



WASHINGTON
COLLECTORS ASSOCIATION

C/O Central Bonded Collectors

PO Box 1073

Moses Lake WA 98837

Address Service Requested

PRESIDENT

Cliff Carlson
Collection Bureau of Walla Walla, Inc..
PO Box 1756
Walla Walla WA 99362
(509) 525-2456
cliff@cbwallawalla.com

VICE PRESIDENT

Ray Henning
Dynamic Strategies, Inc..
PO Box 1646
Bothell WA 98041-1646
(425) 286-0002
ray.henning@dystrategies

SECRETARY

Michael O'Meara
RentCollect Global dba I.Q. Data
1010 SE Everett Mall Way, Ste 100
Everett WA 98201
(425) 609-2000
michael@rentcollectglobal.com

TREASURER

Richard Christensen
Yakima County Credit Service
PO Box 9244
Yakima WA 98909
(509) 248-1610
richard@yccsusa.com

DIRECTOR AT LARGE

Kimberly Tibbs
Central Bonded Collectors
PO Box 1073
Moses Lake, WA 98837
(509) 765-3427
kimberly@centralbonded.com

IMMEDIATE

PAST PRESIDENT

Dave Fagan
Audit & Adjustment Company, Inc.
P.O. Box 1959
Lynnwood, WA 98046
(425) 776-9797
davidf@audit-adjustment.com

ACA DELEGATES

David Grimm
Grimm Collections Inc.
1677 S. 2nd Ave SW
Tumwater WA 98512
(360) 754-6333
david@grimmcollections.com

Greg Luhn

Fairway Collections
1126 S. Gold Street, Suite 101
Centralia, WA 98531
(360) 330-5887
gluhn@fairwaycollects.com

NATIONAL LEGISLATIVE REP

Kevin Underwood
AllianceOne
PO Box 2449
Gig Harbor WA 98335
(253) 620-2222
kevin.underwood-@allianceoneinc.com

WACPAC CHAIRPERSON

Lori Martin
Dynamic Strategies, Inc.
(425) 286-0002
Everett, WA 98201
425-609-2000
Michael@rentcollectglobal.com

President's Message

We made it! The elections are finally over and I can again read the letters to the editor concerning issues other than how their candidate is the greatest thing since sliced bread and if the other guy wins life as we know it will end. With the ballots mostly counted the Republican Coalition will hold a 26-23 majority in the Senate. This is great news for our industry as the tax and spend liberals will be forced to compromise with the Republicans to get any legislation passed. As I look at who won the races, I keep seeing the winners were people we held fundraiser luncheons for this last summer. A big thank you to Mark Gjurasic and Chester Baldwin for their work in identifying the people we need to support. Also a huge thank you to Lori Martin, our WAC-PAC Chairperson, for coordinating all of the lunches and making sure WCA was represented at each and every luncheon. To everyone who showed up at one or more of the fundraisers you can feel good knowing you helped our industry build closer ties with the legislators. This will pay us dividends next January when the folks in Olympia try to come up with a budget in light of the McCleary decision. The Supreme Court is now holding the legislator's feet to the fire trying to force them to fully fund education to the Court's expectation.



Cliff Carlson
WCA President

Even with Republicans holding the majority in the Senate, they will be under tremendous pressure to raise taxes. We will need to expand the relationships we have made with our legislators to ensure they understand how devastating raising our B & O tax or worse yet enacting a sales tax on our services would be. The board has chosen Wednesday, February 11, as next year's Olympia Day and I encourage all of you to come to Olympia and talk to your legislators about our issues. If you have never participated in Olympia Day, this may be the most important year in quite a while to attend!

We had two unit meetings in October for those of you who were not able to attend. The Westside meeting was held October 15th in Tukwila and we had 28 attendees. The meeting featured Chris Straiter, Director of

President's Message (cont.)

