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 THE LABOURERS' INTERNATIONAL UNION OF NORTH AMERICA, LOCAL 837
(Motion Returnable October 26, 2026)

October 24, 2026

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

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

FACTUM

PART I - OVERVIEW

1. This factum is filed on behalf of the Labourers' International Union of North America, Local 837 ("**Local 837**" or the "**Union**") in support of the motion of TDB Restructuring Limited, in its capacity as the Proposal Trustee (the "**Proposal Trustee**"), seeking approval of the Proposed Transaction[1] and related relief.

2. Local 837 is now the largest single creditor of National Traffic Safety Management Inc. (the "**Company**" or "**National Traffic**").[2] Notwithstanding promises to comply with the post-filing obligations in the Collective Agreement, including with respect to pension and benefits obligations, the Company has repeatedly failed to honour these obligations. The Company's debt to the Union has increased by more than $324,169.09 since filing.[3] The Union and the employees have effectively funded these proceedings. Additional arrears accrue weekly the longer this proceeding continues.

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[1] Unless otherwise defined herein, all capitalized terms have the same definitions as the Sixth Report of the Proposal Trustee dated October 21, 2026 ("**Sixth Report of the PT**").
[2] Affidavit of Sam Tinebra sworn September 13, 2026, Affidavit of Sam Tinebra sworn October 23, 2026 ("**Tinebra Aff**"), Ex. A, Local 837 Responding Motion Record ("**Local 837 RMR**"), Tab 1A, para 15, p 15.
[3] Tinebra Aff., Local 837 RMR, Tab 1, para 4, p 6.

3. Under the circumstances, the Union cannot support any option that would allow the status quo to continue. This is especially the case in the context of the Proposed Transaction, which would enable Ramudden Global (Canada) Inc. ("**Ramudden**") to purchase substantially all operating assets and facilitate the continued employment of the Union's members under the collective agreement.[4] Moreover, as the Union understands it, the Proposed Transaction, as set out in the October 21, 2026 Letter of Intent ("**LOI**") and Asset Purchase Agreement ("**APA**"), would result in payment to the Union for the significant post-filing obligations that the Company has incurred, as well as for pre-filing outstanding pension and vacation amounts owing.[5]

4. Accordingly, as set out in greater detail below, the Union supports the Proposed Transaction, as long as the Company will make the payments required under s. 65.13(8) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the "**BIA**"). Section 65.13(8) precludes a court from authorizing a proposed transaction unless "the court is satisfied that the insolvent person can and will make the payments that would have been required" under ss. 60(1.3)(a) and 60(1.5)(a).[6] Thus, if the Proposed Transaction does not ensure the payment of pre-filing wages, compensation and pension entitlements and all forms of post-filing compensation owing to unionized employees, the Court cannot and should not approve the Proposed Transaction. As set out in the LOI, the Union understands that the Proposed Transaction would satisfy s. 65.13(8).

5. To the extent that the Company submits a holding proposal as an alternative to the approval of the Proposed Transaction, the Union opposes a holding proposal. So long as the Proposed Transaction is a viable alternative, a holding proposal is not in the best interests of the creditors.

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[4] Affidavit of Jamie West dated October 21, 2026 ("**West Oct. 21 Aff.**"), Ramudden Responding Motion Record dated October 21, 2026 ("**Oct. 21 Ramudden RMR**"), Tab 1, para 14, p 12.
[5] West Oct. 21 Aff., Exs. A and B., Oct 21 Ramudden RMR, Tab 1, Tab 1A and Tab1B, para 16, p 13.
[6] *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 ("**BIA**"), s 65.13(8).

A holding proposal would perpetuate a pattern of conduct by the Company that seeks to delay and prevent a fair sales process from concluding and would compromise the interests of the creditors and other stakeholders.

