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TUESDAY, FEB. 12, 2013
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COMPANIES AGREE NOT TO OFFER PAYDAY LOANS

LITTLE ROCK – Attorney General Dustin McDaniel announced today that the State has reached an agreement with a Delaware-based online lending company that prohibits that company from offering illegal payday loans to Arkansas consumers.

In a consent judgment filed in Pulaski County Circuit Court, Sure Advance LLC agreed not to provide loans to Arkansans in excess of the state’s usury limits. The company will also cancel all outstanding loans made to Arkansas consumers. Any payday lending website operated by the company must make clear that no loans will be provided to Arkansas residents.

McDaniel sued Sure Advance, doing business as sureadvance.com, in 2011. The lawsuit alleged that Sure Advance violated state law by issuing short-term loans with resulting annual interest rates that often exceeded 600 percent. The extraordinarily high rates violated the state Constitution and the Arkansas Deceptive Trade Practices Act, according to the lawsuit.

“We were successful in shutting down storefront payday lenders in Arkansas, and our fight continues to protect Arkansas consumers on the Internet,” McDaniel said. “We will take action against those companies that offer these illegal loans online and would seek to cause consumers to fall into a spiral of debt.”

The consent judgment also stipulates that Sure Advance LLC will pay the state \$50,000.

Also today, McDaniel announced that he has entered into an Assurance of Voluntary Compliance (AVC) with Government Employees Credit Center Inc., Bexar Partners Inc., and owner Vincent Ney. The two companies are based in Delaware. Ney is the sole shareholder of Bexar, which also owns Sure Advance. Government Employees Credit Center Inc. offers payday loans under the trade names GECC and Cash Direct Express.

The AVC states that Ney and the entities are prohibited from offering payday loans to Arkansas residents and must cancel any outstanding loans issued to Arkansas consumers. The state will receive \$50,000 under terms of the AVC.