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Citation: *Ontario Securities Commission v Namburi*, 2026 ONCMT 13

Date: 2026-03-09

File No. 2025-24

**BETWEEN:**

**ONTARIO SECURITIES COMMISSION**

**(Applicant)**

**- and -**

**RADHAKRISHNA NAMBURI**

**(Respondent)**

**REASONS AND DECISION**

**(Subsection 127(1) and section 127.1 of the *Securities Act*, RSO 1990, c S.5)**

**Adjudicator:** Dale R. Ponder

**Hearing:** In writing; final written submissions received December 4, 2025

**Appearances:** Susan Kimani For the Ontario Securities Commission  
Matthew McMurray

No one appearing for Radhakrishna Namburi

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## REASONS AND DECISION

### 1. OVERVIEW

- [1] In October 2022, following a contested hearing, Radhakrishna Namburi was ordered by the Tribunal to resign from any positions he held as a director or officer of an issuer and was banned from becoming or acting as a director or officer of an issuer for ten years.<sup>1</sup> The Ontario Securities Commission now alleges that Namburi breached that order by remaining a director of two issuers for about three years after the ban, thereby contravening Ontario securities law.
- [2] This enforcement proceeding combines the merits and sanctions and costs hearings against Namburi and is being conducted in writing, pursuant to an order dated October 29, 2025.<sup>2</sup>
- [3] Namburi did not participate in this proceeding and did not file any materials, despite being properly served and being given multiple opportunities to do so.
- [4] As I explain below, Namburi did breach the 2022 order by failing to resign as required and by continuing as a director of two companies. He thereby contravened Ontario securities law. As a result, I conclude that:
- a. Namburi must pay an administrative penalty of \$7,500;
  - b. on or before April 9, 2026, Namburi must resign any positions he holds as a director or officer of any issuer;
  - c. until April 7, 2037, Namburi is prohibited from being a director or officer of any issuer; and
  - d. Namburi must pay to the Commission costs of \$4,328.75.

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<sup>1</sup> (2022), 45 OSCB 8685; [https://www.capitalmarketstribunal.ca/sites/default/files/2022-10/rad\\_20221007\\_vrk-forex.pdf](https://www.capitalmarketstribunal.ca/sites/default/files/2022-10/rad_20221007_vrk-forex.pdf)

<sup>2</sup> (2025), 48 OSCB 9091; [https://www.capitalmarketstribunal.ca/sites/default/files/2025-10/rad\\_20251029\\_namburi.pdf](https://www.capitalmarketstribunal.ca/sites/default/files/2025-10/rad_20251029_namburi.pdf)

## 2. BACKGROUND

- [5] The factual findings in these reasons are based on uncontradicted evidence contained in affidavits filed by the Commission from Paul Baik, Investigator,<sup>3</sup> and Julia Ho, Law Clerk.<sup>4</sup>
- [6] Namburi, an Ontario resident, was a respondent in *VRK Forex & Investments Inc (Re)*.<sup>5</sup> On October 7, 2022, the Tribunal issued a sanctions and costs order against Namburi. The order required Namburi to resign any positions he held as a director or officer of an issuer and prohibited him from becoming or acting as a director or officer of an issuer for a period of ten years.
- [7] The Commission's allegations in this proceeding relate to Namburi's involvement with two companies - VRK Forex & Investments Inc. and SSR Imports and Exports Inc.
- [8] On December 20, 2024, and again on January 9, 2025, the Commission asked Namburi to provide evidence of his compliance with the October 2022 order. On January 11, 2025, Namburi replied, regarding VRK, that he would "now" proceed "to remove [his] name and closings of the company" and, regarding SSR, that he had resigned his directorship.
- [9] On January 16, 2025, Namburi sent the Commission a government report for SSR, which indicated that as of that date, he was no longer listed as a director of SSR. On the same date, he reiterated that he had "closed" VRK, but did not provide any evidence to support this claim.
- [10] The Commission's affidavit evidence, including reports issued by the Ontario government, and correspondence with Namburi, confirm the following:
- a. with respect to VRK Forex & Investments Inc.: Namburi became a director of VRK in 2011, and the company was inactive due to voluntary dissolution effective November 6, 2025, three years after the 2022 order; and

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<sup>3</sup> Exhibit 1, Affidavit of Paul Baik sworn December 4, 2025, (**Baik Affidavit**)

<sup>4</sup> Exhibit 2, Affidavit of Julia Ho sworn December 4, 2025 (**Ho Affidavit**)

<sup>5</sup> File No. 2019-40

- b. with respect to SSR Imports and Exports Inc.: Namburi became a director of SSR in 2017, and ceased to be a director on its dissolution on December 2, 2024, more than two years after the 2022 order.