PART II - FACTS

A. BACKGROUND

6. On April 5, 2024, the Company filed an initial Notice of Intention to Make a Proposal under the *BIA*. An amended proposal was accepted by its creditors on February 20, 2025 (the "**Initial Proposal**").[7]

7. On April 24, 2026, the Company filed a second Notice of Intention to Make a Proposal (the "**Second NOI**"). Antonio Bruno ("**Bruno**") is the sole director and officer of National Traffic.[8]

8. National Traffic is bound to a collective agreement with the Labourers' International Union of North America, Ontario Provincial District Council, and its affiliated Local unions 183, 493, 527, 607, 625, 837, 1036, 1059 and 1089, effective from May 1, 2025 to April 30, 2028 ("the **Collective Agreement**").[9]

9. The Collective Agreement requires the Company to pay a specified amount for remittances and contributions. Included in such amounts are contributions to the LIUNA Pension Fund of Central and Eastern Canada (the "**Pension Fund**"), to the LIUNA Local 837 Health and Welfare Trust Fund (the "**Benefits Fund**"), the Greater Hamilton & Niagara Construction Association Industry Fund for highway industry, and the OTCCA Industry Fund for flaggers industry, as well

[7] West Oct. 21 Aff., Rammuden Oct. 21, RMR, Tab 1, paras 4-5, p 10.
[8] Tinebra Aff., Local 837 RMR, Tab 1, paras 4(c), 7, pp 6 and 8.
[9] Tinebra Aff., Local 837 RMR, Tab A, para 4, p 6.

as contributions for check-off/field dues. The remittances and contributions are calculated based on a formula that multiplies fixed amounts per hour worked by employees in the bargaining unit.[10]

10. The Union is a significant pre- and post-filing creditor of the Company. Prior to the filing of the Second NOI, the Company's books and records indicated that the pre-filing debt to Local 837 was $649,145.12. Pre-filing vacation and pension amounts alone amount to $250,967.47.

11. Since filing the Second NOI the Company has consistently failed to honour its remittance obligations pursuant to the Collective Agreement as they come due. At present, the Company's unpaid post-filing remittance obligations total $324,169.09.[11]

12. The Company failed to honour both the Collective Agreement and previous minutes of settlement reached during these proceedings requiring the Company to remain current with respect to its post-filing remittance obligations. This failure has contributed to the significant post-filing obligations now owing to the Union. Aside from making weekly $10,000 payments, the Company has failed to honour any of its post-filing remittance obligations as they become due.[12]

13. Despite the Company's failure to meet its remittance obligations, the Union's benefits trust fund is obligated to continue to fund and maintain benefits for its members working for National Traffic, at a cost of approximately $420 per month per employee, and the Union is required to continue to represent them as their bargaining agent. The Union has no guarantee that it will recover these costs.[13] But for the commitment of the Union and its members, who continued to

[10] Tinebra Aff., Local 837 RMR, Tab A, para 4(b), p 6.
[11] Tinebra Aff., Local 837 RMR, Tab 1, para 4(c), p 6.
[12] Tinebra Aff., Local 837 RMR, Tab 1, para 4(d), p 7.
[13] Tinebra Aff., Local 837 RMR, Tab 1, para 6, p 7.

provide their labour in the post-filing period despite the Company's failure to stay current with its remittance obligations, the Company would not have been able to remain a going concern.

B. THE PROPOSED TRANSACTION

14. Since the filing of the Second NOI, the Company has represented to the Court that the Company would bring a motion for an order approving a sale process that would likely include a stalking horse bid. The Company made these representations on multiple occasions, including most recently in Bruno's September 10, 2026 affidavit in support of a stay extension. Specifically, Bruno's evidence was that if the stay was granted, "the Company intends to return to the Court within a short time period for an order approving a stalking horse sale process to be administered by the Proposal Trustee". Relying in part on these representations, on September 15, 2026, Justice Steele granted a three-week stay extension.[14]

15. The Company never brought a motion for approval of a sales process or a stalking horse bid. Instead, on October 5, 2026, shortly before the expiry of the stay, the Company sought a further stay extension to allow it to bring a motion for approval of A2 Environmental Group Inc.'s ("**A2**") purchase of the Company's assets.[15] A2 is a related company owned by Bruno.[16]

16. Other parties had expressed interest in submitting bids to the Proposal Trustee. Following the stay extension, the Proposal Trustee solicited binding offers from parties interested in

