

**STATE OF MICHIGAN
DEPARTMENT OF LABOR & ECONOMIC GROWTH
BUREAU OF COMMERCIAL SERVICES - LICENSING DIVISION
COLLECTION PRACTICES BOARD**

BOARD MEETING MINUTES

August 9, 2007, 10:00 a.m.

In accordance with the Open Meetings Act, 1976 PA 267, as amended, the Collection Practices Board met in Regular Session on August 9, 2007 at the Department of Labor & Economic Growth, Bureau of Commercial Services, Second Floor, Conference Room 1, 2501 Woodlake Circle, Okemos, Michigan.

CALL TO ORDER

The business meeting was called to order by Chairperson Hoppin at 10:00 a.m.

Present:	James P. Hoppin	Chairperson
	Thomas M. Angelo	Vice-Chairperson
	George R. Badeen	Professional Member
	David E. Cairnduff	Professional Member
	Raquel Reardon	Public Member
	Sharon L McWhorter	Public Member
	Dwight Stewart	Public Member
Absent:	Daire Rendon	Professional Member
	Charles Havill	Professional Member
Staff:	Ann Millben	Licensing Administrator
	Allison Cosgrove	Assistant Licensing Administrator
	Ann Paruk	Enforcement Division
	Rita Burnett	Secretary
Visitor:	Barbara L. Stewart	Wife of Board Member Stewart
	Micaela Reardon	Daughter of Board Member Reardon

Mr. Hoppin welcomed Ms. Cosgrove, assistant administrator for Ms. Millben.

ADDITIONS TO OR DELETIONS FROM AGENDA

Ms. Burnett noted that a Stipulation for Auto Trend, Inc. was added to the agenda as 5G.

APPROVAL OF MINUTES FROM MEETING HELD AUGUST 24, 2006

MOTION: Mr. Badeen moved to approve the minutes of the August 24, 2006 meeting. Mr. Cairnduff seconded and the motion passed unanimously.

PUBLIC COMMENT

None.

STIPULATIONS

Metropolitan Investigation & Recovery Services, LLC, James P. Hartley, Owner/Manager, License No. 2401-001140, Complaint No. 300806, Docket No. 2006-570

Mr. Badeen submitted a letter he received from James P. Hartley and David Landy, dated August 21, 2003, stating their opinion that the amount required on bonds is too low and should be substantially more, perhaps as much as \$500,000. Mr. Badeen discovered the letter when he reviewed his notes for this Stipulation. Mr. Hoppin recommended that the board receive this letter and have the Department add it to Metropolitan Investigation & Recovery Services, LLC's file. He also suggested that the board send a letter acknowledging receipt of his letter.

MOTION: After discussion, Ms. Reardon moved to reject the Stipulation in that she considered the fine to be too low. Ms. McWhorter seconded and the motion passed. Mr. Angelo voted no. Mr. Badeen abstained.

MOTION: Mr. Stewart moved to recommend to the Enforcement Division that the fine in this circumstance should be at least \$1,000. Ms. McWhorter seconded and the motion passed. Mr. Badeen abstained.

MOTION: Mr. Angelo moved that the Department forward a recommendation to the Enforcement Division that an investigation be initiated regarding whether or not this company is operating without a license. Mr. Cairnduff seconded and the motion passed. Mr. Badeen abstained.

Hy-Tech Recovery, Inc., Dennis Zamborsky, Owner/Manager,
License No. 2401-001263, Complaint No. 300813

