Court File No. BK-26-03364251-0032

ONTARIO

SUPERIOR COURT OF JUSTICE

(COMMERCIAL LIST)

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF NATIONAL TRAFFIC SAFETY MANAGEMENT INC.

FACTUM OF LABOURERS' INTERNATIONAL UNION OF NORTH AMERICA, LOCALS 183 AND 506

(On motions returnable November 2, 2026)

PART I – OVERVIEW

1. Parliament has fixed what these employees must be paid before this Court approves either a proposal or a sale. For either, the Court must be satisfied that the debtor "can and will" pay. Only the sale to Ramudden meets that test.

2. Labourers' International Union of North America, Locals 183 and 506 (the **"Unions"**) represent unionized employees of National Traffic Safety Management Inc. (the **"Company"**). They support the sale to Ramudden Global (Canada) Inc. (**"Ramudden"**) under section 65.13 of the *Bankruptcy and Insolvency Act* (the **"BIA"**), on the payment terms in paragraphs 10 and 11 of the Proposal Trustee's draft vesting order. They oppose the Company's DIP financing.

3. The sale meets the test today. Ramudden's deposit is with the Proposal Trustee, and its offer expires on November 4. The proposal does not meet the test. Its lender has withdrawn. The Company has already used these employees' pension remittances as working capital. Its own forecast ends on December 18 with $5,015 in hand, and the proposal pays nothing until its approval order is final. The choice is not between a sale and a better proposal. It is between payment now and a promise later, with the sale gone.

PART II – FACTS

4. Ramudden's purchase is all cash. It is not conditional on financing or due diligence. Ramudden has paid a 10% deposit, which the Proposal Trustee holds.

Ramudden "shall continue the employment of all unionized Employees" under the collective agreement.[1] The Company employs about 67 people.[2]

5. Either party may terminate the APA if closing has not occurred by November 4, 2026. A later date requires the written agreement of both the Vendor and the Purchaser. No extension has been agreed. The Vendor's sole director, Mr. Bruno, owns A2 Environmental Group Inc. (**"A2"**), the other bidder.[3]

6. TDB Restructuring Limited, as proposal trustee (the **"Proposal Trustee"**), recommends the sale. It reports that the transaction offers a reasonable degree of certainty of closing and that a bankruptcy would recover materially less.[4] Paragraphs 10 and 11 of its draft vesting order direct it to pay the statutory employee amounts in full from the proceeds, "whether before or after any assignment in bankruptcy", ahead of the professionals' charges (the **"Employee Amounts Terms"**). Paragraph 11 makes them payable "to the applicable trust funds or union locals". In its First Supplement to the Seventh Report dated October 31, 2026 (the **"First Supplement"**), the Proposal Trustee recommends consummating the sale to Ramudden; it holds Ramudden's deposit and is satisfied with Ramudden's ability to close.[5]

7. The Company filed a holding proposal on October 26 and an amended proposal on October 29. The meeting of creditors is set for November 16.[6] The DIP and the amended proposal both depend on a commitment letter from COR Financial Corp. (**"COR"**) dated October 26. Tranche A is a $500,000 DIP loan. Tranche B funds

---

[1]Asset Purchase Agreement dated October 21, 2026 ("APA"), ss 2.7(b), 3.1 and 3.2, Responding Motion Record of Ramudden ("RMR"), Tab 1, Exhibit "A"; Letter of Intent dated October 16, 2026, s 8, RMR, Tab 1, Exhibit "B"; Affidavit of Jamie West sworn October 21, 2026 ("West Affidavit") at paras 13 and 15, RMR, Tab 1.
[2]Notice of Motion of the Company dated October 29, 2026 at ground 2, Motion Record of the Company dated October 29, 2026 ("NTSM MR"), Tab 1.
[3]West Affidavit at para 19.
[4]Seventh Report of the Proposal Trustee dated October 23, 2026 ("Seventh Report") at paras 23 and 24(c)–(e).
[5]First Supplement at paras 10, 55(a), 55(c), 56 and 59.
[6]Affidavit of Antonio Bruno sworn October 29, 2026 ("Bruno October 29 Affidavit") at paras 4 and 11, NTSM MR, Tab 3; Certificate of Filing of a Proposal dated October 26, 2026, NTSM MR, Tab 3, Exhibit "A".

