



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

**Meeting Minutes for February 19, 2020  
First Floor Conference Room 1-B  
Davy Crockett Tower**

The Tennessee Collection Service Board met on February 19<sup>th</sup>, 2020, in the first floor conference room of Davy Crockett Tower in Nashville, Tennessee. Chairman Bart Howard called the meeting to order at 9:30 a.m. and the following business was transacted:

**BOARD MEMBERS PRESENT:** Bart Howard, Josh Holden (Teleconference), and Chip Hellmann (Teleconference)

**BOARD MEMBERS ABSENT:** Angela Hoover

**STAFF MEMBERS PRESENT:** Glenn Kopchak, Ashley Thomas, Carol McGlynn, Dennis Gregory, and Robert Hunter

**CALL TO ORDER/ROLL CALL**

Chairman Howard called the meeting to order. Director Kopchak took roll and established that quorum was present.

**STATEMENT OF NECESSITY/NOTICE OF MEETING**

Recognizing the absence of a physical quorum, Director Kopchak read the Statement of Necessity into the record. Chairman Howard put forward a motion to accept it as written, which Mr. Hellmann seconded. The motion carried by unanimous roll call vote. Director Kopchak also read the notice of meeting into the record as follows: "Notice of the February 19<sup>th</sup>, 2020 meeting of the Collection Service Board was posted to the Collection Service Board website on February 7<sup>th</sup>, 2020."

**MINUTES**

Upon review of the minutes from November's meeting, Mr. Hellmann motioned to accept the minutes. This was seconded by Chairman Howard. The motion carried by unanimous roll call vote.

**DIRECTOR'S REPORT**

***Budget Report***

Director Kopchak reminded the board that they had discussed the budget through September at the last meeting, so the only new budget information currently available is from the months of October and November. He stated that October received a credit under Administrative Costbacks due to a reduction in license numbers, resulting in a reduction in costback percentage and a subsequent credit for that quarter. Director Kopchak concluded that the budget is healthy and trending positively.

### ***Election of Officers***

Director Kopchak read the statute regarding the annual election of officers and stated that with this being the first meeting of the year, the board would need to elect their officers. Mr. Holden made a motion to elect Mr. Howard as Chair, Mr. Hellmann as Vice Chair, and himself as Secretary. Mr. Hellmann seconded this motion and it carried by unanimous roll call vote.

### ***NACARA Conference***

Director Kopchak stated that the annual NACARA Conference would be taking place October 4<sup>th</sup> through the 7<sup>th</sup> in Nashville. Director Kopchak suggested that since the conference is taking place locally, it could allow for more board members to attend. Chairman Howard suggested that the board table their decision on who would attend due to the possible membership changes occurring prior to the conference. Director Kopchak stated that they could table their decision and place it on the agenda for discussion at the next meeting.

## **LEGAL**

***Legal Report*** (Presented by Dennis Gregory)

### **NEW CASES**

**1. 2019083771**

**Respondent:**

**License Status: UNLICENSED**

**First Licensed: N/A**

**License Expiration: N/A**

**Disciplinary History: None**

**Summary:**

The Complainant alleges the Respondent has contacted their personal residence on a number of occasions by telephone. The alleged debt appears to belong to the Complainant's spouse. The Complainant claims the Respondent refused to mail a verification letter. The Respondent appears to be unlicensed.

The Respondent admits to being unlicensed. The Respondent states in its response that a bond has been obtained; however, a TN Collection Service License has not yet been granted.

**Recommendation: Consent Order for \$250.00 and authorization for formal hearing for violation of T.C.A. 62-20-105(a) (unlicensed activity).**

**BOARD DECISION: The Board elected to authorize a formal hearing and send a Consent Order with a \$500.00 civil penalty for violation of T.C.A. 62-20-105(a) (unlicensed activity).**

**2. 2019084151**

**Respondent:**

**License Status: - ACTIVE**

**First Licensed: 4/10/1981**

**License Expiration: 12/31/2020**

**Disciplinary History: 2009 Consent Order**

**Summary:**

\*This complaint is more about the process server than the collection service. The Complainant apparently had an outstanding doctor's bill of roughly \$350.00. The Complainant claims a private process server came to her place of employment and served her with a General Sessions civil warrant and summons while wearing a bullet-proof vest and gun. This appears to be the genesis of the complaint.

