

# The Panther

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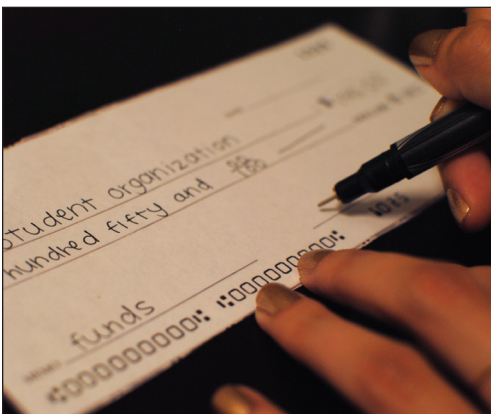
## Board vice chair on trial for insider trading charges



Illustration by NATE MULROY

Jim Mazzo, a Chapman Board of Trustees vice chair, is on trial for 13 counts of insider trading charges. The jury began deliberating May 3 and had not reached a verdict as of May 7.

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A student was caught increasing the amount on a funding request check from student government.

**News, Page 3**



Women's lacrosse loses to Claremont-Mudd-Scripps in conference finals.

**Sports, Page 16**



CAITIE GUTTRY Senior Photographer

Dean of Students Jerry Price began an open forum about free speech May 2 with a discussion about a sign posted on Chapman's campus that featured a swastika. News, Page 3

# Board of Trustees vice chairman on trial for insider trading charges

**Caroline Roffe** | Editor-in-chief  
**Jamie Altman** | Managing Editor  
**Rebecca Glaser** | News Editor

Jim Mazzo, a Chapman Board of Trustees vice chairman, is on trial for 13 counts of insider trading charges. Closing arguments finished May 3 after an eight-week trial, and the jury began deliberation, but had not reached a verdict as of May 7.

University President Emeritus Jim Doti testified in Mazzo's defense April 21. He said that he was not sure that Mazzo would be removed from the Chapman Board of Trustees if he is convicted, according to documents provided to The Panther by the Los Angeles Daily Journal. However, Doti told The Panther May 2 that he does not want to comment on the possibility of Mazzo's conviction, because he does not believe it will happen.

"There is one more thing I know that I am certain of: Jim Mazzo is not guilty of insider trading," Doti wrote in an email to The Panther. "That is something he would never do."

Insider trading is the illegal use of information that is available only to insiders in a company, shared with outside investors in order to make a profit in financial trading.

Mazzo is accused of providing nonpublic information in late 2008 to former baseball player Doug DeCinces, who is also on trial for insider trading charges. DeCinces, who owns Irvine-based real estate company DeCinces Properties, is one of the developers for Killefer Square, a proposed private complex designed to house Chapman students.

Doti wrote that he has known Mazzo for 15 years. Mazzo and his wife have donated about \$1 million to Chapman, according to the documents, and Mazzo was appointed vice chair of the Board of Trustees in 2016. He has been on the Board of Trustees since 2006.