the proposal and is conditional on creditor and court approval of it.[7] On October 28, the Proposal Trustee asked for evidence of COR's capacity to fund. It has received none. Clause 12 of the letter permits COR, in its sole discretion and without liability, to withhold, delay or decline funding.[8] On October 31, Mr. Bruno deposed that COR has withdrawn its offer of financing and that he has asked Altitude to seek another lender. Unless he has "a credible letter of intent or commitment letter by Monday morning", neither the Company nor A2 will object to approval of the sale.[9] The amended proposal pays Oxygen Working Capital Corp. (**"Oxygen"**) its term loan in full.[10] It pays the union pre-filing arrears of about $310,000, the post-filing arrears and a $400,000 unsecured fund. Payment falls on an "Implementation Date" up to 10 days after the approval order becomes final and no longer subject to appeal.[11] The amended proposal also cancels every existing share of the Company and issues all new shares to A2 "for no additional consideration".[12]

8. The draft DIP order authorizes borrowing "to fund the Company's ordinary course operating costs and expenses". It ranks the DIP Charge "in priority to all other security interests, trusts, statutory or otherwise", behind only Oxygen and the professionals, and makes it enforceable against any trustee or receiver.[13] Paragraph 20 of the amended proposal releases claims against directors for obligations on which directors are personally liable.[14]

9. The Company owes Local 183 $71,173.38 and Local 506 $15,261.47 for the period before April 24, 2026.[15] Both Unions are owed further amounts for work done

---

[7]Bruno October 29 Affidavit at paras 6–7 and 10, NTSM MR, Tab 3.
[8] First Supplement at paras 30–31.
[9] Affidavit of Antonio Bruno sworn October 31, 2026 ("Bruno October 31 Affidavit") at paras 20–22, Reply Record of the Company dated October 31, 2026, Tab 1.
[10] Amended Proposal, para 4, NTSM MR, Tab 3, Exhibit "B".
[11]Amended Proposal, paras 1(i), 1(m), 11 and 12, NTSM MR, Tab 3, Exhibit "B".
[12] Amended Proposal, para 2(a)–(c), NTSM MR, Tab 3, Exhibit "B"; Notice of Motion of the Company dated October 29, 2026 at ground 29, NTSM MR, Tab 1.
[13]Draft Order (DIP), paras 1, 5(c) and 6, NTSM MR, Tab 4.
[14]Amended Proposal, para 20, NTSM MR, Tab 3, Exhibit "B".
[15]Supplementary Affidavit of Sam Tinebra sworn October 30, 2026 at para 6, Supplementary Responding Motion Record of Local 837 dated October 30, 2026, Tab A, p 6.

since.[16] The Company "defaulted in payment of post-proposal employee pension, vacation pay and HST remittances" under its first proposal, before Mr. Bruno became its director. In this proceeding, without DIP financing, it "used post-filing HST and pension remittances to fund working capital".[17]

10. The Company's cash flow forecast does not include the DIP. It ends on December 18, 2026 with $5,015 in cash. It assumes that Emkay will defer lease payments of about $30,000 a month.[18]

11. Oxygen supports the Proposal Trustee's motion and will not subordinate its security to the DIP Charge.[19] In the alternative, it asks for a receiver of the Purchased Assets under section 243 of the BIA and section 101 of the *Courts of Justice Act*, appointed to complete the APA "without taking possession or control" of them. Its draft vesting order vests the assets free of trusts and deemed trusts. It does not contain the Employee Amounts Terms.[20]

PART III – ISSUES

12. There are two issues. First, whether subsection 65.13(8) of the BIA requires payment of the unionized employees' post-filing compensation and unpaid pension contributions as a condition of approving the sale. Second, whether the approval and vesting order should direct the Proposal Trustee to pay those amounts from the proceeds on closing, ahead of the Administration Charge.

---

[16] Amended Proposal, para 11, NTSM MR, Tab 3, Exhibit "B"; Bruno October 26 Affidavit at para 28, NTSM MR, Tab 2.
[17] Affidavit of Antonio Bruno sworn October 26, 2026 ("Bruno October 26 Affidavit") at paras 7 and 28, NTSM MR, Tab 2; Notice of Motion of the Company dated October 29, 2026 at ground 9, NTSM MR, Tab 1.
[18] First Supplement, Appendix "A", Cash Flow Forecast and notes 6–7.
[19] First Supplement at paras 47–48.
[20] Oxygen draft Receivership Order, paras 2–4, Motion Record of Oxygen dated October 30, 2026 ("Oxygen MR"), Tab 3, p 168; Oxygen draft Approval and Vesting Order, paras 2–3, Oxygen MR, Tab 4, p 179.