The Respondent says they did, in fact, handle the Complainant's doctor bill in collections. An attorney was employed to file a lawsuit, and after a number of attempts to work out payment arrangements, the Respondent attempted service on the Complainant in order to set a hearing date.

Ultimately, the Respondent did nothing wrong. The process server is not regulated by the Board or any other Board within the TDCI. If the Complainant feels she was threatened, she can lodge a complaint with the county in which the process server is licensed.

**Recommendation: Close.**

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

**3. 2019085471**

**Respondent:**

**License Status: - ACTIVE**

**First Licensed: 12/13/2013**

**License Expiration: 12/12/2019**

**Disciplinary History: None**

**Summary:**

The Complainant has been contacted by the Respondent regarding an overdue cable bill. The Complainant only says that he is "filing a complaint to inform you that [Respondent] have shared my information improperly beginning in September 2019." It appears the Complainant believes he is a victim of identity theft.

The Respondent says they received the cable bill for collection in September 2019 and mailed a validation letter within 30 days after the Complainant received the initial collection notice. After the Complainant disputed the bill, the Respondent claims to have mailed a fraud affidavit to the Complainant. As of late October 2019, the Complainant had not mailed back the affidavit.

There are no apparent violations of statutes or rules.

**Recommendation: Close.**

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

**4. 2019086611**

**Respondent:**

**License Status: - ACTIVE**

**First Licensed: 5/10/2013**

**License Expiration: 5/9/2021**

**Disciplinary History: None**

**Summary:**

The Complainants allege a company going by a name similar to that of the Respondent's has called their residence on a number of occasions seeking payment for an alleged debt. The Complainants neither admit nor deny the validity of the debt. In any event, they claim they have received threats of "criminal warrants" if they do not pay.

The Respondent says they do not have any record of an open or closed account relating to the Complainants. They say some other entity may be using their name to attempt to collect a debt or it could be some kind of scam.

**Recommendation: Close.**

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

**5. 2019088051**

**Respondent:**

**License Status: UNLICENSED**

**First Licensed: N/A**

**License Expiration: N/A**

**Disciplinary History: None**

**Summary:**

The Complainant alleges that she received a collection notice for roughly \$900.00 stemming from multiple magazine subscriptions. The Complainant says she told the Respondent representative that she had never ordered any magazines, but eventually sent a cash advance of \$600.00 as she was told her credit report would be impacted. The Complainant also claims to be on a fixed income at 70 years old.

The Respondent is unlicensed in TN. They say the Complainant contacted them to "resolve an account in jeopardy of being reported to the credit bureaus." The Respondent goes on to say that the Complainant could have disputed the account, but ultimately elected to pay a reduced amount. The Respondent says they are willing to refund the account if the issue is one of identity theft. Finally, the Respondent tacitly admits to being unlicensed at the time. They claim, however, the debt originated while the Complainant was a resident of New Jersey.

The phone number the Complainant provided in the complaint is a TN area code. That does not mean, however, the Respondent was aware the Complainant had moved to TN.

**Recommendation: Letter of Warning for unlicensed activity OR Consent Order for \$250.00 and authorization for formal hearing for violation of T.C.A. 62-20-105(a) (unlicensed activity).**

**BOARD DECISION: The Board elected to send a Letter of Warning for unlicensed activity.**

**6. 2019091081**

**Respondent:**

**License Status: – ACTIVE**

**First Licensed: 11/05/2009**

**License Expiration: 11/04/2021**

**Disciplinary History: 2012 Letter of Warning**

**Summary:**

\*This complaint was opened by a member of the Board's full-time staff. The Respondent and its owner and CEO were indicted in Federal District Court for allegations of bribery. The indictment is dated March 2019. The indictment alleges the Respondent's owner made political campaign contributions to county court clerks in exchange for their continued debt collection business. The Respondent performs collection service for county clerks' offices in Florida and Illinois (unpaid traffic fines, court costs, etc.). The allegations do not involve any county clerks or collection actions in TN.

