

**STATE OF OHIO  
OFFICE OF THE ATTORNEY GENERAL  
CONSUMER PROTECTION SECTION**

IN THE MATTER OF:	)	
	)	AGO Docket #: 361845
Credit Bureau Collection Services, Inc.	)	
d/b/a CBCS and CBCS National	)	
236 East Town St.	)	
Columbus, Ohio 43215	)	

**ASSURANCE OF VOLUNTARY COMPLIANCE**

This Assurance of Voluntary Compliance (“Assurance”) is entered into this 12<sup>th</sup> day of August, 2011 by Mike DeWine, Attorney General of the State of Ohio (“Attorney General”), and Credit Bureau Collection Services, Inc., also doing business as CBCS and CBCS National.

For purposes of this Assurance, “Supplier” means Credit Bureau Collection Services, Inc., its officers, employees, and any successors and assigns to the extent they are transacting business in the state of Ohio as a Supplier as that term is defined under the CSPA.

For purposes of this Assurance, the Ohio Consumer Sales Practices Act (“CSPA”) means R.C. 1345.01 et seq., and the Substantive Rules adopted thereunder and as hereafter amended.

For purposes of this Assurance, the Fair Debt Collection Practices Act (“FDCPA”) means 15 U.S.C. 1692 et seq. and as hereafter amended.

For purposes of this Assurance, the Fair Credit Reporting Act (“FCRA”) means 15 U.S.C. 1681 et seq and as hereafter amended.

**WHEREAS**, the Attorney General alleges that Supplier has engaged in acts and practices which violate the CSPA, FDCPA, and the FCRA and has conducted an investigation pursuant to the authority granted him by R.C. 1345.06;

**WHEREAS**, the Attorney General may, pursuant to R.C. 1345.06(F), enter into and accept an Assurance of Voluntary Compliance;

**WHEREAS**, this Assurance of Voluntary Compliance is an assurance in writing by Supplier of its intent to conduct business in a manner designed to comply with the provisions of the CSPA, FDCPA, and the FCRA;

**WHEREAS**, Supplier desires to comply with all aspects of the CSPA, FDCPA and FCRA and Supplier is hereby voluntarily entering into this Assurance with the Attorney General;

**WHEREAS**, Supplier expressly denies having engaged in any conduct that violates the CSPA, FDCPA and FCRA as described herein; and

**WHEREAS**, the Attorney General makes no affirmative findings of liability on the part of the Supplier;

**NOW THEREFORE**, in consideration of the mutual promises and conditions set forth herein, the parties hereto **AGREE** as follows:

- (a.) The "Effective Date" shall mean the date that is indicated on the first page of this Assurance.
- (b.) By accepting this Assurance, the Attorney General agrees to terminate the current investigation of Supplier's business practices and actions occurring on or before the Effective Date of this Assurance.
- (c.) By giving this Assurance, Supplier agrees to comply with all the terms of this Assurance and to conduct its business in the State of Ohio in compliance with all applicable state and federal laws, including without limitation, the CSPA, FDCPA, and the FCRA.

## **A. BACKGROUND**

While Credit Bureau Collection Services, Inc. expressly denies having engaged in any conduct that violates the CSPA, FDCPA and FCRA as described herein, the Attorney General provides the following background and allegations including, but not limited to:

1. Supplier Credit Bureau Collection Services, Inc. (hereinafter “CBCS” or “Supplier”) is an Ohio corporation with its principal business location in Franklin County at 236 East Town St., Columbus, Ohio 43215. CBCS has offices in Ohio and collects debts throughout the State of Ohio as well as in various other states. Supplier also engages in business using the names “CBCS” and “CBCS National.”
2. Supplier is, and was at all times relevant to this Assurance, engaged in providing debt collection services by regularly collecting, or attempting to collect, debts that were due or alleged to be due from consumers.
3. Supplier was assigned debts for collection from various creditors or entities for the purposes of attempting to collect from consumers.
4. Supplier attempted to collect on alleged debts through collection letters sent to consumers and through telephone calls made by Supplier’s debt collector employees.
5. Supplier collected, or attempted to collect, debts by using prohibited debt collection methods in the State of Ohio, including in Franklin County, and throughout the United States.
6. Supplier attempted to collect on debts that were not owed by the consumers contacted by the Supplier.
7. Supplier failed to remove phone numbers from collection account records after being informed that the persons from whom Supplier sought to collect the debts could not be reached at the telephone numbers called.

8. Supplier continued to place telephone calls to numbers after being informed that the consumers from whom the Supplier sought to collect the debts could not be reached at the telephone numbers called.
9. Supplier called third parties more than once after the third parties provided location information for consumers or indicated that they did not have the location information being sought.
10. Supplier called third parties not connected to or liable for the debts and divulged information about the debts allegedly owed by consumers.
11. Supplier placed multiple telephone calls within a short period of time to consumers.
12. Supplier failed to confirm settlement agreements in writing with consumers.
13. Supplier failed to honor settlement agreements with consumers and then continued to attempt to collect the remaining balance of the debts allegedly owed.
14. After receiving written notifications from consumers that the consumers disputed the alleged debts, Supplier continued to contact consumers and attempted to collect without first having mailed verification of the debts to consumers.
15. After receiving written requests for verification of the debts allegedly owed, Supplier continued to contact consumers and attempted to collect without first having mailed verification of the debts to the consumers.
16. When consumers requested that Supplier send documentation that verified that they owed the alleged debts, Supplier refused to do so or represented that it would do so, but did not, and continued collection activities.
17. When consumers requested that Supplier send documentation that verified that they owed the alleged debts, Supplier did not inform consumers that requests to validate debts must be

made in writing and did not provide or refused to provide consumers with the address to which the written request must be directed.