### **3. ANALYSIS**

#### **3.1 Proceeding in Namburi's absence**

- [11] Namburi has not participated in any part of this proceeding.
- [12] The Tribunal held a case management hearing in this matter on October 29, 2025. Namburi did not attend. I found that he had been properly served at the email address he had previously used to communicate with the Commission and proceeded in his absence. The order arising from that hearing, which provided a deadline for Namburi to serve and file written evidence and submissions for this hearing, was sent to him by the registrar and posted on the Tribunal's website. Namburi did not file any materials by that deadline.
- [13] On January 21, 2026, it was brought to my attention by counsel for the Commission that Namburi has been in communication with them. Among other things, Namburi stated that he had been having email connectivity issues and that his failure to resign from the companies identified by the Commission was "not [his] mistake". On January 22, I advised Namburi through the registrar that he would have an additional two weeks to serve and file materials or otherwise make a request for relief from the Tribunal. I advised Namburi that if wished to make an argument for the Tribunal's consideration it needed to be sent to me, through the registrar, copying the Commission within the extended deadline. Namburi did not file any materials or send any correspondence through the registrar.
- [14] I conclude it is appropriate to proceed with this written hearing without Namburi's participation.<sup>6</sup>

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<sup>6</sup> *Statutory Powers Procedure Act*, RSO 1990 c S.22, s 7(2); *Capital Markets Tribunal Rules of Procedure*, subrule 24(3)

### **3.2 Breach of the director and officer bans in the 2022 order**

- [15] The *Securities Act*<sup>7</sup> (the **Act**) defines “Ontario securities law” to include a decision of the Commission or Tribunal to which a person is subject. The October 2022 order is part of Ontario securities law as applied to Namburi.
- [16] The Commission submits that the evidence demonstrates a clear breach of the October 2022 order. I agree. The Commission provided evidence of Namburi’s resignation from SSR effective December 2, 2024, and the dissolution of VRK effective November 6, 2025, showing that it was not until November 6, 2025, that Namburi became fully compliant with the October 2022 order.
- [17] By continuing to be a director of these two companies while the director and officer bans were in effect, Namburi breached the October 2022 order and thereby contravened Ontario securities law.
- [18] The Commission asked that I make a finding that by contravening Ontario securities law, Namburi breached s. 122(1)(c) of the *Act*, which states that a “person or company that [...] contravenes Ontario securities law, is guilty of an offence [...]”. I adopt the reasoning set out in the recent *Ontario Securities Commission v Carnie* decision in which the Tribunal found it to be unnecessary in a case such as this to also make a finding under s. 122(1)(c).<sup>8</sup> Having found that Namburi contravened Ontario securities law by breaching the October 2022 order, nothing is gained from also making a finding that he breached s. 122(1)(c) of the *Act*, so I decline to make this finding.

### **3.3 Sanctions**

#### **3.3.1 Introduction**

- [19] Having decided that Namburi contravened Ontario securities law, I now turn to a determination of the appropriate sanctions and costs to order against him. I may impose sanctions under s. 127(1) of the *Act* if I find it is in the public interest to do so. The exercise of that jurisdiction must be consistent with the purposes of the *Act*, including the protection of investors from unfair, improper or fraudulent

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<sup>7</sup> RSO 1990, c S.5

<sup>8</sup> 2026 ONCMT 6 at paras 20-22

practices, and the fostering of fair and efficient capital markets.<sup>9</sup> The jurisdiction is protective and preventative in focus, not punitive.<sup>10</sup>

[20] The Commission submits the following sanctions and costs are in the public interest:

- a. an order that Namburi resign as a director or officer of any issuer, within 30 days of the Tribunal's order;
- b. an order that Namburi be prohibited from becoming or acting as a director or officer of any issuer for a further period of four years and six months from October 7, 2032, the date of expiry of the ban contained in the October 7, 2022, order;
- c. an order that Namburi pay an administrative penalty of \$7,500; and
- d. an order that Namburi pay \$5,957.36 for costs of the investigation and proceeding.

[21] I agree with the Commission's submissions that an extension of the original director and officer ban by an additional four years and six months together with an administrative penalty of \$7,500 is in the public interest. I find that a lower costs order than that sought by the Commission is appropriate in this case.

[22] I will address each of the requested sanctions and the requested order for costs in turn. I begin with a discussion of the well-established sanctioning factors<sup>11</sup> that apply in this case.