The Respondent's attorney denies the allegations as described in the indictment. The Respondent's owner and CEO recently retired from the business and, presumably, handed off the ownership and CEO duties to someone else. Both the Respondent and owner (now former owner) have entered "Not Guilty" pleas.

As the matter, ultimately, involves only allegations of criminal activity, the Board may be best to monitor the matter or close and flag the license.

**Recommendation: Discussion.**

**BOARD DECISION: The Board elected to close and flag this complaint and to note in the flag for Board staff to investigate and legal issues associated with the former CEO prior to issuing the renewal.**

**7. 2019091291**

**Respondent:**

**License Status: UNLICENSED**

**First Licensed: N/A**

**License Expiration: N/A**

**Disciplinary History: None**

**Summary:**

The Complainant says she received a phone call from a TN phone number asking explaining to her that she was involved in a lawsuit. Eventually, she found out that she had been sued by a creditor. The Respondent is not a third-party collection service, rather a law firm or something else. There was no documentation or any other evidence of communication that identified the Respondent as a collection service.

The Respondent is outside the jurisdiction of the Board.

**Recommendation: Close.**

**BOARD DECISION: The Board elected to defer this complaint and to represent at the next meeting after investigating whether the Respondent is actually a law firm.**

**8. 2019089961**

**Respondent:**

**License Status: – ACTIVE**

**First Licensed: 6/27/2006**

**License Expiration: 6/26/2020**

**Disciplinary History: None**

**Summary:**

The Complainant is in collections stemming from a medical bill. He alleges the debt was incurred in 2014 but was not made aware of the debt until 2019 during a credit review for a loan. The amount in controversy appears to be \$67.87, which the Complainant paid in October 2019. The Complainant is more angered by the fact the Respondent did not contact him and that he discovered it on his credit report years later.

The Respondent says the account was placed with their office in January 2015. They allege that a validation letter was mailed to the address on file from their client that same month. They go on to say that the first report to the credit bureau was April 2015.

The statute of limitations for a legal cause of action (contract) is six years. Therefore, the Respondent was not in error for keeping the account open until the Complainant paid.

**Recommendation: Close.****BOARD DECISION: The Board accepted counsel's recommendation.****9. 2019091901****Respondent:****License Status: – ACTIVE****First Licensed: 8/2/2011****License Expiration: 11/6/2021****Disciplinary History: None****Summary:**

\*This complaint was opened by one of the Board's full-time staff. In the Respondent's application summary, the Respondent indicated that one of its owners, officers, members or partners had been convicted of a felony in the past two years.

The Respondent's corporate compliance director explains that there is, in fact, no conviction at this time. One of the Respondent's part owners, however, has been indicted in Federal District Court (March 2019) for conspiracy to commit wire fraud and bribery. According to the indictment, the wire fraud and bribery allegations came about after the part owner was involved in an attempt to offer the Commissioner of Insurance in North Carolina campaign contributions in exchange for "favorable action" related to his other businesses. The compliance director informed the staff member that the particular individual is currently not involved in any day-to-day operations and "never has been." According to various on-line media outlets, the part owner and his associates are awaiting trial.

The compliance director says that the current president (not indicted) ran the company both before and after the part owner's indictment. The events giving rise to the criminal allegations occurred largely in 2017 and 2018.

The Board may desire to monitor this matter or (as in #6) or to close and flag the license.