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[14] Tinebra Aff., Local 837 RMR, Tab 1, para 8, p 8.
[15] Tinebra Aff., Local 837 RMR, Tab A, para 9 (citing Bruno's October 2, 2026 Affidavit ("**Brune Oct. 2 Aff.**"), National Traffic Safety Management Motion Record dated October 2, 2026 ("**NT Oct. 2 MR**"), Tab 2, para 22, p 20).
[16] Sixth Report of the PT, para 13.

purchasing the Company's assets.[17] As of the October 12, 2026 offer deadline, the Proposal Trustee had received proposals from two parties: A2 and Ramudden.[18]

17. After allowing A2 and Ramudden an opportunity to improve their bids in an amended offer, the Proposal Trustee has recommended the Proposed Transaction. In the Proposal Trustee's independent judgement, the Proposed Transaction "represented the most favourable outcome for the Company's creditors and other stakeholders".[19] The Union agrees with the Proposal Trustee.[20] However, the Proposal Trustee has not commented on whether s. 65.13(8) will be satisfied.

18. The Union's support for the Proposed Transaction is conditional on sufficient assurance that s. 65.13(8) will be met. The payment allocation specified in paragraph 1 of the LOI provides that assurance. However, the Proposal Trustee seeks to deviate from the LOI allocation and pay only the Proposal Trustee's and Emkay Canada Leasing Corp.'s (**"Emkay"**) charge prior to an assignment into bankruptcy.[21] Under the circumstances, the Union is seeking an express direction in the approval order requiring that the pre-filing and post-filing wages, compensation and pension amounts protected under s. 65.13(8) be paid from the proceeds of the Proposed Transaction.

PART III - LEGAL ISSUES AND ANALYSIS

19. The issues before the Court are:

(a) whether the Proposed Transaction should be approved; and

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[17] Fifth Report of the Proposal Trustee dated October 12, 2026 ("**Fifth Report of the PT**"), paras 16-22.
[18] Sixth Report of the PT, para 17.
[19] Sixth Report of the PT, para 19.
[20] Tinebra Aff., Local 837 RMR, Tab 1, para 11, p 9.
[21] Seventh Report of the PT, para 38; APA, s 3.6, West Oct. 21 Aff., Ex. A, Oct. 21 Ramudden RMR, Tab A, p 16. 54.

(b) whether a holding proposal, if any is made, should be permitted.

20. The Union submits that the Proposed Transaction should be approved and any holding proposal should be rejected.

A. THE PROPOSED TRANSACTION SHOULD BE APPROVED

21. Section 65.13(1) of the BIA requires court authorization for the sale or disposition of the Company's assets.[22] The criteria that the Court must apply to determine whether to grant the requisite authorization are set out in s. 65.13(4):

> (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.[23]

22. These principles, in addition to the principles set out in *Royal Bank of Canada v Soundair Corp* ("***Soundair***"),[24] apply equally in the case of a proposal trustee rather than a receiver.[25]

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[22] BIA, s 65.13(1).
[23] BIA, s 65.13(4).
[24] *Royal Bank v Soundair*, 1991 CanLII 2727 (ONCA) ("***Soundair***").
[25] *Tool Shed Brewing Company Inc (Re)*, 2024 ABKB 234 ("***Tool Shed***"), para 41; *see also Komtech Inc. (Re)*, 2011 ONSC 3230, para 25 (noting that s. 65.13(4) permits a sale of all or substantially all of a company's assets prior to a proposal to creditors).

23. When applying the criteria set out in s. 65.13(4) and in *Soundair*, the Court's role is to examine the procedural fairness of the sales process, not to second-guess a proposal trustee's business judgment. A proposal trustee's decision is subject to "significant deference". Only in exceptional cases will courts intervene in a proposal trustee's decision in a sales process.[26]

24. Finally, in evaluating the Proposed Transaction, the Court is required under s. 65.13(8) to ensure that, if the transaction is approved, the Company will make the payments required under ss. 60(1.3)(a) and (1.5)(a) of the BIA.[27] As the Union understands it, as of October 21, 2026, the Proposed Transaction would satisfy this requirement. However, if changes to the Proposed Transaction are introduced that compromise amounts that must be paid under ss. 60(1.3)(a) and (1.5)(a), namely pre-filing and post-filing wages and compensation (including pension contributions) owing to unionized employees, the Court cannot and should not approve the Proposed Transaction.

