

**COLLECTION AGENCY BOARD MEETING**  
**Herschler Building, 3 East**  
**Resource Room 1**  
**January 14, 2015 at 10:00 a.m.**

**MINUTES**

**Roll Call:** The January 14, 2015, meeting of the Wyoming Collection Agency Board was called to order at 10:00 a.m. by Bradley Chapman. In attendance from the Board were Bradley Chapman, and Bill Larson. In attendance representing the Division of Banking were Cecil Alice Johnstone and Tania Colwell. Leo Caselli also attended representing the Attorney General's Office. Ginger Fuerstenburger, resident manager, was present in person. Tamar Yudenfreund, Director of Public Policy at licensee Encore Capital Group, Inc., attended by telephone.

**Minutes:** Bill Larson moved to approve the December 10<sup>th</sup>, 2014 minutes. The motion was seconded by Bradley Chapman. The motion passed unanimously.

**New Resident Manager Application:**

1. Brian Hanify – The Board reviewed the application, and test results were passing. Bill moved to approve. The motion was seconded by Bradley Chapman. The motion passed unanimously.
2. Jason Johnson – The Board reviewed the application. It is the Board's opinion that Mr. Johnson lacks sufficient experience in the collection business. The Board will review again after sufficient experience has been established. Bill Larson moved to deny the application. Bradley Chapman seconded. The motion to deny passed unanimously.

**New Applications:**

1. **AmeriFinancial Solutions, LLC RM: Al Duran**  
There was no discussion from the public regarding this new application. Bill Larson moved to approve the application for AmeriFinancial Solutions, LLC. The motion was seconded by Bradley Chapman. The motion passed unanimously.
2. **Central Research, Inc. RM: Michelle Winter**  
The applicant's financial statement and disclosures of licenses from other states were out of date; therefore, the Board had insufficient information to act on the application. The Board will revisit application at next month's meeting. Bill Larson moved to table the application for Central Research, Inc. The motion was seconded by Bradley Chapman. The motion to table the application passed unanimously.
3. **Dell Financial Services, LLC RM: Thelton Skipper**  
There was no discussion from the public regarding this new application. Bill Larson moved to approve the application for Dell Financial Services, LLC. Bradley Chapman seconded. The motion passed unanimously.

4. **Receivables Outsourcing, Inc. RM: Richard Shanor**

There was no discussion from the public regarding this new application. Bill Larson moved to approve the application for Receivables Outsourcing, Inc. Bradley Chapman seconded. The motion passed unanimously.

5. **Vital Recovery Services, LLC RM: Maria Cowley**

There was no discussion from the public regarding this new application. Bill Larson moved to approve the application for Vital Recovery Services, LLC. Bradley Chapman seconded. The motion passed unanimously.

**Renewal Applications:**

1. 24 Asset Management Corp.	Bradley	Chapman
2. Ability Recovery Services, LLC	Elizabeth	Batton
3. Alliance Collection Agencies, Inc.	Michelle	Winter
4. American Agencies, LLC	Michael	Mizel
5. Automated Collection Services, Inc.	Sue	Davidson
6. Bonneville Billing & Collections	Rob	Knaus
7. Capital Management Services, LP	Rick	Thompson
8. Estate Information Services, LLC	Robert	Cowley
9. Galaxy Capital Recoveries, LLC	Michael	Mizel
10. Global Payments Check Recovery Services, Inc.	Joe	Baca
11. Green Tree Servicing, LLC	Rick	Thompson
12. Infosys McCamish Systems, LLC	Cara	Rohde
13. J.M. Adjustment Services, LLC	Cara	Rohde
14. Lamont, Hanley & Associates, Inc.	Barbara	Mcguire
15. MS Services, LLC	Tom	Rogers
16. NRA Group, LLC	Michael	Mizel
17. Professional Recovery Consultants, Inc.	Robert	Mizel
18. Regional Adjustment Bureau, Inc.	Elizabeth	Batton
19. Resolve Solution Services Corporation	Rob	Knaus
20. Reverse Mortgage Solutions	Nina	Henry
21. R.M. Galicia, Inc.	Lori	Eggleston
22. Sage Capital Recovery	Barbara	Mcguire
23. Sarma Collections, Inc.	Rosalie	Sherlock
24. Security Credit Systems, Inc.	Lois	Clark
25. Security Credit Services, LLC	L.W.	Clark
26. SN Servicing Corporation	Barbara	McGuire
27. States Recovery Systems, Inc.	Cheryl	Brown
28. TRS Recovery Services, Inc.	Timothy	Kingston
29. Windham Professionals, Inc.	Matthew	Fermelia