ACPAC

Roy Warnick
 Central Bonded Collectors
 (509) 765-765-3427

AWARDS

Kevin Underwood
 AllianceOne
 (253) 620-2222

AUDIT & BUDGET

Ray Henning
 Dynamic Strategies, Inc..
 (425) 286-0002

CONVENTION 2015

David Grimm
 Grimm Collection Inc.
 (360) 754-6333

EDUCATION / BULLETIN

Kimberly Tibbs
 Central Bonded Collectors
 (509) 765-3427

GRIEVANCE

Dave Fagan
 Audit & Adjustment Company, Inc.
 (425) 776-9797

LEGISLATIVE

Kevin Underwood
 AllianceOne
 (253) 620-2222

Greg Luhn
 Fairway Collections
 (360) 330-5887

David Grimm
 Grimm Collection Inc.
 (360) 754-6333

MEMBERSHIP

Ray Henning
 Dynamic Strategies, Inc..
 (425) 286-0002

NOMINATING

Dave Fagan
 Audit & Adjustment Company, inc.
 (425) 776-9797

PARLIMENTARIAN

David W. Quigley
 Merchants Credit Association
 (425) 776-9797

UNIT CHAIRS

Eastside Todd Chapman
Westside Lori Martin

UNIT MAP STATE CHAIR

Stephen A. Bernheim
 Attorney at Law
 (425) 712-8318

WCA LOBBYIST

Mark Gjurasic
 Public Affairs of Washington, LLC
 (360) 705-0113

Quality Assurance with Sentry Credit Inc. Chris gave us a detailed and very useful step by step process to become compliant per the CFPB guidelines. Thank you to Ray Henning and Lori Martin for coordinating this presentation.

On October 16th the Eastside unit meeting was held in Spokane also with 28 attendees. Mark Gjurasic gave all of us a detailed overview of the upcoming state elections and his opinion on what the legislature will look like next January. There was also one initiative that will affect the legislature budget process, I-1351, which mandates reduction of class size and includes hiring thousands more teachers. We were joined by Senators Mike Padden and Michael Baumgartner who have been very supportive of our issues.



Both meetings were sponsored with a very generous donation by Billing Tree. Eric Ross of Billing Tree was on hand at both meetings in an effort to get to know us better. With a new CEO, Billing Tree is working hard to provide more and better services to our industry.

Now that the fundraising lunches, elections, and unit meetings are behind us, we can all take a collective deep breath and just concentrate on running our businesses for awhile. I hope you all get to take some time off, enjoy the holidays and just relax a bit because January will be here before you know it and the legislature will be in session. I may just be a worry wart but I think this coming session will be a very busy and trying one for us. Our industry may well be under siege again and we will all need to be calling and visiting our legislators for the sake of our own businesses future.

Until then, however, best wishes for the holidays!

Sincerely,

Cliff Carlson, WCA President





WASHINGTON STATE 2014 ELECTIONS

Below is the list of candidates which the Washington Collectors Association contributed to in the 2014 General Election with their current votes.

Kym Wyman, *Washington State Secretary*, has until **Thursday, December 4** to officially certify the election.

All the candidates that we contributed to for Washington State Legislature won their seat. The only candidate who we contributed to that did not win was on a Federal level and that was Janéa Holmquist-Newbry.

Rep. Judy Warnick (R-13) 86.33%
Sen. Steve Hobbs (D-44) 53.99%
Sen. Pam Roach (R-31) 53.67%
Sen. Michael Baumgartner (R-6) 57.47%
Sen. Steve O'Ban (R-28) 54.48%
Rep. Ed Orcutt (R-20) 69.94%
Rep. Paul Harris (R-17) 61.61%
Sen. Andy Hill (R-45) 52.72%
Rep. Dan Kristiansen (R-39) no opponent
Sen. Doug Ericksen (R-42) 58.71%
Former Rep. Mark Miloscia (R-30) 55.59%
Rep. Matt Shea (R-4) 57.75%
Sen. Jim Honeyford (R-12) 72.76%
Sen. Joe Fain (R-47) 63.62%
Sen. Tim Sheldon (D-35) 54.41%
Rep. Derek Stanford (D-1) 58.43%
Rep. Larry Springer (D-45) 57.03%
Sen. Jan Angel (R-26) 58.75%
Rep. Sharon Wylie (D-49) 56.19%
Rep. Judy Clibborn (D-41) 75.18%
Rep. Jay Rodne (R-5) 57.64%
Rep. Roger Goodman (D-45) 54.98%
Rep. Jeff Morris (D-40) no opponent
Rep. Steve Kirby (D-29) no opponent
Rep. Pat Sullivan (D-47) 55.65%
Rep. Cary Condotta (R-12) no opponent
Rep. JT Wilcox (R-2) 71.84%



WCA LEGISLATIVE UPDATE

Change is the only certainty WCA faces in the 2015 state legislature. At this writing nearly all the votes have been counted for the November election and the legislature will be very evenly split. This clear divide makes the upcoming session difficult to predict. Let's review what has happened and then look forward to January.

First, the past: WCA members attended 27 fund raising lunches, contributing over \$33,000 to candidates. Thank you's go out to all of you who took time out of your day to represent WCA at a lunch, and to all of you who have contributed to WACPAC and made it all possible.

Once election day came the voters chose to give the Republican party a clear majority in the state Senate (including our own Judy Warnick, who was elected to the open Senate seat in her district. Congratulations, Judy!) and to make the state House nearly evenly split. It is uncertain how this result will affect the legislature's ability to pass a budget or laws; will bipartisanship reign or will gridlock set in?