(i) The s. 65.13(4) Criteria are Satisfied

25. ***Section 65.13(4)(a): whether the process leading to the proposed sale or disposition was reasonable in the circumstances***. This factor is satisfied where the proposed sale is the result of a fair process that provided notice to the interested parties and gave them adequate opportunity to evaluate the business.[28]

26. Here, the Proposal Trustee notified interested parties of the request for bids, provided them with access to a data room and responded to their inquiries. The requirements for bids were likewise communicated to the interested parties.[29] Of the three interested parties, two submitted

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[26] *Tool Shed*, paras 40-41.
[27] BIA, s 65.13(8).
[28] *Tool Shed*, para 44; *Proposition de 2964-3277 Québec inc.*, 2019 QCCS 115, paras 11-15.
[29] Fifth Report of the PT, paras 16-22,

competitive bids. The Proposal Trustee then gave both parties an opportunity to amend their bids, presumably to make their best offers.[30]

27. Taking into account, *inter alia*, "the purchase price, the proposed treatment of creditors and other stakeholders, the certainty of closing and the ability of the proposed purchasers to complete their respective transactions", the Proposal Trustee has determined that the Ramudden bid is the most favourable outcome for the creditors and other stakeholders.[31]

28. The sales process was both fair and reasonable given that: (i) the Company only resiled from its intention to bring a motion to approve a stalking horse bid approximately one month before the statutory limit on extending the stay; and (ii) the Proposed Transaction will provide a greater recovery than liquidation of the Company's assets in bankruptcy.[32] This is especially the case given that A2, the unsuccessful bidder, is a non-arm's-length party and already had access to detailed information about the Company and was contemplating a purchase prior to the competitive sale process.

29. ***Section 65.13(4)(b) whether the trustee approved the process leading to the proposed sale or disposition***. While this factor does not cleanly map on in this context, this factor has been satisfied where a proposal trustee was involved in implementing the sales process.[33] Given that the sales process was implemented and managed by the Proposal Trustee, this factor is satisfied.

30. ***Section 65.13(4)(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***

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[30] Sixth Report of the PT, paras 14-19.
[31] Sixth Report of the PT, paras 17-19.
[32] Seventh Report of the Proposal Trustee dated October 23, 2026 ("**Seventh Report of the PT**"), para 23.
[33] *Tool Shed*, para 45.

disposition under a bankruptcy. As set out in the Seventh Report of the Proposal Trustee, the Proposed Transaction is likely to provide a materially greater recovery than the recoveries available in bankruptcy.[34] Further, the Proposed Transaction is superior to other alternatives because it is not conditional on financing and could close quickly. Given that the Company's debts increase daily, this is of significant value to the creditors. Therefore, the Proposed Transaction is more beneficial to the creditors than the alternatives, and this factor is met.[35]

31. ***Section 65.13(4)(d) the extent to which the creditors were consulted***. The Proposal Trustee has consulted the creditors, and they are supportive of the Proposed Transaction. The Union is supportive of the Proposed Transaction for the reasons set out herein. This factor is met.

32. ***Section 65.13(4)(e) the effects of the proposed sale or disposition on the creditors and other interested parties***. As noted above, in the Seventh Report of the Proposal Trustee, the LOI, APA and Ramudden's prior motion materials, the Proposed Transaction provides for the acquisition of substantially all operating assets, payment for the buyout and transfer of leased vehicles, and the continuation of unionized employees' employment under the Collective Agreement. The Ramudden bid is not conditional on financing and can close as soon as the necessary documentation is prepared and the Court approves the transaction. Additionally, the Proposed Transaction as described in the LOI and APA, provides significant value to the creditors in respect of pre- and post-filing obligations.[36] Under the circumstances, the Proposed Transaction is in the creditors' and stakeholders' best interest. This factor is satisfied.

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[34] Seventh Report of the PT, para 24.
[35] *See Tool Shed*, para 46 (noting that this factor may not be relevant if the merits of the proposal are addressed in submissions by the parties).
[36] West Oct. 21 Aff., Rammuden Oct. 21 RMR, Tab 1, paras 15-17, pp 13-14; Sixth Report of the PT, paras 23-24.