Bradley Chapman asked staff if the renewal applications met requirements, and staff responded that based on the information provided by licensees they did. Bill Larson moved to blanket approve the renewal applications as submitted. The motion was seconded by Bradley Chapman. The motion passed unanimously.

**Financial Statement:** December 2014 - Acknowledged

**Administrative Report:** December 2014 - Acknowledged

**Bonds:**

**New Application Signatures:**

1. Associated Credit Services, Inc.
2. Atlantic Credit & Finance, Inc.
3. First National Collection Bureau, Inc.
4. General Revenue Corporation
5. GR Financial, LLC
6. Omega RMS, LLC
7. Penncro Associates, Inc.
8. Second Round Limited Partnership

**Old Business:**

1. Braclaire Management, LLC – The Chairman has received another request from Colorado to take action against Braclaire. The company appears to hold itself out as a collection agency, and doing business in Wyoming. Its website lists a PO Box in Cheyenne, but the company has no corporate present and is not registered with the Wyoming Secretary of State's office. The Board would like to verify if it is registered in NY. The company website expires in April. Bill Larson moved to request the Attorney General's office send a cease and desist letter to Braclaire Management, LLC, and to close the file if there is no response to this letter. Bradley Chapman seconded the motion. The motion passed unanimously.

**New Business:**

1. **World Credit Fund III, LLC – Exemption**  
Bill Larson moved to approve the Exemption and Bradley Chapman seconded. The motion passed unanimously.
2. **Springleaf Mortgage Services, Inc. – Exemption**  
Bill Larson moved to approve the Exemption and Bradley Chapman seconded. The motion passed unanimously.
3. **Springleaf Mortgage Services, Inc. (London, KY) – Exemption**  
Bill Larson made a motion to approve the Exemption and Bradley Chapman seconded. The motion passed unanimously.
4. **Collection Service Bureau, Inc. – Future name change**  
The Board acknowledged.

5. **Nationwide Recovery Systems, Ltd. – Officer Change**

The Board acknowledged.

6. **NPAS Solutions, LLC – Officer Change**

The Board acknowledged.

7. **Home Servicing, LLC – Change in Membership Interest**

After reviewing the information presented by Home Servicing, LLC, Bill Larson moved to require a new application as this change in membership interest constituted a change in control. Bradley Chapman seconded, and the motion passed unanimously. Staff was instructed to notify Home Servicing, LLC of the new application requirement.

8. **Comments on Proposed Rules -**

A. The Board noted timely receipt of comments from ACA International (ACA) and proceeded to review and discuss said comments:

The substance of the comments from ACA International began with a suggestion and advice that the Board cease from making any changes to the rules at this time as the Consumer Financial Protection Bureau (CFPB) is still studying and determining whether or not to issue rules under the federal Fair Debt Collection Practices Act (FDCPA) as the proposed rules may be in conflict with those that may or may not be issued by the CFPB. The Chairman noted the Board administers the Wyoming Collection Agency Act and the proposed rules are promulgated in accordance with the Wyoming Collection Agency Act and the applicable Wyoming statutes concerning rule making. The Chairman stated the Board understands ACA's concern, but stated his view that the Board cannot delay further action on this matter as the current Rules were in need of revision and that the Board had undertaken this rule making process at the behest of the Governor.

With regard to Chapter 2, Section 2 of the Proposed Rules, ACA believes that the “date incurred” puts too great a burden on the debt collector and does not assist consumers in any meaningful way. The Board appreciates this concern, but the Board believes that if debtors do not know the date of the debt and the full information about the said debt, then the debtors lack sufficient information to dispute the existence or amount of the debt claimed. The Board is also concerned that the licensee possibly should not be collecting on any debt for which the licensee lacks full information. The Chairman stated his disinclination to change or amend the proposed Rule at this point.