18. Supplier engaged in the acts or practices described in Paragraphs (1) through (17) after such actions were determined by Ohio courts to violate the Consumer Sales Practices Act, R.C. 1345.01 et seq. and were available for public inspection pursuant to R.C. 1345.05(A)(3).

### **B. COMPLIANCE PROVISIONS**

From the Effective Date of this Assurance forward, in the transaction of its business in the State of Ohio, Supplier shall refrain from violating state and federal laws and regulations, including but not limited to the CSPA, FDCPA and FCRA. Supplier also will refrain from engaging in the following specific conduct:

1. Committing unfair, deceptive and unconscionable acts or practices in violation of the CSPA, R.C. 1345.02(A) and R.C. 1345.03(A), by violating the FDCPA, 15 U.S.C. 1692-1692(p);
2. Committing unfair, deceptive and unconscionable acts or practices in violation of the CSPA, R.C. 1345.02(A) and R.C. 1345.03(A), by violating the FCRA, 15 U.S.C. 1681-1681(x);
3. Committing unfair, deceptive, and unconscionable acts or practices in violation of the CSPA, R.C. 1345.02(A) and R.C. 1345.03(A), by communicating that consumers owe debts when communicating with any persons other than the consumers for the purposes of acquiring location information;
4. Committing unfair, deceptive, and unconscionable acts or practices in violation of the CSPA, R.C. 1345.02(A) and R.C. 1345.03(A), by calling third parties more than once after the third parties provide them with location information or indicate that they do not have the location information being sought unless requested to do so by such person;
5. Committing unfair, deceptive, and unconscionable acts or practices in violation of the

- CSPA, R.C. 1345.02(A) and R.C. 1345.03(A), by communicating with or divulging information to third parties, without the prior consent of the consumers, regarding alleged debts owed by consumers in an effort to embarrass or persuade the consumers to pay the debts;
6. Committing unfair, deceptive, and unconscionable acts or practices in violation of the CSPA, R.C. 1345.02(A) and 1345.03(A), by communicating with consumers in connection with the collection of debts at times or places the Supplier knows or should know to be inconvenient to the consumers, including inconvenient hours;
  7. Committing unfair, deceptive, and unconscionable acts or practices in violation of the CSPA, R.C. 1345.02(A) and 1345.03(A), by communicating or attempting to communicate with consumers at their places of employment in connection with the collection of debts when the Supplier knows or should know that consumers do not wish to be contacted there or that employers do not permit such calls to their employees;
  8. Committing unfair, deceptive, and unconscionable acts or practices in violation of the CSPA, R.C. 1345.02(A) and 1345.03(A), by communicating with consumers in connection with the collection of debts, without the prior consent of the consumers' attorneys, after knowing that the consumers were represented by attorneys with respect to the alleged debts;
  9. Committing unfair, deceptive, and unconscionable acts or practices in violation of the CSPA, R.C. 1345.02(A) and 1345.03(A), by communicating with consumers in connection with the collection of debts, except as otherwise provided by law, after being notified in writing that the consumers refuse to pay the debts or that the consumers wish the Supplier to cease further communications with the consumers;
  10. Committing unfair, deceptive, and unconscionable acts or practices in violation of the

- CSPA, R.C. 1345.02(A) and 1345.03(A), by engaging in conduct the natural consequence of which is to harass, oppress or abuse persons in connection with the collection of a debt;
11. Committing unfair, deceptive, and unconscionable acts or practices in violation of the CSPA, R.C. 1345.02(A) and 1345.03(A), by using obscene or profane language in connection with the collection of debts;
  12. Committing unfair, deceptive, and unconscionable acts or practices in violation of the CSPA, R.C. 1345.02(A) and 1345.03(A), by placing multiple telephone calls within a short period of time to consumers for the purposes of annoying or harassing consumers at the called numbers;
  13. Committing unfair, deceptive, and unconscionable acts or practices in violation of the CSPA, R.C. 1345.02(A) and 1345.03(A), by attempting to collect alleged debts by telephone without meaningful disclosure of the caller's identity;
  14. Committing unfair, deceptive, and unconscionable acts or practices in violation of the CSPA, R.C. 1345.02(A) and 1345.03(A), by attempting to collect on debts where the consumer has communicated that the debt is not owed or is disputed and after conducting a reasonable investigation, the Supplier knows or should have known that the debt was not owed;
  15. Committing unfair, deceptive, and unconscionable acts or practices in violation of the CSPA, R.C. 1345.02(A) and 1345.03(A), by failing to remove or block telephone numbers from collection account records and continuing to place telephone calls to those numbers after being informed that the persons from whom Supplier seeks to collect the debts cannot be reached at the numbers called;
  16. Committing unfair, deceptive, and unconscionable acts or practices in violation of the

