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## REASONS FOR DECISION

### 1. OVERVIEW

- [1] In this enforcement proceeding, the Ontario Securities Commission alleges that Purpose Investments Inc., an investment fund manager, made 19 false sales communications about the extent to which environmental, social and governance (**ESG**) factors were considered in Purpose's investment decisions about the funds it managed.
- [2] The Commission further alleges that Som Seif, who is Purpose's chair, CEO and registered Ultimate Designated Person, made some of those false statements himself and that he also authorized, permitted or acquiesced in Purpose's false statements.
- [3] The hearing on the merits of the Commission's allegations is several months away. Seif moved for an order requesting further disclosure from the Commission (a request Purpose supported) and further particulars of some of the allegations against him. Between his bringing of the motion and the conclusion of the hearing of the motion, the Commission provided some limited additional disclosure and undertook to provide certain particulars. At the hearing, we dismissed the remaining portions of Seif's motion, for reasons to follow.<sup>1</sup> These are our reasons.

### 2. ANALYSIS

#### 2.1 Motion for disclosure

##### 2.1.1 Introduction

- [4] Seif's request for further disclosure involves two broad categories. We deal with each category in turn.

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<sup>1</sup> *Ontario Securities Commission v Purpose Investments Inc.*, (2026) 49 OSCB 1529; [https://www.capitalmarketstribunal.ca/sites/default/files/2026-02/rad\\_202060212\\_purpose-investments-inc.pdf](https://www.capitalmarketstribunal.ca/sites/default/files/2026-02/rad_202060212_purpose-investments-inc.pdf)

### **2.1.2 Correspondence with other investment fund managers**

- [5] As background to the first category, Seif referred to an ESG disclosure-related compliance review that the Commission conducted several years ago, and to other investment fund managers (in addition to Purpose) that were the subject of that review.
- [6] In his motion, Seif sought disclosure of correspondence between the Commission and the other investment fund managers.
- [7] The Commission's obligation to make disclosure is broad, extending to relevant documents that might reasonably assist a respondent in making full answer and defence, including by helping the respondent make tactical decisions. The Commission must err on the side of inclusion when making disclosure. However, the scope is not unlimited. Relevance is determined in the context of the Commission's allegations.<sup>2</sup>
- [8] Seif bore the burden of showing that we should order further disclosure.<sup>3</sup> He failed to do that for this category. Nothing in the Commission's Application for Enforcement Proceeding puts in issue the conduct of other investment fund managers or the Commission's review of those entities. The Application does not mention those entities and does not invoke industry practice in any way. We must determine relevance based on the allegations as they are, not how Seif might imagine them to be.<sup>4</sup>
- [9] In any event, the Commission confirmed that it will not rely on industry practice, Commission staff guidance, or its compliance review in support of its case. Seif advised that because of that confirmation, he was no longer pursuing this request. Accordingly, we treated it as having been withdrawn.

### **2.1.3 Internal Commission documents about the respondents' ESG disclosures, or about ESG integration vs. ESG exclusion**

- [10] Seif also sought disclosure of the Commission's internal documents (including memoranda, summaries, briefing notes and other non-privileged notes) about:

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<sup>2</sup> *Deloitte & Touche LLP v Ontario (Securities Commission)*, 2002 CanLII 44980 (ON CA) at para 40

<sup>3</sup> *BDO Canada LLP (Re)*, 2019 ONSEC 21 (**BDO**) at para 16

<sup>4</sup> *BDO* at para 44

- a. the respondents' ESG disclosures;
- b. what he referred to as "ESG integration" vs. "ESG exclusion", two different approaches that fund managers may take; and
- c. ESG disclosure in sales communications and prospectuses, in the context of Staff Notices.

[11] Seif did not demonstrate how any of these internal documents would be relevant to the Commission's allegation that the alleged sales communications were false or misleading. Generally, documents (including internal Commission documents) containing analysis, commentary or opinion from individuals not testifying as expert witnesses have no probative value and are therefore not relevant.<sup>5</sup> The Commission asserts that it has disclosed all relevant documents. Seif gave us no reason to doubt that assertion.

[12] Originally, Seif also sought correspondence between the Commission and other members of the Canadian Securities Administrators (*i.e.*, other provincial regulators). After Seif filed his motion, the Commission advised that there was no relevant correspondence of that description. Seif withdrew that request.

#### **2.1.4 Privilege log**

[13] The final element of Seif's disclosure motion was his request that we order the Commission to produce a privilege log that identifies documents that would have been producible but were withheld because they were privileged. Seif identified no authority from this Tribunal or from any similar venue where such a log would be required. We heard no persuasive reason we should create that obligation.

[14] In reaching that conclusion, we rejected Seif's submission that OSC Staff Notice 15-708 *Enforcement Branch Document Production Guidance* ought to influence us. That notice contains the Commission's guidance encouraging recipients of investigation summonses to produce privilege logs. It arises in a different context and, as the Commission noted, it has no binding authority even in that context.

[15] For those reasons, we dismissed this request.

