
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. **375** Session of
1961

MESSRS. STIEFEL, MAHADY AND MURRAY, IN PLACE,
MARCH 7, 1961.

AS AMENDED ON SECOND READING, JULY 12, 1961.

AN ACT

Relating to collection agencies providing for and regulating the licensing of collection agencies and collectors granting powers and imposing duties on the Secretary of Banking proscribing unlawful acts and imposing penalties

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows

- 1 SECTION 1 LEGISLATIVE FINDINGS THE GENERAL AS-
- 2 SEMBLY FINDS THAT IT IS IN THE PUBLIC INTEREST AND
- 3 FOR THE PUBLIC WELFARE TO REGULATE COLLECTION

EXPLANATION—CAPITAL LETTERS indicate new matter added to bill. Matter stricken-through is to be omitted from bill. Underscoring indicates new matter added to existing law. [Brackets] indicate matter stricken from existing law.

1 AGENCIES IN THIS COMMONWEALTH BY PROVIDING FOR
2 THEIR LICENSING AND SUPERVISION IN ORDER TO PRO-
3 TECT THE PUBLIC FROM ABUSES WHICH MAY ARISE FROM
4 THE ACTIVITIES OF SUCH AGENCIES WHILE AT THE SAME
5 TIME SECURING THE BENEFIT TO OUR ECONOMY OF SUCH
6 ACTIVITIES WHEN UNDERTAKEN BY REPUTABLE AGEN-
7 CIES

8 Section 4 2 Short Title This act shall be known and may be cited
9 as the "Collection Agency Law"

10 Section 2 3 Definitions As used in this act

11 (4) (A) "Secretary" means the Secretary of Banking

12 (2) (B) "Licensee" means a person licensed under this act

13 (3) (C) "Collection agency" means any person engaging in the
14 business of collecting or receiving for payment for others of any ac-
15 count bill or other indebtedness It shall not include attorneys at law
16 authorized ADMITTED to practice in this State and resident herein
17 OR ANY OTHER STATE banks express companies savings and loan
18 associations organized under the laws of Pennsylvania OR OF THE
19 UNITED STATES insurance companies and their agents trust com-

1 panies or professional men's associations collecting accounts for its
2 members on a nonprofit basis where such members are required by law
3 to have a license diploma or permit to practice or follow their profession
4 real estate brokers real estate salesmen and justices of the peace whose
5 principal business is not LESS THAN FIFTY PERCENT OF WHOSE
6 GROSS INCOME FROM HIS ACTIVITIES AS SUCH IS FROM
7 THE BUSINESS OF collections or persons designated by a public
8 utility to accept but not solicit payments of utility bills at their places
9 of business as a convenience to the public utility's patrons

10 (4) (D) "Collector" or "solicitor" means any person employed by a
11 collection agency to collect or receive payment or to solicit the receiving
12 or collecting of payment for others of any account bill or other indebted-
13 ness outside of the office

14 (E) "PERSON" MEANS ANY INDIVIDUAL PARTNERSHIP
15 ASSOCIATION OR CORPORATION

16 (F) "CLAIMANT OR FORWARDER" MEANS ANY PERSON
17 WHO HAS PLACED AN ACCOUNT BILL OR OTHER INDEBT-
18 EDNESS WITH A COLLECTION AGENCY FOR THE PURPOSE
19 OF COLLECTING OR RECEIVING PAYMENT THEREON

20 Section 3 4 Licenses Required No person shall operate as a collec-

1 tion agency ~~or as a collector or collector~~ in this State without first having
2 obtained a license ~~as required by this act~~ FROM THE SECRETARY
3 A PERSON OPERATING MORE THAN ONE PLACE OF BUSI-
4 NESS AS A COLLECTION AGENCY SHALL OBTAIN A SEPA-
5 RATE LICENSE FOR EACH SUCH PLACE OF BUSINESS

6 Section 4 Licenses Applications Fees Bond 5 LICENSE APPLI-
7 CATION AND FEES (a) Application for ~~licenses~~ A LICENSE OR
8 RENEWAL THEREOF under the provisions of this act shall be made
9 to the secretary in writing under oath on a form to be prescribed by the
10 secretary All licenses shall BE ISSUED FOR A PERIOD OF TWO
11 YEARS AND SHALL expire on June thirtieth ~~next~~ following their
12 date of issue BIENNIALY