PART IV – LAW AND ARGUMENT

A. ONE TEST GOVERNS BOTH SALES

13. Section 65.13 governs this sale. It applies to an insolvent person in respect of whom a notice of intention "or a proposal" has been filed.[21] The holding proposal does not take the sale outside it. Subsection (8) then fixes the price of the Court's authority:

> The court may grant the authorization **only if** the court is satisfied that the insolvent person **can and will make the payments** that would have been required under paragraphs 60(1.3)(a) and (1.5)(a) if the court had approved the proposal. [Emphasis added][22]

14. Those payments are the employees' priority claims as at the filing date, their compensation for work done since, and, for a prescribed pension plan (applicable here), the amounts deducted from their pay and the employer's normal cost.[23] Compensation includes vacation pay and remittances made for the employee's benefit.[24]

15. A proposal faces the same condition. The court may not approve one unless it is satisfied that the employer "can and will" make those payments, and Parliament has also taken the wage amounts out of the vote: on any question relating to an employer's proposal, "no person has a claim" for them.[25] The creditors do not decide what the employees receive. The statute does.

16. The Employee Amounts Terms satisfy subsection (8). The words "can and will" ask for more than ability. They ask for an assurance that the payment will be made. Ramudden's cash at closing supplies the ability, and paragraphs 10 and 11 supply the assurance.

---

[21]BIA, s 65.13(1).
[22]BIA, s 65.13(8).
[23]BIA, ss 60(1.3)(a) and 60(1.5)(a).
[24]BIA, s 81.3(9); *Ted Leroy Trucking Ltd. (Re)*, 2009 BCSC 41 at para 20, aff'd 2010 BCCA 223 at para 35.
[25] BIA, ss 60(1.3)(b) and 60(1.4).

17. The statutory factors favour approval. The Proposal Trustee approved the process and reports that the sale is more beneficial to creditors than a bankruptcy.[26] Having reviewed the Company's materials, it maintains that view.[27] Every unionized job continues under the collective agreement. Fifty-seven employees have told the Court they prefer Mr. Bruno's leadership.[28] However, the question under section 65.13(8) is not who will lead the Company but whether its employees will be paid.

B. THE PROPOSAL FAILS THE TEST

18. The Company submits that creditors should decide by vote, and that its proposal does more for the Unions. It says all pre-filing pension and vacation pay will be paid, "not merely the priority amount". It offers unsecured creditors $400,000. The DIP would bring the post-filing amounts current.[29] If the proposal were funded and approved, all of that would be true. But the Court must be satisfied now that the Company can and will pay; and every dollar the proposal pays, statutory or not, depended on COR. On this record the Court cannot be satisfied, for three reasons.

19. First, there is no money. COR has withdrawn, and no other lender is in the record.[30] Even before it withdrew, COR had not answered the Proposal Trustee's request for evidence that it could fund, and its letter let it decline funding in its sole discretion.[31] The amended proposal pays Oxygen its term loan in full. Oxygen still prefers the sale and doubts the financing.[32]

20. Second, the Company has broken this promise before. After its first proposal was approved, and before Mr. Bruno became its director, it defaulted on post-proposal employee pension and vacation pay remittances.[33] Under Mr. Bruno, it used post-

---

[26] BIA, s 65.13(4)(b), (c) and (e); Seventh Report at paras 23–24.
[27] First Supplement at paras 17 and 56.
[28] First Supplement at paras 41–43 and Appendix "C".
[29] Bruno October 29 Affidavit at paras 8, 12, 14 and 27, NTSM MR, Tab 3.
[30] Bruno October 31 Affidavit at paras 20–21, Reply Record of the Company, Tab 1.
[31] First Supplement at paras 30–33.
[32] Amended Proposal, para 4, NTSM MR, Tab 3, Exhibit "B"; First Supplement at paras 47–48.
[33] Bruno October 26 Affidavit at para 7, NTSM MR, Tab 2.

filing pension remittances as working capital.[34] The DIP order would not stop that. It permits borrowing for "ordinary course operating costs" and requires no payment to the employees.[35]

21. Finally, the payment comes too late. The creditors meet on November 16, twelve days after Ramudden's offer expires. The proposal pays nothing until its approval order, once heard, is final, and then within 10 days.[36] Until that day the Company must run on its own cash. Its forecast ends on December 18 with $5,015, and only if Emkay defers about $30,000 a month.[37] The Court cannot have both the sale and this proposal. Declining the sale gives it up.