Regarding Chapter 2, Section 3 of the proposed Rules: The Board is willing to look at clarifying “notice to debtor.” ACA would like the licensee to be able to put the proposed required notice on the reverse page of communications. The Board has no problem with this as long as the communication to clearly state that there is further information listed on the back. The Board is not intending to provide a “form”. The intent of the notice is not to “hide” information. Rules may need to be updated/changed. The Attorney General’s Office will insert new language. The Board is not inclined to use the language suggested by ACA’s letter.

Chapter 2, Section 4: Concerning the collection of a debt if it’s a “time barred debt”, ACA believes this section would create a large number of consequences unintended by the Board. The Board notes in Wyoming it is currently legal to collect debts after

passing of the applicable statute of limitations, but it is not legal to pursue the debt in court. The Board believes attempting to collect a debt past the statute of limitations is a violation of the Rules. Under partial payment rules, agencies currently have the ability to “re-age debt.” The Chairman noted that other states have banned the ability to collect on debt past the applicable statute of limitations and wishes to follow this policy. The Board is, upon consideration of ACA's comments on the possible problems raised by the proposed language, inclined to withdraw this Section and reserve it to be rewritten. The Board is inclined to re-write the section to impose a duty on the licensee to determine if the debt is time-barred for suit prior to making any demand or request for payment and then prohibiting collection of time-barred debts. The Attorney General will determine if “re-writing” is within the Board's authority at this point in the rule making process.

In regards to Chapter 2, Section 5 of the proposed Rules on “litigation & fees,” ACA objects to the banning of “convenience fees” charged by licensees for making payments. The Board is not inclined to make changes to this section. The Chairman noted it is illegal in Wyoming to charge such “convenience” fees, unless such fees are included in the original contract creating the debt. The Chairman stated his belief that any licensee wishing to get paid will absorb the fee.

B. Associated Collection Agencies' comments will not be considered by the Board, at this time, as they were not received in a timely manner.

C. Encore Capital Group's (Encore/Encore's) comments were acknowledged and noted as timely. The Board proceeded to consider the comments.

The first comments from Encore concern the “time barred debts” in Chapter 2, Section 4 of the Proposed Rules. The Chairman noted that Encore's comments were essentially identical to ACA's comments discussed above and referred Encore to the same.

Chapter 2, Section 5. Encore is concerned with the language proposed by the Board with regard to interest charges. Encore notes that many credit cards change interest rates over the course of time, and that card issuers do not have to keep the original contract for the debt. Encore urged the Board to modify the proposed rule to allow use of a charge-off statement, which states the current interest rate instead of the interest rate listed in the original contract. Encore urged the Board to consider alterations to this section based on rules recently issued in the State of New York. The Chairman invited Encore's representative to send said Rules to the Board for Consideration. The Attorney General's Office will also review said Rules to determine if they are consistent with Wyoming law. The Board notes in clarification that this section only requires licensees provide evidence of interest rates in a contract or charge-off statement or credit card statement. If there is no written contract calling for a different rate then Wyoming law sets prejudgment interest at 7% per year. The Board will consider this section at the February 2015 meeting after receipt and review of the supplementary materials from Encore.

D. Encore – Duplicate Letter. The Chairman noted Encore's comments were received twice.

E. 5 Lakes Agency's comments were acknowledged and noted as timely. The Board proceeded to consider the comments.

5 Lakes Agency's first comments concerned Chapter 2, Section 4 of the proposed Rules. The Chairman noted the issues raised by 5 Lakes Agency had been raised in previously considered comments and referred to responses thereto.

F. Integral Recoveries' comments were acknowledged and noted as timely. The comments concern Chapter 1, Section 6 of the proposed rules. The commenter stated a belief that the proposed rules require each licensee to maintain a separate trust account for the State of Wyoming. The Chairman responded that neither current nor proposed rules require a separate trust account for WY, but that each licensee must have a trust account.

G. Cornerstone Support's comments were acknowledged and noted as timely. Cornerstone's comments are about Chapter 1, Section 8 of the proposed rules concerning Branch Licensing. The Board noted that branch offices conducting collection activity in Wyoming must be licensed in the same manner as the main office. This is not a change from the current rules or the Board's interpretation thereof.

