

# [AG sues online payday lender](#)

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LITTLE ROCK — Attorney General Dustin McDaniel sued a pair of companies and their owner today for allegedly marketing illegal payday loans online to customers in Arkansas.

The suit names Arrowhead Investments Inc., Galaxy Marketing Inc. and Christopher Hodes.

McDaniel said contracts that Arkansas consumers provided to his office show the companies have loaned money to Arkansans at an interest rate of 782 percent.

“With the closure of more than 250 payday lending locations in Arkansas, the state’s consumers have saved millions of dollars in illegal interest payments,” McDaniel said in a statement. “I will not retreat from my pledge to eliminate all payday lending, whether it occurs at a storefront in Arkansas or over the Internet.”

In 2008, the attorney general’s office demanded payday lenders cease operations in Arkansas. A state Supreme Court opinion concluded the operations violated Arkansas usury law.

The lawsuit McDaniel filed Tuesday seeks to bar the defendants from offering or collecting upon high-interest loans in the state. It also seeks to cancel all such loan agreements and have all payments returned to borrowers.