C. THE PROPOSAL IS A RELATED-PARTY TRANSFER

22. A proposal ordinarily compromises debt and leaves the business with its owners. This one cancels every share and hands all new shares to A2, the company of the debtor's sole director, for no additional consideration. It is a related-party transfer of the business, carried out through a proposal. Had A2 bought the assets, section 65.13(5) would bar approval unless good faith efforts had been made to sell to unrelated buyers and A2's consideration was superior to every other offer in the process.[38] There was such a process. A2 bid in it and lost. The Company will say its proposal offers slightly more, and the Proposal Trustee reports a "slightly greater aggregate financial contribution".[39] But section 65.13(5) measures A2 against the offers made in the process, not against a bid made afterward by other means. The Proposal Trustee says that letting the losing bidder pursue the business through its control of the debtor "compromises the fairness and integrity of the sale process".[40] The proposal would also switch off the BIA's preference and

---

[34] Bruno October 26 Affidavit at para 28, NTSM MR, Tab 2.
[35] Draft Order (DIP), para 1, NTSM MR, Tab 4.
[36] Bruno October 29 Affidavit at paras 4 and 11, NTSM MR, Tab 3; Amended Proposal, paras 1(i) and 1(m), NTSM MR, Tab 3, Exhibit "B"; BIA, s 58(a)–(b) (application within five days after acceptance; at least 15 days' notice of the approval hearing); Bankruptcy and Insolvency General Rules, CRC, c 368, s 31(1) (10 days to appeal).
[37] First Supplement, Appendix "A", Cash Flow Forecast and note 6.
[38] BIA, s 65.13(5) and (6)(a) and (c); Amended Proposal, para 2(c), NTSM MR, Tab 3, Exhibit "B"; Seventh Report at paras 19(c) and 20.
[39] First Supplement at para 54.
[40] First Supplement at paras 22–23 and 55(b).

reviewable-transaction provisions while the Proposal Trustee investigates Company payments that appear to have benefited A2.[41] The Company cannot obtain by a vote what the statute would deny it on a sale.

23. Approving the sale does not foreclose a proposal. Section 65.13 operates whether or not the debtor can present one.[42] The proceeds stand in place of the assets.[43] The Company may still put a proposal to its creditors, funded by that cash. It loses the chance to transfer the business to A2. That is A2's loss, not the creditors'. On this record, the sale proceeds are the only proven source of funding for any proposal.

D. ANY DIP MUST PROTECT THE EMPLOYEES

24. COR's withdrawal leaves the DIP without a lender. If another lender appears and the Court is inclined to grant the DIP, it should do so only on four conditions. First, Tranche A is applied to the post-filing amounts owing to or for the benefit of the employees, by remittance to the applicable funds, before any other disbursement. Second, the DIP Charge ranks behind the securities in sections 81.3 to 81.6 of the BIA and any pension deemed trust, and the words "trusts, statutory or otherwise" are struck. Section 50.6(3) permits a charge to rank ahead of "any secured creditor". It does not mention trusts. Third, the lender's full commitment letter is produced to the service list, under seal if necessary. Fourth, the order states that it does not approve or prejudge the release in paragraph 20 of the amended proposal, and reserves union members' claims against directors.[44]

E. ANY ORDER MUST CLOSE THE SALE AND PAY THE EMPLOYEES

25. The deal expires on November 4, and Ramudden has not agreed to extend it. Approval alone will not close it. Whoever the Court appoints to close must therefore have power to act for the Vendor under the APA, including to agree to

---

[41] Amended Proposal, para 17, NTSM MR, Tab 3, Exhibit "B"; First Supplement at paras 37–40.
[42] *Komtech Inc (Re)*, 2011 ONSC 3230 at paras 25 and 33.
[43] Trustee AVO, para 6.
[44] BIA, ss 50.6(1), (3) and (5), 81.3(4), 81.4(4), 81.5(2) and 81.6(2).

an extension and to waive that condition, so that the losing bidder cannot block the closing.