- CSPA, R.C. 1345.02(A) and 1345.03(A), by using false or misleading representations to collect or attempt to collect debts or to obtain information concerning consumers;
17. Committing unfair, deceptive, and unconscionable acts or practices in violation of the CSPA, R.C. 1345.02(A) and 1345.03(A), by falsely representing the character, amount, or legal status of debts or services rendered or compensation which may be lawfully received by debt collectors for the collection of debts;
  18. Committing unfair, deceptive, and unconscionable acts or practices in violation of the CSPA, R.C. 1345.02(A) and 1345.03(A), by threatening to take legal actions when there is no legal authority or intention to do so;
  19. Committing unfair, deceptive, and unconscionable acts or practices in violation of the CSPA, R.C. 1345.02(A) and 1345.03(A), by taking or threatening to take non-judicial action against consumers' real or personal property or wages when there is no legal authority or intention to do so;
  20. Committing unfair, deceptive, and unconscionable acts or practices in violation of the CSPA, R.C. 1345.02(A) and 1345.03(A), by falsely representing or implying to consumers that nonpayment of debts will result in the arrest or imprisonment of the consumers, or the seizure, garnishment, attachment or sale of any of the consumers' property or wages when there is no legal authority or intention to do so;
  21. Committing unfair, deceptive, and unconscionable acts or practices in violation of the CSPA, R.C. 1345.02(A) and 1345.03(A), by communicating with consumers in connection with the collection of debts without disclosing that the communications are from debt collectors;
  22. Committing unfair, deceptive, and unconscionable acts or practices in violation of the

- CSPA, R.C. 1345.02(A) and 1345.03(A), by collecting or attempting to collect amounts (including interest, fees, charges, or expenses incidental to the principal obligation) that were not expressly authorized by the agreements creating the debts or permitted by law;
23. Committing unfair, deceptive, and unconscionable acts or practices in violation of the CSPA, R.C. 1345.02(A) and 1345.03(A), by failing to honor settlement agreements with consumers and continuing to attempt to collect the remaining balance of the debts allegedly owed;
  24. Committing unfair, deceptive, and unconscionable acts or practices in violation of the CSPA, R.C. 1345.02(A) and 1345.03(A), by withdrawing money from consumers' bank accounts on dates or in dollar amounts not authorized by consumers;
  25. Committing unfair, deceptive, and unconscionable acts or practices in violation of the CSPA, R.C. 1345.02(A) and 1345.03(A), by failing to provide written notices to consumers, within five days after the initial telephone conversation with the consumer, that contain the following information: the amount of the debt, the name of the creditor, a statement that unless the consumer disputes the validity of the debt within thirty days the Supplier will assume the debt is valid, the process by which the consumer may request verification of a debt, and a statement that, upon the consumer's written request within thirty days, the Supplier will provide the name of the creditor, if different from the current creditor;
  26. Committing unfair, deceptive, and unconscionable acts or practices in violation of the CSPA, R.C. 1345.02(A) and 1345.03(A), by failing to cease collection activities, upon the receipt of written notifications of disputes made by consumers within the thirty day period following their receipt of the first notice , or requests for the names of the original creditors or for verification of the debts alleged to be owed made by consumers within the thirty day

- period following their receipt of the first notice, until the Supplier mails verification of the debts to the consumers;
27. Committing unfair, deceptive, and unconscionable acts or practices in violation of the CSPA, R.C. 1345.02(A) and 1345.03(A), by failing to inform consumers, upon receiving verbal requests for verification of debts, that requests to validate debts must be made in writing and failing or refusing to provide consumers with the address to which the written request must be directed;
  28. Violating the FDCPA, 15 U.S.C. 1692(b)(2), by communicating that consumers owe debts when communicating with persons other than the consumers for the purposes of acquiring location information;
  29. Violating the FDCPA, 15 U.S.C. 1692(b)(3), by communicating with persons other than the consumer more than once, when not requested to do so by such person, and when the Supplier does not reasonably believe that the earlier response of such person was erroneous or incomplete and that such person now has correct or complete location information;
  30. Violating the FDCPA, 15 U.S.C. 1692(c)(a)(1), by communicating with consumers in the collection of debts at unusual times or places the Supplier knows or should know to be inconvenient to the consumers;
  31. Violating the FDCPA, 15 U.S.C. 1692(c)(a)(2), by communicating with consumers in connection with the collection of any debts after knowing that the consumers are represented by attorneys with respect to the alleged debts;
  32. Violating the FDCPA, 15 U.S.C. 1692(c)(a)(3), by communicating with consumers in the collection of debts at the consumers' places of employment when the Supplier knows or should know that the consumers' employers prohibit the consumers from receiving such

- communications;
33. Violating the FDCPA, 15 U.S.C. 1692(c)(b), by communicating with persons other than the consumers, their attorneys, a consumer reporting agency if otherwise permitted by law, the creditor, the attorney of the creditor or the attorney of debt collector in the collection of debts, without the prior consent of the consumers except as provided in 15 U.S.C. 1692(b) or with the express permission of a court of competent jurisdiction, or as reasonably necessary to effectuate a postjudgment judicial remedy;
  34. Violating the FDCPA, 15 U.S.C. 1692(c)(c), by communicating with consumers after being notified in writing that the consumers refused to pay the debts or that the consumers wish the Supplier to cease further communications with the consumers;
  35. Violating the FDCPA, 15 U.S.C. 1692(d), by engaging in conduct the natural consequence of which is to harass, oppress, or abuse persons in connection with the collection of a debt;
  36. Violating the FDCPA, 15 U.S.C. 1692(e), by using false, deceptive or misleading representations or means in connection with the collection of debts;
  37. Violating the FDCPA, 15 U.S.C. 1692(f), by using unfair or unconscionable means to collect or attempt to collect debts;
  38. Violating the FDCPA, 15 U.S.C. 1692(g)(a), by failing to provide written notices to consumers, within five days after initial telephone conversation with the consumer, that contain the following information: the amount of the debt, the name of the creditor, a statement that unless the consumer disputes the validity of the debt within thirty days the Supplier will assume the debt is valid, the process by which the consumer may request verification of a debt, and a statement that, upon the consumer's written request, within thirty days, the Supplier would provide the name of the creditor, if it is different from the

current creditor;