MOTION: After discussion, Mr. Angelo moved to accept the Stipulation, which stated that: 1) Respondent shall pay a \$2,000 fine to the Department within 60 days of the date of the mailing of the Final Order, 2) that Respondent's license shall be placed on probation for three years commencing on the date of the mailing of the Final Order, 3) in the event that the Department discovers that Respondent is conducting collection agency business without the personal supervision of a licensed collection agency manager or owner/manager, Respondent's license shall be immediately suspended and said suspension shall continue until Respondent demonstrates compliance to the Department, 4) in the event that the Department is notified that Respondent's surety bond is terminated or cancelled, and Respondent fails to provide documentation to the Department of an acceptable replacement surety bond, prior to the effective date of the termination or cancellation, Respondent's license shall be immediately suspended and said suspension shall continue until Respondent demonstrates compliance to the Department, 5) in the event that Respondent fails to timely submit an acceptable annual report to the Department, Respondent's license shall be immediately suspended and said suspension shall continue until Respondent demonstrates compliance to the Department, 6) failure to comply with the terms of this Stipulation shall result in a suspension of all licenses of Respondent and in the denial of any license renewal and/or future applications for licensure until compliance and 7) Respondent agrees to submit written proof to the Department of compliance with each requirement of this Stipulation. Mr. Cairnduff seconded and the motion passed unanimously.

Argyle Solutions, Inc., Karen M. White, Owner/Manager, License No. 2401-001994, Complaint No. 3004857

MOTION: After discussion, Mr. Badeen moved to accept the Stipulation, which stated that: 1) Respondent shall pay a \$500 fine to the Department within 60 days of the date of the mailing of the Final Order, 2) in the event that the Respondent fails to timely submit its 2006 Annual Report by the statutory deadline of May 16, 2007, Respondent agrees that the fine shall increase to a total of \$1,500, 3) failure to comply with the terms of this Stipulation shall result in a suspension of all licenses of Respondent and in the denial of any license renewal and/or future applications for licensure until compliance and 4) Respondent agrees to submit written proof to the Department of compliance with each requirement of this Stipulation. Ms. McWhorter seconded and the motion passed unanimously.

Creditors Interchange Receivable Management, LLC, License No. 2401-002018, Tammy L. Franco, Non-Owner/Manager, License No. 2402-001888, Complaint No. 304858

MOTION: After discussion, Mr. Angelo moved to accept the Stipulation, which stated that: 1) Respondent shall pay a \$500 fine to the Department within 60 days of the date of the mailing of the Final Order, 2) failure to comply with the terms of this Stipulation shall result in a suspension of all licenses of Respondent and in the denial of any license renewal and/or future applications for licensure until compliance and 3) Respondent agrees to submit written proof to the Department of compliance with each requirement of this Stipulation. Mr. Cairnduff seconded and the motion passed unanimously.

Creditors Interchange Receivable Management, LLC, License No. 2401-001918,
David George Peltan, Non-Owner/Manager, License No. 2402-001926,
Complaint No. 304853

MOTION: After discussion, Mr. Angelo moved to accept the Stipulation, which stated that: 1) Respondent shall pay a \$500 fine to the Department within 60 days of the date of the mailing of the Final Order, 2) failure to comply with the terms of this Stipulation shall result in a suspension of all licenses of Respondent and in the denial of any license renewal and/or future applications for licensure until compliance and 3) Respondent agrees to submit written proof to the Department of compliance with each requirement of this Stipulation. Mr. Cairnduff seconded and the motion passed unanimously.

Creditors Interchange Receivable Management, LLC, License No. 2401-001919,
Britt R. Kaufman, Non-Owner/Manager, License No. 2402-001889,
Complaint No. 304854

MOTION: After discussion, Mr. Angelo moved to accept the Stipulation, which stated that: 1) Respondent shall pay a \$500 fine to the Department within 60 days of the date of the mailing of the Final Order, 2) failure to comply with the terms of this Stipulation shall result in a suspension of all licenses of Respondent and in the denial of any license renewal and/or future applications for licensure until compliance and 3) Respondent agrees to submit written proof to the Department of compliance with each requirement of this Stipulation. Mr. Cairnduff seconded and the motion passed unanimously.

Auto Trend, Inc., Carl Albert Hofman, Jr., Owner/Manager, License No. 2401-001959, Complaint No. 304855, Docket 2007-544

MOTION: After discussion, Mr. Angelo moved to accept the Stipulation, which stated that: 1) Respondent shall pay a \$500 fine to the Department within 60 days of the date of the mailing of the Final Order, 2) Respondent shall file an annual report regarding its business operations for the year 2005 with the Department within 60 days of the mailing of the Final Order, 3) failure to comply with the terms of this Stipulation shall result in a suspension of all licenses of Respondent and in the denial of any license renewal and/or future applications for licensure until compliance and 4) Respondent agrees to submit written proof to the Department of compliance with each requirement of this Stipulation. Mr. Stewart seconded and the motion passed unanimously.

