

SUMMARY STATEMENT

Action Collection Service, Inc., v. Harmony L. Black, aka, McCullough
Docket No. 44466

Action Collection Service, Inc. (ACS) filed suit against Harmony L. Black to recover a debt of \$3,546.40 that was originally owed to the Idaho Department of Juvenile Correction (IDJC) and had been assigned to ACS. IDJC requested the payment of \$4,465.00 from Black for a period of time IDJC supported, treated, and held in custody Black's minor child. Black made two payments of \$235.00 to IDJC but refused to pay anything more. Because IDJC was unsuccessful at collecting from Black, IDJC assigned the debt to ACS. After ACS's attempts at collection from Black were also unsuccessful, ACS brought suit against Black for the principal amount, pre-judgment interest, and a statutory fee. A magistrate granted ACS's motion for summary judgment, awarding ACS \$9,957.92. Black appealed to the district court, who reversed the magistrate's summary judgment. ACS then appealed, and the Idaho Court of Appeals, which affirmed the district court's decision in part and remanded the case to the magistrate. Trial began in front of a magistrate and was concluded by an assigned district court judge who entered judgment for ACS in the amount of \$3,546.40. Black timely appealed.

Black argued the district court erred in finding that a valid blanket assignment contract existed between IDJC and ACS, abused its discretion by determining that the trial constituted a hearing for establishing a debt under Idaho Code § 20-524, and erred in finding IDJC's assignment of a debt to ACS was valid. This Court held ACS could not collect from Black because IDJC did not follow the statutory procedure for creating a debt set forth in Idaho Code § 20-524 and thus, could not make a valid assignment of Black's alleged debt to ACS. The district court's judgment is vacated.