26. The Unions take no position on the vehicle. What matters is the payment direction. A sale by the Company, through the Proposal Trustee with enhanced powers, is a sale under section 65.13, and subsection (8) applies to it. Oxygen's alternative is different. A receiver's sale is not a sale by the insolvent person, and subsection 65.13(8) does not bind it in terms. Outside a section 65.13 sale, the employees fall back on the statutory securities, and in a receivership or a bankruptcy the wage security is capped at $2,000 an employee.[45] The order should therefore direct payment of the Employee Amounts from the proceeds, ahead of any distribution to Oxygen, whatever vehicle closes.

27. Oxygen's draft orders omit that direction. Its vesting order strips trusts and deemed trusts. Its receivership order denies the receiver "possession or control", words that invite the argument that the wage and pension securities never attach, since each is tied to property in the receiver's possession or control.[46] The employees should not be left to win that argument later. Paragraph 11 of the Proposal Trustee's draft applies notwithstanding that order's own disclaimer of possession or control, and paragraphs 10 and 11 make the argument unnecessary. They belong in whatever order the Court grants, with payment directed to the employees, as section 60(1.3)(a) requires, by remittance to the applicable trust funds or union locals.[47]

28. Ramudden pays on closing. Mr. Bruno promises to pay after a vote, an approval and an appeal period. One offer expires on Wednesday. The other has lost its lender. The Unions ask the Court to approve the sale on the terms Parliament set.

PART V – ORDER REQUESTED

29. The Unions request:

---

[45]BIA, ss 81.3(1) and 81.4(1).
[46]BIA, ss 81.4(1) and 81.6(4).
[47] BIA, s 60(1.3)(a); Trustee AVO, paras 11 and 13(a).

(a) an order approving the sale to Ramudden under section 65.13 of the BIA, to be completed by the Proposal Trustee or such other officer as the Court appoints, with power to act for the Vendor under the APA, including to agree in writing to extend the Outside Date and to waive the condition in section 7.1(b) of the APA;

(b) that any approval and vesting order, including any order sought by Oxygen, contain paragraphs 10 and 11 of the Trustee AVO, with paragraph 11 amended to direct payment for the benefit of the employees by remittance to the applicable trust funds or union locals, applying notwithstanding any provision for the vesting of assets free of trusts or deemed trusts;

(c) if a receiver is appointed under section 243 of the BIA or section 101 of the *Courts of Justice Act*, that the order incorporate paragraph (b), whether or not the receiver takes possession or control of the Purchased Assets;

(d) that the Company's DIP motion be dismissed or, in the alternative, granted only on the conditions in paragraph 24; and

(e) such further relief as this Court considers just.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 1st day of November, 2026.



Robert Drake
Koskie Minsky LLP
Lawyers for LIUNA, Locals 183 and 506

CERTIFICATE

I, Robert Drake, lawyer for LIUNA, Locals 183 and 506 certify that I am satisfied as to the authenticity of every authority cited in this factum.



Robert Drake
Koskie Minsky LLP
Lawyers for LIUNA, Locals 183 and 506

SCHEDULE "A"
LIST OF AUTHORITIES

1. *Bankruptcy and Insolvency Act*, RSC 1985, c B-3

2. *Komtech Inc (Re)*, 2011 ONSC 3230

3. *Ted Leroy Trucking Ltd. (Re)*, 2009 BCSC 41, aff'd 2010 BCCA 223

SCHEDULE "B"
RELEVANT STATUTES

Bankruptcy and Insolvency Act

R.S.C., 1985, c. B-3

Restriction on disposition of assets

- **65.13 (1)** An insolvent person in respect of whom a notice of intention is filed under section 50.4 or a proposal is filed under subsection 62(1) may not sell or otherwise dispose of assets outside the ordinary course of business unless authorized to do so by a court. Despite any requirement for shareholder approval, including one under federal or provincial law, the court may authorize the sale or disposition even if shareholder approval was not obtained.

- **Factors to be considered**

  (4) In deciding whether to grant the authorization, the court is to consider, among other things,

  - **(a)** whether the process leading to the proposed sale or disposition was reasonable in the circumstances;
  - **(b)** whether the trustee approved the process leading to the proposed sale or disposition;
  - **(c)** whether the trustee filed with the court a report stating that in their opinion the sale or disposition would be more beneficial to the creditors than a sale or disposition under a bankruptcy;
  - **(d)** the extent to which the creditors were consulted;
  - **(e)** the effects of the proposed sale or disposition on the creditors and other interested parties; and
  - **(f)** whether the consideration to be received for the assets is reasonable and fair, taking into account their market value.

