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 NATIONAL TRAFFIC SAFETY MANAGEMENT INC.

(Returnable July 31, 2026)

July 29, 2026

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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 August 1, 2026, the date the current stay expires, to September 15, 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 May 30, 2026 (the "**May 30 Affidavit**")[2], the affidavit of Antonio Bruno sworn June 11, 2026 (the "**June 11 Affidavit**")[3], and the Affidavit of Antonio Bruno sworn July 29, 2026. All capitalized terms

[1] Motion Record of National Traffic Management Inc. dated July 29, 2026, Tab 2, Exhibit "A", Affidavit of Antonio Bruno sworn May 21, 2026 (the "**May 21 Affidavit**").
[2] Motion Record of National Traffic Management Inc. dated July 29, 2026, Tab 2, Exhibit "B", Affidavit of Antonio Bruno sworn May 30, 2026 (the "**May 30 Affidavit**").
[3] Motion Record of National Traffic Management Inc. dated July 29, 2026, Tab 2, Exhibit "D", Affidavit of Antonio Bruno sworn June 11, 2026 (the "**June 11 Affidavit**").

used herein but not otherwise defined have the meanings ascribed to them in the July 29 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, 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**").[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

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[4] May 21 Affidavit at para 3.
[5] May 21 Affidavit at para 4.
[6] May 21 Affidavit at para 5.
[7] May 21 Affidavit at para 6.

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. 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 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**").[10]

<u>Developments Since the Last Court Attendance</u>

10. Since its last court attendance, the Company has continued to expend efforts to grow top-line revenue and improve its profit margins to facilitate a successful restructuring.[11]

11. The Company's efforts have been primarily focused on improving fleet rehabilitation, revenue growth and business development, cost reductions and liquidity management and management of post-filing obligations.[12]

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[8] Motion Record of National Traffic Management Inc. dated July 29, 2026, Tab 2, Affidavit of Antonio Bruno sworn July 29, 2026 (the "**July 29 Affidavit**") at para 5.
[9] May 21 Affidavit at para 7.
[10] July 29 Affidavit at para 7.
[11] July 29 Affidavit at para 13.
[12] July 29 Affidavit at para 13.

Fleet Rehabilitation

12. Between April and July 2023, the Company invested approximately $109,000 in fleet repairs, maintenance and associated costs. As a result of these efforts, the Company has progressed from approximately $50% effective fleet utilization toward substantially full utilization of its serviceable fleet. These investments have streamlined maintenance costs, resulting in a reduction of monthly costs by substantially more than 60%, and should result in an increase in the value of the equipment.[13]

13. The increased availability of vehicles has directly improved the Company's ability to accept and perform customer work which has and will continue to result in increased work for existing customers, servicing of additional locations, increased revenue and productivity, increased employee labour hours and reduction in operation time.[14]

14. Since Antonio Bruno's appointment as sole director of the Company, he has taken steps to improve profitability, strengthen cash flow and maximize asset utilization.[15]

Revenue Growth and Business Development

15. The overall revenue trend during the past 45 days has been positive. The Company has experienced weeks with weekly revenue exceeding approximately $150,000 and $180,000, with weekly revenues in excess of $200,000 over the last two weeks. This increase is directly attributable to improved fleet availability, stronger customer relationships and enhanced operational execution.[16]

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[13] July 29 Affidavit at paras 15 and 17.
[14] July 29 Affidavit at para 16.
[15] July 29 Affidavit at para 10.
[16] July 29 Affidavit at para 18.

Going Concern Transaction

16. Certain shareholders of the Company and A2 Environmental Group (the "**Purchaser**") entered into a Letter of Intent dated April 12, 2026, pursuant to which the Purchaser agreed to purchase the shares of those shareholders.[17]

17. The Purchaser had originally arranged for the provision of working capital and refinancing for the Company which was conditional on the completion of the share sale transaction.[18]

18. Since then, certain of the counterparties disputed that they agreed to transfer all of their shares in the Company to the Purchaser. The share transaction has since fallen apart.[19]

19. Antonio Bruno remains committed to acquiring the business and assets of the Company and has invested substantial funds, time and energy into restructuring the Company's business to allow it to emerge from this process as a going-concern.[20]

20. Diligent efforts are being made to secure the financing necessary to complete the acquisition of the Company's business.[21]

21. If the financing is obtained before the next stay extension expires, the Company will bring a motion for an order, approving a sale process for the sale of its business which will likely include a stalking horse bid by the Purchaser, or a related company.[22]

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[17] July 29 Affidavit at para 20.
[18] July 29 Affidavit at para 22.
[19] July 29 Affidavit at para 22.
[20] July 29 Affidavit at para 23.
[21] July 29 Affidavit at para 23.
[22] July 29 Affidavit at para 25.