13 (b) At the time of making HIS INITIAL application every appli-
14 cant for a collection agency license shall pay a fee of twenty-five dollars
15 (\$25) to the secretary for investigating the application ~~unless the ap-~~
16 plicant is already licensed hereunder and HE ALSO SHALL PAY the
17 sum of ~~twenty-five dollars (\$25)~~ TWO HUNDRED DOLLARS (\$200)
18 as an ~~annual~~ BIENNIAL license fee No investigation fee shall be re-
19 quired on the renewal of a license

1 (e) The license fee for a collector or solicitor shall be two dollars
2 (\$2) The license shall be carried as a means of identification whenever
3 the collector is engaged in business (C) EVERY APPLICATION
4 SHALL LIST THE NAME OR NAMES OF ANY PERSON OR
5 PERSONS EMPLOYED BY THE APPLICANT AS A COLLECTOR
6 OR SOLICITOR AND FOR EVERY SUCH NAME SO LISTED
7 THE APPLICANT SHALL PAY AN ADDITIONAL BIENNIAL
8 FEE OF FOUR DOLLARS (\$4) EVERY COLLECTOR OR SOLICI-
9 TOR SO LISTED SHALL BE ISSUED AN IDENTIFICATION LI-
10 CENSE WHICH HE SHALL CARRY WITH HIM AT ALL TIMES
11 HE IS ENGAGED IN THE BUSINESS OF HIS EMPLOYER ANY
12 COLLECTOR OR SOLICITOR EMPLOYED OR WHO TERMI-
13 NATES HIS EMPLOYMENT WHILE A LICENSE IS IN EFFECT
14 SHALL BE ADDED OR SUBTRACTED FROM THE APPLICA-
15 TION BY NOTICE FROM THE AGENCY TO THE SECRETARY
16 The license shall state the name of the employer and in case of a change
17 of employer the secretary shall indorse such change on the license with-
18 out charge

19 Section 5 Licensees to Furnish (6) Bond (a) No collection agency
20 license shall be issued to any applicant under the provisions of this act

1 until such applicant has filed with the secretary an approved bond and
2 a warrant of attorney to confess judgment payable to the Common-
3 wealth of Pennsylvania ~~in the penal amount of ten thousand dollars~~
4 ~~(\$10,000)~~ FOR THE BENEFIT OF CLAIMANTS OR FORWARD-
5 ERS OF THE APPLICANT IN THE PRINCIPAL SUM OF FIVE
6 THOUSAND DOLLARS (\$5000)

7 (b) Bonds of all such applicants shall have as surety a surety com-
8 pany authorized to do business in this Commonwealth or shall have
9 deposited therewith as collateral security cash or negotiable obligations
10 of the United States of America or the Commonwealth of Pennsylvania
11 in the same amount as herein provided for the ~~penal~~ PRINCIPAL sum
12 of bonds In all cases where cash or securities in lieu of other surety have
13 been deposited with the secretary the depositor shall be permitted to con-
14 tinue the same deposit from ~~year to year~~ BIENNIUM TO BIENNIUM
15 on each renewal of license but in no event shall he be permitted to with-
16 draw his deposit during the time he holds said license or until six months
17 after the expiration of the license held by him or while revocation pro-
18 ceedings are pending against such license All cash or securities received
19 by the secretary in lieu of other surety shall be turned over by the sec-

1 retary to the State Treasurer and held by him The State Treasurer
2 shall repay or return money or securities deposited with him to the re-
3 spective depositors only on the order of the secretary

4 (c) No such bond shall be accepted until approved by the secretary
5 All such bonds shall be conditioned for the faithful observance of all
6 the laws of this Commonwealth relating to collection agencies UPON
7 THE OBLIGORS AT ALL TIMES OPERATING AS A COLLEC-
8 TION AGENCY IN ACCORDANCE WITH THE PROVISIONS
9 OF THIS ACT All bonds shall be retained by the secretary

