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## **AG sues online payday lender**

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By John Lyon  
Arkansas News Bureau

LITTLE ROCK — Attorney General Dustin McDaniel said today his office has filed its first-ever lawsuit against a payday lender operating on the Internet.

The lawsuit filed in Pulaski County Circuit Court alleges Geneva Roth Ventures Inc. and its owner, Mark Curry, violated Arkansas' usury law, which sets a 17 percent limit on interest rates for consumer loans, and the state's Deceptive Trade Practices Act.

The company operates a Web site, Loan Point USA, that offers short-term loans of up to \$600 with a minimum interest rate of 364 percent and a maximum rate of 1,365 percent, the lawsuit alleges.

A spokeswoman for Loan Point USA declined to comment today on the lawsuit.

“Businesses like Loan Point USA offer consumers false hope,” McDaniel said in a news release. “In these difficult financial times, it is especially appalling for a company to offer needy consumers a loan at more than 1,000 percent interest. It is my hope that through efforts such as this lawsuit, these online businesses will learn that they are unwelcome in Arkansas.”

McDaniel notified the state's storefront payday lending businesses in March 2008 that they had to shut down or face legal action. He issued the warning after the Arkansas Supreme Court said in two rulings that lenders charging high fees for short-term loans violated the state's usury law.

The last of the 240 stores shut down last July, but the attorney general's office continued to receive complaints of online payday lenders offering loans to Arkansans.

“We've received a number of complaints against this particular lender,” Deputy Attorney General Jim DePriest said today.

No other similar lawsuits are in the works at this time, DePriest said. Some online payday

lenders have voluntarily stopped offering loans to Arkansans after being contacted by the attorney general's office, he said.

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