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<sup>5</sup> *BDO* at para 43

## **2.2 Motion for particulars**

### **2.2.1 Introduction**

- [16] Seif sought particulars with respect to the Commission's allegation that he "authorized, permitted or acquiesced in Purpose's breaches of Ontario securities law". If the Commission proves that allegation, then by s. 129.2 of the *Act*, Seif, as a director and officer of Purpose, would be deemed to have contravened Ontario securities law to the extent of any breach by Purpose that he authorized or permitted, or in which he acquiesced.
- [17] The Application itself provides some particulars of this allegation. It alleges explicitly that:
- a. Seif was aware of the state of ESG integration at Purpose;
  - b. Seif did not act to prevent Purpose from making the impugned statements; and
  - c. Seif allowed the impugned statements to persist.
- [18] Those allegations are clear. However, the Commission was less clear in its allegation that Seif "provided quotes and reviewed and edited" some of the impugned statements before Purpose made them. Grammatically, the sentence is ambiguous, because it joins multiple verbs to multiple objects, without clearly specifying which verbs apply to which communications. Seif deserves greater clarity.
- [19] At the hearing of the motion, the Commission undertook to address this ambiguity by delivering, within one week of the motion hearing, particulars as to which of the 19 impugned statements the Commission alleges Seif reviewed and which he edited, and for which ones he provided quotations.
- [20] With that undertaking having been provided, we dismissed the balance of Seif's request for particulars.

### **2.2.2 Analysis**

- [21] Subrule 22(2) of the Tribunal's *Rules of Procedure* permits the Tribunal to order that an applicant provide particulars "necessary for a satisfactory understanding of the subject of the proceeding", including "a general statement of the facts

being relied on". That provision is consistent with the principle that fairness requires that allegations be sufficiently particularized to define the issues, to prevent surprise, and to allow the parties to prepare for the hearing.<sup>6</sup>

[22] On December 10, 2025, after Seif filed this motion, the Commission wrote to his counsel. The Commission confirmed that:

- a. it alleges that Seif authorized, permitted or acquiesced in all of Purpose's alleged breaches;
- b. its allegation that Seif failed to prevent Purpose from making the statements, and that he allowed the statements to persist, relates to all 19 of the statements; and
- c. its allegation that Seif "provided quotes and reviewed and edited" some statements relates to all but three of the 19 statements (those in subparagraphs 9(a), 9(j) and 9(l) of the Application).

[23] Seif sought more. He submitted that he was entitled to particulars of the "specific conduct, communications, omissions or facts" on which the Commission intends to rely for the s. 129.2 allegation.

[24] We did not accept that submission.

[25] To the extent that Seif sought particulars of omissions or acquiescence, he gave us no examples of the kind of particulars that would be appropriate, and we can think of none. The 19 communications are clearly and specifically identified, a fact that Seif does not contest. Having alleged that Seif was aware of the communications and that he failed to prevent them and allowed them to persist, it is impossible for the Commission to particularize the negative, *i.e.*, that Seif did nothing in response. Whether he could have done anything, or ought to have done anything, may be the subject of submissions at the merits hearing, but not the subject of particulars.

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<sup>6</sup> *Phillips v Ontario Securities Commission*, 2016 ONSC 7901 (Div Ct) at para 54

- [26] To the extent that Seif sought specifics of conduct or internal communications, these are forms of evidence that the Commission may call to prove its allegation. They therefore go beyond the Commission's obligation at this stage.<sup>7</sup>
- [27] The Application, supplemented by the December 10 letter and the particulars the Commission undertook to deliver, is sufficiently clear and contains sufficient precision to define the issues, to prevent surprise, and to allow Seif to prepare for the hearing. At the merits hearing, if the Commission attempts to adduce evidence in support of a material fact not contained in the Application (as supplemented), the merits hearing panel can deal with any objection.
- [28] We also rejected Seif's submission that the Commission's allegations somehow conflate Seif and Purpose. The Commission does not seek to hold Seif responsible for all of Purpose's contraventions automatically, as if he and Purpose were one and the same. Section 129.2 of the *Act* provides for a director or officer's potential liability under certain specified circumstances. It will be for the Commission to prove that those circumstances exist in this case.
- [29] Finally, Seif did not persuade us that fairness requires the Commission to explain its theory as to how Seif could be responsible for some of the communications. That will be a matter for argument at the merits hearing. It is not a proper basis for a request for particulars.

### **2.2.3 Commission's application for an order even if no contraventions**

- [30] In its Application, the Commission alleges that Purpose and Seif contravened Ontario securities law, as described above. Alternatively, the Commission asks the Tribunal to make an order under s. 127(1) of the *Act* even if the Tribunal finds no contraventions.
- [31] At the motion hearing, the Commission confirmed that for this alternative claim it relies on no facts beyond those in support of the allegations of actual contraventions. Accordingly, Seif would not require any particulars of this claim.

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<sup>7</sup> *Belteco Holdings Inc (Re)*, 1997 LNONOSC 131 at para 27

### **2.3 Request to strike paragraphs from the Application**

- [32] In reply submissions, Seif asked that we strike two paragraphs from the Application. Those paragraphs describe a communication from Purpose to the Commission, and a press release Purpose issued, about its funds and ESG considerations. Both communications came in early 2023, after the Commission had conducted its compliance review of Purpose and other firms.
- [33] Seif did not seek this relief in his motion. He submitted that the request followed the Commission’s clarification, in its submissions, that it was confining its case to the truth or falsity of the 19 communications, without reference to the compliance review. Accordingly, Seif argued, he was entitled to full disclosure about the compliance review (to put Purpose’s communications in context), or the paragraphs should be struck.
- [34] We see nothing about the two alleged communications from Purpose that make the compliance review (which may or may not have been the primary reason for the communications) relevant. Further, we saw no proper basis for us to strike paragraphs from the Application, especially since the request did not form part of Seif’s motion. It should be for the merits panel to assess the relevance of evidence relating to this issue, and to assess whether there was a deficiency in disclosure, should it be called upon to do so.

### **3. CONCLUSION**

- [35] For the above reasons, and taking into account the Commission’s submissions and its undertaking to provide certain particulars, we dismissed Seif’s motion.

Dated at Toronto this 27<sup>th</sup> day of February, 2026

*"Tim Moseley"*

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