39. Violating the FDCPA, 15 U.S.C. 1692(g)(b), by failing to cease collecting a debt, or any disputed portion thereof, upon written notification of dispute or request for the name of the original creditor by the consumer made by the consumer within the thirty day period following their receipt of the first notice, until the Supplier obtains verification of the debt or copy of a judgment, or the name and address of the original creditor, and a copy of such verification or judgment, or names and address of the original creditor, are mailed to the consumer by the Supplier;
40. Violating Section 623(a)(1)(B) of the FCRA, 15 U.S.C. 1681s-2(a)(1)(B), by furnishing information about debts allegedly owed by consumers to consumer reporting agencies after the consumers notify the Supplier, at the address specified by Supplier, of the inaccurate nature of the information and where the information is, in fact, inaccurate;
41. Violating Section 623(a)(3) of the FCRA, 15 U.S.C. 1681s-2(a)(3), by furnishing information about debts allegedly owed by consumers to consumer reporting agencies (“CRA”) without reporting the information as disputed by the consumers after the consumers notify the Supplier that the debt is disputed; and
42. Violating Section 623(b) of the FCRA, 15 U.S.C. 1681s-2(b), by failing to investigate consumer disputes referred to the Supplier by consumer reporting agencies regarding the accuracy or completeness of information regarding debts allegedly owed by consumers.
43. The Parties further AGREE that in conducting its business in the State of Ohio, Supplier shall implement the following **BEST PRACTICES** and shall:

- (a.) Train employees to comply with the FDCPA, the FCRA, the CSPA and the Best Practices as outlined herein prior to engaging in collection activities on behalf of Supplier and at a minimum on an annual basis thereafter.
- (b.) Verbally inform the consumer on first contact by telephone that, within five days, CBCS will mail them a letter which provides information about the debt in situations where such letter has not been mailed in the past, as well as train employees to verbally provide the information outlined in subparagraphs i through ix below when the consumer verbally requests such information.
  - i. the name, mailing address, and fax and telephone number of Supplier;
  - ii. the amount of the debt and to whom the debt is owed;
  - iii. the applicable timeframe or date on or about which the debt was incurred or the date of the consumer's default on the debt;
  - iv. the exact name, spelling, and address listed on the original bill if the information was provided by the creditor;
  - v. that any payment will not be applied to any debt which is disputed by the consumer where the consumer has multiple debts placed with Supplier for collection and, where applicable, any payment shall be applied in accordance with the consumer's directions when making the payment.
  - vi. an explanation of the consumer's rights to dispute the debt under the structure set forth in the FDCPA at 15 U.S.C. §1692g(a)(3)-(5) and §1692g(b) or the procedures to dispute the debt with the Supplier where the Supplier's policies and procedures for accepting disputes are less restrictive than those set forth in FDCPA §1692g(b);

- vii. an explanation of the consumer's rights to request a cease and desist from communication from the Supplier as provided under the FDCPA at 15 U.S.C. 1692c(c), or the procedure to request a cease and desist from communications where the Supplier's policies and procedures for accepting a request to cease and desist are less restrictive than those set forth in FDCPA §1692c(c);
  - viii. an explanation that a request for Supplier to cease communication with the consumer at their place of employment may be done verbally or in writing;  
and
  - ix. a statement that Supplier, as a debt collector, is attempting to collect a debt and that any information obtained will be used for that purpose.
- (c.) Within five days after the initial verbal communication with a consumer in connection with the collection of the debt, Supplier shall, unless the consumer has paid the debt, send a written communication to the consumer which contains the following information:
- i. the name, mailing address, and fax and telephone number of Supplier;
  - ii. the amount of the debt and to whom the debt is owed;
  - iii. the exact name, spelling, and address listed on the original bill if the information was provided by the creditor;
  - iv. a statement that if the consumer makes a single payment with respect to multiple debts, the payment will not be applied to any debt which is disputed by the consumer and, where applicable, the payment shall be applied in accordance with the consumer's directions;

