



**STATE OF WASHINGTON
DEPARTMENT OF LICENSING
WASHINGTON STATE
COLLECTION AGENCY BOARD
REGULAR BOARD MEETING MINUTES**

DATE: Thursday, September 26, 2024
TIME: 10:00 a.m.
LOCATION: Virtual via Microsoft Teams

BOARD MEMBERS: **Fred Wade**, Chair
Denice Smith, Board Member
Justin Murphy, Board Member
Mark Case, Board Member
Sam Leonard, Board Member

STAFF MEMBERS: **Sydney Muhle**, Program Specialist
Grace Hamilton, Investigator

1. Call to Order

Chair Fred Wade called the meeting to order at **10:00 a.m.**

2. Roll Call

Program Specialist Sydney Muhle conducted roll call and all board members were present.

3. Approval of Agenda

Board Member Sam Leonard voiced concerns around reviewing the consideration of a waiver from IQ data regarding Washington Administrative Code (WAC) 308-29-085(5)(b). Ms. Muhle responded to Board Member Leonard's concerns. Board Member Leonard objected to the agenda, stating the agenda had not given proper notice of that topic.

Board Member Justin Murphy made a **MOTION** to approve the agenda as presented. Board Member Mark Case **SECONDED** the motion, and it was **APPROVED** by a vote of 4-0-1 with Board Member Leonard abstaining.

4. Approval of Minutes

4.1. The Regular Meeting Minutes of March 21, 2024

Board Member Case made a **MOTION** to approve the minutes as presented. Board Member Denice Smith **SECONDED** the motion, and it was **APPROVED** by a vote of 5-0.

5. New Business

5.1. 2024 North American Collection Agency Regulatory Association (NACARA) Annual Meeting Report

Board members in attendance at the 2024 NACARA Annual Meeting will provide a report from the event.

Ms. Muhle said the meeting would take place starting on September 30, 2024 and that the Board had appointed Board Member Murphy to attend on behalf of the Board. Board Member Murphy had also been selected as a speaker at the event.

6. New Business

6.1. Discussion Regarding Legal Financial Obligations

A Board member has requested a discussion item regarding Legal Financial Obligations. Staff is seeking Board discussion of next steps regarding this topic.

Board Member Case noted that there could be a fourth option to vote on this topic today.

Board Member Leonard made a **MOTION** to poll the Board Members to disclose any conflicts of interest on this issue. Board Member Smith **SECONDED** the motion, and it was **APPROVED** by a vote of 3-0-2 with Board Members Case and Murphy abstaining from the vote.

Ms. Muhle and Assistant Attorney General (AAG) Rebecca Kim provided clarification on what “conflict of interest” entailed in this context. Board Member Leonard read Revised Code of Washington (RCW) 42.52.020 (1) - *Activities incompatible with public duties*.

Ms. Muhle conducted a poll of Board members, asking them individually to disclose whether they had any conflicts of interest on this matter. All Board members said they had no personal conflicts. Board Member Case disclosed that he represented a client that may have a conflict.

Chair Wade requested a formal legal opinion from the Attorney General’s Office (AGO). Board Member Murphy suggested the creation of a task force to include counsel from the AGO.

Board Member Murphy volunteered to represent the industry side of the Board on the task force. Board Members Leonard and Smith volunteered to represent

the public side. The Board and staff discussed which of the two public members would participate on the task force.

Board Member Leonard made a **MOTION** to ask a member of the public, and former member of the Board, Scott Kinkley to speak to the topic to provide historical knowledge regarding the Board's previous discussions. Board Member Murphy **SECONDED** the motion, and it was **APPROVED** by a vote of 4-0, with Chair Wade abstaining.

Mr. Kinkley addressed the Board and provided additional background information on this topic for the Board's consideration.

Chair Wade emphasized his support for pursuit of a formal legal opinion from the AGO. Ms. Muhle said that this would be a lower risk option for the Board.

AAG Kim said she could participate on the task force and that an additional formal Attorney General opinion could be provided by a separate team in the AGO to supplement any advice she would provide as a member of the task force. She said the AGO opinion process may take about six months to a year to produce.

The Board provided direction for staff to move forward with requesting a formal Attorney General opinion as well as scheduling a task force meeting to begin discussions of this topic.

6.2. Consideration of waiver from IQ Data regarding Washington Administrative Code (WAC) 308-29-085(5)(b)

IQ Data is requesting a waiver of the requirements under WAC 308-29-085(5)(b). The Board will take action on this request.

