



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

Meeting Minutes for July 12, 2023
Davy Crockett Tower
Conference Room 1-B

The Tennessee Collection Service Board met on July 12, 2023, in the first-floor conference room of the Davy Crockett Tower in Nashville, Tennessee. The following business was transacted:

BOARD MEMBERS PRESENT: Chip Hellmann, Tony Zikovich, Jason Hill, and Laurie Hadwyn.

BOARD MEMBERS ABSENT: Gregg Swersky

STAFF MEMBERS PRESENT: Roxana Gumucio, Hugh Cross, and Robert Hunter

CALL TO ORDER/ROLL CALL

Director Gumucio called the meeting to order at 9:30 a.m. and took roll, establishing that a physical quorum was present.

NOTICE OF MEETING

Director Gumucio read the notice of the meeting as follows: "Notice of the July 12, 2023, meeting of the Collection Service Board including date, time, and location has been noticed on the website since August 3, 2022; additionally, this month's agenda has been posted on the website since July 5, 2023."

AGENDA

Mr. Hellman motioned to adopt the agenda as amended. This was seconded by Ms. Hadwyn. The motion passed unanimously.

APRIL MINUTES

Upon review of the minutes from April's meeting, Mr. Hellman motioned to accept them. This was seconded by Ms. Hadwyn. The motion passed unanimously.

DIRECTOR'S REPORT

Budget Report

Director Gumucio provided the budget closing numbers for FY showing a surplus of \$928,289. The net deficit from July through April is a loss of \$11,454 leaving the balance at \$916,835.

Director Gumucio presented the 2024 meeting dates as follows: January 10th, April 10th, July 10th, and October 9th.

Mr. Hellman motioned to adopt the 2024 meeting dates, which was seconded by Ms. Hadwyn. The motion passed unanimously.

LEGAL

Legal Report (Presented by Hugh Cross)

1.2023008271

Respondent:

License Status: Active

First Licensed:11/20/2008

License Expiration: 01/31/2025

Disciplinary History: 2013-Letter of warning, 2016-letter of warning, 2017-ConsentOrder

Summary: This complaint alleges improper communication. Complainant states Respondent attempted to make contact via text message. After receipt, the text message then prompts whether the user prefers to opt-out of text messaging or prefers to continue receiving text messages. Complainant states they chose to opt-out but continued to receive text messages. A debt collector must cease communication once a consumer states they refuse to pay a debt or that they wish the debt collector cease any communication. *See* Rules of the Tennessee Collection Services Board. § 0320-05-.03(3)(a) (Communication must cease once a consumer notifies debt collector they refuse to pay or to cease communication—except to advise the debt collector’s further efforts are being terminated, notify consumer the debt collector may invoke certain remedies or intends to invoke a certain remedy). Respondent states they have no record of Complainant’s request to opt-out of text communication. Respondent contacted the creditor to determine whether the issue was on their end. The creditor states there was an apparent communication fault on their end regarding Complainant’s request to opt-out. The issue appears to have been resolved and involves the creditor not the Respondent. Respondent also states they have since closed the file and returned it to the creditor. There does not appear to be a violation.

Recommendation: Close.

BOARD DECISION: The Board accepted the counsel’s recommendations

2. 2023010981

Respondent:

License Status: Active

First Licensed:11/23/2021

License Expiration: 11/22/2023

Disciplinary History: None

Summary: This complaint alleges unlicensed activity, failing to provide validation of debt, harassment, and seeks various legal and ethical demands. Complainant alleges Respondent is not licensed. Respondent is licensed. Complainant alleges Respondent failed to provide validation of debt. Complainant attached a debt verification letter from Respondent to Complainant in the complaint documents. This initial letter shows the amount of the debt owed and name of the creditor to whom the debt is owed. Complainant states the information related to validation of debt received from Respondent is not proper verification of debt. Respondent also provided documentation showing the name/address of the creditor to whom the debt is owed, the amount of the debt, statement regarding how debtor may dispute the validity of the debt, as well as the timeline and procedure for filing a dispute. The documentation provided by Respondent appears to satisfy the rules related to debt validation in the initial communication to debtor; further, the additional documentation provided by Respondent also appears to meet the relevant criteria for notifying Complainant of protocol for collection for disputed debts. *See* Rules of the Tennessee Collection Services Board. §§ 0320-05-.07(1)-(2) (Notice of debt, contents; Disputed debts). Complainant also alleges harassment. No documentation was submitted to substantiate a harassment claim. While Complainant made statements and sent

