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NEWS IN BRIEF

BY THE ARKANSAS DEMOCRAT-GAZETTE

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LITTLE ROCK — Web payday lenders,
owner sued by state

Attorney General Dustin McDaniel has sued online payday lenders Arrowhead Investments Inc.

and Galaxy Marketing and their owner, Christopher Hodes.

The Leawood, Kan.-based firms market payday loans to Arkansas consumers through various websites, the attorney general's office said. The loans have been made at annual interest rates of 782 percent, McDaniel's office said.

The lawsuit was filed in Pulaski County Circuit Court.

More than 250 payday lending offices in Arkansas were closed in 2008, Mc-Daniel said. The attorney general alleged the lenders were violating Arkansas usury laws.

"I will not retreat from my pledge to eliminate all payday lending whether it occurs at a storefront in Arkansas or over the Internet," McDaniel said in a prepared statement Tuesday.

Arrowhead Investments and Galaxy Marketing have refused to stop their operations in Arkansas, the attorney general's office said. An attorney for Hodes could not be reached for comment.