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CONTACT: AARON SADLER
(501) 682-0517

COURT ORDER SOUGHT IN INVESTIGATION

McDaniel requests that payday-lending "lead generators" be required to turn over information

LITTLE ROCK – Attorney General Dustin McDaniel today asked a Pulaski County Circuit Court judge to compel three companies associated with the payday lending industry to respond to requests for information about the companies’ activities.

Money Mutual LLC, Selling Source LLC and Partner Weekly LLC, all based from the same address in Las Vegas, are “lead generators” for payday lenders. Through aggressive advertising – Money Mutual has television talk-show host Montel Williams as its spokesman – the companies market the availability of payday loans and solicit applications for those loans.

In a court filing, McDaniel asked that the companies be required to fully respond to a Civil Investigative Demand sent to them by his office on Aug. 9. He asked the court to prohibit the companies from continuing to do business in Arkansas until they respond to the Civil Investigative Demand.

The investigation into Money Mutual, Selling Source and Partner Weekly is a part of the Attorney General’s continuing effort to prevent usurious and illegal payday lending in Arkansas.

“We believe that these companies are luring Arkansans into applying for loans that only push consumers further and further into debt,” McDaniel said. “The companies appear to be advertising for loans that are unconstitutional in Arkansas. We will continue to take actions to ensure that organizations related to payday lending do not harm our State’s consumers.”

Payday loans are high-interest, short-term loans with annual interest rates and fees that most often exceed 300 percent. The Arkansas Constitution prohibits lenders from setting annual interest rates higher than 17 percent.

In its advertisements, Money Mutual touts itself as having a network of 100 lenders that provide short-term, cash loans. The companies advertise their services directly to Arkansas consumers through their television and radio ads.

McDaniel requests that the companies be required to turn over information pertaining to their ownership structure, business operations, lending partners and dealings with Arkansas consumers.