

**MINUTES OF
THE STATE BOARD OF COLLECTION AGENCIES
MEETING**

August 20, 2014

A meeting of the State Board of Collection Agencies was held on August 20, 2014 at 10:00 a.m. in the Board Room of The Lafayette located at 523 South Louisiana Street in Little Rock, Arkansas. Chairman Rusty Guinn and Board members Sandra Jackson and Edward Vance were present along with Peggy Matson, Executive Director.

Ms. Matson reported that notice of the meeting had been posted on the public calendar on the State of Arkansas's website as required.

Consideration of Minutes. The Board reviewed the Minutes from its meeting held on February 19, 2014. Ms. Matson pointed out that minutes should be amended to include the status of the Simpson v. Cavalry SPV, LLC case which is pending before the Supreme Court of Arkansas. Ms. Jackson made a motion that the minutes be accepted with that amendment and Mr. Vance seconded the motion which passed unanimously.

Biennial Budget. Ms. Matson reported that the Board's biennial budget for Fiscal Years 2016-2017 had been submitted and that no changes from the previous biennial budget had been requested other than potential salary increases and personal services matching amounts.

The Maggio Firm. Ms. Matson reported that an investigation of The Maggio Firm that was initiated several years ago had stalled because the collection agency's owner had not produced information that had been requested. Ms. Matson stated that without that information it was impossible to ascertain whether the agency had operated in compliance with the law and asked the Board if she should proceed in taking the matter to a hearing. Chairman Guinn suggested and Board members agreed that the investigation proceed as far as possible and then notice be given to the agency owner so that she would have another opportunity to submit documentation so that a hearing might be avoided. If no resolution can be reached the case should proceed to a hearing so that the Board could determine if the agency had operated in violation of the law.

Calvert v. Account Discovery Systems, LLC. Ms. Matson distributed a letter from Mr. J.R. Andrews requesting that a claim be made on the surety bond posted with the Board by Account Discovery Systems, LLC to obtain and maintain a collection agency license. Attached to the letter was the Order on Motion for Default Judgment and Damages issued by the 13th Division of the Circuit Court of Pulaski County, Arkansas that awarded Mr. Andrews' client, Michael Calvert, \$6,500 in damages and \$3,500 in attorney's fees. Ms. Jackson made a motion that Mr. Andrews' request be denied and Mr. Guinn seconded the motion which passed unanimously. Mr. Vance abstained from voting.

Andrews and Cook Law Firm v. State Board of Collection Agencies (Pulaski County Circuit Court No. 60CV-13-3030). Ms. Matson reported that the hearing that was to be held on August

20, 2014 was cancelled because the plaintiffs filed a Motion to Dismiss. An Order of Dismissal was issued on August 14, 2014.

Lillie McMullen v. AR State Board of Collection Agencies (Arkansas State Claims Commission No. 140713-CC). This claim was placed in abeyance on May 8, 2014.

Cook Law Firm v. AR State Board of Collection Agencies (Arkansas State Claims Commission No. 14-0714-CC). This claim was placed in abeyance on May 8, 2014.

Patty E. Simpson v. Calvary SPV, LLC, as assignee of HSBC Bank Nevada, N.A./Orchard Bank. Ms. Matson reported that this case is pending before the Supreme Court of Arkansas. (*Whether passive debt buyers are “collection agencies” as defined in A.C.A. '17-24-101 and whether a passive debt buyer that retains an attorney to file lawsuits on its behalf is “attempt[ing] to collect a debt and, therefore, required to be licensed under A.C.A. '17-24-301)*

Cash Letter for Purchase of Server. The Board received a cash letter on August 11 for funds to be used to purchase a new server for the Board's computer network.

NACARA Annual Meeting. Ms. Matson reminded the Board that the annual meeting of the North American Collection Agency Regulatory Association would be held on September 28-30 in Boise, Idaho and stated that she would send them information about reimbursement of travel expenses.

There being no further business, Ms. Jackson made a motion seconded by Mr. Vance that the meeting be adjourned. The motion was passed unanimously and the meeting adjourned at 11:15 a.m.