

Citation: Wu (Re), 2023 BCRMB 15

Date: 2023-12-05

File # INV21.013.38503

BC FINANCIAL SERVICES AUTHORITY

**IN THE MATTER OF THE *MORTGAGE BROKERS ACT*,
RSBC 1996, c. 313 as amended**

AND

IN THE MATTER OF

JEFFERSON WU

AND

CHARTELL PROPERTIES LTD.

CONSENT ORDER

(Pursuant to sections 8 (1.4) of the *Mortgage Brokers Act*)

[This Order has been redacted before publication.]

WHEREAS Jefferson Wu ("Mr. Wu") and Chartell Properties Ltd. ("Chartell"), (collectively the "Respondents") have never been registered under the *Mortgage Brokers Act*, RSBC 1996, c. 313 ("MBA");

AND WHEREAS the Registrar of Mortgage Brokers (the "Registrar") issued a Notice of Hearing to the Respondents on January 11, 2023 ("Notice of Hearing");

AND WHEREAS the following agreement has been reached between the Respondents and the staff of the Registrar ("Staff");

AND WHEREAS the Registrar agrees to the following terms of a consent order:

A. FINDINGS

The Registrar makes the following findings against the Respondents and the Respondents accept the following findings made against them:

1. Mr. Wu carried on business as a submortgage broker without being registered to do so as required by section 21 of the MBA, and without being exempted from registration pursuant to section 11 of the MBA, by being the sole director of Chartell while it carried on business as a mortgage broker without being registered to do so as required by section 21 of the MBA, from 2015 to 2022 inclusive.

2. Chartell carried on business as a mortgage broker without being registered to do so as required by section 21 of the MBA, and without being exempted from registration pursuant to section 11 of the MBA, from 2015 to 2022 inclusive, by:
 - a. Carrying on a business of lending money secured in whole or in part by mortgages;
 - b. In any one year, receiving an amount of \$1,000 or more in fees or other consideration, excluding legal fees, for arranging mortgages for borrowers; and
 - c. During any one year, lending money on the security of 10 or more mortgages.

B. ORDERS AND PENALTY

Pursuant to sections 8, 8 (1.4), and 6(9) of the MBA, the Respondents hereby consent to, and the Registrar hereby makes the following orders:

1. Pursuant to section 6(9) of the MBA, the Respondents shall jointly and severally pay an administrative penalty in the amount of \$30,000.
2. Pursuant to section 6(9) of the MBA, the Respondents shall jointly and severally pay investigation costs in the amount of \$3,805.93.
3. All amounts are immediately due and payable, and all payments must be made by cheque, bank draft, or money order, payable to the BC Financial Services Authority. This order may be filed with the court pursuant to the MBA, and steps to enforce this order may be taken if payment is not made in full within thirty (30) calendar days.

C. AGREED FACTS

As a basis for this Consent Order, the Respondents acknowledge the following facts as correct and make the following admissions:

1. Chartell is an incorporated company that has never been registered to conduct mortgage broker activities in British Columbia.
2. At all material times Mr. Wu was the sole owner and director of Chartell. He has never been registered to conduct mortgage broker activities in British Columbia.
3. From 2015 to 2022, Chartell provided financing to individuals and corporations, using its own funds, secured by mortgages registered on the title of properties owned by the individuals and corporations. In exchange for lending these funds, in addition to interest, Chartell received funds in excess of \$1,000 in each calendar year.
4. As of January 2021, Chartell had mortgages registered on thirteen BC properties, notwithstanding that two had been paid off but not discharged, thereby lending money on the security of 10 or more mortgages during any one year.
5. Chartell was not involved in the lending of any funds other than its own.
6. Chartell did not arrange mortgages on behalf of, or receive fees from, any third-party lenders.
7. Neither of the Respondents were aware that loaning their own funds could constitute unregistered mortgage activities as defined by the MBA

8. Neither of the Respondents have a prior discipline history with the Registrar.
9. The Respondents have fully cooperated with BCFSA's investigation of their unregistered activities and provided all requested documents.

D. WAIVER

The Respondents waive their right to a hearing under ss. 4 and 8 of the MBA and waive their right to appeal under s. 9 of the MBA.

Approved as to form and content by:

"Original signed by Sara Shuchat"

_____ this 5th day of December, 2023

Sara Shuchat
Legal Counsel for Jefferson Wu

"Original signed by Sara Shuchat"

_____ this 5th day of December, 2023

Sara Shuchat
Legal Counsel for Chartell Properties Ltd.

"Original signed by Laura Forseille"

_____ this 5th day of December, 2023

Laura Forseille
Legal Counsel for the Staff of the
Registrar of Mortgage Brokers

Issued this 5th day of December, 2023 at Victoria, British Columbia

"Original signed by Jonathan Vandall"

Jonathan Vandall
Acting Registrar of Mortgage Brokers, Province of British Columbia