33. ***Section 65.13(4)(f) whether the consideration to be received for the assets is reasonable and fair, taking into account their market value***. Based on the Proposal Trustee's recommendation of the Proposed Transaction, which takes into the "purchase price and net realizations available for distribution to the creditors and other stakeholders,"[37] and the other available information, the reasonable conclusion is that this is the best available consideration for the assets. Of the three interested parties, only two submitted viable bids. After A2 had amended its bid, presumably to improve it, the Proposal Trustee still concluded that the Ramudden bid is the most favourable. Further, given how long these proceedings have been ongoing, the Union has little hope that any better offer is available. This factor is met.

(ii) The Soundair *Criteria are Satisfied*

34. ***Whether the receiver has made a sufficient effort to get the best price and has not acted improvidently***.[38] In evaluating this factor, courts have considered the following factors:

> (a) whether the offer accepted is so low in relation to the appraised value as to be unrealistic;
>
> (b) whether the circumstances indicate that insufficient time was allowed for the making of bids;
>
> (c) whether inadequate notice of sale by bid was given; or
>
> (d) whether it can be said that the proposed sale is not in the best interest of either the creditors or the owner.[39]

35. Here, the Union understands that the offer accepted is the highest offer. While the time available for the sales process was compressed, there is no evidence that the available time was insufficient under the circumstances. Given that A2, the unsuccessful bidder, was a related

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[37] Seventh Report of the PT, para 20.
[38] *Soundair*.
[39] *Kingsett Mortgage Corporation v Churchill Lands United Inc.*, 2024 ONSC 7127, para 24 (quoting *River Rentals Group Ltd. v Hutterian Brethren Church of Codesa,* 2010 ABCA 16, para 13).

company that had been contemplating a potential purchase for months and had an opportunity to improve its offer, it would be unreasonable for A2 to suggest that it had insufficient time. Likewise, under the circumstances, the interested parties had adequate notice.

36. As noted above, the Proposed Transaction is in the best interests of the creditors and other stakeholders. Further, given that the Proposed Transaction is able to close quickly with minimal conditions and will facilitate the Company's continued operations and the unionized employees' continued employment, it cannot reasonably be argued that the Proposed Transaction is not in the best interests of the owner. For these reasons, this factor is satisfied.

37. ***Whether the interests of all parties were considered***.[40] This factor turns on whether a proposal trustee considered the interests of the competing bidders, the debtor company, the creditors and other stakeholders.[41] As set out in the Sixth and Seventh Reports, the Proposal Trustee extended the time for submitting bids at the request of one of the interested parties, allowed the parties that submitted the eligible bids time to amend their bids, and made a decision taking into account the interests of the creditors and other stakeholders.[42] Both the Proposal Trustee's process and reasons supporting its decision-making establish that this factor is satisfied.

38. ***The efficacy and integrity of the process***.[43] There is no evidence that the process was compromised by a conflict of interest or a lack of integrity. To the contrary. The Proposal Trustee conducted a transparent process that has allowed the Company, the creditors and the stakeholders to determine whether A2's prior purchase proposal was the best option under the circumstances. Likewise, the process allowed A2 to amend its offer to ensure it was as competitive as possible.

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[40] *Soundair*.
[41] *Tool Shed*, para 84.
[42] Sixth Report of the PT, paras 14-19; Seventh Report of the PT, paras 20-24.
[43] *Soundair*.

Under the circumstances, where the unsuccessful bidder is not an arm's-length party and Bruno has repeatedly delayed making any offer until the Company was on the brink of a deemed bankruptcy, the Proposal Trustee's efforts restored integrity and efficacy to the sales process where it had previously been lacking.

39. ***Whether there has been unfairness in the working out of the process***.[44] To determine whether there has been unfairness in the process, courts consider the process in its totality.[45] If the evidence demonstrates that the Proposal Trustee acted in a commercially reasonable manner under the circumstances, this factor is satisfied.[46] Under the circumstances—including the time constraints, the competing bids between related and unrelated parties, and the steps that the Proposal Trustee took to ensure all interested parties had an opportunity to compete in the process—the Proposal Trustee has acted in a commercially reasonably manner. This factor is met.

