

MARYLAND COLLECTION AGENCY LICENSING BOARD

BOARD MEETING MINUTES

FRIDAY, AUGUST 14, 2015, OCEAN CITY, MARYLAND

The Collection Agency Licensing Board (the "Board") Meeting was called to order by Chairman Gordon Cooley at 10:30 am at The Holiday Inn in Ocean City, Maryland. Members in attendance were Stephan Hannan, Susan Hayes, Joanne Young and Eric Friedman as well as Administrative Officer Kelly Mack. Also present were Board Counsel, Assistant Attorney General Kevin McGovern, Assistant Commissioner Jedd Bellman, and Acting Deputy Commissioner Keisha Whitehall Wolfe and Litigation Attorney W. Thomas Lawrie. Mr. Friedman and Mr. Lawrie participated via teleconference. On motion duly made, seconded and adopted, the Minutes and Executive Session Minutes of the May 11, 2015 meeting were approved as presented.

LICENSEE REPORT

Ms. Mack delivered a report regarding the number of licensees and changes since the previous Board meeting. There are currently 1647 collection agency licensees operating in Maryland, an increase of 25 licenses since last period and, which includes 410 branch offices and 32 new applications approved since May, 2015.

INFORMATION ITEMS:

Ms. Mack announced to the Board that Chairman Cooley has been officially appointed Commissioner of Financial Regulation and Chairman to the Collection Agency Licensing Board. The Board expressed their warm welcome to this official appointment.

Ms. Mack reported there were five change of control application requests processed since the previous Board meeting. The Board members did not raise any issues or concerns regarding any of the new control persons.

Mr. Bellman reported on enforcement activity conducted by the Office of the Commissioner of Financial Regulation on behalf of the Board since the previous meeting. He indicated there are currently 8 open investigations and 2 settlements. There are also 4 cases to be reviewed for issuance of Cease and Desist Orders. He specifically briefed the Board on the following recent actions:

- DTR Recovery, LLC – Summary Order to Cease & Desist, Summary Suspension of collection agency license – Order to Produce – Scheduled for hearing; and
- National Payment Relief – Settlement and Consent Order – \$5,000 civil penalty, \$34, 000 in restitution, surrender of license for a minimum of 1 year.

Mr. Bellman led a discussion on the enforcement authority of the Commissioner as well as the Board and how they interplay with one another. Mr. Lawrie described how the pre-charge committee is set up to work with collection agency enforcement actions.

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Mr. Bellman provided an update on the OCFR's participation in the coordinated federal and state Operation Collection Protection, which is being led by the FTC. This topic was broached with the goal of obtaining guidance from the Board on whether it would like to participate in the pending coordinated sweep set for release in late October early November. The Board unanimously approved the Board's and OCFR's participation in Operation Collection Protection and authorized OCFR staff to release case information to that end.

Mr. Bellman also explained that he will be attending upcoming North American Collection Agency Regulatory Association (NACARA) Annual Meeting to speak on a coordinated panel. Mr. Bellman believes that NACARA could act as a single point of contact for coordinating multi-state activity on behalf of the state system.

Ms. Hayes provided information on the FCC Declaratory on Telephone Consumer Protection Act (TCPA). The position of the collection industry is that the FCC is contradicting themselves and still placing the debt collection industry under the same category as telemarketers when it comes to the auto-dialer systems. The FCC fails to understand that the industry is not soliciting business, but contacting consumers that have had services, loans etc. and have failed to pay on these bills. Industry believes the FCC is failing to clarify the rulings petitioners have requested as they have ruled that it is prohibited to call wireless numbers without consent when made with an auto dialer. However, prior express permission was given at the time of service by providing the cell phone number. The FCC refuses to provide clarification if the auto dialer depends on some element of human intervention. Clarification is necessary as it is currently not clearly understood because if the equipment has some human intervention, will it be exempt from the TCPA? This process in clarifying this issue will allow consumers and business owners a better understanding and should reduce complaints filed with the FCC each year. Alacrity Collections Corporation believes there should be a nexus between business friendly and Consumer Protection and is therefore, recommending three-year assignment rules.

Thereafter the Board voted to go into closed session to discuss pending litigation.

After the closed session ended, the Board discussed scheduling its next meeting in Baltimore, Maryland on November 12, 2015. With no further business, the meeting was adjourned at approximately 12:30 pm.

Respectfully submitted,

Kelly Mack

Kelly Mack
Administrative Officer, MCALB