10 (d) Every such bond may be forfeited when a license is revoked
11 and shall be turned over to the Attorney General for collection if and
12 when his license is revoked

13 (e) Every such bond may be forfeited when a license is revoked
14 and shall be turned over to the Attorney General for collection if and
15 when the licensee's license shall have been revoked and his bond for-
16 feited as provided in this act

17 Section 4 Disposition of Cash and Securities Upon Forfeiture of
18 Bond (f) After notice from the secretary that any of the aforesaid bonds
19 have been forfeited the State Treasurer shall immediately pay into
20 the General Fund all cash deposited as collateral with such bond and

1 when securities have been deposited with such bond the State Treasurer
2 shall sell at private sale at not less than the prevailing market price any
3 such securities so deposited as collateral with such forfeited bond The
4 State Treasurer shall thereafter deposit in the General Fund the net
5 amount realized from the sale of such securities except that if the
6 amount so realized after deducting proper costs and expenses is in
7 excess of the penal amount of the bond such TURN OVER TO THE
8 SECRETARY THE NET PROCEEDS FROM SUCH SALE AND
9 ALL CASH SIMILARLY DEPOSITED AS COLLATERAL WITH
10 SUCH BOND THE SECRETARY SHALL APPLY SUCH PRO-
11 CEEDS AND CASH FOR THE BENEFIT OF THE CLAIMANTS
12 OR FORWARDERS OF THE OBLIGOR AND ANY excess shall be
13 paid over by him to the obligor on such forfeited bond

14 (F) IN THE EVENT THAT ANY APPLICANT MAINTAINS
15 MORE THAN ONE PLACE OF BUSINESS IN THIS COMMON-
16 WEALTH A SEPARATE BOND IN THE PRINCIPAL SUM OF
17 FIVE THOUSAND DOLLARS (\$5000) SHALL BE FILED FOR
18 EACH SUCH PLACE OF BUSINESS

19 Section 7 Issuance or Denial of Licenses (a) Upon the filing of
20 the application and bond and the payment of the fee the secretary

1 shall make his investigation and if he finds that the character and general
2 fitness and the financial responsibility of the applicant and the members
3 thereof if the applicant is a partnership or association and the officers
4 and directors thereof if the applicant is a corporation warrant the belief
5 that the business will be operated in compliance with this act the secre-
6 tary shall thereupon issue a license to the applicant The license is not
7 assignable and shall permit operation under it only at or from the
8 location specified in the license A nonresident of this State may upon
9 complying with all other provisions of this act secure a collection agency
10 license provided he maintains an active office in this State

11 (b) No licensee shall conduct a collection agency business within
12 any office room or place of business in which any other business is
13 solicited or engaged in or in association or conjunction therewith except
14 as may be authorized in writing by the Department of Banking upon
15 its finding that the character of the other business is such that the
16 granting of such authority would not facilitate evasion of this act or
17 the lawful rules and regulations issued thereunder

18 Section 8 Revocation Suspension Reinstatement of Licenses (a)
19 The secretary may suspend or revoke any license issued under this act
20 if he finds that (1) the licensee has violated any of the provisions of

1 this act or any lawful order of the secretary made thereunder or (2)
2 any fact or condition exists which if it had existed at the time of the
3 original application for such license would have warranted the secretary
4 in refusing to issue such license or (3) the licensee has failed to pay the
5 annual license fee or to maintain in effect the bond required under
6 section 4 6 or (4) the licensee has failed to remit money due to any and
7 all claimants or forwarders within thirty days from the close of the
8 month during which the collection was effected UNLESS THE LI-
9 CENSEE AND ANY CLAIMANT OR FORWARDER HAVE
10 AGREED IN WRITING OTHERWISE

11 (b) No license shall be revoked or suspended except after a hear-
12 ing A complaint ~~stating~~ BY THE SECRETARY STATING IN DE-
13 TAIL the grounds for suspension or revocation together with a notice
14 of hearing shall be served on the licensee at least ~~five~~ TWENTY days
15 in advance of the hearing by registered mail or certified mail return
16 receipt requested IN NO EVENT SHALL A COMPLAINT BE IS-
17 SUED MORE THAN THREE YEARS AFTER THE ACT OR
18 FAILURE TO ACT ON WHICH THE GROUNDS FOR SUSPEN-
19 SION OR REVOCATION ARE BASED