22. If the financing is not secured before the expiry of the next stay extension, the Company will return to the Court for an order approving a sale process for the business and assets of the Company.[23]

Other Creditors

The Union

23. Approximately 74 of the Company's hourly employees are members the Labourers' International Union of North America, Local 837, 506 and 183 (collectively, the "**Union**"). The Company is required to remit health benefits, pension benefits, 10% vacation pay, union dues and administrative fees to the respective Local, in arrears monthly.[24]

24. The Union remittances have not been kept current due to cash flow constraints.[25]

25. On July 29, 2026, the Company and the Union Local 837 entered into a Minutes of Settlement. Pursuant to the Minutes of Settlement, the Company made a payment of $15,000 to the Union and agreed to a payment schedule which contemplates payments to be made on a weekly basis to the Union Local 837, in respect of post-filing unpaid remittances.[26] In addition to the payment schedule, the Company agreed that it will continue to satisfy its post-filing remittance obligations as they become due.[27]

CRA

26. The Company's monthly remittances to the Canada Revenue Agency ("**CRA**") are due at the end of each month. The balance owing in respect of May 2026 HST became payable by the

[23] July 29 Affidavit at para 26.
[24] July 29 Affidavit at para 27.
[25] July 29 Affidavit at para 28.
[26] July 29 Affidavit at paras 29 and 30; Minutes of Settlement, Exhibit "F" to the July 29 Affidavit at para 2.
[27] July 29 Affidavit at para 30; Minutes of Settlement, Exhibit "F" to the July 29 Affidavit at para 3.

end of June 2026 in the approximate amount of $40,000 and was not remitted as the Company did not have sufficient cash flow to pay it at the time.[28]

27. As set out in the Company's revised cash flow statement, the Company intends to pay the May HST arrears during the week of August 14, 2026.[29]

28. The Company is also in arrears for post filing source deduction for certain non-unionized employees in the amount of approximately $16,000. As set out in the Company's revised cash flow statement, the Company intends to pay the source deduction arrears for the month of May 2026, during the week of July 31, 2026.[30]

29. If the Purchaser or related company secures the financing to purchase the Company's business, to the extent that there are any, the post-filing amounts that remain owing to CRA will be assumed or paid on closing.[31]

Extension to Make a Proposal

30. The stay of proceedings is set to expire on August 1, 2026 (the "**Proposal Period**").[32]

31. The Company will have sufficient liquidity to continue operating through the extended stay period.[33]

32. The Company is acting in good faith and with due diligence. No creditor would be materially prejudiced by the extension sought.[34]

[28] July 29 Affidavit at para 32.
[29] July 29 Affidavit at para 32.
[30] July 29 Affidavit at para 33.
[31] July 29 Affidavit at para 34.
[32] July 29 Affidavit at para 2.
[33] July 29 Affidavit at para 35.
[34] July 29 Affidavit at para 36.

33. If the extension is granted, the Company may continue as a going-concern in the event of a sale to the Purchaser or another party in a sale process. Without the extension sought, the Company will not be in a position to make a viable proposal to their creditors and will become bankrupt to the detriment of its creditors and stakeholders.[35]

34. If the requested 45-day stay extension is granted, the Company will likely be able to make a viable proposal to its creditors.[36]

PART III – ISSUES

35. The sole issue to be determined on this motion is whether the Court should grant an extension of the Proposal Period to September 15, 2026.

PART IV – LAW AND ARGUMENT

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.[37]

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[35] July 29 Affidavit at para 36.
[36] July 29 Affidavit at para 37.
[37] 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.

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 Company may continue as a going-concern in the event of a sale to the Purchaser or another party in a sale process.[38]

38. The Company has acted and is acting in good faith and with due diligence.[39] Without the extension sought, the Company will not be in a position to make a viable proposal to their creditors and will become bankrupt to the detriment of its creditors and stakeholders.[40]

39. There is no known material prejudice that will be suffered by any creditors or other stakeholders by the proposed extension.[41] The Company is projected to have sufficient cash to continue operating through the extended Proposal Period.[42]

40. The Proposal Trustee supports the extension of the Proposal Period.

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 29th day of July, 2026.

Per:__________________________
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[38] July 29 Affidavit at para 36.
[39] July 29 Affidavit at para 36.
[40] July 29 Affidavit at para 36.
[41] July 29 Affidavit at para 36.
[42] July 29 Affidavit at para 35.

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SCHEDULE "A"

AUTHORITIES

1. *In the Matter of the Notice of Intention to Make a Proposal of The Body Shop Canada Limited*, 2024 ONSC 1651

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	July 29, 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.

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