- v. a statement that unless the consumer, within thirty days after receipt of the notice, disputes the validity of the debt, or any portion thereof, the debt will be assumed to be valid by the debt collector;
  - vi. a statement that if the consumer notifies the debt collector, in writing, within the thirty day period that the debt or any portion thereof is disputed, the debt collector will obtain verification of the debt or a copy of a judgment against the consumer and a copy of the verification or judgment will be mailed to the consumer by the debt collector;
  - vii. a statement that, upon the consumer's written request within the thirty day period, the debt collector will provide the consumer with the name and address of the original creditor, if different from the current creditor;
  - viii. a statement that a request for the Supplier to cease communication with the consumer at their residence or by telephone regarding the debt must be made in writing according to the Fair Debt Collections Practices Act;
  - ix. a statement that a request for Supplier to cease communication with the consumer at their place of employment may be done verbally or in writing;  
and
  - x. a statement that Supplier, as a debt collector, is attempting to collect a debt and that any information obtained will be used for that purpose.
- (d.) Not offer or accept any settlement agreement negotiated over the telephone in which Supplier agrees to accept less than the full amount of the debt as payment in full without completing a voice recorded confirmation of the agreement or a second-person verification in situations where call recording is unavailable. Within five (5) business days of the initial agreement, the Supplier shall provide

to the consumer a written confirmation of the agreement terms. This section is not intended to cover circumstances in which a consumer receives a written offer for settlement and calls the Supplier to accept the exact terms of that written offer to settle the debt. Agreements under this section, which include recurring payments charged to or withdrawn from consumers' accounts by Supplier, shall also comply with Paragraph 43(e) and (g). The voice recorded agreement or second person verification and the written confirmation shall include:

- i. the consumer's account number which was placed for collection or a truncated version of the account number;
  - ii. the name of the creditor;
  - iii. the terms of the settlement as agreed upon, including if applicable, the transaction dates and dollar amounts for future recurring payments; and the identity of the consumer's account to be charged or debited, if applicable, described by a truncated account number or in general terms;
  - iv. a statement that the Supplier has approval from the creditor to settle the account under the terms agreed upon with the consumer; and
  - v. the date upon which the voice recorded authorization is being made (required only on the voice recorded authorization).
- (e.) Not accept one time or recurring future-dated credit card, debit card or bank account debit transactions over the telephone without completing a voice recorded authorization or a second- person verification in situations where voice recording is unavailable. Supplier shall verbally inform the consumer that, upon request, Supplier will send a written confirmation not more than ten (10) nor less than three (3) business days prior to such deposit or charge. The recorded authorization or the second-person verification and the written confirmation shall include:

- i. the consumer's account number or a truncated version of the account number which was placed for collection;
  - ii. the name of the creditor;
  - iii. the transaction dates and dollar amounts agreed upon for future recurring payments; and
  - iv. the identity of the consumer's account to be charged or debited which may be described using a truncated account number or in general terms;
  - v. the date on which the voice recorded authorization is being made (required only on the voice recording).
- (f.) Not accept credit card or bank account debit transactions over the phone as partial payment of the debt which is outside of a settlement agreement without completing a voice recorded authorization and a second party verification where voice recording is unavailable, both containing the information as described in paragraph 41(e)(i-v). Upon request of the consumer, Supplier will send the consumer a written confirmation of such payment once the payment has cleared the account which will show the date and amount of the payment, as well as name of the creditor and the account number of the creditor, which may be truncated.
- (g.) Retain digital voice recordings made pursuant to Paragraph 43(e) and (d) for a minimum of 365 days after the account is settled or otherwise closed with Supplier.
- (h.) Send the consumer a written confirmation of an account paid or satisfied in full letter upon receipt and clearing of the consumer's full and final payment where a consumer requests such confirmation.

- (i.) Itemize and provide the basis for any collection fees assessed in written correspondence and verbal communications with the consumers. Upon inquiry from a consumer as to the amount or basis of the collection fee, advise the consumer of his or her rights as set forth in 43(b)(vi), above.
- (j.) Maintain confidentiality of all financial information, including, but not limited to, limiting access to full social security numbers, credit or debit card numbers and other financial institution account numbers to only those employees who need such information to carry out their job functions.
- (k.) Not attempt collection against a spouse of a known deceased debtor without first informing the spouse why they may or may not owe the debt and without first validating the debt when such is requested by the surviving spouse.
- (l.) Maintain collectors' activity logs with detailed information and/or codes for deciphering abbreviations.
- (m.) Not accept partial payments on time barred debt for the express purpose of extending or reviving the statute of limitations.
- (n.) When a consumer has disputed a debt, verbally or in writing, and the Supplier is currently reporting that account to a consumer reporting agency, the Supplier shall not report information to a consumer reporting agency without reporting it as "disputed" by the consumer.
- (o.) Upon receipt of a dispute, as defined herein, Supplier shall either close the account and permanently terminate collection efforts or conduct a reasonable investigation into the accuracy or completeness of such information, as set forth in subparagraph (o.) herein.

For purposes of this subparagraph and subparagraph (m) and (o), a dispute shall be defined as each and every instance in which:

- i. a consumer, at any time, questions, disputes or challenges the accuracy or completeness of the information on which Supplier is relying to make any representation that the consumer owes a debt or as to the amount of a debt; or
- ii. a person acting reasonably would question, dispute or challenge the material accuracy or completeness of the information on which Supplier is relying to make any representation that a consumer owes a debt or as to the amount of a debt.

If such disputes are raised during a telephone call with the consumer, Supplier may reasonably provide responsive information or pose reasonable questions to the consumer, in a manner that complies with applicable law, in an effort to resolve any such disputes raised by the consumer. If the consumer continues to question, dispute, or challenge the debt, Supplier shall make no further attempt to collect the debt or report it to a CRA until Supplier has completed an investigation and have reasonably concluded that the information is accurate and complete. If, as a result of its decision to permanently terminate collection efforts or if, following a reasonable investigation, Supplier cannot substantiate that the consumer owes the debt, Supplier shall not sell the debt or provide it to any other corporate entity other than the client from which it obtained the debt. Supplier shall not be required to conduct an investigation into the accuracy or completeness of the information on which Supplier is relying if Supplier determines that the consumer's question, dispute, or challenge is frivolous or irrelevant, or to the extent no new material evidence or information has been provided, has already

been the subject of a reasonable investigation. If a consumer initiates contact with Supplier by any means, Supplier may respond to the consumer prior to the completion of the investigation.

