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by Stan Morris, Web Producer

## 55 Payday Lenders, Including Jonesboro Business, Refuse to Shut Down

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**JONESBORO, AR (KAIT)**  
 - Cash Today in Jonesboro, owned by Jim Mead, won't be closing anytime soon...that is, if Mead has his way.

Mead is a past president of the Arkansas Financial Services Association, the state payday lender trade association.

On March 18th, when Attorney General Dustin McDaniel ordered 156 payday lending stores to cease operations, a total of 237 licensed payday lenders were operating in

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Arkansas. Today, that has dropped to 136 stores. [Tennessee Top News This Hour](#)

81 stores were not sent cease and desist letters because they are not regulated by the Arkansas State Board of Collection Agencies. The A.G. still says those 81 will face scrutiny and potential action. McDaniel adds, "They should know that their day is coming. It is my goal to end this practice across the state of Arkansas," as he was quoted on April 9th.

McDaniel's office says it's long-term goal is for all payday lenders in Arkansas to close.

A report from McDaniel's office describes why he is adamantly against payday lending:

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## **What is Payday Lending?**

*Payday loans in Arkansas are small loans, usually \$100 to \$400, typically made for two weeks (14 days). Individuals who borrow money from payday lenders for the typical two-week period pay equivalent interest at a rate of 372 percent to 869 percent annually.*

*According to the Center for Responsible Lending (CRL), the average payday borrower pays \$800 to borrow \$325.5*

*Research shows that payday lenders are disproportionately located near military bases, poor neighborhoods and disproportionately target customers who are elderly, minority or low-income.*

*In a typical Arkansas example the borrower writes a check for \$400 for a payday loan of \$350, plus \$50 in interest. The money is typically due two weeks later at an APR of 400 percent or more. Technically, rollovers are prohibited in Arkansas. But in actual practice, if the borrower does not have the \$400 to pay the loan in full in two weeks, he or she simply pays the loan off and immediately re-borrow the same money back in what is called a back-to-back transaction at a cost of another \$50 fee.*

*This does not pay down the principal; it is simply the interest to keep the loan afloat until the consumer's next payday, then the next and so on; this is the "debt trap" of payday lending. More than 90 percent of payday loan recipients receive more than four loans every year, and 99 percent of loans go to repeat borrowers, according to CRL, a research and policy organization based in Durham, N.C., which works to eliminate abusive financial practices.*

*The Check-cashers Act as originally enacted stated that fees charged by payday lenders*

*"shall not be deemed interest." But the Arkansas Supreme Court in a March 2001 decision found that the Legislature in passing the Check-cashers Act made an "invalid attempt to evade the usury provisions of the Arkansas Constitution." The court also found that the Legislature "may not avoid the constitutional prohibition against usury by merely stating that fees shall not be deemed 'interest' or by stating that a transaction shall not be deemed to be a 'loan.' "*

*The case challenging the constitutionality of the Check-cashers Act was pending before the Arkansas Supreme Court last year, but was sent back to Pulaski County Circuit Judge Barry Sims' court.<sup>7</sup> On November 20, 2007, Judge Sims ruled the act constitutional, and the case is back before the Arkansas Supreme Court.<sup>8</sup> It should be noted that the Attorney General has a statutory duty to defend the constitutionality of the Check-cashers Act, but he has stated that the January and February 2008 Supreme Court decisions send a clear signal that payday lenders continue to operate at their legal peril.*

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List of Stores Named by McDaniel:

***Money Order (or Check) Payday Lender***

***(40 stores):***

**Six** stores owned by **Bradley Rodgers**, the payday lending industry's representative on the Arkansas State Board of Collection Agencies, or his relatives: **Four** stores owned by **Bradley Rodgers-Dough 2 Go in Stuttgart, Warren Quick Cash, Dumas Check Advance**, and **Delta Check Advance in McGhee**; **Mid-Ark Cash Advance in North Little Rock** (owned by **Belvia Rodgers**); and **Grand Prairie Check Advance in Stuttgart** (owned by **Charles Rodgers**);

**Thirty** Arkansas stores operated by **Advance America**, which bills itself as the nation's largest payday lender; **One** store, **Cash Today in Jonesboro**, owned by **Jim Mead**, a past president of the Arkansas Financial Services Association, the state payday lender trade association; and **Three** stores, **First Option Cash Advance**, owned by **John Caldwell**, in **Hope, Hot Springs and Magnolia**.

***Credit Service Organization (CSO)  
Payday Lenders (eight stores):***

**Eight** stores owned by **Chaney Pruett**, incumbent president of the Arkansas Financial Services Association: **Cash Now**

stores in **Ashdown, Bryant, Cabot, Hot Springs, Nashville, North Little Rock** and **Sherwood**, and **Pawn Express** in **Texarkana**.

***Rent-a-Finance (South Dakota) Payday Lenders (six stores):***

**Four** stores owned by **Jay Breslau-Quick Cash of Arkansas** stores in **Harrison, Huntsville, Ozark** and **Springdale**.

**Two** stores owned by **Kelly Breslau-Conway Quick Cash** and **Russellville Quick Cash**.

***Loans made in Arkansas, cash received in Texas (one store):***

**Cash Advance of Hope**, owned by **Dan Hughes**.

