

**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 NATIONAL TRAFFIC SAFETY MANAGEMENT INC.
(Returnable October 5, 2026)**

October 3, 2026

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Management Inc.**

TO: **THE SERVICE LIST**

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PART I – NATURE OF THE RELIEF SOUGHT

1. This factum is filed by National Traffic Safety Management Inc. (“**National**” or the “**Company**”) in support of its motion for an order, *inter alia*:

- (a) extending the time required for the Company to file its proposal from October 5, 2026, the date the current stay expires, to October 14, 2026; and
- (b) such further and other relief as the Company may request and the Court may deem appropriate.

2. The facts underlying this motion are more fully set out in the Affidavit of Antonio Bruno sworn May 21, 2026 (the “**May 21 Affidavit**”)¹, the Affidavit of Antonio Bruno sworn September 10, 2026 (the “**September 10 Affidavit**”)² and the Affidavit of Antonio Bruno sworn October 2, 2026 (the “**October 2 Affidavit**”)³. All capitalized terms used herein but not otherwise defined

¹ Motion Record of National Traffic Management Inc. dated October 2, 2026 (“**MR**”), Tab 2, Exhibit “A”, Affidavit of Antonio Bruno sworn May 21, 2026 (the “**May 21 Affidavit**”).

² MR, Tab 2, Exhibit “C”, Affidavit of Antonio Bruno sworn September 10, 2026 (the “**September 10 Affidavit**”).

³ MR, Tab 2, Affidavit of Antonio Bruno sworn October 2, 2026 (the “**October 2 Affidavit**”).

have the meanings ascribed to them in the October 2 Affidavit, and all monetary amounts referred to herein are in Canadian currency unless otherwise stated.

PART II – FACTS

OVERVIEW OF THE COMPANY AND BUSINESS

3. The Company is a private company incorporated under the *Ontario Business Corporations Act* whose registered head office was previously located in Toronto, Ontario and is now located in Niagara Falls, Ontario.⁴

4. The Company is in the business of providing end-to-end traffic management solutions including traffic management solutions to ensure construction and infrastructure workers are safe at job sites. The Company operates throughout the province of Ontario.⁵

THE NOI PROCEEDING

5. On April 5, 2024, the Company filed a Notice of Intention to Make a Proposal (the “**Initial NOI**”) under the *Bankruptcy and Insolvency Act* (“**BIA**”).⁶

6. A proposal in connection with the Initial NOI was filed on September 19, 2024. An amended proposal dated January 6, 2025 was accepted by the creditors and approved by Justice Kimmel of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) on February 20, 2025 (the “**Initial Proposal**”).⁷

7. Subsequent to the approval of the Initial Proposal, Oxygen Working Capital Corp. (“**Oxygen**”) advanced funds and extended credit to the Company pursuant to a Loan Agreement

⁴ May 21 Affidavit at para 3, MR, Tab 2, Exhibit “A”.

⁵ May 21 Affidavit at para 4, MR, Tab 2, Exhibit “A”.

⁶ May 21 Affidavit at para 5, MR, Tab 2, Exhibit “A”.

⁷ May 21 Affidavit at para 6, MR, Tab 2, Exhibit “A”.

dated April 28, 2025 and an accounts receivable Factoring Agreement (collectively, the “**Oxygen Credit Facilities**”) to refinance certain existing indebtedness and fund ongoing working capital requirements of the Company.⁸

8. The Company subsequently defaulted under the terms of the Amended Proposal due to non-payment of post-filing amounts owing to the Canada Revenue Agency within the stipulated grace period of three months. Further, an equipment lessor for the Company threatened to repossess its leased trucks which are required by the Company to operate its business.⁹

9. Certain shareholders of the Company and Antonio Bruno’s company, A2 Environmental Group (“**A2**”) entered into a Letter of Intent dated April 12, 2026, pursuant to which A2 agreed to purchase the shares of those shareholders.¹⁰ Mr. Bruno was not aware of the Company’s defaults under the Initial Proposal at the time of the transaction.¹¹

10. In anticipation of the share sale to A2, Michael Spencley, the sole officer and director of the Company at the time, resigned on April 13, 2026 and Mr. Bruno immediately replaced him as the sole officer and director of the Company.¹²

11. Since then, certain of the shareholders disputed that they agreed to transfer all of their shares in the Company to A2 and the share transaction fell apart, while Mr. Bruno remained as the sole director and officer of the Company.¹³

12. As a result of a threat by Emkay Canada Leasing Corp. (“**Emkay**”), the lessor of vehicles used by the Company and without which the Company could not continue to operate its business,

⁸ October 2 Affidavit at para 6.