(p.) For purposes of this Assurance, a “reasonable investigation” of a dispute under subparagraph (n) shall mean an investigation in which Supplier objectively evaluates and weighs the relevant information and circumstances, including but not limited to:

- i. the reliability of the information on which Supplier relies in collecting or attempting to collect the debt, including the credibility of the source of that information;
- ii. the accuracy and completeness of any information received directly from its client, taking into account the reliability and source of the information;
- iii. the accuracy and completeness of any information Supplier has obtained or may obtain from third party sources, including data aggregators, brokers or CRAs;
- iv. the strength and credibility of any information provided by the consumer questioning, disputing, or challenging the accuracy or completeness of such information or otherwise obtained by Supplier and the responsiveness of the consumer to reasonable requests for information;
- v. the methods used by Supplier to collect the information from the consumer, which methods to obtain information shall be in compliance with applicable laws; and
- vi. any other reliable information that contradicts or calls into question the accuracy or completeness of such information.

Nothing in paragraphs 43 (n) or (o) shall affect the Supplier's obligation to comply with all applicable provisions of the FDCPA or FCRA. A "dispute" under paragraphs 43(n) and (o) do not necessarily constitute a "dispute" for FDCPA or FCRA purposes.

- (q.) Update reporting to consumer reporting agencies and all Supplier records of consumers' accounts within ten (10) business days of receipt of a consumer's payment or settlement in full for a debt owed;
- (r.) Upon receipt of written or verbal disputes made pursuant to the FCRA, as amended, update reporting to consumer reporting agencies and Supplier records as required under the FCRA with respect to the results of an investigation as to the accuracy or completeness of information previously reported;
- (s.) For a period of four (4) years after the Effective Date of this Assurance, Supplier and its officers, agents, servants, employees, and all persons or entities in active concert or participation in connection with its acts as a debt collector in the collection of a debt from a consumer shall include the following disclosure clearly and conspicuously in addition to the required FDCPA Disclosure statements, in a minimum of 10 point font, the color of which shall contrast with the paper on which it is printed, on each written communication that is sent via mail or electronic mail to a consumer for the purpose of collecting a debt as that meaning is set forth in 15 U.S.C. 1692, *et seq.*:

Federal and State law prohibit certain methods of debt collection and require that we treat you fairly. You can stop us from contacting you by writing a letter to us that tells us to stop the contact. Sending such a letter does not make the debt go away if you owe it. Once we receive your letter, we may not contact you again, except to let you know that there won't be any more contact or that we intend to take a specific action.

If you have a complaint about the way we are collecting this debt, please write to us at [current physical address], email us at [current email address],

or call us toll-free at [current phone number] between 9:00 A.M. and 5:00 P.M. Eastern Standard Time, Monday - Friday.

If you have a complaint about the way we are collecting this debt, please contact the Ohio Attorney General's Office online at [www.ohioattorneygeneral.gov](http://www.ohioattorneygeneral.gov) or [www.speakoutohio.gov](http://www.speakoutohio.gov); by phone at 1-800-282-0515 between the hours of 8 A.M. to 7 P.M. Monday through Friday; or by mail at 30 E. Broad St., 14<sup>th</sup> Floor, Columbus, Ohio 43215.

The use of the Notice as set forth on pages 10 and 11 of the Consent Decree filed February 24, 2010 entitled United States of America v. Credit Bureau Collection Services, et. al, Case Number 2:10-CB 169, United States District Court, Southern District of Ohio constitutes compliance with this section if the following language is also included:

(i) The phrase "state law" in first paragraph, and

(ii) "If you have a complaint about the way we are collecting your debt, please contact the Ohio Attorney General's Office online at [www.ohioattorneygeneral.gov](http://www.ohioattorneygeneral.gov) or [www.speakoutohio.gov](http://www.speakoutohio.gov); by phone at 1-800-282-0515 between the hours of 8:00 A.M. to 7:00 P.M. Eastern Standard Time, Monday through Friday; or by mail at 30 E. Broad St., 14<sup>th</sup> Floor, Columbus, Ohio 43215. Please include your account number on all communication."

- (t.) Not call consumers or debtors with excessive frequency under the circumstances or make frequent calls with an intent to annoy or harass. Specifically, Supplier shall not cause a consumer's or debtor's phone to ring on more than four separate occasions per account per calendar day in total, regardless of telephone number dialed, and no less than two hours apart. Supplier may attempt to call any of the confirmed consumer's or debtor's telephone numbers on file, understanding that the aggregate amount of calls placed to the consumer or debtor in whole is limited to four calls per day per account. No call that goes unanswered shall ring for more than forty five consecutive seconds. If the

Supplier leaves a message, supplier may not initiate more than one additional attempt on the same calendar day with the consumer at the same number. For purposes of this paragraph, a telephone number that has not been confirmed or denied to be the consumer's or debtor's telephone number shall not be considered to be an attempt to initiate telephone contact with a consumer or debtor, and shall be subject to the same restrictions as a third party pursuant to Subparagraph 43(t.)

