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MCDANIEL SUES ONLINE PAYDAY LENDERS

LITTLE ROCK – Attorney General Dustin McDaniel filed a consumer-protection lawsuit today against three online payday lending companies and their owners accused of illegally providing loans with interest as high as 782 percent to Arkansas consumers.

Defendants in the lawsuit are brothers Chris Kamberis of Leawood, Kan., and John Kamberis of Olathe, Kan., and companies King Marketing, LLC, Prestige Group Marketing, LLC and SLR Ridge LLC.

According to the lawsuit, the Kamberis brothers market illegal payday loans from entities purported to be based in the Caribbean island nation of Nevis in a deliberate attempt to avoid U.S. enforcement action. However, the Nevis-based entities serve no substantive role in marketing, processing or collecting loans issued to Arkansas consumers. Almost all of the companies' business is conducted by employees or agents located in the Kansas City area.

“My office is committed to rooting out illegal payday lending in Arkansas, whether a company is operating in the state or claims to be based in some foreign country,” McDaniel said. “Consumers gain absolutely no benefit from short-term loans with exorbitant interest rates. These types of loans typically only push consumers further into debt.”

McDaniel's suit says that the defendants issued short-term loans to Arkansas consumers with varying interest rates, but all loans had interest rates that were extraordinarily higher than the 17 percent limit set by state law. One loan had an annual rate of 782.14 percent. Others were 640 percent and higher.

The defendants have taken at least \$264,585 in illegal fees and interest from Arkansas consumers' bank accounts, according to the lawsuit.

McDaniel asked the Court to issue an injunction to prohibit the defendants from issuing payday loans to Arkansas consumers and order the defendants to cancel all outstanding loan contracts and obligations. In addition, the Court was asked to order the defendants to pay restitution, civil penalties, attorneys' fees and costs.

The lawsuit was filed in Pulaski County Circuit Court.

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