⁹ May 21 Affidavit at para 7, MR, Tab 2, Exhibit “A”.

¹⁰ October 2 Affidavit at para 7.

¹¹ October 2 Affidavit at para 10.

¹² October 2 Affidavit at para 8.

¹³ October 2 Affidavit at para 9.

the Company filed a second Notice of Intention to Make a Proposal on April 24, 2026 (the “**Filing Date**”) in order to obtain a stay of proceedings and preserve the going-concern operations of the business and the employment of approximately 60 unionized employees at the time. TDB Restructuring Limited (“**TDB**”) is the proposal trustee in these proceedings (in such capacity, the “**Proposal Trustee**”).¹⁴

13. The Company’s focus in this proceeding was to: (i) improve the financial position of the Company by improving profitability, strengthening cash flow, maximizing asset utilisation and restoring confidence among employees, customers and stakeholders;¹⁵ and (ii) facilitate the sale of the Company’s business and assets to A2 or a third party to enable the Company to emerge from this proceeding as a going concern.¹⁶

14. The time for the Company to file a proposal has been extended multiple times in this proceeding, with the most recent extension granted on September 14, 2026. The time for the Company to file a proposal will expire on October 5, 2026.¹⁷

15. During its last Court attendance on September 14, 2026, the Company advised the Court that it only required a short stay extension, to allow the Company time to negotiate and enter into a sale agreement with A2.¹⁸

16. This proposal proceeding is funded by the Company’s available cash flows. The Company was experiencing liquidity constraints, which has limited the Company’s ability to pay among

¹⁴ October 2 Affidavit at para 10.

¹⁵ September 10 Affidavit at para 11, MR, Tab 2, Exhibit “C”.

¹⁶ September 10 Affidavit at para 13, MR, Tab 2, Exhibit “C”.

¹⁷ October 2 Affidavit at para 14.

¹⁸ October 2 Affidavit at para 14.

other things, the amounts owing to the union under the Collective Agreement and to CRA for source deductions and HST.¹⁹

The APA

17. The Company has prepared an Asset Purchase Agreement dated October 2, 2026 (the “**APA**”) with A2 (the “**Purchaser**”) for the sale of the Purchased Assets (as defined in the APA).²⁰

18. The terms of the APA have been settled with the Proposal Trustee.²¹

19. The salient terms and conditions of the APA are summarized below:²²

- (a) **Purchased Assets:** substantially all of the Company’s business and assets as a going concern;
- (b) **Employees:** the Purchaser intends to retain the employment of all current 49 unionized and 18 non-unionized employees;
- (c) **Purchase Price:** the purchase price is equal to the sum of the following:
 - (i) all amounts owing to Oxygen as of the Closing Date on account of the term loan;
 - (ii) all amounts owing by the Company to Canada Revenue Agency on account of source deductions;

¹⁹ October 2 Affidavit at para 19; September 10 Affidavit at para 20, MR, Tab 2, Exhibit “C”.

²⁰ October 2 Affidavit at para 15.

²¹ October 2 Affidavit at para 16.

²² October 2 Affidavit at para 17.

