

Collector's Ink

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President's Message

LOOKING AHEAD: PARTNERSHIPS FOR CHANGE

By Chris Schumacher



As is often the case, looking ahead in business is usually more rewarding than looking back. The concept of looking ahead was front and center at our recent Legislative Day in Sacramento April 25-26. We underlined our

existing relationships with key California legislators and reached out to some potential new supporters. Participants reviewed the importance of collection agencies in their communities, latest trends, strategies, and advances in collections before offering viable solutions for the betterment of all stakeholders.

The collection industry is a fundamental contributor to a healthy and vibrant economy. We help maintain the liquidity that is needed to support economic growth, stability, and innovation. These factors benefit

consumers as well as businesses while facilitating a supply of available credit that is essential to everyone living in the state.

Despite this continuum of positive influence, the California collection industry is facing several challenges during this post-pandemic era. Increased regulatory action is among the most noteworthy. Legislative Day gave us the opportunity to express our concerns and interests about upcoming legislative changes to the decision-makers in Sacramento.

Specifically, we helped educate them on the nuances of the collection industry, the impact of legislation on our ability to do our jobs, and how collections help underwrite economic growth and fortitude. We suggested specific improvements to proposed laws and provided critical information to help legislators make informed decisions.

The first night of our legislative conference, we enjoyed an informal dinner where we saw many

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Executive Director's Report

MARK YOUR CALENDARS FOR THE 2023 ANNUAL CONVENTION!

By Tammy Schoenberg

CAC's 2023 Annual Convention will take place Oct. 9-10, 2023, at The Westin Long Beach in Long Beach, California. Registration information will be sent out soon. Keep an eye out for additional information on the conference website at www.calcollectors.net/events.

Quarterly reminder: Don't forget that the CAC PAC needs you!

The California Association of Collectors continues to focus on building our Political Action Committee fund for 2023. Our PAC is growing and important—thanks to our valuable members!

As you read the updates from your CAC leadership, please consider adding your additional support to the imperative CAC PAC fund. A pledge of \$500 will go a long way to win decisively for our industry.

Here's where the money will go:

- **First priority:** The legislature is in a major state of change. Members are leaving and new members have been elected. Before California passed term limits, that was not the case. A small interest group like CAC must move quickly to educate new members on our industry and defuse long-held incorrect impressions of the collection industry.
- **Second priority:** A small group like ours needs to have the leadership of both Houses know us and our issues. We do not have the capacity to be a major player with the legislators, so we are left to be known by those legislators who can influence others to help us. This means the leadership of both Houses as well as committee chairs and vice chairs.

These are real, tangible benefits that will help each and every collection agency in California!

By contributing just \$500 to CAC's PAC fund, you will become an integral part of the history-making team that continues to protect the California collection industry.

The CAC PAC fund needs your support to help elect legislators who favor creating a pro-business environment in California—an environment that allows businesses like yours to grow and prosper. We are asking you and all of your colleagues in the industry to write a check for \$500 (or any amount you can provide) to the CAC PAC fund. You know where the money will go and what it will do. Now, it's up to you.

Contributions in any amount may also be made by credit card by clicking [here](#).

Thank you for your generous help!

Tammy Schoenberg

HIGHLIGHTS FROM LEGISLATIVE DAY

The California Association of Collectors Inc. hosted its annual CAC Legislative Day April 25-26, 2023, at the Hyatt Regency Sacramento.



FROM THE WEB: DFPI CITES SOCIAL MEDIA, DIGITAL BANKING AS KEY FACTORS IN BANK COLLAPSE



California's Department of Financial Protection and Innovation (DFPI) admitted its role in the Silicon Valley Bank (SVB) collapse, citing social media and mobile banking as primary factors in the regional bank's March 10 failure, [according to a recent article from the *Los Angeles Times*](#).

"While many internal factors made Silicon Valley Bank susceptible to a bank run, both social media and digital banking technology accelerated the volume and speed of the deposit outflows," according to a DFPI report.

Following the bank's closure, the DFPI took possession of SVB.

In addition to identifying those two factors, the report noted that SVB had enough liquidity before it went under to handle \$16 billion in withdrawals in a single day, which was almost as much as the \$16.7 billion withdrawn from Washington Mutual over the course of 10 days in 2008 before it went under. But over the course of eight hours on March 9, Silicon Valley Bank received requests to remove \$42 billion in deposits, according to the report.

The report also outlined the department's plans to "discuss with bank management what kind of social

media monitoring a bank is conducting and how the bank intends to confront reputational and public relations concerns in the digital age" and provide training to its bank examiners to better assess those risks.

