

itioner must complete the order in the manner required by 1962 PA 151, § 1(r), *supra*. The order then becomes the prescription of that licensed practitioner.

A pharmacist who dispenses a drug pursuant to a written order of a medical student, unless the order was, in addition, a prescription of a licensed practitioner at the time it was filled, would be subject to disciplinary action by the Board of Pharmacy.

FRANK J. KELLEY,
Attorney General.

750926.1 _____

COLLECTION AGENCIES:

A collection agency which confines its activities to soliciting and collecting claims which arise out of commercial and business transactions need not obtain a license pursuant to the Collection Practices Act.

Opinion No. 4887

September 26, 1975.

Representative Jelt Sietsema
94th District
House of Representatives
Lansing, Michigan 48901

You have asked whether commercial collection agencies must be licensed pursuant to the Collection Practices Act, 1974 PA 361; MCLA 445.211 *et seq*; MSA 19.655(21) *et seq*. It is my understanding that the term "commercial agencies," which is referred to in your letter, are collection agencies which only collect claims arising out of commercial or business transactions. There is apparently a recognized dichotomy between collection agencies engaged in collecting accounts from businesses and those that deal with accounts of individual consumers.

1974 PA 361, *supra*, § 4(1) provides:

"Except as hereinafter provided, a person shall not operate a collection agency or engage in the business of a collection agency without first applying for and obtaining a license from the director."

Pursuant to the act, collection agencies are required to obtain a license from the Department of Licensing and Regulation unless an exemption applies.

The term "collection agency" is defined by 1974 PA 361, *supra*, § 2(b) as follows:

"As used in this act:

** * *

"(b) 'Collection agency' means a person directly or indirectly engaged in *soliciting a claim* for collection or collecting or attempting to *collect a claim* owed or due or asserted to be owed or due another. It includes a person who furnishes or attempts to furnish forms or a written demand service represented to be a collection

technique, device, or system to be used to *collect claims*, if the form contains the name of a person other than the creditor in a manner indicating that a request or demand for payment is being made by a person other than the creditor even though the form directs the debtor to make payments directly to the creditor rather than to the other person whose name appears on the form. It includes a person who uses a fictitious name, or a name other than his own, in the *collection of claims* to convey to the debtor that a third person is collecting or has been employed to *collect the claim*." (emphasis added)

As the underlined language indicates, whether an agency is involved in the solicitation or collection of a "claim" is crucial to determining whether the agency is a "collection agency" under the act.

A "claim" is defined by 1974 PA 361, *supra*, § 2 as follows:

"As used in this act:

"* * *

"(f) 'Claim' means an obligation for the payment of money or thing of value arising out of an expressed or implied agreement or contract for a purchase made primarily for personal family or household purposes."

The words of a statute are to be taken in their ordinary significance and import. *Green v Graves*, 1 Doug 351 (1884). It is apparent that debts arising from the purchase of goods or services for commercial purposes are not debts arising from purchases made primarily for personal family or household purposes.

The act requires licensure only for collection agencies involved in soliciting or collecting claims arising out of purchases made primarily for personal family or household purposes. Accordingly, so long as a collection agency confines its activity to soliciting or collecting claims which arise out of commercial and business transactions, it is my opinion that such an agency need not obtain a license pursuant to 1974 PA 361, *supra*.

FRANK J. KELLEY,
Attorney General.