- (iii) all amounts owing by the Company to Canada Revenue Agency on account of HST obligations incurred by the Company after the Filing Date;
- (iv) the amount of Pre-Filing Employee Claims (as defined in the APA);
- (v) all amounts owing by the Company under the Collective Agreement after the Filing Date;
- (vi) the amount payable to Emkay for the buyout of the vehicles leased by Emkay;
- (vii) all amounts owing by the Company to the Proposal Trustee and the Company's legal counsel, Chaitons LLP, as at the Closing Date, plus the amount payable to the Proposal Trustee in order to finalize the Company's insolvency and bankruptcy proceedings;
- (d) **Deposit:** a deposit in the amount of \$100,000 to be paid prior to the return of the Company's motion to approve the APA; and
- (e) **Material Conditions:** material conditions include, among other things:
 - (i) the Court granting an approval and vesting order; and
 - (ii) the Company, the Purchaser and Labourers' International Union of North America ("LIUNA") union locals 837, 183 and 506, (collectively, the "Union") reaching an agreement with respect to payment of Pre-Filing Employee Claims.

Employee Claims

20. The Collective Agreement that the Company is a party to with, among others, the Union, requires the Company to make certain pension contributions based on hours worked per employee.²³

21. On behalf of the Purchaser, Mr. Bruno has been in discussions with representatives of LIUNA local 837 with a view to reaching an agreement on the pre-filing and post-filing pension and vacation pay arrears and payment arrangements for such amounts.²⁴

Emkay

22. The Purchaser and Emkay engaged in discussions for the purchase of Emkay's leased vehicles and have reached an agreement with them to pay an amount on closing of the APA to purchase the leased vehicles.²⁵

Extension to Make a Proposal

23. The Company seeks a short 9-day extension of time to file a proposal to October 14, 2026. The Company requires this extension to provide the Proposal Trustee with time to seek approval of the APA and, if approved, complete the transaction contemplated thereby.²⁶

24. The Company is acting in good faith and with due diligence. No creditor would be materially prejudiced by the extension sought.²⁷

25. The completion of the APA is in the best interests of creditors as it will maximize value for its stakeholders and will preserve employment for 67 employees. If the requested stay extension

²³ October 2 Affidavit at para 18.

²⁴ October 2 Affidavit at para 20.

²⁵ October 2 Affidavit at para 21.

²⁶ October 2 Affidavit at para 22.

²⁷ October 2 Affidavit at para 23.

is not approved the Company will be bankrupt and its assets liquidated, to the material prejudice of the Company's creditors, employees, customers and other stakeholders.²⁸

26. The Company intends to return to the Court before October 14, 2026 to seek a final stay extension to October 26, 2026. The six-month period for the Company to file a proposal under the notice of intention will expire on October 26, 2026 and accordingly, no further extensions are available under the *Bankruptcy and Insolvency Act* ("BIA") or the *Companies' Creditors Arrangement Act* ("CCAA") as the Company does not qualify for CCAA protection.²⁹

PART III – ISSUES

27. The sole issue to be determined on this motion is whether the Court should grant an extension of the time to file a proposal to October 14, 2026.

PART IV – LAW AND ARGUMENT

A. THE REQUESTED EXTENSION OF TIME SHOULD BE GRANTED

28. The purpose of the BIA proposal scheme is rehabilitation, not liquidation. Insolvent companies should have the chance to put forward their proposal.³⁰

29. Section 50.4(9) of the BIA provides that the Court may grant an extension or further extension not exceeding forty-five (45) days for any individual extension or five months in the aggregate following the expiry of the original 30 day period.³¹

²⁸ October 2 Affidavit at para 24.

²⁹ October 2 Affidavit at para 25.

³⁰ [*Mustang GP Ltd \(Re\)*, 2015 ONSC 6562](#) at para 41.

³¹ [BIA, s. 50.4\(9\)](#).

30. The Second NOI was filed on April 24, 2026. The maximum period for filing a proposal under section 50.4(9) of the BIA therefore expires on October 24, 2026. At this time, the Company is seeking a short 9-day extension to and including October 14, 2026.