correspondence disputing the underlying claim, this does not substantiate a harassment claim to the extent Respondent's actions rise to the level of a violation. See Rules of the Tennessee Collection Services Board. § 0320-05-.04(1) (Harassment or Abuse—use/threat of violence, use of obscene language, publication which lists debtors who refuse to pay debts, advertising for sale any debt to coerce payment, repeated/continuous telephone call/telephone calls without meaningful disclosure of caller's identity). Complainant also seeks various legal and ethical demands. The board cannot assist Complainant with legal action to obtain settlement. There does not appear to be a violation.

Recommendation: Close.

BOARD DECISION: The Board accepted the counsel's recommendations

3. 2023012051

Respondent:

License Status: Active

First Licensed:10/20/2021

License Expiration:10/19/2023

Disciplinary History: None

Summary: This complaint alleges they made a full payment on an account which is not being reflected on the billing statement. Complainant included documentation showing payment to Respondent for the amount due. This payment should have resulted in a zero balance on the account. Respondent acknowledges receipt of Complainant's payment and stated there was an internal billing/personnel issue which prohibited the balance from reflecting zero when the payment posted. This issue has been resolved. There does not appear to be a violation.

Hugh Cross provided the Sunshine Law presentation and answered the board members questions.

Motion by Mr. Hellman and a second by Mr. Hill to accept Counsels recommendations. The motion passed unanimously.

Recommendation: Close.

BOARD DECISION: The Board accepted the counsel's recommendations

4. 2023014351

Respondent:

License Status: Active

First Licensed:10/11/2018

License Expiration:10/10/2024

Disciplinary History: None

Summary: This complaint disputes a debt for an auto loan. Complainant states the creditor should have provided credit/payment for a car after the car was deemed unable to be repaired. This complaint amounts to a debt dispute with the creditor and does not appear to involve an alleged violation of collection services. This board does not have jurisdiction over debt disputes i.e. disputed accounts regarding payment, sum balance, or terms.

Recommendation: Close.

BOARD DECISION: The Board accepted the counsel's recommendations

5. 2023012381

Respondent:

License Status: Active

First Licensed:12/14/2006

License Expiration:12/31/2024

Disciplinary History: 2010 consent order, 2010-consent order, 2010-consent order. 2011-letter of warning, 2012-letter of warning

Summary: This complaint alleges Respondent is not providing validation of debt and improper communication. Complainant states the information related to validation of debt received so far from Respondent is not proper verification of debt. Respondent provided documentation showing the name/address of the creditor to whom the debt is owed, the amount of the debt, statement regarding how debtor may dispute the validity of the debt, as well as the timeline and procedure for filing a dispute. The documentation provided by Respondent appears to satisfy the