1 (c) In the event of the death of a licensee if the licensee is an
2 individual or of the partners if the licensee is a partnership the license
3 of the agency shall terminate as of the date of death of said licensee
4 except the secretary may reinstate a license if the estate of the former
5 licensee signifies to the secretary within forty-five days its intention to
6 continue the business of the agency

7 Section 9 Appeals Refusal Suspension Revocation Any action of
8 the secretary which results in a refusal to issue a license or which sus-
9 pends or revokes a license shall be taken in accordance with the provi-
10 sions of the act of June 4 1945 (P L 1388) known as the "Administra-
11 tive Agency Law" ADMINISTRATIVE AGENCY LAW TO APPLY
12 ALL OF THE PROVISIONS OF THE ACT OF JUNE 4 1945 (P L
13 1388) THE "ADMINISTRATIVE AGENCY LAW" SHALL APPLY
14 TO ACTIONS OR PROCEEDINGS TAKEN OR HAD UNDER
15 OR AS A RESULT OF THIS ACT

16 Section 10 Licenses Posting Changes of Location Renewal (a)
17 When a collection agency contemplates a change of its place of business
18 to another location within the same municipality or township it shall
19 give written notice thereof to the secretary who shall attach to the
20 license his authorization of such removal specifying the date thereof

1 and the new location. The authorization shall be authority for the
2 operation of such business under the same license at the specified new
3 location. All collection agency licenses shall be conspicuously posted in
4 the office of the licensee.

5 (b) Every licensee applying for a renewal of his license shall on
6 or before the first day of June pay in advance to the secretary the
7 annual license fee.

8 (c) (B) Before discontinuing operating as a collection agency under
9 the provisions of this act every licensee shall furnish the secretary
10 with proof in a form to be determined by the secretary that

11 (1) Proper remittance has been made to all claimants or forwarders
12 on money collected.

13 (2) All accounts have been returned to the claimants or forwarders.

14 (3) All valuable papers given to the licensee by the claimant or
15 forwarder in connection with claims have been returned to the claim-
16 ants or forwarders.

17 Section 11 Powers AND DUTIES of Secretary It shall be the duty
18 of the secretary and he shall have power to investigate the conditions
19 and ascertain the facts with reference to the collection of accounts and

1 upon the basis thereof THE SECRETARY SHALL HAVE THE FOL-
2 LOWING POWERS AND DUTIES WITH RESPECT TO THE
3 OPERATION OF ANY LICENSEES

4 (1) For the purpose of discovering violations of this act the secre-
5 tary may cause an investigation to be made of the business of the
6 licensee transacted under the provisions of this act and shall cause an
7 investigation to be made of convictions reported to him by any district
8 attorney for violation by a licensee of any of the provisions of this act
9 THE ACT OF JUNE 24 1939 (P L 872) KNOWN AS "THE PENAL
10 CODE" RELATING TO COLLECTION AGENCY PRACTICES
11 The place of business books of accounts papers records safes and
12 vaults of said licensee shall be open to inspection and examination by
13 the secretary or his representative for the purpose of such investigation
14 and the secretary shall have authority to examine under oath all persons
15 whose testimony he may require relative to said investigation The cost
16 of the first investigation or examination during any licensing year shall
17 be paid by the licensee but the cost of additional investigation or
18 examination during such year shall be paid by the licensee only if such
19 examination discloses violation of clause (1) of subsection (a) of sec-
20 tion 8 of this act The cost shall be determined by prorating the

1 amount of salaries and expenses of all examiners employes and other
2 persons engaged in examining licensees under this act if any and any
3 other expenses which may be attributable thereto The licensee shall
4 pay the cost of any hearing including witness fees unless the secretary
5 or court finds that licensee has not violated any provision of this act
6 All costs shall be paid by the licensee within thirty days after demand
7 therefor by the secretary The State may maintain an action for the
8 recovery of such costs and expenses in any court of competent juris-
9 diction