**Recommendation: Discussion.****BOARD DECISION: The Board elected to close and flag this complaint and to note in the flag to investigate all of the owner's criminal history prior to renewal.**

**10. 2019095141**  
**Respondent:**  
**License Status: – ACTIVE**  
**First Licensed: 12/14/2006**  
**License Expiration: 12/13/2020**  
**Disciplinary History: 2011 Consent Order; 2012 Letter of Warning**

**Summary:**

The Complainant claims he is being contacted by a collection agency for a debt he claims no knowledge of. The Complainant alleges that no validation notice has been sent to him.

The Respondent says they received the account from a credit card agency in 2019. The original creditor charged-off the account in 2017. The Respondent claims to have mailed a validation notice some time ago. As the Complainant believes the collection is a scam, the Respondent has ceased all collection activity and forwarded the Complainant a fraud/identity theft affidavit.

**Recommendation: Close.**

**BOARD DECISION: The Board accepted counsel’s recommendation.**

**11. 2019087051**  
**Respondent:**  
**License Status: - ACTIVE**  
**First Licensed: 10/29/2007**  
**License Expiration: 10/28/2020**  
**Disciplinary History: 2010 Consent Order; 2014 Letter of Warning**

**Summary:**

The Complainant says she had an account with a cellular phone company that was cancelled in May 2019. Now, however, the Complainant alleges she is receiving phone calls from the Respondent saying she owes money. The Complainant now disputes owing anything to the original creditor.

The Respondent has not responded to this complaint. Some representative for the Respondent signed for the complaint sent via certified mail.

**Recommendation: Consent Order with a \$250.00 civil penalty and authorization for formal charges for failure of a licensee to respond to a sworn complaint in accordance with T.C.A. 62-20-115(3).**

**BOARD DECISION: The Board accepted counsel’s recommendation.**

**12. 2019087731**  
**Respondent:**  
**License Status: UNLICENSED**  
**First Licensed: N/A**  
**License Expiration: N/A**  
**Disciplinary History: None**

**Summary:**

The Complainant alleges the Respondent has sent him collection notices within the past few months. Apparently, this matter was sent to collections in error in 2011 when the Complainant contacted the Respondent's president and "sorted" it out back then. The Respondent is now attempting to collect the same alleged debt. The Complainant provided no documentation or explanation of what the matter stems from.

The Respondent does appear to be unlicensed in TN. No response has been forthcoming from the Respondent. There is also no known registered agent for the Respondent based on a corporate filing search, making service of process difficult.

**Recommendation: Letter of Warning for unlicensed activity.**

**BOARD DECISION: The Board elected to defer this complaint to the next meeting so that counsel can investigate and collect more information about this Respondent.**

**13. 2019096191**

**Respondent:**

**License Status: UNLICENSED**

**First Licensed: N/A**

**License Expiration: N/A**

**Disciplinary History: None**

**Summary:**

The Complainant says he was contacted by the Respondent regarding a loan the Complainant took out in 2011 or 2012. The loan was allegedly defaulted on in 2015. The Complainant does not say whether he took out the loan or not, but he does say he made payment arrangements with the Respondent. The Complainant went so far as to schedule a payment but then stopped the payment after he did not receive a "packet of information" the Respondent had promised to send. The Complainant then contacted the original creditor (which he should have done in the first place) and they told him they found no record of any loan in his name.

The Respondent appears unlicensed in TN. The complaint was returned in the mail as "refused."

**Recommendation: Letter of Warning for unlicensed activity.**

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

**14. 2020000391**

**Respondent:**

**License Status: - ACTIVE**

**First Licensed: 12/7/1979**

**License Expiration: 12/31/2020**

**Disciplinary History: 2012 Consent Order**

**Summary:**



This complaint stems from an unpaid medical bill. The Complainant received medical services that he believes was only a “continuation of service” for an ER admission. The Complainant says the hospital erroneously coded his insurance filing as an “office visit,” which caused his insurance to pay for everything except \$241.42. The account is now in collections with the Respondent.

