



Citation: 2022 BCSECCOM 52

### **Settlement Agreement**

**Chartwell Asset Management Inc., Gregory Paul James Cameron, Wah Bo Chew,  
Matthew Evans Cameron**

*Securities Act, RSBC 1996, c. 418 (the Act)*

¶ 1 The Executive Director of the British Columbia Securities Commission (the Executive Director) and Chartwell Asset Management Inc. (Chartwell), Gregory Paul James Cameron, Wah Bo Chew, and Matthew Evans Cameron agree as follows:

#### **Agreed Statement of Facts**

1. Chartwell is a federal company, extra-provincially registered in British Columbia. Chartwell was registered as a portfolio manager from 2002 to 2020, an investment fund manager from 2011 to 2020, and an exempt market dealer from 2011 to 2020. On February 7, 2018, Chartwell ceased registrable activities in those categories. Effective January 20, 2020, Chartwell surrendered registration in those categories.
2. Gregory Paul James Cameron is a resident of Surrey, British Columbia. He has been a director of Chartwell since 2001. He became Chartwell's president and CEO in 2003.
3. Wah Bo Chew is a resident of Burnaby, British Columbia. He has been a director of Chartwell since 2001, its president from 2001 to 2003, and its vice president and secretary since 2003. From 2014 to 2017, Wah Bo Chew was registered as an advising representative with Chartwell.
4. Matthew Evans Cameron is a resident of Coquitlam, British Columbia. Beginning in 2010, Matthew Evans Cameron became employed at Chartwell. From 2014 to 2018, Matthew Evans Cameron was the vice president of Chartwell. During this period, he was also registered as an advising representative and chief compliance officer with Chartwell.
5. Chartwell, Gregory Paul James Cameron and Matthew Evans Cameron do not have a history of securities misconduct.
6. Wah Bo Chew entered into a settlement agreement with the Executive Director on January 22, 1997. In that settlement, Wah Bo Chew admitted that he:
  - (a) sent out advertisements on behalf of a registrant using the stationery of a private company, contrary to section 38 of the Act, in November 1994; and
  - (b) used stationery of a private company indicating that its mutual funds license was sponsored by a registrant, contrary to section 37 of the Act, in November 1996.



Wah Bo Chew gave an undertaking to pay \$2,000 to the Commission as part of that settlement.

***Misconduct***

7. In its capacity as an investment fund manager, Chartwell managed investment funds, including the Magna High Income Fund (the Income Fund).
8. Between March 2010 and March 2011, the Income Fund advanced US\$5 million (the Loan) to the Health Capital Receivables Funding Special Purpose Corporation I (Health Capital) pursuant to a loan agreement (the Loan Agreement). From 2010 to 2016, the Loan comprised a large proportion of the Income Fund's investments. The Loan was an illiquid investment.
9. By approximately 2014, Health Capital had stopped making timely interest payments owed to the Income Fund when due. Between March 2014 and May 2015, the Loan Agreement was restructured three times. In July 2016, Health Capital defaulted on the Loan Agreement. In 2017, Chartwell suspended redemptions of the Income Fund.
10. As an investment fund manager, Chartwell was required to calculate the net asset value of the Income Fund. Chartwell was required to exercise a degree of care, diligence and skill in carrying out that duty.
11. From 2010 to 2016, Chartwell did not have sufficient information about Health Capital to support its calculation of the value of the Income Fund. Beginning in or around 2010, Health Capital stopped providing reporting documents in a timely manner, and by 2012, it stopped providing reporting documents altogether.
12. Between 2010 and 2016, Chartwell did not re-evaluate the Income Fund's valuation despite the presence of risk indicators relating to the Loan to Health Capital, which included:
  - (a) missed or late interest payments by Health Capital;
  - (b) missed or late principal repayments by Health Capital;
  - (c) requests by Health Capital for an extended or modified payment schedule; and
  - (d) lack of financial information about Health Capital.
13. By calculating the net asset value of the Income Fund without having sufficient information to do so and by failing to re-evaluate the Income Fund's valuation despite the presence of risk indicators, Chartwell failed in its duty as an investment fund manager to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances, contrary to section 125(b) of the Act.
14. While Gregory Paul James Cameron and Wah Bo Chew were directors of Chartwell, and while Matthew Evans Cameron was an employee of Chartwell, each authorized, permitted or acquiesced in Chartwell's contravention of section 125(b) of the Act. By



operation of section 168.2(1) of the Act, Gregory Paul James Cameron, Wah Bo Chew and Matthew Evans Cameron also contravened section 125(b) of the Act.