10 (2) To appoint advisers from the individuals engaged in the col-
11 lection business in the State and in any locality which advisers shall
12 be consulted by and shall assist the secretary in the execution of his
13 duties under the provisions of this act Such persons shall receive no
14 compensation for their services but may be reimbursed for their actual
15 and necessary traveling expenses not to exceed fifteen dollars (\$15)
16 per day

17 (3) To make all necessary or proper orders rules and regulations
18 for the administration and enforcement of this act and to protect
19 the public from oppressive or deceptive practices of licensees

1 (2) FOR THE PURPOSE OF ASSISTING AND ADVISING
2 THE SECRETARY IN THE CARRYING OUT OF HIS DUTIES
3 AND EXERCISING OF HIS POWERS UNDER THIS ACT THE
4 SECRETARY SHALL APPOINT SIX PERSONS RESIDING IN
5 THE COMMONWEALTH WHO TOGETHER WITH THE SECRE-
6 TARY SHALL CONSTITUTE THE COLLECTION AGENCY
7 BOARD TWO EACH OF THE MEMBERS OF THE BOARD
8 SHALL BE APPOINTED FROM THE FOLLOWING ORGANI-
9 ZATIONS WHICH SHALL SUBMIT TO THE SECRETARY FOR
10 SUCH PURPOSE LISTS OF NAMES FROM WHICH THE AP-
11 POINTMENTS SHALL BE MADE PENNSYLVANIA COLLEC-
12 TORS ASSOCIATION INC COMMERCIAL LAW LEAGUE OF
13 AMERICA AND ASSOCIATED CREDIT BUREAUS OF PENN-
14 SYLVANIA INC THE FIRST MEMBERS APPOINTED BY THE
15 SECRETARY SHALL SERVE FOR TERMS OF ONE TWO THREE
16 FOUR FIVE AND SIX YEARS RESPECTIVELY THEREAFTER
17 ALL TERMS SHALL BE FOR SIX YEARS THE APPOINTED
18 MEMBERS SHALL SERVE WITHOUT COMPENSATION BUT
19 SHALL BE REIMBURSED FOR ALL EXPENSES ACTUALLY
20 INCURRED BY THEM IN CONNECTION WITH THEIR SERV-

1 ICE ON THE BOARD NOT IN EXCESS OF THIRTY DOLLARS
2 (\$30) PER DAY MEETINGS OF THE BOARD SHALL BE
3 CALLED BY THE SECRETARY AT LEAST BIMONTHLY

4 THE SECRETARY SHALL MAKE AND PROMULGATE ALL
5 RULES REGULATIONS AND ORDERS NECESSARY TO CARRY
6 OUT HIS POWERS AND DUTIES UNDER THIS ACT BUT HE
7 SHALL HAVE NO POWER TO MAKE OR ISSUE ANY RULE
8 REGULATION OR ORDER ESTABLISHING OR REGULATING
9 THE RATES OR FEES CHARGED BY ANY COLLECTION
10 AGENCY OR ADVERTISING PRACTICES AND PROCEDURES
11 CARRIED ON BY ANY COLLECTION AGENCY

12 Section 12 Delinquent Collection Agencies Secretary May Take
13 Possession (a) If the secretary finds that a licensee is insolvent or
14 that he has collected accounts but has failed to remit money due to
15 any claimant or forwarder within thirty days from the end of the
16 month in which collection was made ~~and it is necessary to protect the~~
17 ~~interest of the public or when~~ OR AT SUCH TIME AS HAS BEEN
18 AGREED UPON IN WRITING BY THE LICENSEE ANY CLAIM-
19 ANT OR FORWARDER OR IF the license of a collection agency has