- **Additional factors — related persons**

  (5) If the proposed sale or disposition is to a person who is related to the insolvent person, the court may, after considering the factors referred to in subsection (4), grant the authorization only if it is satisfied that

  - **(a)** good faith efforts were made to sell or otherwise dispose of the assets to persons who are not related to the insolvent person; and
  - **(b)** the consideration to be received is superior to the consideration that would be received under any other offer made in accordance with the process leading to the proposed sale or disposition.

- **Related persons**

(6) For the purpose of subsection (5), a person who is related to the insolvent person includes

- **(a)** a director or officer of the insolvent person;
- **(b)** a person who has or has had, directly or indirectly, control in fact of the insolvent person; and
- **(c)** a person who is related to a person described in paragraph (a) or (b).

- **Restriction — employers**

(8) The court may grant the authorization only if the court is satisfied that the insolvent person can and will make the payments that would have been required under paragraphs 60(1.3)(a) and (1.5)(a) if the court had approved the proposal.

Proposals by employers

60(1.3) No proposal in respect of an employer shall be approved by the court unless

- **(a)** it provides for payment to the employees and former employees, immediately after court approval of the proposal, of amounts at least equal to the amounts that they would be qualified to receive under paragraph 136(1)(d) if the employer became bankrupt on the date of the filing of the notice of intention, or proposal if no notice of intention was filed, as well as wages, salaries, commissions or compensation for services rendered after that date and before the court approval of the proposal, together with, in the case of travelling salespersons, disbursements properly incurred by them in and about the bankrupt's business during the same period; and
- **(b)** the court is satisfied that the employer can and will make the payments as required under paragraph (a).

- **Proposals by employers — prescribed pension plans**

(1.5) No proposal in respect of an employer who participates in a prescribed pension plan for the benefit of its employees shall be approved by the court unless

- **(a)** the proposal provides for payment of the following amounts that are unpaid to the fund established for the purpose of the pension plan:
  - **(i)** an amount equal to the sum of all amounts that were deducted from the employees' remuneration for payment to the fund,
  - **(ii)** if the prescribed pension plan is regulated by an Act of Parliament,
    - **(A)** an amount equal to the normal cost, within the meaning of subsection 2(1) of the *Pension Benefits Standards Regulations, 1985*, that was required to be paid by the employer to the fund, and
    - **(A.1)** an amount equal to the sum of all special payments, determined in accordance with section 9 of the *Pension Benefits Standards Regulations, 1985*, that were required to be paid by the employer to the fund referred to in sections 81.5 and 81.6 to liquidate an unfunded liability or a solvency deficiency,
    - **(A.2)** any amount required to liquidate any other unfunded liability or solvency deficiency of the fund as determined at the time of the

filing of the notice of intention or of the proposal, if no notice of intention was filed,

- **(B)** an amount equal to the sum of all amounts that were required to be paid by the employer to the fund under a defined contribution provision, within the meaning of subsection 2(1) of the *Pension Benefits Standards Act, 1985*,
- **(C)** an amount equal to the sum of all amounts that were required to be paid by the employer to the administrator of a pooled registered pension plan, as defined in subsection 2(1) of the *Pooled Registered Pension Plans Act*, and

- **(iii)** in the case of any other prescribed pension plan,
  - **(A)** an amount equal to the amount that would be the normal cost, within the meaning of subsection 2(1) of the *Pension Benefits Standards Regulations, 1985*, that the employer would be required to pay to the fund if the prescribed plan were regulated by an Act of Parliament, and
  - **(A.1)** an amount equal to the sum of all special payments, determined in accordance with section 9 of the *Pension Benefits Standards Regulations, 1985*, that would have been required to be paid by the employer to the fund referred to in sections 81.5 and 81.6 to liquidate an unfunded liability or a solvency deficiency if the prescribed plan were regulated by an Act of Parliament,
  - **(A.2)** any amount required to liquidate any other unfunded liability or solvency deficiency of the fund as determined at the time of the filing of the notice of intention or of the proposal, if no notice of intention was filed,
  - **(B)** an amount equal to the sum of all amounts that would have been required to be paid by the employer to the fund under a defined contribution provision, within the meaning of subsection 2(1) of the *Pension Benefits Standards Act, 1985*, if the prescribed plan were regulated by an Act of Parliament,
  - **(C)** an amount equal to the sum of all amounts that would have been required to be paid by the employer in respect of a prescribed plan, if it were regulated by the *Pooled Registered Pension Plans Act*; and

- **(b)** the court is satisfied that the employer can and will make the payments as required under paragraph (a).