(iii) Approval Cannot be Granted Unless s. 65.13(8) is Satisfied

40. While the Proposed Transaction represents an appealing opportunity for the Company and the creditors, s. 65.13(8) prohibits the approval of a proposed sale unless the Court is satisfied that the Company will make the payments required under ss. 60(1.3)(a) and 60(1.5)(a) of the BIA.[47] Section 60(1.3)(a) requires that the Proposed Transaction provide for the payment of: (i) all pre-filing wages and compensation, subject to a $2,000 cap on claims for wages and compensation owing from the six months prior to the date of the NOI; and (ii) all post-filing wages and

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[44] *Soundair*.
[45] *Tool Shed*, para 100.
[46] *Tool Shed*, para 102.
[47] BIA, s. 65.13(8).

compensation.[48] Section 60(1.5)(a) requires the payment of all pension contributions that were deducted from employees' wages or were required employer contributions.

41. Compensation in this context has a broad meaning, which includes amounts owing in exchange for an employee's labour, including remittances to a union for the employee's benefit.[49]

42. The Union is a significant pre- and post-filing creditor of the Company. Prior to the Second NOI, the Company's books and records indicated that the pre-filing debt to Local 837 was $649,145.12, which includes pre-filing priority vacation pay and pension contributions (the "**Pre-filing Priority Amounts**"). To date, the Company's post-filing remittance obligations total $324,169.09 ("**Post-filing Priority Amounts**").[50]

43. As described in the LOI, the Proposed Transaction would ensure payment to the Union of both the Pre-filing Priority Amounts and the Post-filing Priority Amounts.[51] However, the Proposal Trustee has indicated in the Seventh Report that it would not recommend the payment allocation or distribution waterfall contemplated in the LOI, which would have ensured payment of the Pre-filing and Post-filing Priority Amounts.[52] Instead, the Proposal Trustee seeks to pay only professional fees and the charge to Emkay prior to any assignment into bankruptcy. At the same time, the Proposal Trustee's plan indicates that in bankruptcy the secured creditors would exhaust the remaining available funds,[53] leaving the s. 65.13(8) amounts unpaid.

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[48] *See* BIA, ss. 60(1.3), (a), 81.3, 81.4 and 136(1)(d).
[49] *See Ted Leroy Trucking Ltd. and 383838 B.C. Ltd. (Re.)*, 2009 BCSC 41, para 20, *aff'd* 2010 BCCA 223, para 35 (citing *Re Canadian Display Exhibit Co.* [1968] O.J. No. 696 (S.C.), para 20).
[50] Tinebra Aff., Local 837 RMR, Tab A, para 4.
[51] West Oct. 21 Aff., Ramudden Oct. 21 RMR, Tab 1, para 16, p 13. We note that the Seventh Report of the PT mistakenly attaches the earlier non-binding LOI dated October 9, 2026.
[52] Seventh Report of the PT, para 38.
[53] Seventh Report of the PT, paras 38 and 45.

44. The Court cannot approve the Proposed Transaction if it fails to ensure payment to the Union of the Pre-filing Priority Amounts and the Post-filing Priority Amounts, which are protected under s. 65.13(8) (i.e., payments required under ss. 60(1.3)(a) and 60(1.5)(a)). For this reason, the Court must order the Proposal Trustee to make the payments required by s. 65.13(8).

45. Moreover, the Union's support for the Proposed Transaction is premised on the information provided in the LOI and APA, which includes payment by the Proposal Trustee in accordance with paragraph 1 of the LOI.[54] Changes at this late hour, without a reasonable amount of time to consider the implications, are unnecessary, potentially prejudicial and, as noted above, may fail to satisfy s. 65.13(8).

46. The Proposal Trustee's draft order provides as follows:

> 10. **THIS COURT ORDERS** that, provided that the Proposed Transaction is approved by this Court, the Proposal Trustee shall ensure that the proceeds of the Proposed Transaction shall be directed in accordance with section 65.13(8) of the *BIA*.

