

**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 June 15, 2026)**

June 12, 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 June 17, 2026, the date the current stay expires, to August 1, 2026;
  - (b) granting an increase in the administration charge granted by Order of the Honourable Justice Black dated June 3, 2026 (the “**Administration Charge**”) from \$50,000 to \$80,000; and
  - (c) 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**”)<sup>1</sup>, the affidavit of Antonio Bruno sworn May 30, 2026 (the “**May 30 Affidavit**”)<sup>2</sup> and the affidavit of Antonio Bruno sworn June 11, 2026 (the “**June 11 Affidavit**”).<sup>3</sup> All capitalized terms used herein but not otherwise defined have the meanings ascribed to them in the June 11 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.<sup>4</sup>

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.<sup>5</sup>

5. The Company employs approximately 42 employees of which, 33 are unionized employees, 4 are non-unionized employees who are not head office staff, and 5 are non-unionized head office staff.

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<sup>1</sup> Motion Record of National Traffic Management Inc. dated June 11, 2026, Tab 2, Exhibit “A”, Affidavit of Antonio Bruno sworn May 21, 2026 (the “**May 21 Affidavit**”).

<sup>2</sup> Motion Record of National Traffic Management Inc. dated June 11, 2026, Tab 2, Exhibit “B”, Affidavit of Antonio Bruno sworn May 30, 2026 (the “**May 30 Affidavit**”).

<sup>3</sup> Motion Record of National Traffic Management Inc. dated June 11, 2026, Tab 2, Affidavit of Antonio Bruno sworn June 11, 2026 (the “**June 11 Affidavit**”).

<sup>4</sup> May 21 Affidavit at para 3.

<sup>5</sup> May 21 Affidavit at para 4.

## The NOI Proceeding

6. 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**”).<sup>6</sup>

7. A proposal in connection with the Initial NOI was filed on September 19, 2024. An amended proposal dated January 6, 2026 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 “**Amended Proposal**”).<sup>7</sup>

8. 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 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.<sup>8</sup>

9. 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.<sup>9</sup>

10. Following consultation with the Proposal Trustee and the inspectors, the Company filed a Notice of Intention to Make a Proposal on April 24, 2026 (the “**Filing Date**”) to obtain a stay of proceedings and preserve the going-concern operations of the business and employment of the

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<sup>6</sup> May 21 Affidavit at para 5.

<sup>7</sup> May 21 Affidavit at para 6.

<sup>8</sup> June 11 Affidavit at para 5.

<sup>9</sup> May 21 Affidavit at para 7.

employees of the Company (the “**Second NOI**”). TDB Restructuring Limited (“**TDB**”) is the proposal trustee in these Second NOI proceedings (“in such capacity, the **Proposal Trustee**”).<sup>10</sup>

### **Improved Cash Flow of the Company**

11. Following Antonio Bruno’s (“**Antonio**”) appointment on or about April 13, 2026, as the sole director of the Company, he assumed operational control of the business and immediately began taking steps focused on improving profitability, strengthening cash flow, maximizing asset utilization, and restoring confidence among employees, customers, and stakeholders.<sup>11</sup>

12. The Company had previously arranged interim financing to refinance certain existing indebtedness and provide additional working capital for the Company.<sup>12</sup> The steps taken since Antonio’s appointment have produced material improvements that eliminated the Company’s need for interim financing at this time.<sup>13</sup>

### **Cost Savings**

13. Since assuming control, Antonio has overseen the identification and implementation of approximately \$555,598 in annualized net cost savings. These reductions have materially improved the Company’s cash flow position as shown in the updated cash flow statement.<sup>14</sup>

14. The Company has reduced its office staff which has resulted in approximately \$398,202 in net annual salary savings. The Company also renegotiated its fleet insurance, generating approximately \$80,500 in annual savings, has consolidated its 3 offices into 1 office, resulting in

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<sup>10</sup> May 21 Affidavit at para 10.

<sup>11</sup> June 11 Affidavit at para 9.

<sup>12</sup> June 11 Affidavit at para 8.

<sup>13</sup> June 11 Affidavit at para 9.

<sup>14</sup> June 11 Affidavit at para 10.

an additional \$25,200 in annual rent savings, and reduced mobile lines and company benefit coverage, resulting in an additional \$51,696 in annual savings.<sup>15</sup>

*Business Optimization and Increased Revenue*

15. In addition to direct cost reductions, the Company has strengthened labour management practices by implementing tighter overtime controls, improving labour allocation and utilization, and increasing the recovery of premium and overtime labour rates from clients.<sup>16</sup>

16. A significant operational improvement has been the rehabilitation and return to service of the Company's fleet of trucks. Fleet utilization has increased from approximately 50% to 98%, with only a small number of units still undergoing servicing and maintenance work before returning to service. This improvement has substantially reduced the Company's reliance on subcontractors and has allowed it to retain a greater share of revenue and profit margin.<sup>17</sup>

17. At the same time, the Company has taken deliberate steps to grow top-line revenue. The addition of a Director of Business Development and Marketing has strengthened client engagement, expanded service offerings, and increased the Company's visibility in the marketplace.<sup>18</sup>

18. These efforts have produced significant revenue growth. Traffic control revenues, which historically averaged \$50,000 to \$60,000 per week, have increased substantially, with recent peak periods reaching approximately \$180,000 per week. This increase is directly attributable to

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<sup>15</sup> June 11 Affidavit at para 11.