### **3.3.2 Analysis**

#### **3.3.2.a Sanctioning factors**

[23] I may consider a variety of factors when imposing sanctions. In this case, I consider the most relevant factors to be the seriousness of the misconduct, the recurrent nature of the misconduct involving two corporations and about three

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<sup>9</sup> *Act*, s 1.1; *Money Gate Mortgage Investment Corporation (Re)*, 2021 ONSEC 10 at para 7

<sup>10</sup> *Cartaway Resources Corp (Re)*, 2004 SCC 26 at paras 58-62

<sup>11</sup> *Belteco Holdings Inc (Re)*, (1998) 21 OSCB 7743 at 7746; *Erikson v Ontario (Securities Commission)*, 2003 CanLII 2451 (ON SC) (**Erikson**) at para 58; *MCJC Holdings Inc (Re)* (2002), 25 OSCB 1133 at 1135

years in duration, the need to achieve both specific and general deterrence, and the absence of any mitigating factors.

### **3.3.2.a.i Seriousness and recurrent nature of the misconduct**

- [24] While not amongst the most serious misconduct that has come before this Tribunal, Namburi's misconduct is serious. Breaching a Tribunal order is serious and egregious.<sup>12</sup> Respect for and compliance with Tribunal orders is a critical element in the regulation of Ontario's capital markets. A breach of a Tribunal order shows a disregard for the rule of law as well as for the Tribunal and its processes.<sup>13</sup> Further, non-compliance with Tribunal orders diminishes their deterrent effect and erodes confidence in the regulatory process and the capital markets.<sup>14</sup>
- [25] Since Namburi did not participate in this proceeding, I do not have evidence of any mitigating factors. The Commission submits there are none.
- [26] Namburi's misconduct was not an isolated occurrence. He remained a director of SSR for two years, and VRK for three years, despite the director and officer ban imposed in October 2022 and despite the Commission asking him for confirmation of his compliance.
- [27] The Commission's evidence shows that Namburi became fully compliant with the director and officer ban close to a year after the Commission initially contacted him, and when he was initially asked to provide evidence of his compliance he did not do so. The Commission submits that Namburi ignoring specific warnings or advice about the requirement to comply with a director and officer ban is an aggravating factor. I agree. Namburi's behaviour shows a repeated disregard for compliance.

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<sup>12</sup> *MOAG Copper Gold Resources Inc (Re)*, 2020 ONSEC 29 (**MOAG**) at para 15; *Threegold Resources Inc (Re)*, 2021 ONSEC 30 at para 67

<sup>13</sup> *Stinson (Re)*, 2023 ONCMT 50 at para 18; *Da Silva (Re)*, 2012 ONSEC 32 at paras 8-9

<sup>14</sup> *Wing (Re)*, 2018 ONSEC 25 at para 1

### **3.3.2.a.ii Specific and general deterrence**

- [28] In determining sanctions, it is appropriate for the Tribunal to consider the likely effect the sanction would have on the respondent (specific deterrence) as well as on others (general deterrence).
- [29] The Commission submits that the requested administrative penalty and new director and officer ban will effectively meet the goals of specific and general deterrence.
- [30] In keeping with the goal that sanctions be preventative, I must impose sanctions that convey a clear message to Namburi that compliance with Tribunal orders is not optional. The sanctions should convey to him that there are serious consequences that come with a failure to abide by the terms of an order and that repeated contravention may require an even more significant response.
- [31] The sanctions I impose also should send a message to others tempted to ignore Tribunal orders that serious consequences will follow continued non-compliance.

### **3.3.2.b Director and officer bans**

- [32] Participation in the capital markets is a privilege, not a right.<sup>15</sup> Disregarding a Tribunal order is serious and warrants a further ban from participation in the capital markets.<sup>16</sup>
- [33] The Commission submits that a new director and officer ban of four years and six months is appropriate in this case. This ban would approximate the amount of time Namburi was in breach of the existing director and officer ban (three years) plus an additional 18 months.
- [34] The Commission also submits that an order requiring Namburi to resign as a director or officer of any issuer is appropriate, in the event that he remains a director or officer of an issuer of which the Commission is unaware, including any issuer he may have become an officer or director of during this proceeding.
- [35] I accept this as a reasonable approach to reflect the time during which Namburi ignored the bans imposed upon him in the 2022 order, and to achieve the

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<sup>15</sup> *Erikson* at paras 55-56

<sup>16</sup> *MOAG* at para 15

objective of specific deterrence in light of his earlier noncompliance with the bans. I will issue the order requested by the Commission.