1 expired or has terminated ~~for any reason whatsoever~~ AND THE LI-
2 CENSEE HAS NOT WITHIN THREE MONTHS THEREAFTER
3 LIQUIDATED HIS COLLECTION AGENCY BUSINESS AND
4 PAID ALL CLAIMANTS OR FORWARDERS FOR WHOM HE
5 COLLECTED ACCOUNTS AND RECEIVED PAYMENT THERE-
6 ON he may take possession of the assets and the books and records
7 of the licensee for the purpose of liquidating its business and for such
8 other relief as the nature of the case and the interest of the claimants
9 or forwarders may require The liquidation of business shall be made
10 by and under the supervision of the secretary either in the name of the
11 secretary or in the name of the licensee and the secretary shall be
12 vested with title to all of the assets including the proceeds of the bond
13 or bonds which have been filed with the secretary as provided for under
14 section 5 6 and ~~the proceeds of any and all money paid direct to the~~
15 ~~claimant or forwarder by the debtor prior to the date said license has~~
16 ~~terminated~~ Money INCLUDING MONEY paid to the licensee or to
17 the secretary after ~~the termination of the license shall be disposed of by~~
18 ~~the secretary with the approval of the court of common pleas of the~~

1 county wherein the main office of the licensee is located POSSESSION
2 IS TAKEN BY THE SECRETARY

3 (b) In taking possession of the property and business of any such
4 collection agency the secretary shall forthwith give notice to any and
5 all banks or bank corporations holding or in possession of any bank
6 balances or assets of such agency and thereafter such assets shall be
7 held subject to the order of the secretary

8 (c) In addition to the authority conferred by subsection (b) of
9 this section the secretary may ~~with the approval of the court of com-~~
10 ~~mon pleas of the county wherein the main office is located~~ for the
11 purposes of collection or liquidation sell assign convey and transfer
12 or approve the sale assignment conveyance and transfer of the assets
13 of such collection agency under such terms and conditions as the
14 secretary may deem for the best interests of the claimants OR FOR-
15 WARDERS of such collection agency

16 (d) The secretary shall cause notice to be given by advertisement
17 if no action has been commenced as provided under subsection ~~(F)~~ (E)
18 of this section in ~~such newspapers as he may direct~~ AT LEAST ONE
19 NEWSPAPER OF GENERAL CIRCULATION IN THE COMMUN-
20 ITY IN WHICH THE PLACE OF BUSINESS OF THE LICENSEE

1 IS LOCATED weekly for four consecutive weeks calling on all persons
2 who may have claims against such licensee to present the same to the
3 secretary and make legal proof thereof at a place and within a time
4 to be therein specified The secretary may mail a similar notice to all
5 persons whose names appear as claimants or forwarders upon the books
6 and records of the licensee or as may appear in the records of the secre-
7 tary on the sworn reports required to be furnished the secretary accord-
8 ing to the provisions of section 13 Any claimant or forwarder whose
9 portion of the collection or collections has not been properly remitted
10 shall file a claim which shall be considered as a preferred claim TO THE
11 CLAIM OF ANY CREDITOR OF THE LICENSEE for the amount
12 actually due the claimant or forwarder after deducting any commission
13 or fee that may be due and owing the licensee If the secretary doubts
14 the justice and validity of any claim he may reject the same and
15 serve notice of such rejection upon the claimant either by mail or
16 personally An affidavit of the service of such notice which shall be
17 prima facie evidence thereof shall be filed with the secretary REGIS-
18 TERED OR CERTIFIED MAIL RETURN RECEIPT REQUESTED
19 WHICH RETURN RECEIPT SHALL BE PRIMA FACIE EVI-

1 DENCE OF SERVICE OF SAID NOTICE An action upon a claim
2 so rejected must be brought in the court of common pleas in the ~~county~~
3 JUDICIAL DISTRICT wherein the PLACE OF BUSINESS OF THE
4 licensee is located within thirty days after such service of such notice of
5 rejection of claim has been filed MADE Claims presented after the
6 expiration of the time fixed in the notice to the claimants or forwarders
7 shall be entitled to receive only liquidating dividends declared after
8 presentation unless otherwise ordered by the court The court UPON
9 PETITION OF THE SECRETARY may fix a date after which all
10 claims shall be barred

11 (e) Whenever any agency of whose assets and business the secre-
12 tary has taken possession as aforesaid deems itself aggrieved thereby
13 it may at any time within ten days after such taking possession apply
14 to the court of common pleas in the ~~county~~ JUDICIAL DISTRICT
15 in which the ~~main office~~ PLACE OF BUSINESS of the agency is lo-
16 cated to enjoin further proceedings and the court after citing the sec-
17 retary to show cause why further proceedings should not be enjoined
18 and hearing the allegations and proofs of the parties and determining
19 the facts may upon the merits dismiss the application or enjoin the sec-