Priority of claims

- **136 (1)** Subject to the rights of secured creditors, the proceeds realized from the property of a bankrupt shall be applied in priority of payment as follows:
  - **(a)** in the case of a deceased bankrupt, the reasonable funeral and testamentary expenses incurred by the legal representative or, in the Province of Quebec, the successors or heirs of the deceased bankrupt;
  - **(b)** the costs of administration, in the following order,

- **(i)** the expenses and fees of any person acting under a direction made under paragraph 14.03(1)(a),
- **(ii)** the expenses and fees of the trustee, and
- **(iii)** legal costs;

- **(c)** the levy payable under section 147;
- **(d)** the amount of any wages, salaries, commissions, compensation or disbursements referred to in sections 81.3 and 81.4 that was not paid;

Security for unpaid wages, etc. — bankruptcy

- **81.3 (1)** The claim of a clerk, servant, travelling salesperson, labourer or worker who is owed wages, salaries, commissions or compensation by a bankrupt for services rendered during the period beginning on the day that is six months before the date of the initial bankruptcy event and ending on the date of the bankruptcy is secured, as of the date of the bankruptcy, to the extent of $2,000 — less any amount paid for those services by the trustee or by a receiver — by security on the bankrupt's current assets on the date of the bankruptcy.

- **Commissions**

  (2) For the purposes of subsection (1), commissions payable when goods are shipped, delivered or paid for, if shipped, delivered or paid for during the period referred to in that subsection, are deemed to have been earned in that period.

- **Security for disbursements**

  (3) The claim of a travelling salesperson who is owed money by a bankrupt for disbursements properly incurred in and about the bankrupt's business during the period referred to in subsection (1) is secured, as of the date of the bankruptcy, to the extent of $1,000 — less any amount paid for those disbursements by the trustee or by a receiver — by security on the bankrupt's current assets on that date.

- **Rank of security**

  (4) A security under this section ranks above every other claim, right, charge or security against the bankrupt's current assets — regardless of when that other claim, right, charge or security arose — except rights under sections 81.1 and 81.2 and amounts referred to in subsection 67(3) that have been deemed to be held in trust.

- **Liability of trustee**

  (5) If the trustee disposes of current assets covered by the security, the trustee is liable for the claim of the clerk, servant, travelling salesperson, labourer or worker to the extent of the amount realized on the disposition of the current assets and is subrogated in and to all rights of the clerk, servant, travelling salesperson, labourer or worker in respect of the amounts paid to that person by the trustee.

- **Claims of officers and directors**

  (6) No officer or director of the bankrupt is entitled to have a claim secured under this section.

- **Non-arm's length**

  (7) A person who, in respect of a transaction, was not dealing at arm's length with the bankrupt is not entitled to have a claim arising from that transaction secured by this section unless, in the opinion of the trustee, having regard to the circumstances — including the remuneration for, the terms and conditions of and the duration, nature and importance of the services rendered — it is reasonable to conclude that they would have entered into a substantially similar transaction if they had been dealing with each other at arm's length.

- **Proof by delivery**

  (8) A claim referred to in this section is proved by delivering to the trustee a proof of claim in the prescribed form.

- **Definitions**

  (9) The following definitions apply in this section.

  compensation includes vacation pay but does not include termination or severance pay. (*rémunération*)

  receiver means a receiver within the meaning of subsection 243(2) or an interim receiver appointed under subsection 46(1), 47(1) or 47.1(1). (*séquestre*)

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF NATIONAL TRAFFIC SAFETY MANAGEMENT INC.

Court File No. BK-26-03364251-0032

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

FACTUM OF LABOURERS' INTERNATIONAL UNION OF NORTH AMERICA, LOCALS 183 AND 506

(On motions returnable November 2, 2026)

KOSKIE MINSKY LLP
900-20 Queen St W, PO Box 52
Toronto ON M5H 3R3

Robert Drake (LSO# 57083G)
(T) 416-595-2095
(E) rdrake@kmlaw.ca

Lawyers for LIUNA, Locals 183 and 506