Ms. Muhle provided a background on this topic and explained why the Board could only address waiver of WAC 308-29-085(5)(b) in consideration of this request.

Board Member Leonard disclosed that he had a conflict of interest and recused himself from the discussion and vote on this item.

Board Member Murphy said that, considering the request included the 100-mile requirement in addition to the 45-day requirement, only waiving part of the initial request may not address the hardship. He acknowledged that the requester was indicating he was available to clarify.

Member of the public and requester of the waiver, Jeff Philips, provided clarification on the purpose and need of the waiver request.

Board members discussed this request and determined that, based on the wording of the waiver request and limitations to the Board based on the statutes

and rules involved, they were inclined to deny the request. They said they would not prejudice the requester from submitting again once WAC review had been completed.

Board Member Smith made a **MOTION** to deny the request for waiver of WAC 308-29-085(5)(b) from IQ Data. Board Member Murphy **SECONDED** the motion, and the motion was **APPROVED** by a vote of 4-0-1 with Board Member Leonard abstaining.

Ms. Muhle said the next steps would be for a workgroup to review WAC, Board to review/approve determination in March 2025, then staff to put forward for rulemaking.

6.3. 2025 Board Meeting Schedule Adoption

Board staff will present proposed board meeting dates for 2025 to the Board.

Ms. Muhle presented the proposed dates for 2025.

Board Member Murphy made a **MOTION** to approve the 2025 meeting dates as presented. Board Member Smith **SECONDED** the motion, and it was **APPROVED** by a vote of 5-0.

7. Reports

7.1. Central Investigations and Audit Unit Reports

7.1.1. Administrative Closures Report

Investigator Grace Hamilton reviewed the Administrative Closures Report with the Board.

7.1.2. Complaint Status Report

Ms. Hamilton reviewed the Complaint Status Report with the Board.

7.2. Licensing and Customer Support Services Reports

7.2.1. Licensee Count Report

Ms. Muhle reviewed the Licensee Count Report with the Board.

7.3. Boards, Commissions and Outreach Reports

7.3.1. Hospital Charity Care Request

Ms. Muhle said that a request had been received from the industry for the Board to discuss "hospital charity care". She explained that this was outside of the Board's jurisdiction and was added to the agenda to share publicly why the Board would not be addressing this topic.

Board Member Murphy asked what the Board's authority to act would be in the event there were requirements that were not contained in RCW 19.16 which applied to collection agencies and could be seen as potential violations of the Collection Agency Act. AAG Kim said that she could not

advise on that at the time, but she would monitor the case law and it would be addressed on a case-by-case basis if it came up.

7.3.2. Action Item List Review

Ms. Muhle reviewed the Action Item List with the Board and provided a verbal report on each item.

8. Public Comments

No written public comments were received.

Mr. Kinkley addressed the Board and thanked them for the recognition during the last Board meeting and for the plaque that was presented to him. He said he already missed serving on the Board.

9. Conclusion

9.1. Announcements

Ms. Muhle recognized the appointment of Board Member Leonard to the Board. Board Member Leonard shared his background and said he was looking forward to working with the Board.

Ms. Muhle introduced Program Specialist Alyssa Woods to the Board. She said Ms. Woods had joined the Board staff in the role formerly held by Susan Nieves.

9.2. Requests for Future Agenda Items

No agenda items were requested.

9.3. Review of action items and items for next meeting

Action Items:

- Ms. Muhle will coordinate meeting dates with AAG Kim and Legal Financial Obligations task force.
- Ms. Muhle to request formal Attorney General opinion on the topic of Legal Financial Obligations.
- Ms. Muhle will work with Board members to review WAC 308-29-085.

10. Adjournment

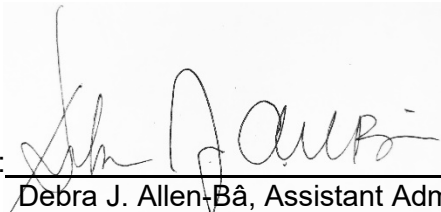
Chair Wade adjourned the meeting at **11:42 a.m.**

Next Board Meeting:

March 20, 2025

10:00 a.m.

Virtual via Teams

Submitted by: 
Debra J. Allen-Bâ, Assistant Administrator

3/20/2025
Date

Approved by: Fred Wade
Frederick Wade, Chair

3/20/2025
Date