47. The draft order's lack of specificity on this point puts the Unions and employees at risk. To address this concern, the Union proposes instead that the Court order the Proposal Trustee to: pay in full from the proceeds on closing, whether before or after any assignment in bankruptcy and whether or not they exceed the allocations in section 1 of the LOI, the amounts required by paragraphs s. 60(1.3)(a) and s. 60(1.5)(a) of the BIA.

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[54] LOI and APA, West Oct. 21 Aff., Exs. A and B., Oct. 21 Ramudden RMR, Tabs A and B, pp 16, 54.

48. Alternatively, the Union requests that the approval order direct that Schedule "C" ("Purchased Assets and Purchase Price Allocation") of the APA reflect the payment amounts and allocation of funds set out in subparagraphs 1(c) and 1(d) of the LOI.[55]

(iv) The Proposal Trustee should be Authorized to Take Any Steps Necessary to Effectuate the Proposed Transaction

49. The Proposal Trustee advised in its Sixth Report that after the Proposal Trustee announced the results of the bidding process, Bruno advised that the Company opposed the transaction.[56] Because Bruno (the principal of A2) is the sole director and officer of the Company,[57] he is in a conflict of interest. As long as the Proposed Transaction complies with the BIA and is supported by the creditors and other stakeholders, the Company should not be permitted to stymie the Proposed Transaction.

50. Accordingly, if the Court determines that the Proposed Transaction should be approved, the Court should authorize the Proposal Trustee to take whatever steps necessary, including executing the necessary documents, to facilitate and close the Proposed Transaction on behalf of the Company.

B. A HOLDING PROPOSAL IS INAPPROPRIATE

51. At the time of the Union's filing of these materials, it was unclear whether the Company would make a holding proposal. However, as of the last hearing date, it appeared that such a proposal was being contemplated. Therefore, the Union is addressing the possibility of a holding proposal in these submissions.

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[55] LOI and APA, West Oct. 21 Aff., Exs. A and B., Oct. 21 Ramudden RMR, Tabs A and B, pp 16, 54.
[56] Sixth Report of the PT, paras 20-21.
[57] West Oct. 21 Aff., Ramudden Oct. 21 RMR, Tab 1, para 19, p 13.

52. Under s. 59(2) of the *BIA*, this Court must refuse a proposal that it determines: (a) is not reasonable; or (b) is not calculated to benefit the general body of creditors. To approve a proposal, the Court must be satisfied that the proposal is made in good faith.[58] Additionally, in considering whether to approval a proposal, courts must consider the conduct and interests of the debtor, the interests of the public and future creditors, and the requirements of commercial morality.[59]

53. As long as the Proposed Transaction is a viable alternative that is likely to generate a greater recovery to the creditors, a holding proposal is neither reasonable nor likely to benefit the general body of creditors.

54. The Second NOI was filed on April 24, 2026. Since that time, the Company has repeatedly represented that there would be a stalking-horse proposal for the purchase of the Company. The Union and other creditors waited for such a proposal, but none materialized. Instead, with time running out to avoid a deemed bankruptcy, Bruno made an offer to purchase the Company through his related company, A2. However, the Proposal Trustee received a superior proposal from Ramudden. Despite the benefits to the Company and the creditors, the Company opposed the Ramudden transaction.

55. A holding proposal would subject the creditors to more of the same and further expend the Company's quickly diminishing assets and increase its debts. Meanwhile, the Proposed Transaction represents a viable alternative that will generate a greater recovery for the creditors.

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[58] BIA, s. 59(2).
[59] *Gustafson Pontiac Buick Cadillac GMC Ltd., (RE)*, 1995 CanLII 5775 (SK QB), para 9 (citing Houlden and Morawetz, Bankruptcy and Insolvency Law of Canada, 3rd ed., (Toronto: Carswell, 1993, updated Release 8, 1994) Vol. 1, p. 2-144.6).

As long as that remains the case, a holding proposal is not reasonable or in the interests of the general body of creditors.

56. With respect to the other factors, including whether the proposal is made in good faith and the conduct and interests of the debtor, a holding proposal is likely to undermine a viable transaction that benefits the creditors and appears self-interested. Therefore, these factors further weigh against a holding proposal.