<sup>16</sup> June 11 Affidavit at para 12.

<sup>17</sup> June 11 Affidavit at para 13.

<sup>18</sup> June 11 Affidavit at para 14.

improved fleet availability, stronger customer relationships, and enhanced operational execution.<sup>19</sup>

19. The combination of approximately \$555,598 in annualized cost savings, significantly improved fleet utilization, reduced subcontracting costs, and growing top-line revenue has materially strengthened the company's cash flow position and improved its ability to meet ongoing obligations without reliance on interim financing at this time.<sup>20</sup>

### **Increase to the Administration Charge**

20. Pursuant to the Order of Justice Black dated June 3, 2026, the Company was granted an administration charge from in the amount of \$50,000 to secure payment of the fees and disbursements of the Proposal Trustee, its counsel and counsel for the Company (the "**Administration Charge**").<sup>21</sup>

21. The Company is now seeking an increase to the Administration Charge from \$50,000 to \$80,000.<sup>22</sup>

22. The professionals whose fees are secured by the Administration Charge have taken on, and will continue to take on, a critical role in this proceeding.

### **Extension to Make a Proposal**

23. The stay of proceedings is set to expire on June 17, 2025 (the "**Proposal Period**").<sup>23</sup>

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<sup>19</sup> June 11 Affidavit at para 15.

<sup>20</sup> June 11 Affidavit at para 16.

<sup>21</sup> June 11 Affidavit at para 17.

<sup>22</sup> June 11 Affidavit at para 18.

<sup>23</sup> June 11 Affidavit at para 2.

24. Prior to the end of the Proposal Period, the Company intends to return to Court to seek approval of a sale process for the business and assets of the Company.<sup>24</sup>
25. The Company will have sufficient liquidity to continue operating through the extended stay period.<sup>25</sup>
26. The Company is acting in good faith and with due diligence. No creditor would be materially prejudiced by the extension sought.<sup>26</sup>
27. Oxygen, as a senior secured creditor, is supportive of the relief sought.<sup>27</sup>
28. If the requested 45-day stay extension is granted, the Company will likely be able to make a viable proposal to its creditors.<sup>28</sup>

### **PART III – ISSUES**

29. The issues to be determined on this motion are whether the Court should:
  - (a) grant the increase in the Administration Charge; and
  - (b) grant an extension of the Proposal Period to August 1, 2026.

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<sup>24</sup> June 11 Affidavit at para 19.

<sup>25</sup> June 11 Affidavit at para 21.

<sup>26</sup> June 11 Affidavit at para 22.

<sup>27</sup> June 11 Affidavit at para 23.

<sup>28</sup> June 11 Affidavit at para 24.

## PART IV – LAW AND ARGUMENT

### Administration Charge

30. The Company seeks an increase to the Administration Charge to the aggregate principal amount of \$80,000 (the “**Increased Administration Charge**”).<sup>29</sup> The Increased Administration Charge is required to facilitate these proceedings.

31. Subsection 64.2(1) of the BIA provides that a court may grant a charge in favour of, among others, the Proposal Trustee and other professionals in respect of their fees and expenses to be incurred during NOI proceedings. Subsection 64.2(2) of the BIA provides that the Court may order that the charge rank in priority over the claim of any secured creditor.<sup>30</sup>

32. In [Canwest Publishing](#), the Court considered the following factors when addressing the analogous section of the CCAA:<sup>31</sup>

- (a) the size and complexity of the business being restructured;
- (b) the proposed role of the beneficiaries of the charge;
- (c) whether there is an unwarranted duplication of roles;
- (d) whether the quantum of the proposed charge appears to be fair and reasonable;
- (e) the position of the secured creditors likely to be affected by the charge; and
- (f) the position of the monitor.

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<sup>29</sup> June 11 Affidavit at para 17.

<sup>30</sup> [BIA, ss. 64.2\(1\) – 64.2\(2\)](#).

<sup>31</sup> [Canwest Publishing Inc \(Re\)](#), 2010 ONSC 222 at para. 54.

