

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 4449 / July 11, 2016

ADMINISTRATIVE PROCEEDING
File No. 3-17334

In the Matter of

**WILLIAM EMERY
MATTHEWS,**

Respondent.

**ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 203(f) OF THE
INVESTMENT ADVISERS ACT OF 1940,
MAKING FINDINGS, AND IMPOSING
REMEDIAL SANCTIONS**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against William Emery Matthews (“Respondent” or “Matthews”).

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings and the findings contained in Section III.2 below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 203(f) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds that:

1. Matthews was the chief investment officer and an 8% shareholder of MayfieldGentry Realty Advisors, LLC ("MGRA"), an investment adviser registered with the Commission from 2004 through July 2013. Matthews, 43 years old, is a resident of Detroit, Michigan.

2. On June 23, 2016, a final judgment was entered by consent against Matthews, permanently enjoining him from future violations of Sections 206(1) and 206(2) of the Advisers Act, in the civil action entitled United States Securities and Exchange Commission v. MayfieldGentry Realty Advisors, LLC, et al., Civil Action Number 13-CV-12520, in the United States District Court for the Eastern District of Michigan.

3. The Commission's complaint alleged that, in early 2008, MGRA and its CEO, Chauncey C. Mayfield ("Mayfield"), misappropriated approximately \$3.1 million belonging to one of the Detroit public employee pension funds and used the money to purchase two retail shopping centers on behalf of MGRA affiliates.

4. The complaint alleged that Matthews learned of the misappropriation in May 2011. The complaint further alleged that, despite his fiduciary obligations, Matthews kept the misappropriation a secret from the pension fund, and devised a plan with MGRA's other principals to secretly pay back the pension fund without the pension fund ever learning of the theft.

5. The complaint alleged that Matthews and the other MGRA principals affirmatively misled the pension fund through financial reporting and an extensive budget presentation. The complaint further alleged that MGRA eventually disclosed the misappropriation to the pension fund in late April 2012, after which the pension fund promptly fired MGRA.

6. The complaint alleged that Matthews' actions aided and abetted MGRA's and Mayfield's violations of Sections 206(1) and 206(2) of the Advisers Act.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent's Offer.

Accordingly, it is hereby ORDERED pursuant to Section 203(f) of the Advisers Act that Respondent Matthews be, and hereby is, barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization, with the right to apply for reentry after three (3) years to the appropriate self-regulatory organization, or if there is none, to the Commission.

Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against the Respondent, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

V.

It is further Ordered that, solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. §523, the findings in this Order are true and admitted by Respondent, and further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Respondent under this Order or any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Respondent of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. §523(a)(19).

By the Commission.

Brent J. Fields
Secretary