HEARING REPORTS

South Eastern Michigan Collections, Inc., Jonathan R. Ludwig, Owner/Manager, License No. 2401-000953, Complaint No. 304843, Docket No. 2007-77

MOTION: Mr. Badeen moved to receive the Hearing Report in the matter of South Eastern Michigan Collections, Inc. Mr. Angelo seconded and the motion passed unanimously.

MOTION: After discussion, Ms. Reardon moved that 1) Respondent pay a \$1,000 fine within 60 days of the mailing of the Final Order, 2) Respondent's license shall be suspended immediately and remain suspended until Respondent submits an acceptable 2005 Annual Report to the Department, 3) if Respondent does not comply with the Final Order within 60 days of the date of the mailing of the Final Order, the license will be revoked and 4) failure to comply shall result in the denial of any license renewal and/or future applications for licensure until compliance. Mr. Badeen seconded and the motion passed unanimously.

STAFF REPORTS

Statistics

Ms. Cosgrove stated that there were currently 392 active licensed collection agencies with non-owner managers, 306 active agencies operating with an owner-manager, and 530 active non-owner managers for a total of 1,228 active licensees. There are 56 applications pending for agencies to operate with non-owner managers, 39 pending applications for agencies operating with an owner-manager, and 182 pending non-owner manager applications. She added that the numbers can be misleading in some cases, as an application should be pending for no longer than one year before becoming invalid, but the database does not eliminate them automatically.

Ms. Cosgrove stated that the Department had received 680 2006 Annual Reports with 588 accepted by the Audit Unit and 92 not accepted to date. Mr. Angelo asked for clarification on why some are not accepted and she replied that some may be incomplete or the audit staff may have questions regarding the numbers, a mathematical error, or the report may lack a signature. Ms. Cosgrove added that the audit unit sends a letter of explanation as to what is missing or questionable. Mr. Angelo asked whether the Annual Reports are a matter of public record. Ms. Millben was not clear on that, but would find out and email Board members with that answer. Ms. McWhorter asked if there was a blank form that the agencies were required to fill out. Ms. Cosgrove informed her that the 2006 form is available on the collection agency licensing web page.

Rules Committee

Ms. Millben stated that the Department was waiting for a draft of changes to the law regarding repossessions. Mr. Badeen responded that the office of Representative Hildebrand has been working on it, but it has changed substantially in the last two drafts. The current draft would separate repossessors from collection agencies, but repossession activities and licensing would still be under the collection agency law. Mr. Badeen will send the current draft to Ms. Millben and the Board members for their comments and suggestions.

ITEMS FOR CONSIDERATION FROM BOARD MEMBERS

Ms. Millben discussed the board members' term expiration dates. Mr. Hoppin stated that he was advised to continue to serve until he was reappointed, but was unclear how soon that would be. Ms. Millben noted that board members are asked to continue to serve until they hear from the Governor's office that they have been reappointed or replaced. The staff at the Governor's Appointments Office works on filling vacancies and on reappointments, but are possibly giving priority to the boards just created recently and have no board members, and to those boards where there are not enough board members to have a quorum.

ELECTION OF OFFICERS

MOTION: Ms. Reardon moved to retain the current officers with Mr. Hoppin as Chairperson and Mr. Angelo as Vice-Chairperson, and that the nominations be closed and a unanimous ballot be cast. Mr. Stewart seconded and the motion passed unanimously.

NEXT MEETING DATE – JANUARY 17, 2008

The next regularly scheduled meeting of the Collection Practices Board will be held on January 17, 2008. Ms. Burnett added that the Public Notice was in the Board members' folders with both meeting dates for 2008.

ADJOURNMENT

There being no further business to be brought before the Board, the meeting was adjourned at 11:15 a.m.

/s/
James P. Hoppin, Chairperson

1-17-08
Date

/s/
Ann Millben, Licensing Administrator

1-17-08
Date