- (u.) Not call third party consumers with excessive frequency under the circumstances or make frequent calls with intent to annoy or harass. Specifically, the Supplier shall not cause a third party's phone to ring on more than four separate occasions per account per calendar day, and no less than two hours apart. No call that goes unanswered shall ring for more than forty-five consecutive seconds. If Supplier leaves a voice message, Supplier may not initiate more than one additional attempt per account on the same calendar day. If a third party is contacted for location information and conversation between the third party and Supplier commenced, Supplier shall not again dial the telephone number of the third party consumer unless the third party consumer specifically consents.
- (v.) Supplier shall verbally confirm the consumer's mailing address in any telephone call in which Supplier represents to the consumer that Supplier will send written correspondence to the consumer.

### C. GENERAL PROVISIONS

1. Supplier understands and agrees that the compliance provisions and Best Practices are binding on Supplier and its successors and assigns to the extent they are transacting business in the state of Ohio as a Supplier as that term is defined under the CSPA.
2. This Assurance shall be governed by the laws of the State of Ohio.
3. This Assurance is entered into by the Attorney General and Supplier respectively, of their own free and voluntary act and with full knowledge and understanding of the nature of the proceedings and the obligations and duties imposed by this Assurance.
4. Nothing in this Assurance constitutes any agreement by the Attorney General and Supplier concerning the treatment of the amounts paid pursuant to this Assurance under the Internal Revenue Code or any state tax laws.
5. This Assurance does not constitute an approval by the Attorney General of any of Supplier's business practices, and Supplier shall not represent directly or indirectly, or in any way whatsoever, that the Attorney General has sanctioned, condoned or approved any part or aspect of Supplier's business practices.
6. This Assurance sets forth the entire agreement between the Attorney General and Supplier and supersedes all prior agreements or understandings, whether written or oral, between the Parties and/or their respective counsel with respect to the subject matter hereof.
7. The Parties acknowledge that no other promises, representations or agreements of any nature have been made or entered into by the Parties. The Parties further acknowledge that this Assurance constitutes a single and entire agreement that is not severable or divisible, except that if any provision herein is found to be legally insufficient or unenforceable, the remaining provisions shall continue in full force and effect.

8. The parties agree that this Assurance shall constitute a release of any and all claims of any kind which the Attorney General has raised or could have raised against Supplier, its current and former subsidiaries, owners, principals, directors, officers, agents, servants, representatives, employees, successors, and assigns, with respect to the alleged conduct occurring prior to the date of this Agreement, which is described in paragraphs 5-17 of the Background section, above. The Attorney General shall not institute any suit or proceeding against CBCS or any of the above-named persons for this described conduct.
9. The Parties acknowledge that Supplier is subject to all applicable statutes, rules, and regulations and that nothing in this Assurance shall be construed to exempt Supplier from any other obligations imposed by law or to relieve Supplier of any legal responsibility for any acts or practices engaged in by Supplier other than the alleged conduct occurring prior to the date of this Agreement, which is described in paragraphs 5-17 of the Background section above, which is specifically resolved by this Assurance. This Assurance does not preclude the Attorney General from investigating or taking enforcement actions against Supplier under any legal authority granted to the State relating to transactions not subject to this Assurance. This Paragraph also shall not be construed as precluding other entities or individuals, except those receiving damages pursuant to Section D herein, from enforcing specific statutes, rules, and regulations.
10. This assurance shall not preclude Supplier from engaging in consumer transactions as a supplier so long as all applicable terms and conditions set forth in this Assurance are met. The parties agree that the Supplier will require an implementation period to implement many of the provisions of the Assurance. Therefore, the Supplier shall have ninety (90) days from the Effective Date of this Assurance to implement all of the requirements contained herein,

with the exception of the requirements of Paragraphs 43(d) and (e) which shall be implemented within one hundred eighty day (180) days from the Effective Day of this Assurance. The Supplier shall take all commercially reasonable steps, however, to immediately implement the requirements of this Assurance that can be completed within a shorter timeframe.

11. Supplier shall continue to negotiate in good faith, through the Office of the Attorney General, any consumer complaints filed with the Consumer Protection Section after the Effective Date of this Assurance concerning Supplier's conduct occurring prior to or after the Effective Date of this Assurance.
12. This Assurance shall not be construed to restrict or prohibit Supplier from complying with any federal or state law requirements. If any provision of this Assurance shall come into conflict with any newly enacted law or regulation or change in an existing law or regulation, there are any changes or advancements in the industry, or there are any other reasons that may be appropriate under the circumstances, the parties to this Assurance may modify this Assurance with the express written consent of all parties, which shall not be unreasonably withheld.
13. For a period of three (3) years after the Effective Date of this Assurance, Supplier shall maintain in its possession and control, in a manner which mitigates any risk of identity theft and complies with all privacy laws, all business records relating to Supplier's debt collection activities in Ohio and will permit the Ohio Attorney General or his representative, upon at least two business day's notice, to inspect and/or copy any and all such records. Any audio recordings made of debt collection telephone conversations are excepted from the three (3)

year requirement, but must be maintained for at least one year after the account is closed with the Supplier.

