



Mutual Fund Dealers Association of Canada
Association canadienne des courtiers de fonds mutuels

NEWS RELEASE

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For further information, please contact:
Shaun Devlin
Vice-President, Enforcement
416-943-4672 or sdevlin@mfd.ca

MFDA Hearing Panel approves Settlement Agreement with Carmine Mazzotta

January 22, 2010 (Toronto, Ontario) – A Settlement Hearing in the matter of Carmine Paul Mazzotta (the “Respondent”) was held today in Toronto, Ontario before a Hearing Panel of the Central Regional Council of the Mutual Fund Dealers Association of Canada (the “MFDA”).

The Hearing Panel accepted the Settlement Agreement between the Respondent and MFDA Staff, as a consequence of which:

- (a) the Respondent agreed to rebate to each individual who purchased Portus Alternative Asset Management Inc. (“Portus”) investment products through the Respondent or his companies, Innovative Financial Group Inc. and Corporate Optimization Strategies Inc., the total amount of compensation that the Respondent or his companies retained from Portus in respect of such purchases;
- (b) the authority of the Respondent to conduct securities related business while in the employ of, or associated with, a Member of the MFDA shall be suspended for a period of 3 months commencing on June 1, 2010, provided that the Respondent complies with the requirements of (a) above;
- (c) if the Respondent fails to comply with the provisions of (a) above, the authority of the Respondent to conduct securities related business while in the employ of, or associated with, a Member of the MFDA shall be suspended until such time as the Respondent can demonstrate to the satisfaction of MFDA Staff that he has complied with the provisions of (a) above;
- (d) the Respondent shall pay costs to the MFDA in the amount of \$2,500; and
- (e) the Respondent agrees that in the future he will comply with MFDA Rules 1.1.1(a) and 1.2.1(d) and he will comply with policies, procedures and written directions of the Member.

In the Settlement Agreement, the Respondent admitted that between January 2004 and January 2005, he engaged in securities related business that was not carried on for the account of the

Member and through the facilities of the Member by selling, referring or facilitating the sale of approximately \$3.46 million of Portus investment products to approximately 31 clients, contrary to MFDA Rules 1.1.1(a) and 2.1.1.

The Respondent also admitted that between June 3, 2004 and January 2005, he contravened the Member's written direction, dated June 3, 2004, that he refrain from selling, referring or facilitating the sale of Portus investment products to clients, contrary to MFDA Rules 1.1.2 and 2.5.1 and MFDA Rule 2.1.1.

He further admitted that between January 30, 2004 and January 2005, he carried on a dual occupation that was not disclosed to and approved by the Member by incorporating and operating a company for processing sales and referrals of Portus investment products, contrary to MFDA Rules 1.2.1(d) and 2.1.1.

A copy of the [Settlement Agreement](#), containing more particulars with respect to the terms of settlement than reproduced herein, is available on the MFDA website at www.mfda.ca.

The MFDA is the self-regulatory organization for Canadian mutual fund dealers, regulating the operations, standards of practice and business conduct of its 144 Members and their approximately 75,000 Approved Persons with a mandate to protect investors and the public interest.

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