The Respondent explains what the insurance carrier had previously explained to the Complainant-that his insurance simply did not cover the entire balance of the visit. This is an issue for the Complainant to resolve or attempt to resolve with his insurance carrier or the hospital.

**Recommendation: Close.**

**BOARD DECISION: The Board accepted counsel’s recommendation.**

**15. 2020000751**

**Respondent:**

**License Status: - ACTIVE**

**First Licensed: 3/14/2006**

**License Expiration: 3/13/2021**

**Disciplinary History: 2018 Letter of Warning**

**Summary:**

This complaint arises from an unpaid dental bill. The Complainant claims to have no knowledge, only saying that she has never conducted business with the Respondent. The Complainant’s credit report shows the Respondent’s name instead of the dentist from who she received services. She alleges the debt has not been validated. There is interest that is accumulating; however, the patient-physician agreement may give the physician a right to interest after the account remains unpaid.

The Respondent provides copies of invoices from the dentist office as well as dates when the validation notices were mailed out.

**Recommendation: Close.**

**BOARD DECISION: The Board accepted counsel’s recommendation.**

### **REPRESENTS**

**16. 2018035711**

**Respondent:**

**License Status: UNLICENSED**

**First Licensed: N/A**

**License Expiration: N/A**

**Disciplinary History: None**

**Summary:**

The Complainant is a Tennessee attorney submitting the complaint on behalf of his client. The client allegedly owes \$12,796.71 for some service performed by the original creditor. A collections notice was sent to the attorney’s client on May 14, 2018.

The Respondent admits the notice was sent in error and is now transferring the file to a local Tennessee attorney for action. The Respondent is not licensed in Tennessee.

**Recommendation: Consent Order for \$500.00 and authorization for formal hearing for violation of T.C.A. 62-20-105(a) (unlicensed activity).**

**BOARD DECISION: CONCUR**

**NEW INFORMATION: After speaking with the Respondent's "vice-president", the Respondent says the collection letter that was sent to the Complainant in 2018 was in error. They intended for it to only be sent to their Tennessee collection attorney instead of the Respondent. This was the only contact with anyone in Tennessee.**

**NEW RECOMMENDATION: Close with a Letter of Warning.**

**NEW BOARD DECISION: The Board accepted counsel's recommendation.**

17. **2018045811**

**Respondent:**

**License Status: UNLICENSED**

**First Licensed: N/A**

**License Expiration: N/A**

**Disciplinary History: None**

**Summary:**

The complaint stems from a debt incurred in 2016. The Complainant has apparently been making payments but is falling behind. The Complainant says the Respondent collector is calling her place of work.

There appears to be no record of a license for this Respondent.

**Recommendation: Consent Order for \$500.00 and authorization for formal hearing for violation of T.C.A. 62-20-105(a) (unlicensed activity).**

**BOARD DECISION: CONCUR**

**NEW INFORMATION: A number of attempts were made to serve the Consent Order with no success. Since this complaint, there have been no new complaints and no additional information about further contact from the Complainant.**

**NEW RECOMMENDATION: Close.**

**NEW BOARD DECISION: The Board accepted counsel's recommendation.**

## **NEW BUSINESS**

### ***NMLS Onboarding Update***

Director Kopchak relayed to the board that they had received confirmation from Legal that they have the authority to onboard licensees into the Nationwide Multistate Licensing System (NMLS). The administrative staff will continue to research the cost of this action and work with the Department of Financial Institutions to determine the most effective course for implementation. Director Kopchak also added that those licensees already on NMLS would only pay an application fee of \$20, while those not on NMLS would pay a fee of \$100. Chairman Howard inquired as to how those fees would be collected and Director Kopchak responded that NMLS would collect the fees and then remit them back to the board. Director Kopchak reiterated that there would be more information to follow as further research is completed.

### **ADJOURNMENT**

There being no other new business, Chairman Howard made a motion to adjourn. Mr. Hellmann seconded. The motion carried by unanimous roll call vote. The meeting adjourned at 10:07 a.m.