

1 **STATE OF CALIFORNIA**
2 **BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY**
3 **DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION**

4 TO: Contrade Finance
5 333 Clay Street
6 Houston, TX 77002
7 <https://www.contradefinance.com>

8 **DESIST AND REFRAIN ORDER**
9 **(For violations of Financial Code section 22100)**

10 The Commissioner of Financial Protection and Innovation (Commissioner) finds that:

11 1. The Commissioner is authorized to pursue administrative actions and remedies against
12 persons who engage in violations of the California Financing Law (Cal. Fin. Code §§ 22000 –
13 22780.1) (CFL).

14 2. At all relevant times, Contrade Finance is a business entity of unknown form doing
15 business in California, using the business address 333 Clay Street, Houston, TX 77002; an email
16 address of info@contradefinance.com and a telephone number of 832-617-6730. There is no record
17 of any corporate filings for an entity named Contrade Finance in California.

18 3. Contrade Finance maintains a website at contradefinance.com where it offers business
19 loans with interest rates “as low as 3.16%” and personal loans as “a flexible and convenient way to
20 get the money you need for any purpose...” In addition to business loans and personal loans,
21 Contrade Finance offers equity financing, debt consolidation and “real estate deals” on its website.

22 4. At all relevant times, Derek Sapp (Sapp) is an employee of Contrade Finance, with an
23 email address of derek@contradefinance.com. Sapp represented himself to loan applicants as the
24 senior loan officer for Contrade Finance.

25 5. Beginning in at least 2023, Contrade Finance and Sapp engaged in the business of a
26 finance lender and/or broker in California by accepting loan applications from prospective borrowers
27 and entering into a loan agreement with at least one California resident. The loan agreement was for
28 \$3,000,000 at 3.16% interest. Sapp was the point of contact at Contrade Finance for the applicants
and oversaw the application process.

1 6. Contrade Finance and Sapp advertised lending services through Facebook groups
2 formed for small business owners. Once borrowers showed interest, Sapp communicated with the
3 applicants via phone and email and encouraged prospective borrowers to fill out a loan application.

4 7. On or around July 14, 2023, Contrade Finance approved at least one application for a
5 loan and requested various fees as prerequisites to receiving loan funds. Such fees included an
6 appraisal fee of \$1,050, insurance premium fees of \$6,800 paid to Contrade Finance’s own purported
7 insurance department, and closing fees of \$18,600. To date, the borrower has neither received the
8 loan, nor, despite numerous requests, any money paid back for the appraisal fee, credit insurance
9 premiums, and closing costs.

10 8. California Financial Code section 22100(a) provides, “No person shall engage in the
11 business of a finance lender or broker without obtaining a license from the commissioner.”

12 9. Contrade Finance has not been issued a license by the Commissioner authorizing it to
13 engage in the business of a finance lender and/or broker under the California Financing Law.

14 10. Contrade Finance is not exempt from the licensing requirements of California
15 Financial Code section 22100.

16 Based on the foregoing findings, the Commissioner is of the opinion that Contrade Finance
17 has engaged in the business of finance lender and/or broker without a license from the Commissioner
18 in violation of California Financial Code section 22100.

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Pursuant to California Financial Code section 22712, Contrade Finance is hereby ordered to desist and refrain from engaging in the business of a finance lender and/or broker in the State of California without first obtaining a license from the Commissioner, or otherwise being exempt.

This Order is necessary, in the public interest, for the protection of consumers and is consistent with the purposes, policies and provisions of the California Financing Law.

Dated: December 19, 2023
San Diego, California

CLOTHILDE V. HEWLETT
Commissioner of Financial Protection and Innovation



By _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division