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## COURT ORDER RESTRICTS ONLINE PAYDAY LENDER

Companies prohibited from offering illegal loans in Arkansas

LITTLE ROCK - Attorney General Dustin McDaniel announced today that his office has obtained a court order prohibiting the operator of multiple payday lending websites from offering illegal loans to Arkansas consumers.



McDaniel earlier this year filed suit in Pulaski County Circuit Court against

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Josh Mitchem of Kansas City, Mo., and companies PDL Support LLC and Platinum B Services LLC. McDaniel alleged that Mitchem's companies control the operations of several payday loan websites purported to be based on the Caribbean island of Nevis, and that the companies assessed excessive interest rates and fees in violation of Arkansas law.

"Arkansas law prohibits this kind of lending, whether it's from a storefront in the state or from a website supposedly based on an island," McDaniel said. "These types of loans only push consumers further into debt. We will continue our efforts to stop online payday lenders on behalf of Arkansas consumers."

In a consent judgment filed today, the defendants agreed to cease offering usurious loans in Arkansas and cancel any outstanding loans to Arkansans. All payday lending websites controlled by the defendants must include language stating that loans will not be made to Arkansas residents.

In addition, the defendants will pay \$80,000 to the State, which will be distributed pursuant to the Attorney General's policy on settlement funds.

The lending operations controlled by Mitchem and his companies include: Action Payday, Bottom Dollar Payday, Everest Cash, Paradise Cash Advance, The VIP Loan Shop and Red Leaf Lending.

McDaniel alleged that the operations offered loans to Arkansans with annual percentage rates as high as 644 percent.

The defendants denied any wrongdoing.

Posted by salineriverchronicle at 2:41 PM

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