

**State Collection Agency Licensing Board  
Open Session Minutes**

<b><u>Date: February 13, 2024</u></b>	2:00 p.m.	Maryland Dept. of Labor
Meeting called to order at 2:06 p.m. by	Antonio P. Salazar, Chairman	
Administrator	Ayanna Daugherty	
Attendees	<p>Members: Tracy Rezvani, Shawn Kennedy, and Sandra Holland</p> <p>Counsel: Emily Hanson, Kenneth Krach, Jessica Kaufman, and Kevin McGivern</p> <p>Staff: Cliff Charland, Amy Hennen, Shereefat Balogun, Heidi Boyd, Dana, Allen, Betty Yates, and Arlene Williams</p>	
Meeting Location	Google Meet	

**Acknowledgements and Public Statement Regarding a Closed Session**

Mr. Salazar	
Discussion	<p>Mr. Salazar stated that the notice of the February 13, 2024, meeting was: (i) posted on the Dept. of Labor/Board website on January 11, 2024; and (ii) published in the Maryland Register on January 26, 2024. Additionally, Mr. Salazar stated the agenda for the February 13, 2024, meeting was posted on the Dept. of Labor/Board website on January 30, 2024.</p> <p>Mr. Salazar also stated that there were no members of the public present. He then gave an overview of the board meeting process to the additional OFR staff who joined the meeting today.</p> <p>Mr. Salazar lastly advised the Board in open session of the need for a closed session. Mr. Salazar described the topics to be discussed in the closed session and identified the statutory authority for recommending a closed session. Specifically, Mr. Salazar read a closing statement which cited General Provisions Article, § 3-305 (b)(7) and (b)(8), Annotated Code of Maryland as the basis for a closed session and identified the topic for discussion as the potential settlement of an Enforcement Action (MOU). Mr. Salazar’s statement included advising the Board that discussion in the closed session must be limited to the topics Mr. Salazar identified. Mr. Salazar then opened the floor to questions/discussion. There were no questions or discussions. Ms. Holland moved to conduct a closed</p>

	<p>session for the purposes Mr. Salazar identified and Ms. Rezvani seconded the Motion. The Board unanimously voted to move to a closed session and thereupon adjourned to a closed session at 2:19 p.m.</p> <p>In accordance with General Provisions Article, §3-305, Annotated Code of Maryland, Mr. Salazar had prepared a written statement closing statement. Mr. Salazar's closing statement, together with the Closed Session Summary required by General Provisions Article, §3-306(c)(2), Annotated Code of Maryland, are attached to these minutes.</p> <p>Kenneth Krach and Emily Hanson remained in the public session while the Board met in private session in the event any member of the public joined the meeting after the Board moved to private session.</p> <p>The Board resumed its public session at 2:54 p.m.</p>
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Approval of Minutes	
Mr. Salazar	
Discussion	<p>Mr. Salazar noted the minutes for the January 9, 2024, Board meeting had previously been circulated for review and asked for questions or comments. On Ms. Rezvani's motion, with a second from Mr. Kennedy, the Board unanimously approved the January 9, 2024, minutes.</p>

1. Non-Depository Licensing Unit Report	
Ms. Yates	
Discussion	<p>Ms. Yates advised the Board that the Licensing Unit has reviewed nine pending applications with all the supporting materials, and determined the nine applicants met the requirements for licensure. Accordingly, Ms. Yates recommended that the Board grant a collection agency license to the following entities:</p> <ol style="list-style-type: none"> <li>1. NMLS ID 1692560 Collections, Transport, Impound Towing LLC</li> <li>2. NMLS ID 2555069 Abaris Real Estate Management, Inc.</li> <li>3. NMLS ID 1990307 D&amp;R Group, Inc.</li> <li>4. NMLS ID 1886351 HPS Management of Maryland, LLC</li> <li>5. NMLS ID 1691795 Kenneth Nolan Brown</li> <li>6. NMLS ID 1655348 Cohn, Goldberg &amp; Deutsch, LLC</li> <li>7. NMLS ID 1696805 Carter Professional Services, LLC</li> <li>8. NMLS ID 2565652 Law Office of Emely Elizabeth, L.L.C.</li> <li>9. NMLS ID 1677031 Keystone Credit Services LLC</li> </ol> <p>On Ms. Rezvani's motion and Mr. Kennedy's second, the Board voted unanimously to issue a license to the nine recommended applicants.</p>

