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AG sues online payday lenders

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Arkansas News Bureau

LITTLE ROCK — The state attorney general’s office today sued a Missouri man and two companies that control six Internet payday loan websites that the state contends offers loans to Arkansans at interest rates of more than 600 percent.

The lawsuit against Josh Mitchem and companies PDL Support LLC and Platinum B Services LLC of Kansas City, Mo., claims interest rates charged by the defendants violate Arkansas law.

“These usurious practices are just as illegal when offered on the Internet as when they were offered from storefronts in Arkansas,” Attorney General Dustin McDaniel said in a news release.

McDaniel said the lenders known to be controlled by the defendants include Action Payday, Bottom Dollar Payday, Everest Cash Advance, Paradise Cash Advance, Red Leaf Lending and The VIP Loan Shop.

The lawsuit seeks an injunction to prohibit the defendants from offering or collecting upon the illegal loans in Arkansas, restitution to consumers and civil penalties.

None of the defendants could be reached for comment Monday. Directory assistance in Kansas City had no listing for Mitchem or either of the businesses named in the lawsuit.

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