1 retary from further proceedings and direct him to surrender such busi-
2 ness and property to the agency

3 (f) Whenever the secretary has paid to each and every claimant
4 or forwarder of such collection agency whose claims as such claimant
5 or forwarder have been duly proved and allowed the full amount of
6 such claims and has made proper provisions for unclaimed and unpaid
7 collections and has paid all the expenses of the liquidation he shall
8 liquidate the remaining assets exclusive of the proceeds of the bond
9 or bonds for the benefit of the ~~general creditors~~ or if CREDITORS IF
10 no claims have been filed by or in behalf of the ~~general creditors~~ CRED-
11 ITORS OR IF AFTER PAYMENT OF SAID CREDITORS IN FULL
12 THERE REMAIN ASSETS OF THE AGENCY the secretary shall
13 turn over the remaining assets to the ~~court for further disposition~~
14 AGENCY OR ITS OWNER PARTNERS OR STOCKHOLDERS

15 (g) All accounts and valuable papers given to the agency by the
16 claimant or forwarder in possession of the secretary pertaining to
17 accounts placed with the agency for collection shall be returned to
18 the claimant or forwarded by the secretary within thirty days after
19 verification of the claim has been made

20 Section 13 Annual Reports Records (a) Each licensee shall an-

1 nually on or before the fifteenth day of March file a report with the
2 secretary giving such reasonable and relevant information as the sec-
3 retary may require concerning the business and operations conducted
4 by such licensee within the State The report shall be made under oath
5 and shall be in the form prescribed by the secretary

6 (b) The secretary shall require the licensee to keep such books
7 and records in his place of business as will enable the secretary to
8 determine whether the provisions of this act are being complied with
9 Every licensee shall preserve the records of final entry used in such
10 business AND SHOWING THE PAYMENTS MADE ON ANY AC-
11 COUNT PLACED WITH THE AGENCY FOR COLLECTION for
12 a period of at least six years after final remittance is made on any
13 SUCH account placed with the licensee for collection or after any ac-
14 count has been returned to the claimant on which one or more payments
15 have been paid ALL OTHER RECORDS OF THE BUSINESS SHALL
16 BE RETAINED BY THE LICENSEE FOR AT LEAST TWO
17 YEARS

18 (c) FOR THE PURPOSE OF ENABLING A LICENSEE TO
19 MAINTAIN PROPER BOOKS AND RECORDS EVERY CLAIM-
20 ANT OR FORWARDER OF A COLLECTION AGENCY SHALL

1 WITHIN THIRTY DAYS AFTER THE CLOSE OF EACH CALEN-
2 DAR MONTH REPORT TO HIS AGENCY ANY PAYMENTS
3 RECEIVED DIRECTLY BY SUCH CLAIMANT OR FORWARDER
4 ON ACCOUNTS PLACED WITH THE AGENCY FOR COLLEC-
5 TION AND SHALL PAY OR CREDIT THE AGENCY ALL SUMS
6 OWING TO IT WITH RESPECT TO SUCH ACCOUNTS

7 Section 14 Subterfuge The provisions of this act shall apply to
8 any licensee or other person who by any device subterfuge or pretense
9 whatever shall make a pretended purchase or a pretended assignment
10 of accounts from any other person for the purpose of evading the
11 provisions of this act

12 Section 15 Penalties (a) Any person violating any of the provi-
13 sions of this act is guilty of a misdemeanor and for each offense upon
14 conviction thereof shall be sentenced to pay a fine not exceeding one
15 thousand dollars (\$1,000) or undergo imprisonment for not more than
16 one year or both

17 (b) The right of the secretary to suspend and revoke licenses issued
18 under this act shall be in addition to penalties set forth in this section

19 EFFECTIVE DATE THIS ACT SHALL TAKE EFFECT APRIL

20 1 1962

We certify that this bill has passed the Senate and the House of Representatives.

.....
Chief Clerk, Senate

.....
President pro tempore, Senate

.....
Speaker, House of Representatives

Approved The day of A. D. 1961.

.....
Governor