***Mitigating Factors***

15. It is a significant mitigating factor that Chartwell, Gregory Paul James Cameron, Wah Bo Chew and Matthew Evans Cameron entered into this settlement, which avoids a potentially lengthy hearing to determine liability.

***Public Interest***

16. It is in the public interest that the Executive Director issue orders under section 161 of the Act.

***Undertakings***

13. Gregory Paul James Cameron undertakes to pay \$100,000 to the British Columbia Securities Commission in respect of settlement of this matter which sum is due and payable immediately without further demand.

14. Wah Bo Chew undertakes to pay \$70,000 to the British Columbia Securities Commission in respect of settlement of this matter which sum is due and payable immediately without further demand.

15. Matthew Evans Cameron undertakes to pay \$40,000 to the British Columbia Securities Commission in respect of settlement of this matter which sum is due and payable immediately without further demand.

***Order***

¶ 2 The Executive Director will issue orders under section 161(1) of the Act (the Order) that:

***Chartwell***

1. Chartwell is permanently prohibited:
  - (a) under section 161(1)(b)(ii), from purchasing any securities;
  - (b) under section 161(1)(d)(iii), from becoming or acting as a registrant or promoter; and
  - (c) under section 161(1)(d)(v), from engaging in promotional activities by or on behalf of an issuer, security holder or party to a derivative, or another person that is reasonably expected to benefit from the promotional activity.

***Gregory Paul James Cameron***

2. Gregory Paul James Cameron is prohibited for 15 years:
  - (a) under section 161(1)(d)(ii), from becoming or acting as a director or officer of any issuer or registrant, except that Gregory Paul James Cameron may be an officer or director of any unregistered issuer where he is the sole shareholder or where he and any family members are the sole shareholders; and



- (b) under section 161(1)(d)(iii), from becoming or acting as a registrant or promoter.

***Wah Bo Chew***

- 3. Wah Bo Chew is prohibited for 10 years, under section 161(1)(d)(ii), from becoming or acting as a director or officer of any issuer or registrant, except that Wah Bo Chew may be an officer or director of any unregistered issuer where he is the sole shareholder or where he and any family members are the sole shareholders.
- 4. Under section 161(1)(f), Wah Bo Chew shall be subject to the registration condition of strict supervision during any periods for which Wah Bo Chew is registered in any category under the Act. This registration condition shall continue to apply until Wah Bo Chew has been registered cumulatively for a total of 4 years from the date of the Order.

***Matthew Evans Cameron***

- 5. Matthew Evans Cameron is prohibited for 4 years, under section 161(1)(d)(iii), from becoming or acting as a chief compliance officer.
- 6. Under section 161(1)(f), Matthew Evans Cameron shall be subject to the registration condition of close supervision during any periods for which Matthew Evans Cameron is registered in any category under the Act. This registration condition shall continue to apply until Matthew Evans Cameron has been registered cumulatively for a total of 3 years from the date of the Order.

**Consent to Regulatory Orders**

- ¶ 3 Chartwell, Gregory Paul James Cameron, Wah Bo Chew and Matthew Evans Cameron consent to a regulatory Order made by any provincial or territorial securities regulatory authority in Canada containing any or all of the Orders set out in paragraph ¶2 above.

**Waiver**

- ¶ 4 Chartwell, Gregory Paul James Cameron, Wah Bo Chew and Matthew Evans Cameron waive any right they may have, under the Act or otherwise, to a hearing, hearing and review, judicial review or appeal related to, in connection with, or incidental to this settlement.

**Counterpart**

- ¶ 5 This Settlement Agreement may be signed in counterpart and all such counterparts of signed copies, whether delivered electronically or otherwise, shall be read or construed together as if they formed one originally executed document.

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¶ 6 February 17, 2022

¶ 7 “Chartwell Asset Management Inc.”  
*Chartwell Asset Management Inc.*  
(Signing Authority)

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Witness Signature )  
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Witness Name (please print) )  
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Address )  
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Occupation )

¶ 8 February 17, 2022

¶ 9 “Gregory Paul James Cameron”  
*Gregory Paul James Cameron*

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Occupation )



¶ 10 February 18, 2022

¶ 11 “Wah Bo Chew”  
Wah Bo Chew

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Witness Name (please print) )  
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Address )  
Redacted )  
Occupation )

¶ 12 February 18, 2022

¶ 13 “Matthew Evans Cameron”  
Matthew Evans Cameron

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Witness Name (please print) )  
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Address )  
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Occupation )

*“Peter J. Brady”*  
Mar 3 2022 4:12 PM -8:00

¶ 14 Peter J. Brady  
Executive Director