H. Express Collections, Inc.'s comments were acknowledged and noted as timely. The comment asks if a fee for payment added by the licensee's website if consumers log in and pay online will be barred by the proposed rules. The Board responds "yes" to the question.

I. CollectionCenter, Inc.'s (CCI/CCI's) comments were acknowledged and noted as timely.

CCI's first comments on the proposed rules concerned Chapter 1, Section 8. CCI urged the Board to consider clarifying the Rule to reflect the Board's view that branch offices conducting collection activity in Wyoming must be licensed in the same manner as the main office. This is not a change from the current rules or the Board's interpretation thereof. The Chairman noted this may be considered in a future rule making process.

CCI's next comment was on Chapter 2, Section 2, regarding the "date incurred" requirement for licensees in their accounting to consumers. The comments were in line with ACA's comments above and the Chairman directed CCI to the response thereto.

CCI next commented on Chapter 2, Section 4 regarding out-of-statute debt. The issues raised by CCI in its comments were sufficiently similar to those expressed by ACA that the Chairman directed CCI to the response thereto.

CCI next commented on Chapter 2, Section 5(b) regarding recovery of service of process costs. The Chairman noted the comments set forth an erroneous statement of the Rules of Civil Procedure for Circuit Courts and that the comments appear to be based on a misreading of the proposed rule.

CCI commented on Chapter 2, Section 5(d) regarding convenience fees. The comment is similar to those discussed previously and the Chairman directed CCI to the Board's responses above. The Chairman also noted that CCI's urging to follow the State of Colorado's regulations regarding such fees is likely not in line with Wyoming law.

The Chairman suggested the Board table any further consideration of the rules, the responses to the comments, and other action until its next meeting. The Chairman further noted his desire to have all members present for action on the proposed rules as they are a sweeping revision as opposed to minor "technical" amendments. Bill Larson made a motion to "table" further discussion and consideration of the rules until the Board's next meeting. Bradley Chapman seconded. The motion passed unanimously.

9. **Alias/Desk Name Forms**

The Board acknowledged.

10. **Immediate Credit Recovery Inc. – Exemption**

Bill Larson moved to approve the Exemption and Bradley Chapman seconded. The motion passed unanimously.

11. **WYO.GOV email addresses**

The Board members need a secure, non-public email accounts in order to better perform their work and keep confidential documents from being unintentionally exposed. This will cost about \$300/month (or \$100/member). The Board also needs a website independent of the Division of Banking/Department of Audit. The web page set-up will be charged hourly. Cecil Johnstone will give the Board a printed copy of the current web page on the Banking Division website. Bill Larson moved to approve new email accounts for Board members and a new website for the Collection Agency Board. Bradley Chapman seconded the motion. It passed unanimously.

12. **New Employee**

In order to alleviate staffing issues, the Division of Banking proposes that the Board pay for a new employee under the Division of Banking, which employee will be dedicated to the Board full-time. This will allow the Division to better assist the Board with its duties while better meeting the Division's other obligations. The Division will obtain financial figures from Dennis Grenier concerning payroll expenses for a new employee. Based upon the figures to be provided, fees will be reviewed later to determine if there is presently sufficient income.

13. **Resident Manager- Barbara McGuire**

Ginger Fuerstenberger reported to the Board that Ms. McGuire is currently in Hospice. Mrs. Fuerstenberger is planning to take over as the Resident Manager for companies/agencies that McGuire currently has, totaling 8 companies. This change will not place Mrs. Fuerstenberger outside of the number of allowed agencies. Each of Ms.

McGuire's agencies has been sent a letter offering Mrs. Fuerstenberger's services. Ginger and Clark Fuerstenberger have a new address, effective immediately.

**License Closures: None**

**Name Change: None**

**Resident Manager Changes: Please see item #13 of New Business**

**Executive Session: None**

**Miscellaneous Board Signatures:**

- Renewal Licenses
- New Licenses
- Bonds
- Travel Expense Vouchers

**Adjournment**

There being no further business, a motion to adjourn the meeting was made by Bill Larson at 12:20 pm. The motion was seconded by Bradley Chapman. The motion passed unanimously.

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**Bradley Chapman, Chairman**

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**Date**