR**

### **BOARD DEFERRED COMPLAINTS FROM FEBRUARY 8, 2017 BOARD MEETING**

#### **30.2016075641**

Status: Expired  
First Licensed: 9/17/2013  
License Expiration: 9/16/2015  
Disciplinary History: None

This consumer complaint alleges he discovered the Respondent reported a debt on his credit report in the amount of \$3,200 owed and the debt did not belong to the consumer. The debt was opened by the Respondent on the Complainant's credit report on February 3, 2016 and

February 12, 2016. He contacted the Respondent for additional information on the debt and the Respondent refused to provide the information and refused to remove the debt from the Complainant's credit report. The Respondent told the Complainant he had to pay the debt and when it was paid it would be removed. Complainant also contacted a Lexington, Kentucky law firm that specializes in credit repair in an effort to address this incorrect debt listed on his credit report, but never retained the law firm.

**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 Tenn. Code Ann. § 62-20-105(a) (unlicensed activity). The Consent Order should 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.

**Previous Decision: Board requested more info on this case. Specifically, Board wants to know whether Respondent is a debt buyer or collection agency collecting for a debt buyer. Deferred to next board meeting date of April 5, 2017.**

**ADDITIONAL INFORMATION:** Respondent is a privately held receivables, acquisitions and management firm. The Respondent purchases very specific types of delinquent and charged-off consumer portfolios, including accounts that are charged off and warehoused accounts that are sitting idle for several years.

**DECISION: CONCUR, however, change civil penalty to \$1,000.**

#### **APPLICATION REVIEW**

Initial Agency Application, American Credit Acceptance, LLC

The applicant marked "Y" on question "Had any civil actions regarding financial transactions pending?" The board members requested more information regarding the lawsuit that was filed against the company in Tennessee, and requested the amount held in trust for clients.

#### **ADJOURNMENT**

There being no other new business, Mr. Howard adjourned the meeting at 10:42 a.m.