rules related to debt validation in the initial communication to debtor. Further, additional documentation provided by Respondent also appears to meet the relevant criteria for notifying Complainant of protocol for collection for disputed debts. See Rules of the Tennessee Collection Services Board. §§ 0320-05-.07(1)-(2) (Notice of debt, contents; Disputed debts). Complainant also alleges Respondent continues to make contact even though Complainant notified Respondent to cease communication. Respondent states they have ceased all communications regarding collections unless otherwise permitted or required by applicable law. However, Respondent also states they sent an additional letter to Complainant requesting additional information to assist Complainant with the account. A debt collector must cease communication once a consumer states they refuse to pay a debt or that they wish the debt collector cease any communication. See Rules of the Tennessee Collection Services Board. § 0320-05-.03(3)(a) (Communication must cease once a consumer notifies debt collector they refuse to pay or to cease communication— except to advise the debt collector’s further efforts are being terminated, notify consumer the debt collector may invoke certain remedies or intends to invoke a certain remedy). This subsequent letter appears be a violation and does not fall under an applicable exemption that would allow the debt collector to continue to contact the consumer. See Rules of the Tennessee Collection Services Board. 0320-05-.03(3)(a)(1)-(3) (i.e. notification that collector is terminating efforts to collect, notification that collector intends to invoke remedies, or collector may respond to specific requests from debtor). Complainant also claims they are exempt from any attempts to collect citing state and federal laws related to garnishment and property seizure. However, this complaint does not allege any facts related to a garnishment or property seizure, only an attempt to collect. Further, whether a court order regarding garnishment or property seizure related to a debt is valid would be an issue with the respective court, and any judgment by the court in that regard is outside board jurisdiction. Complainant also disputes the debt. This board does not have jurisdiction over debt disputes i.e. disputed accounts regarding payment, sum balance, or terms.

Recommendation: Letter of warning regarding ceasing communication.

BOARD DECISION: The Board accepted the counsel’s recommendations

6. 2023012631

Respondent:

License Status: Active

First Licensed:12/14/2006

License Expiration:12/13/2024

Disciplinary History: 2010 consent order, 2010-consent order, 2010-consent order. 2011-letter of warning, 2012-letter of warning

Summary: This complaint alleges Respondent attempted to contact the incorrect person for a debt. Respondent admits this was an error on their part, and they were attempting to contact someone other than Complainant regarding a debt. The facts do not appear to substantiate a claim to the extent Respondent’s actions rise to the level of a violation. The issue has been resolved. There does not appear to be a violation.

Recommendation: Close.

BOARD DECISION: The Board accepted the counsel’s recommendations

7. 2023014031

Respondent:

License Status: Active

First Licensed:10/20/2021

License Expiration:10/19/2023

Disciplinary History: None

Summary: This complaint alleges they are unable to make a payment towards their account. Complainant does not dispute the debt but is not able to make a payment. Complainant attempted to contact Respondent at the contact information listed on the request for payment but could not make contact or otherwise make a payment. Respondent has since contacted Complainant, and a payment arrangement was established. There does not appear to be a violation.

Recommendation: Close.

BOARD DECISION: The Board accepted the counsel’s recommendations

8. 2023016431

Respondent:

License Status: Active

First Licensed:01/14/2019

License Expiration:01/13/2025

Disciplinary History: None

Summary: This complaint disputes a debt citing fraud. Complainant disputes the debt owed stating the attempt to collect is for a line of credit charge that was opened fraudulently. Complainant provided documentation to substantiate the account was opened fraudulently. Respondent also reviewed the submitted documentation and determined the account was opened fraudulently. Respondent closed the account as fraud and advised the creditor that the account was opened fraudulently. There does not appear to be a violation.

Recommendation: Close.

BOARD DECISION: The Board accepted the counsel's recommendations

9. 2023015881

Respondent:

License Status: Expired

First Licensed:01/04/1990

License Expiration:12/31/2008

Disciplinary History: None

Summary: This complaint alleges unlicensed activity and harassment. Complainant alleges Respondent is not licensed. Respondent is licensed. Complainant alleges harassment. The harassment alleged is that Respondent is inaccurately reporting Complainant to credit bureaus by not reporting the debt as disputed. No documentation was submitted to substantiate the accounts have been reported inaccurately. Respondent states Complainant's accounts are reported to credit bureaus as in a disputed status. The facts do not appear to substantiate a harassment claim to the extent Respondent's actions rise to the level of a violation. *See* Rules of the Tennessee Collection Services Board. § 0320-05-.04(1) (Harassment or Abuse—use/threat of violence, use of obscene language, publication which lists debtors who refuse to pay debts, advertising for sale any debt to coerce payment, repeated/continuous telephone calls, telephone calls without meaningful disclosure of caller's identity). Respondent also states there is an ongoing lawsuit and settlement negotiations between Complainant and the creditor. The board cannot assist Complainant or the creditor in negotiating a settlement. There does not appear to be a violation.