31. In determining whether to grant a debtor an extension under s. 50.4(9) the Court is required to examine three factors: (a) whether the debtor has acted in good faith and with due diligence; (b) whether the debtor would likely be able to make a viable proposal if the extension being applied for were granted; and (c) whether any creditor will be materially prejudiced by the extension.³²

32. The Company has acted and is acting in good faith and with due diligence.³³ There is no known material prejudice that will be suffered by any creditors or other stakeholders by the proposed extension.³⁴

33. The completion of the APA is in the best interests of creditors as it will maximize value for its stakeholders and will preserve employment for 67 employees. If the requested stay extension is not approved the Company will be bankrupt and its assets liquidated, to the material prejudice of the Company's creditors, employees, customers and other stakeholders.³⁵

34. The Company intends to return to the Court before October 14, 2026 to seek a final stay extension to October 26, 2026. The six-month period for the Company to file a proposal under the notice of intention will expire on October 24, 2026 and accordingly, no further extensions are available under the BIA or the CCAA as the Company does not qualify for CCAA protection.³⁶

³² [BIA, s. 50.4\(9\)](#). See also [*In the Matter of the Notice of Intention to Make a Proposal of The Body Shop Canada Limited*, 2024 ONSC 1651](#) at paras. [73-75](#).

³³ October 2 Affidavit at para 23.

³⁴ October 2 Affidavit at para 23.

³⁵ October 2 Affidavit at para 24.

³⁶ October 2 Affidavit at para 25.

35. The Proposal Trustee supports the extension of the time to file a proposal.

PART V – ORDER REQUESTED

36. For the above reasons, the Company requests an Order substantially in the form of the draft Order.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 3rd day of October, 2026.



Per: _____

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SCHEDULE “A”

LIST OF AUTHORITIES

Tab	Title	Pinpoints
1	<u><i>In the Matter of the Notice of Intention to Make a Proposal of The Body Shop Canada Limited</i>, 2024 ONSC 1651</u>	73-75
2	<u><i>Mustang GP Ltd (Re)</i>, 2015 ONSC 6562</u>	41

I certify that I am satisfied as to the authenticity of every authority.

Note: Under the Rules of Civil Procedure, an authority or other document or record that is published on a government website or otherwise by a government printer, in a scholarly journal or by a commercial publisher of research on the subject of the report is presumed to be authentic, absent evidence to the contrary (rule 4.06.1(2.2)).

Date October 3, 2026



Signature

SCHEDULE “B”

TEXT OF STATUTES, REGULATIONS & BY - LAWS

Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended

Who may make a proposal

50 (1) Subject to subsection (1.1), a proposal may be made by

- (a) an insolvent person;
- (b) a receiver, within the meaning of subsection 243(2), but only in relation to an insolvent person;
- (c) a liquidator of an insolvent person’s property;
- (d) a bankrupt; and
- (e) a trustee of the estate of a bankrupt.

Notice of intention

50.4 (1) Before filing a copy of a proposal with a licensed trustee, an insolvent person may file a notice of intention, in the prescribed form, with the official receiver in the insolvent person’s locality, stating

- (a) the insolvent person’s intention to make a proposal,
- (b) the name and address of the licensed trustee who has consented, in writing, to act as the trustee under the proposal, and
- (c) the names of the creditors with claims amounting to two hundred and fifty dollars or more and the amounts of their claims as known or shown by the debtor’s books,

and attaching thereto a copy of the consent referred to in paragraph (b).

Extension of time for filing proposal

(9) The insolvent person may, before the expiry of the 30-day period referred to in subsection (8) or of any extension granted under this subsection, apply to the court for an extension, or further extension, as the case may be, of that period, and the court, on notice to any interested persons that the court may direct, may grant the extensions, not exceeding 45 days for any individual extension and not exceeding in the aggregate five months after the expiry of the 30-day period referred to in subsection (8), if satisfied on each application that

- (a) the insolvent person has acted, and is acting, in good faith and with due diligence;
- (b) the insolvent person would likely be able to make a viable proposal if the extension being applied for were granted; and
- (c) no creditor would be materially prejudiced if the extension being applied for were granted.

**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)
IN BANKRUPTCY AND INSOLVENCY**

**FACTUM OF NATIONAL TRAFFIC
SAFETY MANAGEMENT INC.
(Returnable October 5, 2026)**

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