According to the article, the bank faced extraordinary risk since the majority of its deposits were heavily based in the tech industry, and 93.8% were totaling \$151.6 billion while uninsured—the greatest percentage of any major U.S. bank. Deposits up to \$250,000 are currently insured by the Federal Deposit Insurance Corporation (FDIC). However, the FDIC declared it would guarantee all of the bank's deposits three days after the failure amid worries that it would spark a widespread bank panic.

The DFPI identified a number of actions it plans to take to prevent further bank collapses, including to:

- Coordinate better with federal regulators;
- Ensure more personnel are assigned in a timely manner to fast-growing banks with assets of more than \$50 billion; and
- Closely monitor the level of uninsured deposits.

[Read the article here.](#) 

President's Message - Cont'd from page 1

familiar faces. It was great spending time with Senate Minority Leader Brian Jones, Assembly Minority Leader James Gallagher, and Assemblymember Blanca Rubio. We thank them for their support.

We spent the following day with our state legislators, beginning with an 8 a.m. breakfast. Subsequent events included a Judiciary Council presentation, a session focused on how ACA International liaises with our organization, and an important review of the current bills being considered by the lawmakers.

In addition, we were honored to have ACA President Courtney Reynaud and Andrew Madden, vice president of government and state affairs at ACA International, on hand to join in on the activities. They provided a legislative update on other state bills that are impacting the industry across the country and stressed the importance of everyone getting involved in the legislative process in their states.

Numerous CAC members helped make Legislative Day a success, in particular, the members tasked with conducting legislator outreach. We had over 20 meetings with State Senators, Assemblymembers, and staffers where we got to know them and talked about our businesses, employees, and their contribution to our communities. I want to thank Cliff Berg, Tom Griffin, Cindy Yaklin, Kelly Parsons-O'Brien and Bob Keith for all their hard work on the Legislative Committee.

We also want to congratulate Senator Anthony Portantino on receiving the CAC Legislator of the Year award.

Right now, CAC is focused on three proposed bills before the state legislature.

We oppose AB 1119 (Wicks) unless it is amended. Currently, the bill creates an opportunity for fraud and permits consumers to evade liability for legitimate judgments. It also assumes consumers have a complete understanding of California's complex exemption laws. We are working with the bill's authors and sponsors to make improvements and provide suggested language.

CAC also opposes AB 1160 in its current form

because it prohibits schools from assigning student debt to collection agencies. Schools do not have the trained personnel needed to conduct collections and would be required to hire additional staff to perform this function. Furthermore, student borrowers are currently protected by statutes and regulations that place significant requirements on agencies collecting unpaid tuition and fees. That protection would cease if agencies were removed from the process.

We oppose AB 1414 (Kalra) and urge a "no" vote. If passed, this bill would prohibit creditors from using common counts and open book accounts in lawsuits collecting debt. Companies traditionally invoicing monthly would be required to collect payment at the time of service. The business models of hundreds of thousands of small California organizations would be disrupted, and the availability of consumer credit would be eroded.

We believe that all three of these bills are problematic as they stand today; however, we will work with the authors and continue to provide feedback with the hopes of getting a reasonable bill passed or a bad bill blocked.

Mark your calendars, and be sure to join us at the 2023 CAC Annual Conference in Long Beach on Oct. 9-10. This event is designed to provide a platform for education, information and networking. As always, there will be a tremendous exchange of ideas and numerous insights shared at the conference.

Looking ahead, I am committed to working collaboratively with each of you to devise solutions for the challenges upon us. By working together, we can demonstrate a command for understanding and serving the needs of our clients and their customers with finesse and professionalism. There is good reason to feel optimistic about the opportunities that lie ahead. Let's build a stronger, more accountable collection industry that continues to support a stable economy and is the shining example within the financial services sector. [C](#)

The CAC Educational Scholarship Foundation is accepting applications [online](#) through June 30, 2023!

To qualify, student applicants must submit an original essay addressing *The Importance of Establishing and Maintaining Good Financial Credit During Your College Years*, and must also meet the following criteria:

- Be a current high school junior or senior enrolled in a California high school
- Plan on attending an accredited public or private college, university, or trade school within 12 months of graduation

For details on eligibility requirements and to access the application, please visit the [CAC website](#). All applications must be submitted online no later than June 30, 2023.

Please share this scholarship opportunity with your family, friends, colleagues, and within your community!

Interested in becoming a scholarship essay reader? We are looking for essay readers to help narrow down the finalists. If you would like more information on the timeline and responsibilities, please email scholarship@calcollectors.net.

Contribute to CACESF and help a student achieve their college dreams! Because financial literacy is also a foundation of the banking and finance industry, we hope you will join us in helping the youth of California have the opportunity to research, learn and share the importance of good financial credit by donating to this program. No amount is too small, and every dollar raised will help fund the college education of a promising young student. Donations to the CACESF can be made [here](#).