Recommendation: Close.

BOARD DECISION: The Board accepted the counsel's recommendations

10. 2023020251

Respondent:

License Status: Active

First Licensed:05/13/2021

License Expiration:05/12/2023

Disciplinary History: None

Summary: This complaint alleges Respondent is not providing validation of debt, harassment, and disputes debt. Complainant alleges Respondent failed to provide validation of debt. Respondent provided documentation showing the name/address of the creditor to whom the debt is owed, the amount of the debt, statement regarding how debtor may dispute the validity of the debt, as well as the timeline and procedure for filing a dispute. Respondent states additional debt validation letters and validation documents from the creditor were mailed to Complainant on multiple occasions. Respondent also states the account remains in disputed status, collection activity has been suspended, and they have requested their information for the account be removed from the credit bureaus. The documentation provided to Complainant appears to satisfy the rules related to debt validation in the initial communication to debtor; further, the additional documentation provided by Respondent also appears to meet the relevant criteria for notifying Complainant of protocol for collection for disputed debts. *See* Rules of the Tennessee Collection Services Board. §§ 0320-05-.07(1)-(2) (Notice of debt, contents; Disputed debts). Complainant also alleges harassment by use of obscene language and continuous phone calls. No documentation was submitted to substantiate a harassment claim. While Complainant made statements and sent

correspondence disputing the underlying claim, it does not appear to substantiate a harassment claim to the extent Respondent's actions rise to the level of a violation. *See* Rules of the Tennessee Collection Services Board. § 0320-05-.04(1) (Harassment or Abuse—use/threat of violence, use of obscene language, publication which lists debtors who refuse to pay debts, advertising for sale any debt to coerce payment, repeated/continuous telephone calls, telephone calls without meaningful disclosure of caller's identity). Complainant also disputes the debt. This board does not have jurisdiction over debt disputes i.e. disputed accounts regarding payment, sum balance, or terms.

Recommendation: Close.

BOARD DECISION: The Board accepted the counsel's recommendations

11. 2023022931

Respondent:

License Status: Active

First Licensed:11/23/2021

License Expiration:11/22/2023

Disciplinary History: None

Summary: This complaint alleges failing to provide validation of debt and false representations. Complainant states the information related to validation of debt received from Respondent is not proper verification of debt. Respondent provided documentation showing the name/address of the creditor to whom the debt is owed, the amount of the debt, statement regarding how debtor may dispute the validity of the debt, as well as the timeline and procedure for filing a dispute. Respondent states debt validation letters were also mailed to Complainant on multiple occasions. The documentation provided to Complainant appears to satisfy the rules related to debt validation in the initial communication to debtor; further, the additional documentation provided by Respondent also appears to meet the relevant criteria for notifying Complainant of protocol for collection for disputed debts. *See* Rules of the Tennessee Collection Services Board. §§

0320-05-.07(1)-(2) (Notice of debt, contents; Disputed debts). Complainant also alleges false or misleading representations by failing to communicate that disputed debt is disputed. Complainant added a screenshot of a credit report which shows the debt is reported as past due. However, it is not clear how this documentation shows the debt is not also being reported as in dispute to substantiate a false representation claim. *See* Rules of the Tennessee Collection Services Board. § 0320-05-.05(1)(h) (False or Misleading Representations—communicating or threatening to communicate credit information known to be false, including the failure to communicate a debt is disputed). Respondent stated they also received a notice from Complainant requesting a cease of communication which requires they place a restriction on the account so that no further contact is made. This requirement to cease communication after such a request aligns with the relevant rule. *See* Rules of the Tennessee Collection Services Board. § 0320-05-.03(3)(a)

(Communication must cease once a consumer notifies debt collector they refuse to pay or to cease communication—except to advise the debt collector's further efforts are being terminated, notify consumer the debt collector may invoke certain remedies or intends to invoke a certain remedy). There does not appear to be a violation.