14. This Assurance is a public record and shall be maintained in the Public Inspection File.

**D. CONSUMER DAMAGES AND PAYMENT TO THE STATE**

1. As part of the consideration for the termination of the Attorney General's investigation of Supplier under the CSPA, FDCPA and the FCRA, Supplier shall pay One Hundred Seventy-Five Thousand Dollars (\$175,000.00) to the Consumer Protection Enforcement Fund for alleged consumer damages to be distributed at the Attorney General's sole discretion pursuant to R.C. 1345.01 et seq. and Section D herein and shall pay One Hundred Seventy-Five Thousand Dollars (\$175,000.00) to the Consumer Protection Enforcement Fund held by the Ohio Attorney General as reimbursement for reasonable costs of the investigation and to be used as provided by R.C. 1345.51.
2. The consumer damages paid by Supplier in accordance with this Assurance shall be distributed at the sole discretion of the Attorney General to eligible consumers. For the purpose of distributing consumer damages, the term "eligible consumer" means and includes any consumer who was contacted by Supplier or an employee of Supplier regarding the collection of a debt and who filed a complaint against Supplier with the Ohio Attorney General's Office or the Better Business Bureau regarding any conduct alleging violations of the CSPA, FDCPA or the FCRA on or between January 1, 2008 and the date on which this Assurance is signed. Consumers who choose to receive a damages payment shall sign a release of claims against Supplier and Supplier's current and former employees, officers, shareholders, attorneys and agents through the Effective Date of this Assurance. The release will only release claims made or which could have been made by the consumer to the Ohio

Attorney General or Better Business Bureau related to the Supplier's collection activities of consumer's debt and which is being resolved in this matter. The Attorney General and Supplier will approve said release before sending the same to consumers. Any funds under this damages provision not allocated to consumers within six months of the Effective Date of this Assurance will revert to the Consumer Protection Enforcement Fund.

3. The payments due from Supplier shall be submitted upon the execution of this Assurance of Voluntary Compliance, in the form of a certified check, made payable to "The Ohio Attorney General's Office" and delivered to one of the undersigned Assistant Attorneys General at the address listed below:

Ohio Attorney General's Office  
The Consumer Protection Section  
30 East Broad St., 14<sup>th</sup> Floor  
Columbus, Ohio 43215

#### **E. PENALTIES FOR FAILURE TO COMPLY**

1. The Attorney General may assert any claim that Supplier has violated this Assurance in a separate civil action to enforce this Assurance against Supplier and the Court shall apply applicable standards of law to determine damages for any subsequent violations, which may include any and all remedies available to the Attorney General pursuant to R.C. 1345.07. In any such action or proceeding, relevant evidence of conduct that occurred before the Effective Date shall be admissible on any material issue, including alleged willfulness, intent, knowledge, contempt or breach, to the extent such evidence is permitted by law or rule of court. By this paragraph, Supplier does not waive any evidentiary objection or any other objection it may have as permitted by law to the admissibility of any such evidence, including, but not limited to, showing evidence that Supplier has fully and promptly cooperated in good faith with this investigation.

2. Pursuant to R.C. 1345.06(F), this Assurance is not, and shall not be construed as, evidence of any violation by Supplier of the CSPA, or the Substantive Rules adopted thereunder. Evidence of a violation of an Assurance of Voluntary Compliance, though, is prima-facie evidence of an act or practice in violation of the R.C. 1345.01 et seq., if presented after the violation in an action brought by the Ohio Attorney General under the Consumer Sales Practices Act, R.C. 1345.01 et seq.
3. This Assurance is entered into by the Ohio Attorney General and the Supplier pursuant to R.C. 1345.06(F). This Assurance, or any subsequent violation by the Supplier of this Assurance, shall not be construed as providing private remedies pursuant to R.C. 1345.09.
4. This Assurance is not, and shall not be construed as, evidence of any violation by Supplier of the FDCPA, FCRA or any other applicable federal or state law, rule or regulation. Supplier contests the applicability of R.C. 1345.01 et seq and has not conceded the ability of the Attorney General to bring claims (a) on behalf of non-Ohio residents, (b) for acts or omissions committed outside the state of Ohio, or (c) under federal law.

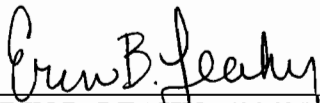
WHEREFORE, the parties hereto affix their signatures in recognition and acceptance of the terms contained herein on this 12<sup>th</sup> day of August, 2011.

Accepted:

**MIKE DEWINE**  
**OHIO ATTORNEY GENERAL**

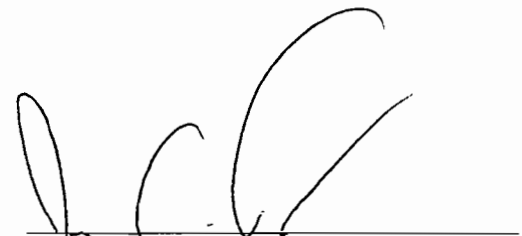
BY:

  
**TRACY M. MORRISON** (0082898)  
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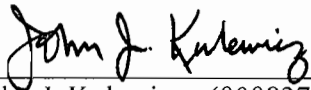
**Credit Bureau Collection Services, Inc.**

**BY:**



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*Larry Ebert*

Larry Ebert  
President

**Credit Bureau Collection Services, Inc.**  
**d/b/a CBCS and CBCS National**

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