	<p>There is one collection agency licensee that surrendered their license in the past 30 days:</p> <ol style="list-style-type: none"> <li>1. NMLS ID 1953202 - Liquid Global Company, LLC - The company is no longer collecting in Maryland.</li> </ol> <p>Ms. Yates reported the following nine change in control approvals in the past 30 days:</p> <ol style="list-style-type: none"> <li>1. Carson Smithfield, LLC (937467)</li> <li>2. Galaxy Asset Purchasing, LLC (11155970)</li> <li>3. Galaxy Capital Recoveries, LLC (1115631)</li> <li>4. Galaxy International Purchasing, LLC (1115599)</li> <li>5. Galaxy Portfolios, LLC (1115624)</li> <li>6. Helvey &amp; Associates, Inc (1148013)</li> <li>7. Orion Portfolio Purchasing LLC (1876500)</li> <li>8. Selene Finance LP (6312)</li> <li>9. Worldwide Asset Purchasing II, LLC (1115626)</li> </ol> <p><b>As of 2/5/2024 the Maryland collection agency company count was 1,018 compared to 1,064 as of 2/5/2023.</b></p>
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2. Consumer Services Unit Report	
Ms. Mack	
Discussion	<p>In Ms. Mack’s absence, Ms. Daugherty advised the Board that the Consumer Services Unit circulated its current report for Fiscal Year 2024 showing that as of 1/31/2024, 91 complaints have been received, 44 are open and 47 were closed.</p>

3. Enforcement Unit Report	
Ms. Allen	
Discussion	<p>Ms. Allen advised the Board that there is one current/on-going collection agency case in a pre-charge status.</p>

#### 4. Legislative Session and Current Issues

Ms. Hennen	
Discussion	<p>Ms. Hennen advised the Board that the following four OFR’s departmental bills have been presented during the Legislative session, but one bill, House Bill 247 regarding Foreclosure Law revisions, has been withdrawn.</p> <ol style="list-style-type: none"><li>1) House Bill 246 - Earned Wage Access Products</li><li>2) House Bill 247 - Foreclosure Law revisions</li><li>3) House Bill 250 - Third Party Examinations for Banks, Credit Unions, and Non-Depository Financial Institutions who use third parties</li><li>4) House Bill 254 - True Lender Act Legislation</li></ol> <p>Ms. Hennen also advised the Board that there are less consumer bills, but several bills have been presented that will affect the Office of Financial Regulation.</p>

#### 5. Medical Bill Implementation and CFPB

Mr. Salazar	
Discussion	<p><b>Medical Bill Implementation-</b> Mr. Krach advised the Board that the proposed medical debt regulations are being revised due to the text needing to be reformatted. The revised regulations are expected to be republished at a later date.</p> <p><b>CFPB</b> –Mr. Charland advised the Board that there was nothing to report at this time.</p>

#### 6. NACARA Update

Ms. Mack	
Discussion	<p>In Ms. Mack’s absence, Ms. Daugherty had no updates to report at this time.</p>

#### 7. Open Discussion-Midland

Ms. Allen	
Discussion	<p>Ms. Allen updated the Board about Midland Credit and its subsidiaries (collectively, “Midland”) where in December 2019 a Consent Order and Settlement Agreement (“Consent Order”) was entered.</p> <p>Ms. Kaufman advised the Board that she worked on this case in the previous</p>

years as Midland engaged in unlicensed activity. She stated that Midland was alleged to have violated certain Federal and State laws. She then provided the following overview and timeline of the violations:

2011-Show Cause Order against Midland

2012- A Multistate Examination lasting six years

2018-November- Midland was denied renewal for collection agency and consumer loan licenses

2019-August 23<sup>rd</sup> - Consent Order entered and Midland was able to reinstate its licenses provided Midland abided by certain stipulations. The Consent Order imposed a compliance component on Midland and required Midland to provide updates to their Policies and Procedures for their collection agency license and consumer loan licenses, at the time of renewal or any other time. Midland was required to submit copies of their updated forms to the Board for approval prior to use.

