

**ONTARIO SECURITIES COMMISSION  
(Applicant)**

**- and -**

**PURPOSE INVESTMENTS INC. and SOM SEIF  
(Respondents)**

File No. 2025-18

**MOTION**

(For an order excluding the proposed opinion evidence of Rick Annaert, proffered as an expert witness on behalf of the Respondent Som Seif, under Rule 32)

**A. ORDER SOUGHT**

The Ontario Securities Commission (the **Commission** or **OSC**), requests with notice, that the Tribunal make the following orders:

1. An order that the proposed opinion evidence of Rick Annaert (the **Witness**) proffered on behalf of the Respondent Som Seif (**Seif**) is inadmissible at the merits hearing in this proceeding; and
2. Such further relief as the Commission may advise and the Tribunal may permit.

**B. GROUNDS**

The grounds for the motion are:

3. In this proceeding, the Commission alleges, among other things, that Seif, as a director and officer of the other Respondent, Purpose Investments Inc. (**Purpose**), authorized, permitted, or acquiesced in Purpose's breaches of Ontario securities law, namely:
  - (a) Purpose made sales communications that were untrue or misleading, contrary to s. 15.2(1)(a) of National Instrument 81-102 *Investment Funds* (**NI 81-102**);
  - (b) Purpose made sales communications that conflicted with information contained in a preliminary prospectus or prospectus of an investment fund, contrary to s. 15.2(1)(b) of NI 81-102; and

- (c) Purpose made statements about a matter that a reasonable investor would consider relevant in deciding whether to enter into or maintain a trading or advising relationship with Purpose that were untrue or omitted information necessary to prevent the statements from being false or misleading in the circumstances in which they were made, contrary to s. 44(2) of the *Securities Act*, RSO 1990, c S.5, as amended (the **Act**);
- 4. On December 16, 2025, the Tribunal issued an Order ordering, *inter alia*, that:
    - (a) By 4:30 PM on January 30, 2026, each of the Respondents shall indicate any intention to call an expert witness, including providing the expert's name and the issues on which the expert will give evidence;
    - (b) By 4:30 PM on March 20, 2026, each of the Respondents shall serve any expert report(s) on every other party; and
    - (c) By 4:30 PM on May 4, 2026, any motion regarding expert evidence by any party shall have been served and filed, which shall be heard at the merits hearing;
  - 5. On January 30, 2026, Seif served the Commission with a notice of his intention to adduce opinion evidence from the Witness, as "an expert in the fields of corporate governance and standards in the asset management and investment industry";
  - 6. On March 20, 2026, Seif served the Commission with an expert report of the Witness dated March 20, 2026 (the **Report**);
  - 7. In the Report, the Witness provides his opinion, based on his personal experience in the capital markets, including as the Chief Executive Officer (**CEO**) and Ultimate Designated Person (**UDP**) of a registrant. In under 13 pages, the Witness opines on all of the following questions and sub-questions put to him:

### **Question 1: The Role of a CEO and UDP**

- (a) Based on your experience, what were the applicable requirements, standards and expectations for a CEO and UDP's conduct and oversight? In answering this question, please consider, as you see fit, some or all of the sub-questions set below:
- (i) What level of oversight is required of the UDP to ensure that strategic objectives are being properly implemented?
  - (ii) How frequently would the UDP's message need or ought to be delivered?
  - (iii) What role, if any, does the UDP have for ensuring that material (versus non-material) issues are escalated or reported back to him?
  - (iv) Are verbal conversations an acceptable method of communicating strategic objectives?
  - (v) Is the UDP responsible for auditing his portfolio managers' (PMs) processes?
    - (1) Are PMs typically required to document their processes?
    - (2) Is the UDP required or expected to review the individual PMs' written materials surrounding their procedures, strategies, research, analysis, etc.?
  - (vi) What degree of oversight is required over sub-advisors' policies or conduct?
    - (1) What obligations, if any, does the UDP have to instruct or supervise third-party managers over their strategic or investment management practices?
  - (vii) What compliance measures must be carried out by the UDP?

- (1) As opposed to other departments and staff (such as compliance and legal)?
- (viii) What level of delegation from the UDP is expected or appropriate over compliance matters?
  - (1) What formal or informal measures, if any, ought to be taken when delegating?
- (ix) Is the UDP required to ensure that the firm has policies and procedures related to regulatory compliance?
  - (1) If yes, is the UDP required or expected to review every firm policy statement and procedural decision?
- (x) What degree of oversight is required over sub-advisors' policies or conduct?
  - (1) What obligations, if any, does the UDP have to instruct or supervise third-party managers in compliance-related matters?
- (b) What role or duties does the CEO and UDP have in making, reviewing or responding to the company's public statements? In answering this question, please consider, as you see fit, some or all of the sub-questions set out below.
  - (i) What level of oversight, if any, would be expected of the UDP over a firm's marketing strategy?
    - (1) In particular, where the firm's public statements include claims about how funds are managed?
  - (ii) Is a UDP required or expected to approve a press release or website announcement?

- (1) What level of responsibility, if any, does the UDP have to ensure precision in language, terminology or factual accuracy in the firm’s public statements?