One thing we do believe: the legislature will be looking for revenue to add to the education budget. The McCleary decision will require billions to fund. The voters also approved an initiative reducing class sizes, without deciding how the costs would be paid. Legislators will be checking the sofa cushions for spare change, and when done will likely turn their attention to ending current tax breaks, fee increases, and other surcharges. WCA will be monitoring for changes in the B&O tax rate, for a sales tax on services, and for filing fee increases.

WCA will be working in at least two areas during this session:

TRANSACTION FEE: During last summer's lunches WCA members spoke to legislators regarding allowing the addition of a transaction fee for electronic payments. We are currently working on a bill that would amend the Washington Collection Agency Act; the bill would allow the addition of a transaction fee that is related to the transaction's cost as long as a no-cost option for payment is offered as well.

CREDIT UNION COLLECTION FEES: We hope to be working with the credit unions to clarify the circumstances under which collection fees may be added to their delinquent accounts.

Sounds like a busy session is on WCA's horizon. Your help is vital! Make your plans now to join us in Olympia for WCA Legislative Day 2015, February 11. The session will be at an early cutoff point, and that day will be a great time to meet your legislator and to educate them regarding our bills and our concerns. Join us for up-to-the-minute updates and for fellowship, then if you like stay, for a WCA board meeting. Your participation really does make a difference!

Sincerely,
WCA Legislative committee
Kevin Underwood, chair
David Grimm
Ray Henning
Greg Luhn



VENDOR REGULATION and CFPB COMPLIANCE
SERVICE OF CIVIL PROCESS

Compliance, transparency and accountability have become buzz words within the Financial Services practice of law, affecting all layers within the debt collection lifecycle. The Process Server profession is not immune, with CFPB regulations being pushed down to the Vendor level. With that said, how are you interacting with your Process Service Agency and what controls do they have in place protecting your Agency's Compliance Program?

At minimum, the following questions should be addressed: Information Security, Network Management, Legal Compliance; and Complaint Processing. Each subsection could become an article of its own, but for sake of content and space, let's briefly define each.

Information Security: How does your Agency interact with your Process Serving Vendor when issuing new files? How is your confidential data protected within that transfer protocol? How is the service package transferred to the individual Process Server? It has been proven that email, while convenient, is not a secure manner of transferring confidential data. A secure, encrypted Agency Management Software workflow is a key component and readily available in the marketplace. Do you know how your Server interacts with your Agency; and more importantly, how they interact with their Server network in protecting your information?

Network Management: What type of oversight does your Vendor have over their down-flow Process Server Network? Is there a service agreement in place; to include hold-harmless clause(s) in your favor? What training must Process Servers go through prior to working your paper? Does your Vendor provide background checks on their Servers; and if so, how far in depth do they go? Are all Process Servers licensed, bonded, certified, registered, etc as to their individual State Laws? Are the individual Process Servers being interviewed and audited on a regular basis to ensure they are working under the Compliance Program of the Agency? And most importantly – **HOW DO YOU KNOW THIS TO BE TRUE?**



VENDOR

TION and CFPB COMPLIANCE
SERVICE OF CIVIL PROCESS, CONTINUED...

REGULA-

Legal Compliance: How does your Vendor ensure compliance with local, state and federal law when serving your paper? What controls are in place to make certain documents are not served out of venue? Is continuing education a part of your Vendor's ongoing business strategy and how are they obtaining it?

Complaint Processing: What are your Process Server's procedures if a consumer calls in or files a complaint? What are their procedures should they receive a complaint from you? What follow-up is done with the process server after a complaint has been filed (ex: policies for discipline, retraining, etc.)

Within your internal Compliance Program, should be a trigger and mechanism for auditing your Vendors on a regular basis. This can be done by paper or physical inspection, with the prior being used currently, in most cases. Even if your relationship is long and storied, I'm of the opinion that you should be having these conversations with your Vendor(s) and making sure that efforts are being made to put these basic protocols into place. It's only a matter of time before they become mandatory in all cases of Financial Services work and begin to further landscape the local and state levels.

The topic of compliance and regulation is vast, with its reach affecting each and every layer of a file from start to finish. Process Servers are but one touch point, yet an extremely key piece when litigating a collection matter. Is your confidence in him/her one of relationship or based in contract, audit and proven Compliance Program(s)? If not the latter now, surely it will need to be in the not so distant future.

H. Eric Vennes is the owner of Apex Legal Services in Mill Creek, Washington, a Professional Process Server of 27 years, a member of the WCA, current Administrator for the Washington State Process Servers Association and current President of the National Association of Professional Process Servers. Questions or comments are welcomed at eric@apexlgl.com.