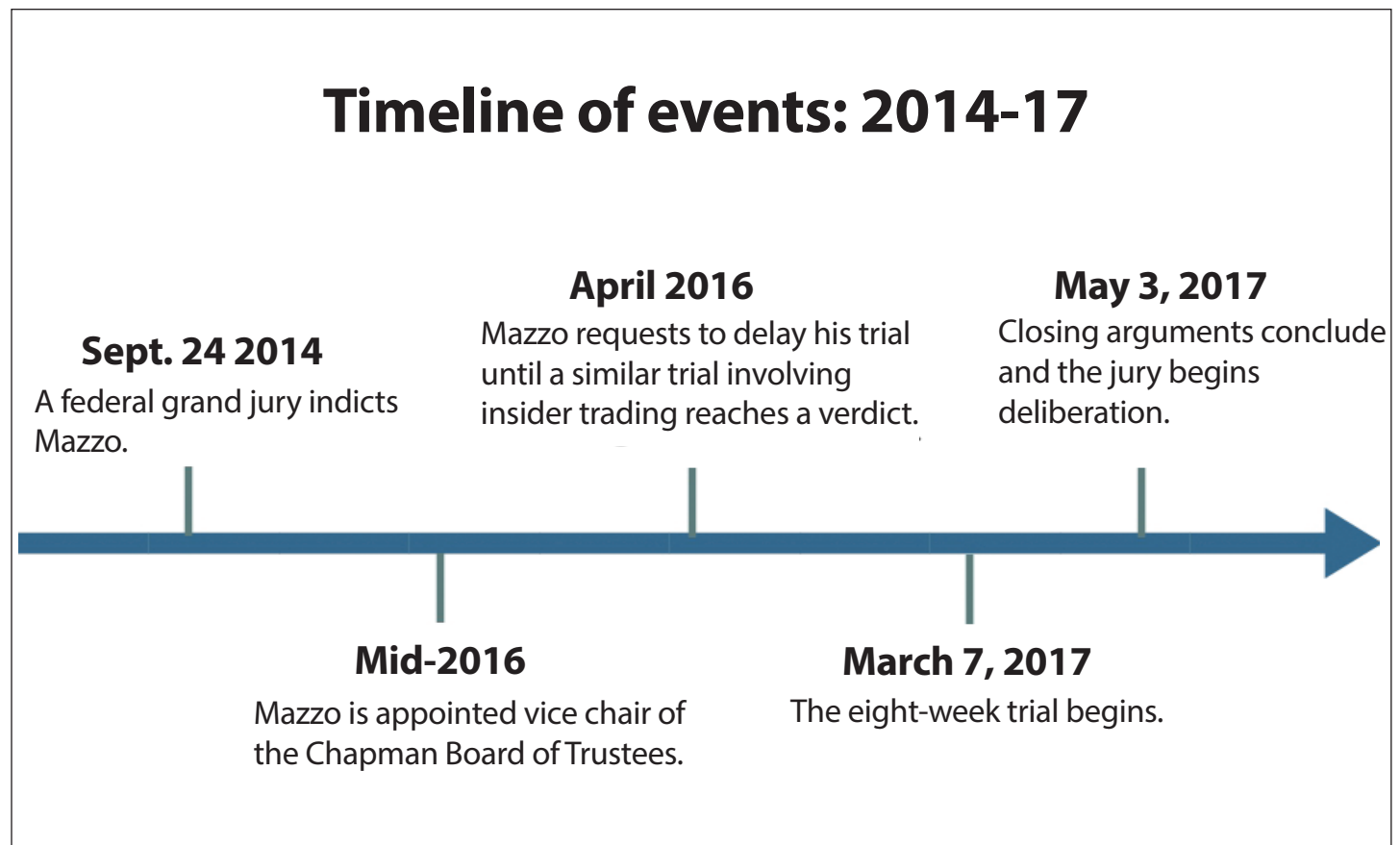
Mazzo was indicted by the FBI for the insider trading charges in 2014, but the case was brought to federal court. Doti said during his testimony that the Board of Trustees was aware that Mazzo was under indictment when he was appointed vice chair in 2016, Richard Marmaro, Mazzo's lawyer, said during his closing argument May 3.

During Marmaro's closing argument, he referenced the testimonies of multiple people who defended Mazzo's character during the trial, including Doti, which Marmaro said distinguished Mazzo as an "honest person" with "high integrity."

"The (prosecution) would have you believe that Jim Mazzo, in his early 50s, having twice survived cancer, would throw it all away," Marmaro said during the argument. "Not only is there no proof beyond a reasonable doubt of fraudulent intent, there is no proof at all."

Mazzo was the CEO of Advanced Medical Optics Inc., a Santa Ana-based vision care company, from 2002 to 2009, according to an FBI press release from 2014. He is accused of providing information to DeCinces, a close friend at the time, about the rising stock prices of his company before an acquisition by a larger medical company. As a result of the acquisition, the value of the company's stock rose from \$8 to \$22, according to the press release.

In the span of about two and a half months, DeCinces bought 90,700 shares of Mazzo's company, and ultimately made more than \$1.3 million by reselling these shares, Jennifer Waier, assistant U.S. attorney, said during the prosecution's closing argument May 2.



Graphic by JAMIE ALTMAN **Managing Editor**

President Emeritus Jim Doti said during his testimony April 21 that the Board of Trustees was aware that Vice Chair Jim Mazzo had been indicted by the FBI for insider trading charges when he was appointed vice chair in 2016, said Richard Marmaro, Mazzo's lawyer May 3. Read the full timeline at [thepantheronline.com](http://thepantheronline.com).



JAMIE ALTMAN **Managing Editor**

Board of Trustees Vice Chair Jim Mazzo was on trial for 13 counts of insider trading at the Ronald Reagan Federal Building and U.S. Courthouse in Santa Ana. Closing arguments ended May 3 and the jury is in deliberation, but had not reached a verdict as of May 7.

The time of DeCinces' purchases came during the Great Recession, and the company's stock had fallen from \$20 to \$5 as a result, Waier said.

"DeCinces knew tomorrow's news today," Waier said during her closing argument. "It was during a bad time in the market when everyone else was trying to get out."

Doti said during his testimony April 21 that he himself bought stock in Advanced Medical Optics Inc. in 2003 or 2004, and that he never heard Mazzo discuss confidential information about the company, according to the documents.

University President Daniele Struppa told The Panther that Mazzo is a

"wonderful trustee."

"(Mazzo) has always maintained the highest ethical standards in his dealings with the university," Struppa said. "He is a generous man, a wonderful father and husband, and a very involved member of our board."

In November 2008, Mazzo and his wife received the Outstanding Corporate Citizen Award at Chapman's annual American Celebration for their philanthropic donations.



Jim Mazzo