

[En español](#)[Home](#) ★ [About the Office](#) ★ [Contact Us](#) ★ [Consumers](#) ★ [Crime and](#)[News Releases](#) | [Consumer Alerts](#) NEWS FEED [What is RSS?](#)**Wednesday, May 4, 2011****MCDANIEL OBTAINS COURT ORDERS TO BAR ONLINE PAYDAY LENDERS**

LITTLE ROCK -- Attorney General Dustin McDaniel announced today that his office has obtained court orders barring two online payday lenders from conducting illegal lending activities in the state. Lawsuits filed by McDaniel in Pulaski County Circuit Court had alleged that these lenders were charging Arkansas consumers more than 300 percent annual interest for short-term loans.

"While we were successful in our efforts to shut down the payday lenders located in Arkansas, I have pledged to continue our efforts to fight these out-of-state predatory lenders who conduct business over the Internet," McDaniel said. "These judgments are an example of that ongoing fight on behalf of our state's consumers."

Under the terms of one judgment, Kansas-based Geneva-Roth Capital and Geneva-Roth Ventures, doing business as Loanpointusa.com, have agreed to stop offering usurious loans in Arkansas and to cancel illegal loans provided to approximately 700 Arkansas consumers. The defendant was required to abandon claims of more than \$700,000 and pay Arkansas \$60,000 to defray the cost of the enforcement effort.

The Loanpointusa judgment comes shortly after the resolution of another suit against Kansas-based online lender Arrowhead Investments, Inc., which also conducted business as Galaxy Marketing, Inc. Arrowhead Investments and Galaxy Marketing agreed to stop offering usurious loans to Arkansas consumers and abandoned claims of \$44,370 against 162 Arkansans. Arrowhead and Galaxy will pay \$30,000 to the state.

The online lenders have agreed to cease any collection efforts and to remove any negative credit references from the credit records of any Arkansas borrowers.

"These companies have been taking advantage of Arkansas residents with offers that may have been enticing to a credit-challenged borrower, but in truth only pushed them further into the debt trap of payday lending," McDaniel said. "My office will continue to monitor the Internet marketplace for active payday lenders."

For more information or to report a problem regarding an online payday loan, call the Attorney General's Consumer Protection Hotline at (501) 682-2341 or (800) 482-8982, or visit the Attorney General's website, www.arkansasag.gov.

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