ACA MEMBERS APPOINTED TO CALIFORNIA DEBT COLLECTION ADVISORY COMMITTEE



ACA International members are returning for a two-year term on the California Department of Financial Innovation's (DFPI) Debt Collection Advisory Committee, plus two new ACA members were selected.

In 2021, the DFPI announced the formal creation of its Debt Collection Advisory Committee, a seven-member board that would provide critical feedback to the department. A new committee has been appointed for the 2023-2025 term, according to a news release from the DFPI.

This diverse group includes representatives from the debt collection, debt-buying, third-party collection and collection law industries:

- Angela Reed-Becker, Equabli Inc.
- ACA Member Cindy Yaklin, States Recovery Systems Inc.
- Desiree Nguyen Orth, East Bay Community Law Center
- Kali Miller - OPTNSVC Mexico (Opportun Inc.)
- ACA Member Robert Tavelli, Tavelli Co. Inc.
- ACA Member Scott Hyman, Severson & Werson
- ACA Member Sean Welch, P & B Capital Group, LLC

The committee discusses debt collection licensing, technology in the debt collection process, DFPI research on consumer communications and making sure the department understands the processes used for agencies collecting consumer debt. Its first meeting was held May 1.

The DFPI is operating under the authority of the new California Consumer Financial Protection Law (CCFPL). The department has expanded supervision and enforcement powers to better protect California consumers, promote responsible innovation, reduce regulatory uncertainty for emerging financial products, and increase education and outreach to vulnerable groups, according to the DFPI news release.

To learn more about the Debt Collection Advisory Committee, visit the [committee's website](#).

Get Involved in ACA Advocacy

In addition to following the DFPI meetings, there are a number of ways you can get involved in advocacy through ACA.

Take a look at ACA's [advocacy resource center](#) for members, which reviews top industry issues and provides tools you can use for members of Congress and state legislators.

ACA's [Policymakers website](#) also has powerful video stories from consumers and small businesses that are easy to share with your legislators. Each of the brief videos on the Policymakers website is accompanied by instructions on how you can email them to your representatives. Personal stories like those featured in the videos can help lawmakers better understand the positive impact ARM professionals have on consumers and the economy. [CI](#)

CAC MEMBER OBITUARY: EWING BARTGIS

Ewing David Bartgis, former president of Collection Consultants of California (CCOC), died on April 30, 2023, at the age of 81.

Bartgis was born on April 23, 1942, and was the youngest of three children. He was raised in Downey, California, where he lived until 1997 when he and his wife Marilyn A. Bartgis moved to Palm Desert, California.

Bartgis began his tenure at American Financial in 1981, just prior to the company's rebranding as American Agencies. He served as the head of the collections division at American Agencies until 1987, when he acquired a 50% stake in CCOC and became vice president. Bartgis assumed the role of president and majority shareholder of CCOC in 1992, where he remained until his retirement in 2017.

Throughout his career, Bartgis maintained an active role in the collections industry, serving as president of the California Association of Collectors (CAC) on two separate occasions. He was also involved in various committees, including those for ethics, bylaws and political action, within both the CAC and ACA International. As a result of his extensive experience

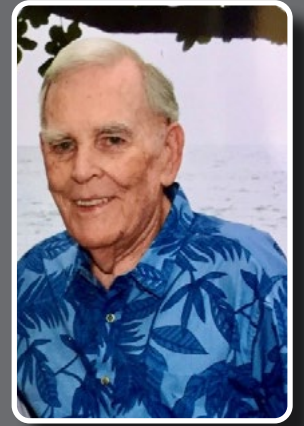
and dedication to the industry, Bartgis was widely recognized as an influential figure in the field of collections.

Bartgis is survived by his sister Linda (Bartgis) Jenks and her husband Michael Jenks; significant other Beverley Lawson; daughter Deborah L. (Bartgis) FitzSimmons and her husband Kevin; daughter Pamela J. (Bartgis) Cardona and Matt Logan (a brother from another mother and father!). He also leaves behind many grandchildren, great-grandchildren, nieces and nephews.

Bartgis is preceded in death by his wife, Marilyn; his parents, Myda and David; his sister, Joan (Bartgis) Schell and her husband Vic Schell, and his brother-in-law, Fred Wagner.

Bartgis stated several times in his final months, "I lived my life; I had a GREAT one."

A family service to celebrate his life will be held on May 27, 2023, at Christ Presbyterian Church in Goodyear, Arizona.



MARK YOUR CALENDAR!

CAC Annual Conference

Oct. 9-10, 2023

Westin Long Beach

More information coming soon!

www.calcollectors.net/events

