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Arkansas Payday Lenders To Pay \$1M for Loan Lawsuits
State AG Announces Settlements from Illegal Loans

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LITTLE ROCK (WHBQ FOX13 myfoxmemphis.com) -- Fourteen businesses will close and pay \$1 million to settle lawsuits that accused them of offering illegal payday loans disguised as instant cash rebates for Internet service, Arkansas Attorney General Dustin McDaniel said Monday.



Scales of Justice

McDaniel announced the resolution of nine lawsuits with the payday lending firms, which will also stop trying to collect debts incurred through the rebates.

The businesses asked customers to set up to three Internet accounts and were given a \$100 "rebate" for each account they received. Customers were then required to pay \$20 every two weeks for each account.

Under this agreement, a customer with three Internet accounts would pay \$120 a month for dial-up Internet access. McDaniel said that the rebates were nothing more than a payday lending scheme that charged more than 500 percent interest.

"Addressing these unconscionable business practices is a priority of mine, and it is my belief that this agreement will go a long way towards eliminating schemes of this nature in Arkansas," McDaniel said.

The businesses agreeing to the settlement have operated under the names Dialing4Dollars.Net, JonesboroMoneyOnline.Net, CrossettCash.Net, ConwayCash.Net, Money.Net, ElDoradoOnline.Net, MagnoliaMoney.Net and MoneyInAFash.Net.

The businesses had 14 locations in Conway, Crossett, El Dorado, Jonesboro, Little Rock, Magnolia, Pine Bluff, Texarkana and West Memphis.



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