

2.1 license expiration or renewal date. The commissioner may review the procedures to
2.2 ensure the integrity of the screening process. Failure by a licensed collection agency to
2.3 establish these procedures is subject to action under section 332.40.

2.4 Sec. 3. Minnesota Statutes 2010, section 332.35, is amended to read:

2.5 **332.35 PRIOR CONVICTION OR JUDGMENT AS DISQUALIFICATION.**

2.6 No registration shall be accepted for, and no license shall be issued to, any person,
2.7 firm, corporation or association who or which, or any of the officers of which have, within
2.8 the past five years:

2.9 (1) been convicted in any court of fraud or any felony ~~or have been convicted of~~
2.10 ~~or had judgment entered against them in any court for failure to account to a client~~
2.11 ~~or customer for money or property collected by them for the client or customer. No~~
2.12 ~~registration shall be accepted for, and no license shall be issued to, any attorney whose~~
2.13 ~~license to practice law has been suspended or revoked, for a period of five years after~~
2.14 ~~the date of such suspension or revocation.~~

2.15 (2) been convicted of any misdemeanor or gross misdemeanor involving any
2.16 financial crime;

2.17 (3) been unable to certify that they have no civil judgments against them for failure
2.18 to account to a client or customer for money or property collected by them for the client or
2.19 customer. A civil judgment does not disqualify an applicant for registration under this
2.20 section, or under section 45.027, subdivision 7, clause (4), unless the civil judgment is for
2.21 failure to account to a client or customer for money or property; or

2.22 (4) had a license to practice law revoked or suspended for cause.

2.23 Sec. 4. Minnesota Statutes 2010, section 332.40, subdivision 1, is amended to read:

2.24 Subdivision 1. **Examination of licensee's or registered individual collector's**
2.25 **records.** (a) The commissioner of commerce may make examinations of the collection
2.26 records of a licensee or registered individual collector at a reasonable time and in a scope
2.27 as is necessary to enforce the provisions of sections 332.31 to 332.45, and for that purpose
2.28 the commissioner shall have free access to the books and records of a licensee or registered
2.29 individual collector relating thereto. If a licensee or registered individual collector violates
2.30 any provision of sections 332.31 to 332.45, or any administrative rules issued pursuant
2.31 to sections 332.31 to 332.45, fails to maintain its financial condition sufficient to qualify
2.32 for licensure or registration on an original application, or, fails to maintain its registration
2.33 or comply with all of the requirements of chapter 303, the commissioner may, after
2.34 notice and hearing in accordance with the provisions of the laws of this state governing

S.F. No. 1888, 1st Engrossment - 87th Legislative Session (2011-2012) [S1888-1]

3.1 proceedings before administrative agencies, revoke a license or registration, or suspend a
3.2 license or registration for a period as the commissioner deems proper.

3.3 (b) If a licensee or registered individual collector allegedly violates section 332.33,
3.4 subdivision 7 or 8, 332.385, or 332.42, or administrative rules for any of those sections,
3.5 the commissioner shall notify the licensee or individual registered collector of violations.

3.6 A licensee or individual registered collector shall have 30 days from the date of written
3.7 notification of alleged violations to come into compliance with Minnesota law or
3.8 administrative rule without financial obligation or penalty.