



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

**IN THE MATTER OF A DISCIPLINARY HEARING  
PURSUANT TO SECTIONS 20 AND 24 OF BY-LAW NO. 1 OF  
THE MUTUAL FUND DEALERS ASSOCIATION OF CANADA**

**Re: Guy Edward Dudding**

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**ORDER**

(ARISING FROM THE PENALTY HEARING ON DECEMBER 17, 2021)

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**WHEREAS** on May 18, 2021, the Mutual Fund Dealers Association of Canada (the “MFDA”) issued a Notice of Hearing (as amended on September 24, 2021) pursuant to sections 20 and 24 of By-law No. in respect of a disciplinary proceeding commenced against Guy Edward Dudding (the “Respondent”);

**AND WHEREAS** on June 24, 2021, the first appearance in this proceeding was held before one public representative of a Regional Council acting on behalf of a hearing panel of the Prairie Regional Council of the MFDA (the “Hearing Panel”), pursuant to s. 19.13 of MFDA By-Law No. 1;

**AND WHEREAS** at the first appearance on June 24, 2021, MFDA Staff made submissions to the Hearing Panel with respect to scheduling and other procedural matters;

**AND WHEREAS** on September 24, 2021, an appearance in this proceeding was held before the Hearing Panel, pursuant to s. 19.13 of MFDA By-Law No. 1;

**AND WHEREAS** on September 24, 2021, the Hearing Panel ordered, among other things, that the hearing of this matter on its merits (the “Hearing”) shall take place before the Hearing

Panel by videoconference from December 1 to 3, 2021, commencing at 10:00 a.m. (Mountain) each day, or as soon thereafter as the matter can be heard;

**AND WHEREAS** at the Hearing, the Hearing Panel considered the evidence and submissions presented by counsel for MFDA Staff, and the Respondent;

**AND WHEREAS** on December 2, 2021 at the conclusion of the Hearing, the Hearing Panel found that the Respondent had engaged in the following misconduct:

1. Between June 2015 and May 2019, the Respondent misappropriated or otherwise failed to account for client monies, contrary to MFDA Rules 2.1.1, 2.5.1 and 1.1.2;
2. Between November 2016 and February 2017, the Respondent borrowed monies from a client, thereby engaging in personal financial dealings with a client which gave rise to a conflict or potential conflict of interest that he failed to disclose to the Member or otherwise address by the exercise of responsible business judgment influenced only by the best interests of the client, contrary to the policies and procedures of the Member and MFDA Rules 2.1.4, 2.1.1, 2.5.1 and 1.1.2;
3. On or about May 9, 2017, the Respondent provided a falsified account statement to a client, contrary to MFDA Rule 2.1.1;
4. Between August 2015 and March 2020, the Respondent made false or misleading statements:
  - i. to the Member in response to its supervisory inquiries; and
  - ii. to the Member or MFDA Staff during the course of investigations into his conduct; contrary to MFDA Rule 2.1.1; and
5. Commencing in March 2020, the Respondent failed to cooperate with an investigation by MFDA Staff into his conduct, contrary to section 22.1 of MFDA By-Law No. 1;

**AND WHEREAS** on December 17, 2021, the Hearing Panel considered the evidence and submissions presented by counsel for MFDA Staff with respect to penalty;

**IT IS HEREBY ORDERED THAT:**

1. The Respondent is permanently prohibited from conducting securities related business in any capacity while in the employ of or associated with any MFDA Member, pursuant to section 24.1.1(e) of the MFDA By-law No. 1.

2. The Respondent shall pay a fine in the amount of \$990,600, pursuant to s. 24.1.1(b) of MFDA By-law No.1, as follows:

- a) \$845,600 with respect to Allegation #1 (misappropriation);
- b) \$20,000 with respect to Allegation #2 (borrowing from a client);
- c) \$25,000 with respect to Allegation #3 (falsified account statement);
- d) \$50,000 with respect to Allegation #4 (misleading the Member and/or Staff); and
- e) \$50,000 with respect to Allegation #5 (failure to cooperate).

3. The Respondent shall pay costs in the amount of \$20,000, pursuant to s. 24.2 of MFDA By-law No. 1.

4. If at any time a non-party to this proceeding, with the exception of the bodies set out in section 23 of MFDA By-law No. 1, requests production of or access to exhibits in this proceeding that contain personal information as defined by the MFDA Privacy Policy, then the MFDA Corporate Secretary shall not provide copies of or access to the requested exhibits to the non-party without first redacting from them any and all personal information, pursuant to Rules 1.8(2) and (5) of the MFDA *Rules of Procedure*.

**DATED** this 17<sup>th</sup> day of December, 2021.

“Richard Yaffe”

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Richard Yaffe, Q.C.

Chair

“Birju Shah”

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Birju Shah

Industry Representative

“Sean Shore”

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Sean Shore

Industry Representative