### **3.3.2.c Administrative penalty**

- [36] If a person or company has not complied with Ontario securities law, the Tribunal may order payment of an administrative penalty of not more than \$5,000,000 for each failure to comply. Determining the appropriate amount of an administrative penalty is not a science.<sup>17</sup> In the past, the Tribunal has emphasized the seriousness of the misconduct and the importance of deterrence as particularly relevant to this question.<sup>18</sup>
- [37] In this case, the Commission is seeking an administrative penalty of \$7,500 against Namburi. This amount is based on a penalty of \$1,500 per year of breach of the director and officer ban per issuer (*i.e.*, \$1,500 x 2 for SSR plus \$1,500 x 3 for VRK = \$7,500)
- [38] The Commission cited several authorities in support of its request.<sup>19</sup> However, the guidance these precedents can provide is limited given the wide range of penalties ordered in each, ranging from \$40,000 to \$500,000, and, as noted below, the important contextual differences that exist.
- [39] In *Valentine*, for example, this Tribunal imposed an administrative penalty of \$500,000 for the respondent's breach of a director and officer ban in respect of 38 private companies over an extended period of about 19 years. On a per breach basis that penalty approximates to only \$693 per issuer per year. However, the Tribunal imposed other significant sanctions in that case given the seriousness and extent of the violations involved, including a disgorgement order totalling over \$15 million, and in its reasons noted that it was taking a global view of all the sanctions it imposed.<sup>20</sup>
- [40] In the other authorities cited by the Commission, the administrative penalties ranged from \$2,750 to \$15,000 per issuer per year of breach. The Commission

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<sup>17</sup> *Quadrex Hedge Capital Management Ltd (Re)*, 2018 ONSEC 3 at para 59

<sup>18</sup> *Valentine (Re)*, 2024 ONCMT 21 (***Valentine***) at para 62

<sup>19</sup> *Dunn (Re)*, 2023 BCSECCOM 251; *Re Malone*, 2016 BCSECCOM 334; *Re Jardine*, 2016 BCSECCOM 82; *Alexander (Re)*, 2007 BCSECCOM 773; *Re Cadman*, 2015 ABASC 836

<sup>20</sup> *Valentine* at paras 45 and 48-63

distinguished the cases with higher sanctions because they featured various aggravating factors that are not present here (*i.e.*, attempts to conceal non-compliance, and respondents' active involvement in capital markets).

[41] I note that the authorities provided by the Commission on their face also did not seem to adopt a mathematical calculation in arriving at the penalties imposed. However, I accept the Commission's proposal for a total administrative penalty of \$7,500 as a reasonable outcome in these circumstances. The Commission's proposed penalty, together with the new director and officer ban, adequately addresses the sanctioning factors I've outlined in these reasons, including the seriousness of the misconduct and specific and general deterrence objectives. I see no reason to depart from the Commission's proposal, and I will issue the requested order.

### **3.4 Costs**

[42] Section 127.1 of the *Act* gives the Tribunal discretion to order a person or company to pay the costs of an investigation or a hearing if satisfied that the person or company has not complied with Ontario securities law or has not acted in the public interest. A costs order is not a sanction, but rather a means to recover the costs of an investigation or hearing.

[43] The Commission seeks a costs order of \$5,957.36 in this case and filed the Ho Affidavit containing the Commission's Bill of Costs to support its request. This amount includes two elements:

- a. \$4,328.75 in fees, reflecting time spent on this matter by one litigation counsel, one investigator and one law clerk; and
- b. \$1,628.61, being one ninth of the total amount in fees attributable to a group of nine cases, including this one, that make similar allegations against different respondents that involved certain "common tasks" by the Commission.

[44] The Commission's Bill of Costs excludes any time related to settlement discussions and negotiations, and costs incurred between December 2, 2024, and July 31, 2025. As a result, the Commission submits the costs sought in this matter reflect a substantial discount compared to the full costs incurred.

[45] I am satisfied that it is appropriate to make an order for costs for the first element of the costs sought by the Commission, but not the second element. I exclude the request for an apportionment of “common task” costs among the nine cases pursued by the Commission. Despite the Commission’s claim that the costs sought have been substantially discounted already, I have insufficient facts to determine the reasonableness of the second element of the costs sought, in total or in the method of apportionment.

[46] Accordingly, I will order that Namburi pay to the Commission costs of \$4,328.75.

#### **4. CONCLUSION**

[47] For these reasons, it is in the public interest to order, and I will order that:

- a. Namburi shall, on or before April 9, 2026, resign any positions he holds as a director or officer of any issuer, pursuant to paragraph 7 of s. 127(1) of the *Act*;
- b. Namburi is prohibited from becoming or acting as a director or officer of any issuer until April 7, 2037, pursuant to paragraph 8 of s. 127(1) of the *Act*;
- c. Namburi shall pay an administrative penalty of \$7,500 for his failure to comply with Ontario securities law, pursuant to paragraph 9 of s. 127(1) of the *Act*; and
- d. Namburi shall pay to the Commission \$4,328.75 for costs of the investigation and hearing, pursuant to s. 127.1 of the *Act*.

Dated at Toronto this 9<sup>th</sup> day of March, 2026

*"Dale R. Ponder"*

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Dale R. Ponder