

Payday lending websites get Arkansas court order to quit business

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The State of Arkansas has obtained a court order prohibiting the operator of multiple payday lending websites from offering loans to Arkansas consumers.

Attorney General Dustin McDaniel earlier this year filed suit in Pulaski County Circuit Court against Josh Mitchem and his companies PDL Support LLC and Platinum B Services LLC. McDaniel alleged that Mitchem's companies controlled several payday loan websites purported to be based on the Caribbean island of Nevis, and that the companies assessed 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 located in another state," McDaniel said.

In a consent judgment filed Tuesday, the defendants admit no wrongdoing, but agreed to cease offering usurious loans and to 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 request.

The lending operations controlled by Mitchem and his companies include: Action Payday, Bottom Dollar Payday, Easy 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.

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