Recommendation: Close.

BOARD DECISION: The Board accepted the counsel's recommendations

12. 2023025891

Respondent:

License Status: Active

First Licensed:10/20/2021

License Expiration:10/19/2023

Disciplinary History: None

Summary: This complaint alleges harassment and disputes debt. Complainant alleges harassment. No documentation was submitted to substantiate a harassment claim. While Complainant states Respondent has made repeated attempts to collect on a monthly basis. A monthly attempt to collect does not substantiate a harassment claim without additional documentation to show the contact rises to the level of a violation. *See* Rules of the Tennessee Collection Services Board. § 0320-05-.04(1) (Harassment or Abuse—use/threat of violence, use of obscene language, publication which lists debtors who refuse to pay debts, advertising for sale any debt to coerce payment, repeated/continuous telephone calls, telephone calls without meaningful disclosure of caller's identity). Complainant

also disputes medical debt. Complainant states they made a full payment to the creditor which the creditor erroneously referred to collections. This allegation amounts to a debt dispute. This board does not have jurisdiction over debt disputes i.e. disputed accounts regarding payment, sum balance, or terms. However, Respondent reviewed the submitted documentation and determined the account was satisfied with the creditor. Creditor states they submitted the account to collection in error. Respondent has since closed the account and removed the account from Complainant's credit report. This appears to be an issue with the creditor and not an issue with the collection agency. There does not appear to be a violation.

Recommendation: Close.

BOARD DECISION: The Board accepted the counsel's recommendations

13. 2023026661

Respondent:

License Status: Active

First Licensed:09/11/1997

License Expiration:12/31/2024

Disciplinary History: 2005-Consent Order, 2007-Letter of Reprimand, 2007-Consent Order, 2008-Letter of Warning, 2010-Letter of Warning, 2011-Letter of Warning, 2016-Consent Order, 2017-Consent Order

Summary: This complaint alleges unlicensed activity, failing to provide validation of debt, and erroneous legal action. Complainant alleges Respondent is not licensed. Respondent is licensed. Complainant alleges Respondent failed to provide validation of debt. Respondent states they provided debt validation on multiple occasions. Respondent appears to have satisfied the rules related to debt validation in the initial communication to debtor. See Rules of the Tennessee Collection Services Board. § 0320-05-.07(1) (Notice of debt, contents). Complainant alleges a court erroneously granted a default judgment against them. Complainant attached a copy of the default judgment. Whether a default judgment is invalid would be an issue with the respective court, and any judgment by the court in that regard is outside board jurisdiction. Respondent states Complainant has multiple accounts currently in collection. The default judgment was granted for one account which is separate from the additional accounts in collection. These additional accounts are currently set for hearing which may result in additional judgments. Respondent states their legal department is willing to discuss the matter with Complainant including making payment arrangements for all accounts. Respondent provided the contact information with a request for Complainant to contact their agency to assist in that regard. The board cannot assist Complainant or Respondent with legal action to enter a payment arrangement. There does not appear to be a violation.

Recommendation: Close.

BOARD DECISION: The Board accepted the counsel's recommendations

Motion by Mr. Hellman and a second by Mr. Hill to accept Counsels recommendations. The motion passed unanimously.

Hugh Cross provided the Sunshine Law presentation and answered the board members questions.

NEW BUSINESS/ADJOURNMENT

Director Gumucio updated the board on the Sunset Hearing set for July 19th. Chairman Chip Hellman will attend the meeting on behalf of the board.

Director Gumucio asked if anyone in the public, participating in person or remotely using Teams, had comments as they relate to the agenda. There were no comments provided.

There being no new business, Ms. Hadwyn made a motion to adjourn. This was seconded by Mr. Hellman. The motion passed unanimously. The meeting adjourned at 10:12 a.m.