



NEWS RELEASE

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MFDA Hearing Panel Approves Settlement Agreement with Portfolio Strategies Corporation

June 20, 2008 (Calgary, Alberta) – A Settlement Hearing in the matter of Portfolio Strategies Corporation (“PSC”) was held yesterday before a Hearing Panel of the Prairie Regional Council of the Mutual Fund Dealers Association of Canada (“MFDA”).

The Hearing Panel approved a Settlement Agreement entered into between the MFDA and PSC. Under the terms of the settlement, the Hearing Panel issued a reprimand and imposed a fine in the amount of \$5,000 on PSC. The Settlement Agreement concerned the failure of PSC to create and maintain adequate records of a call and its response to the call from a client concerning the conduct of its Approved Person, Rodney Jacobson (whom PSC later terminated for cause), as well as the failure of PSC between November 2004 and December 2006 to conduct a reasonable supervisory investigation into Jacobson’s conduct in response to a client complaint to the MFDA. Jacobson was the subject of a previous MFDA disciplinary proceeding.

The Hearing Panel accepted the fact that PSC was not aware of Jacobson’s misconduct at the time that it occurred and there is no evidence that PSC benefited in any way from Jacobson’s misconduct. There is also no evidence that any additional client harm resulted from PSC’s misconduct. Prior to the Settlement Hearing, PSC made amendments to its policies and procedures and hired additional experienced compliance staff to address deficiencies that may have partially accounted for its misconduct in this case.

A copy of the Settlement Agreement is available on the MFDA’s website. The Hearing Panel will issue its Decision and Reasons in due course.

The Mutual Fund Dealers Association of Canada is the self-regulatory organization for Canadian mutual fund dealers. The MFDA regulates the operations, standards of practice and business conduct of its 159 Members and their approximately 75,000 Approved Persons with a mandate to protect investors and the public interest.