**Question 2: Seif’s Oversight and Conduct as CEO and UDP**

(c) Based on your experience and your review of the materials listed in Appendix “D”,<sup>1</sup> did Seif meet the requirements, standards and expectations set out in Question 1? In answering this question, please consider, as you see fit, some or all of the sub-questions set out below.

- (i) Was Seif’s approach to ensuring his strategic objectives were being implemented consistent with industry standards?

- (1) Was Seif’s “tone setting” and “directional” approach consistent with the obligations and expected oversight of a UDP in relation to his management team and staff?

- (2) For instance, was Seif’s testimony that internal, quarterly OKR<sup>2</sup> planning processes and messaging are supposed to be directional and “audacious” consistent with industry standards?

- (3) Were Seif’s expectations that issues would be escalated or reported back to him reasonable?

- (ii) Was Seif’s approach related to his oversight of PMs’ processes consistent with his obligations as UDP?

- (1) Is it problematic that this approach may have given rise to different interpretations among PMs concerning central concepts such as “ESG integration”?

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<sup>1</sup> Appendix “D” includes, among other things: the Amended Application for Enforcement Proceeding dated November 17, 2025 (the **AEP**), all documents referenced at paragraph 9 of the AEP, and 752 pages of transcripts and 74 exhibits from prior examinations of Seif conducted by Commission personnel during the investigation.

<sup>2</sup> This term is not defined in the Report but likely refers to “Objectives and Key Results”.

- (iii) Were Seif's actions in regard to oversight of Neuberger Berman's (**NB**) strategic and investment approaches, namely surrounding ESG, consistent with his duties as UDP?
- (iv) Was Seif's role in compliance functions (and related to or in tandem with Purpose's legal and/or compliance departments, at the material times) consistent with his responsibilities and expected oversight as UDP?
  - (1) Was Seif's delegation of compliance duties consistent with his responsibilities as UDP?
  - (2) Please comment on Seif's testimony concerning the exchange between the OSC and Purpose related to the Investment Funds Branch inquiry.
- (v) Was Seif's admission that he did not review every policy and procedure statement issued by Purpose reasonable and consistent with industry standards?
- (vi) Was Seif's actions in regard to oversight of NB consistent with his compliance duties as UDP?
  - (1) Was Seif's characterization of his and Purpose's relationship and reliance on NB consistent with industry standards around sub-advisors?
- (d) Based on your experience and your review of the materials listed in Appendix "D", did Seif meet the requirements, standards and expectations set out in Question 1? In answering this question, please consider, as you see fit, some or all of the sub-questions set out below.
  - (i) Was Seif's approach in relation to Purpose's public statements and in particular the October 2, 2019 website post consistent with his obligations as UDP?

- (1) Was Seif's level of involvement and reliance on Purpose's marketing team and outreach efforts (including through a PR agency) appropriate for a UDP?
  - (2) Relatedly, was Seif's level of involvement and knowledge in relation to Purpose's ongoing and existing public statements consistent with his obligations?
8. Opinion evidence is presumptively inadmissible, but subject to narrow exceptions including expert evidence on matters requiring specialized knowledge (see, e.g., *R v Mohan* [1994] 2 SCR 9 and *White Burgess Langille Inman v Abbott and Haliburton Co.*, [2015] 2 SCR 182).
9. Expert opinions may be admitted where the proponent of the opinion evidence satisfies the Tribunal that:
  - (a) The opinion evidence is *relevant* to a fact in issue in the proceeding;
  - (b) The opinion evidence *is necessary* to assist the Tribunal to understand the significance of evidence that would otherwise be beyond the Tribunal's understanding;
  - (c) The evidence is not otherwise subject to another exclusionary rule; and
  - (d) The expert is properly qualified as someone who is possessed of knowledge or skill that is otherwise beyond the ken of the Tribunal.
10. Expert opinion evidence that meets the above preconditions is nonetheless not admissible if it is not sufficiently beneficial to the hearing process to warrant its admission despite the potential harm to the hearing process that may flow from the admission of the evidence;
11. The proposed opinion evidence of the Witness, as set out in the Report, cannot satisfy the above preconditions to admissibility;

12. Corporate governance and standards in the asset management and investment industry are not at issue in this proceeding;
13. Whether Seif met the corporate governance and standards of a CEO or UDP of a registrant is not relevant to the allegations in this proceeding;
14. Whether Seif, as an officer and director of Purpose, authorized, permitted or acquiesced in the breaches of Ontario securities law by Purpose is an issue that is well within the expertise of the Tribunal and not a matter for opinion evidence;
15. Admission of the proposed opinion evidence of the Witness, including as set out in the Report, would improperly expand the scope of the merits hearing and cause harm to the hearing process;
16. Despite the Commission having made this Motion in accordance with the Tribunal's Order dated December 16, 2025, Seif bears the burden of establishing the admissibility of the proposed opinion evidence;
17. The Commission reserves its right to adduce responding expert opinion evidence in the event the Tribunal admits any proposed opinion evidence of the Witness; and
18. Rule 32 of the Tribunal's *Rules of Procedure*.

**C. EVIDENCE**

The Commission intends to rely on the following evidence for the motion:

19. The affidavit of Michelle Spain, to be affirmed; and
20. Such further and other materials as the Commission may advise and the Tribunal may permit.

**DATED** this 4<sup>th</sup> day of May, 2026.

**ONTARIO SECURITIES COMMISSION**

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