33. There can be no question that the involvement of professional advisors is critical to a successful restructuring. This process is reasonably complex and their assistance is self evidently necessary to navigate to completion.<sup>32</sup>

34. Increases to administration charges have been approved in other proposal proceedings under the BIA.<sup>33</sup>

35. The Increased Administration Charge should be granted for the following reasons:

- (a) the Increased Administration Charge was determined by the Company in consultation with the Proposal Trustee based upon the Company's liquidity and the fees incurred and expected to be incurred in connection with the Second NOI proceedings;
- (b) the quantum of the Increased Administration Charge is fair and reasonable in the circumstances given the complexity and size of the Company's business and operations;
- (c) the beneficiaries of the Increased Administration Charge will play critical roles in assisting the Company in the Second NOI proceedings and there is no unwarranted duplication of roles of each of the proposed beneficiaries;
- (d) the Proposal Trustee supports the Increased Administration Charge; and

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<sup>32</sup>[\*Mustang GP Ltd. \(Re\)\*, 2015 ONSC 6562; \*Colossus Minerals Inc. \(Re\)\*, 2014 ONSC 514.](#)

<sup>33</sup> See, e.g., [\*In the Matter of the Notices of Intention to Make a Proposal to Creditors of 11449346 Canada Inc. o/a P3 Panel Company and 12574764 Canada Ltd. o/a United Edge Structural Components\*](#), Unreported Order (Ancillary Relief Order) Ont. S.C.J. [Commercial List] (July 30, 2025).

- (e) Oxygen supports the Increased Administration Charge, subject to the Company entering into a forbearance agreement with Oxygen.

### **Extension of Time**

36. 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. 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.<sup>34</sup>

37. The Company submits that each of the factors have been met in this instance, and the extension of the proposal period is appropriate as the extension will give the Company time to return to Court to seek approval of a sale process for the business and assets of the Company.<sup>35</sup>

38. The Company has acted and is acting in good faith and with due diligence.<sup>36</sup> The Company will likely be able to make a viable proposal to its creditors if the extension is granted.<sup>37</sup>

39. There is no known material prejudice that will be suffered by any creditors or other stakeholders by the proposed extension.<sup>38</sup> The Company is projected to have sufficient cash to continue operating through the extended Proposal Period.<sup>39</sup>

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<sup>34</sup> [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](#).

<sup>35</sup> June 11 Affidavit at para 19.

<sup>36</sup> June 11 Affidavit at para 22.

<sup>37</sup> June 11 Affidavit at para 24.

<sup>38</sup> June 11 Affidavit at para 22.

<sup>39</sup> June 11 Affidavit at para 21.

40. The Proposal Trustee supports the extension of the Proposal Period. Oxygen supports the extension of the Proposal Period, subject to the Company entering into a forbearance agreement with Oxygen.

**PART IV – ORDER REQUESTED**

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

**ALL OF WHICH IS RESPECTFULLY SUBMITTED** this 12th day of June, 2026.



Per: \_\_\_\_\_  
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## SCHEDULE "A"

### AUTHORITIES

1. [Colossus Minerals Inc. \(Re\), 2014 ONSC 514](#)
2. [Mustang GP Ltd. \(Re\), 2015 ONSC 6562](#)
3. [Canwest Publishing Inc \(Re\), 2010 ONSC 222](#)
4. [In the Matter of the Notice of Intention to Make a Proposal of The Body Shop Canada Limited, 2024 ONSC 1651](#)
5. [In the Matter of the Notices of Intention to Make a Proposal to Creditors of 11449346 Canada Inc. o/a P3 Panel Company and 12574764 Canada Ltd. o/a United Edge Structural Components](#), Unreported Order (Ancillary Relief Order) Ont. S.C.J. [Commercial List] (July 30, 2025).

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          June 12, 2026



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*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.

##### **Court may order security or charge to cover certain costs**

64.2 (1) On notice to the secured creditors who are likely to be affected by the security or charge, the court may make an order declaring that all or part of the property of a person in respect of whom a notice of intention is filed under section 50.4 or a proposal is filed under subsection 62(1)

is subject to a security or charge, in an amount that the court considers appropriate, in respect of the fees and expenses of

- (a) the trustee, including the fees and expenses of any financial, legal or other experts engaged by the trustee in the performance of the trustee's duties;
- (b) any financial, legal or other experts engaged by the person for the purpose of proceedings under this Division; and
- (c) any financial, legal or other experts engaged by any other interested person if the court is satisfied that the security or charge is necessary for the effective participation of that person in proceedings under this Division.

**Priority**

(2) The court may order that the security or charge rank in priority over the claim of any secured creditor of the person.

**Individual**

(3) In the case of an individual,

- (a) the court may not make the order unless the individual is carrying on a business; and
- (b) only property acquired for or used in relation to the business may be subject to a security or charge.

**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

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***ONTARIO***  
**SUPERIOR COURT OF JUSTICE**  
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**IN BANKRUPTCY AND INSOLVENCY**

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**FACTUM OF NATIONAL TRAFFIC  
SAFETY MANAGEMENT INC.**  
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