On a biannual basis, Midland was required to complete an audit and have an acceleration contact person on file. The Consent Order imposed an \$80,000 penalty on Midland.

A copy of the Midland Consent Order was distributed to the Board.. Certain matters relating to Midland that satisfy the criteria for conducting a closed session may need to be discussed in a future Board meeting. Should that need arise, a closed session may be requested in accordance with applicable law.

Ms. Rezvani asked if Midland is currently licensed in Maryland. Mr. Salazar and Ms. Kaufman confirmed that Midland is licensed as allowed under the Consent Order.

## 8. Maryland Rules Committee Change Considerations

Mr. Kennedy

Discussion

Mr. Kennedy advised the Board that the Maryland Rules Committee has not yet added the change considerations to their Rules Committee Hearing agenda. He will keep the Board updated as he gathers more information.

## 9. Additional Comments

Mr. Salazar

Discussion

Ms. Holland asked the Board if there were any updates on increasing the collection agency licensing fees. Mr. Salazar and Ms. Balogun responded that staff is still investigating this issue and will provide data to the Board at a later date.

Adjournment

Mr. Salazar informed the Board that the next scheduled meeting will be held on Tuesday, March 12, 2024, and it will take place virtually via video conference call.

On an unanimously approved motion, the meeting adjourned at 3:12 p.m.

**CLOSED-SESSION SUMMARY  
(General Provisions Article § 3-306(c))**

**SUMMARY OF CLOSED SESSION HELD ON February 13, 2024**

**1. Statement of the time, place, and purpose of the closed session:**

Time of closed session: 2:22 pm - 2:54 pm

Place (location) of closed session: The closed session took place during the Board's February 13, 2024, monthly meeting. The Board meets remotely so the closed session occurred in a separate zoom session from the public session, following the vote to move to a closed session. At the conclusion of the closed session, the Board returned to the public session.

Purpose of the closed session: To discuss three enforcement actions with counsel.

**2. Record of the vote of each member as to closing the session:**

Names of members voting aye Tracy Rezvani; Shawn Kennedy; Sandra Holland

Members opposed: 0

Abstaining: 0

**3. Statutory authority to close session:**

This meeting was closed under the following provisions of General Provisions Art. § 3-305(b):

→ **Topic #1: § 3-305(b) (7)** → **Topic #2: § 3-305(b) (8)** → **Topic #3: § 3-305(b) (8)**

**4. Listing of each topic actually discussed, persons present, and each action taken in the session:**

Topic description	Persons present for discussion	Action Taken/Each Recorded Vote
1) Discussion of a potential informal enforcement (MOU); discussion of general terms of the MOU.	Board Members: Tracy Rezvani, Sandra Holland and Shawn Kennedy  OFR Staff: Shereefat Balogun, Clifford Charland, Dana Allen, Heidi Boyd, Arlene Williams, and Betty Yates  Counsel: Kevin McGivern, Esq. and Jessica Kaufman, Esq.	The board voted 3-0 to resolve an informal enforcement action pursuant to an MOU containing the terms discussed.
2) Enforcement Matters about Entity #1	Board Members: Tracy Rezvani, Sandra Holland and Shawn Kennedy  OFR Staff: Shereefat Balogun, Clifford Charland,	The board voted 3-0 to ratify the issuance of a notice of charges and the pursuit of a hearing.

	<p>Dana Allen, Heidi Boyd, Arlene Williams, and Betty Yates</p> <p>Counsel: Kevin McGivern, Esq. and Jessica Kaufman, Esq.</p>	
<p>3) Enforcement Matters about Entity #2</p>	<p>Board Members: Tracy Rezvani, Sandra Holland and Shawn Kennedy</p> <p>OFR Staff: Shereefat Balogun, Clifford Charland, Dana Allen, Heidi Boyd, Arlene Williams, and Betty Yates</p> <p>Counsel: Kevin McGivern, Esq. and Jessica Kaufman, Esq.</p>	<p>The board voted 3-0 to ratify the issuance of the charges against SCR Solutions.</p>