



FOR IMMEDIATE RELEASE
MONDAY, JAN. 23, 2012
CONTACT: AARON SADLER
(501) 682-0517

MCDANIEL SUES INTERNET PAYDAY LOAN COMPANIES

LITTLE ROCK – Attorney General Dustin McDaniel filed a consumer protection lawsuit today against a Missouri man and two companies that control six Internet payday loan websites offering loans to Arkansas consumers at interest rates of more than 600 percent.

The Attorney General’s lawsuit claims defendant Josh Mitchem and companies, PDL Support LLC and Platinum B Services LLC of Kansas City, Mo., control the operations of the payday loan websites, purported to be based in the Caribbean island of Nevis. According to the complaint, regardless of their location, the unconscionable interest rates charged by the lenders clearly violate Arkansas law.

“The websites operated by these defendants offer loans that push consumers further and further into debt,” McDaniel said. “These usurious practices are just as illegal when offered on the Internet as when they were offered from storefronts in Arkansas. We shut down lenders operating in Arkansas and will continue to take action against online payday lenders.”

The defendants and the websites they control offer loans with interest rates and fees far exceeding the amounts allowed by Arkansas law. One contract disclosed an annual interest rate of 644.12 percent. Interest rates for other loans were also greater than 600 percent.

The lawsuit states that Mitchem, PDL Support and Platinum B Services control the websites, phone numbers, fax numbers and bank accounts used to make and collect upon the loans. While the lending entities were said to be located in Nevis, all lending operations were based in the Kansas City area.

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.

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

Arkansas consumers with problems related to online payday loans or debt collectors attempting collection on payday loans may contact the Attorney General’s Consumer Protection Division at (501) 682-2341 or (800) 482-8982, or visit the Attorney General’s website at www.arkansasag.gov.

###