

**ARKANSAS STATE BOARD OF COLLECTION AGENCIES
DEPARTMENT OF LABOR AND LICENSING**

Meeting Minutes – February 16, 2022

I. Call to Order

Mr. Guinn called the meeting to order at 10:01 AM.

II. Roll Call

Mr. Smith called the roll.

Present *	Absent
Rusty Guinn, Chair	<i>none</i>
Warner Smith, Secretary	
Tyler Steele, Vice-Chair	
Ed Vance	

Board staff in attendance: Boyd Maher, Executive Director
Rhonda Hetland, Licensing Manager
Lacie Kirchner, Assistant Attorney General

Others in attendance: Jay Drake, Arkansas Securities Department

** All attendees participated virtually via MS-Teams videoconference.*

III. Approval of Minutes

Mr. Smith presented the minutes of the November 17, 2021 meeting. **Mr. Guinn** called for a voice vote to adopt the minutes as presented. The minutes were adopted unanimously (4-0).

IV. Hearings / Consent Agreement

A. Mr. Maher noted there were no new disciplinary items to consider at this time.

V. Financial Reports

A. Mr. Maher reviewed the cashflow memo that had been distributed to members and asked for comments or questions. **Mr. Guinn** called for a voice vote to accept the cashflow statement as presented. The statement was adopted unanimously (4-0).

B. Mr. Maher presented the Department’s FY20 audit report. **Mr. Vance** moved that the report had been reviewed. **Mr. Smith** seconded. The motion passed unanimously (4-0).

VI. Old Business / New Business

A. Mr. Maher presented the Board’s proposed 2022 Control Self-Assessment. **Mr. Smith** moved that the report had been reviewed. **Mr. Vance** seconded. The motion passed unanimously (4-0).

B. Mr. Maher reminded Board members to submit their annual Statement of Financial Interest forms to the Secretary of State’s office if they had not already done so. Several members expressed concern that the SOS does not confirm receipt of forms submitted by mail.

C. Mr. Maher described the ongoing transition to the new Enterprise Licensing and Permitting (ELP) platform. **Mr. Guinn** asked when the new system would be operational. **Mr. Maher** explained that most of Board's licensing processes can now be completed online with ELP, and that license renewals should be available on April 1. **Mr. Smith** asked if staff was receiving adequate IT support related to the new platform. **Mr. Maher** confirmed that IT support from both the Department and the vendor has been strong. **Ms. Hetland** noted that about 80% of applications for new collection agency licenses are now being submitted online.

D. Mr. Maher reported on two administrative variances granted by staff. First, Freedom Financial Asset Management had been registering the correct number of collectors but found they had been submitting the wrong names. Upon discovery of the error, they submitted a new collector registration form with the correct names. Since the licensee had self-reported the error and had shown good faith by registering the correct number of collectors (albeit with the wrong names), staff agreed to accept their corrected submittal as an administrative variance.

The other administrative variance was granted to Midland Credit Management. During investigation of a consumer complaint, staff found that the debt collector who signed a dunning letter was not registered at Midland's San Diego location, from where the letter was sent. He was, however, registered at Midland's Phoenix, AZ location. Staff offered to construe this error as an oversight and grant a procedural variance if the agency would agree to properly register the collector within 30 days at all locations from which he conducts business.

D. Mr. Maher reviewed a list of consumer complaints since January 2021 and asked for the Board's guidance on two open complaints. The first case concerns a constituent in Fayetteville who was served with a lawsuit by a collection agency. **Mr. Maher** explained that the collection agency is licensed, and no disallowed communication or unfair practices have been alleged, but the consumer believes the collection agency should have taken additional steps prior to filing suit. **Mr. Vance** suggested the consumer consult an attorney. **Mr. Steele** asked what steps collection agencies must take prior to taking legal action against a consumer. **Mr. Vance** explained that a collection agency must be prepared to validate an alleged debt, but this can occur separately or after filing suit. **Mr. Maher** explained that the Board's rules do not allow staff to dismiss a complaint and asked the Board for a motion to dismiss. **Mr. Smith** so moved, and **Mr. Vance** seconded. The motion passed unanimously (4-0).

Mr. Maher explained the second case involves a Little Rock consumer who received a voicemail from a collection agency that could be construed as threatening. The agency is not licensed, and attempts by staff to contact the agency were unsuccessful. **Mr. Vance** said this agency sounds like a scam operation and suggested the consumer file a complaint with the Attorney General's office. **Ms. Kirchner** recommended the Board dismiss this item, and then staff could recommend the consumer submit a complaint to the AG's Consumer Protection Division. **Mr. Steele** so moved, and **Mr. Vance** seconded. The motion passed unanimously (4-0).

Mr. Maher said he would send the report of consumer complaints to each Board member following the meeting.

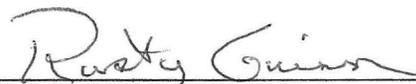
VII. Adjourn

Mr. Smith moved to adjourn, and **Mr. Vance** seconded. **Mr. Guinn** adjourned the meeting at 10:29 AM.

Mr. Maher announced the Board's next meeting would be on Wednesday, May 18, 2022.



Boyd Maher, Director



Rusty Guinn, Chair