PART IV - ORDER SOUGHT

57. The Unions request an order:

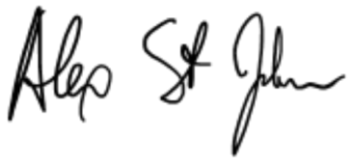
(a) approving the Ramudden transaction contemplated by the LOI on the condition set out in paragraph (b);

(b) directing the Proposal Trustee, as a condition of the authorization under subsection 65.13(8) of the BIA, to pay in full from the proceeds on closing, whether before or after any assignment in bankruptcy and whether or not they exceed the allocations in section 1 of the LOI, the amounts required by paragraphs 60(1.3)(a) and 60(1.5)(a) of the BIA in respect of the members of all the Labourers' International Union of North America locals, including the post-filing compensation and pension contributions and the pre-filing pension contributions;

(c) declaring that neither the Administration Charge, as increased, nor any charge granted in favour of the Proposal Trustee as prospective trustee in bankruptcy ranks ahead of the amounts payable under paragraph (b); and

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

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 24th day of October, 2026.



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SCHEDULE "A"

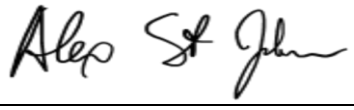
LIST OF AUTHORITIES

1. *Royal Bank v Soundair*, 1991 CanLII 2727 (ONCA)
2. *Tool Shed Brewing Company Inc (Re)*, 2024 ABKB 234
3. *Komtech Inc. (Re)*, 2011 ONSC 3230
4. *Proposition de 2964-3277 Québec inc.*, 2019 QCCS 115
5. *Kingsett Mortgage Corporation v Churchill Lands United Inc.*, 2024 ONSC 7127
6. *River Rentals Group Ltd. v Hutterian Brethren Church of Codesa,* 2010 ABCA 16
7. *Ted Leroy Trucking Ltd. and 383838 B.C. Ltd. (Re.)*, 2009 BCSC 41
8. *Ted Leroy Trucking Ltd. v Century Services Inc.*, 2010 BCCA 223
9. *Gustafson Pontiac Buick Cadillac GMC Ltd., (RE)*, 1995 CanLII 5775 (SK QB)

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 24, 2026



ALEX ST. JOHN

SCHEDULE "B" - TEXT OF STATUTES, REGULATIONS & BY-LAWS

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

60 Proposals by employers

(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;

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.

65.13 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.

65.13 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.

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*)

2005, c. 47, s. 67

2007, c. 36, s. 38

2009, c. 2, s. 355(F)

Security for unpaid wages, etc. — receivership

81.4 (1) The claim of a clerk, servant, travelling salesperson, labourer or worker who is owed wages, salaries, commissions or compensation by a person who is subject to a receivership for services rendered during the six months before the first day on which there was a receiver in relation to the person is secured, as of that day, to the extent of $2,000 — less any amount paid for those services by a receiver or trustee — by security on the person's current assets that are in the possession or under the control of the receiver.

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 six-month period referred to in that subsection, are deemed to have been earned in those six months.

Security for disbursements

(3) The claim of a travelling salesperson who is owed money by a person who is subject to a receivership for disbursements properly incurred in and about the person's business during the six months before the first day on which there was a receiver in relation to the person is secured, as of that day, to the extent of $1,000 — less any amount paid for those disbursements by a receiver or trustee — by security on the person's current assets that are in the possession or under the control of the receiver.

Rank of security

(4) A security under this section ranks above every other claim, right, charge or security against the person's current assets — regardless of when that other claim, right, charge or security arose — except rights under sections 81.1 and 81.2.

Liability of receiver

(5) If the receiver takes possession or in any way disposes of current assets covered by the security, the receiver 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 receiver.

Claims of officers and directors

(6) No officer or director of the person who is subject to a receivership 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 a person who is subject to a receivership is not entitled to have a claim arising from that transaction secured by this section unless, in the opinion of the receiver, 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 receiver 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*)

person who is subject to a receivership means a person any of whose property is in the possession or under the control of a receiver. (*personne faisant l'objet d'une mise sous séquestre*)

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*)

2005, c. 47, s. 67

2007, c. 36, s. 38

2009, c. 2, s. 356(F)

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:

> **(d)** the amount of any wages, salaries, commissions, compensation or disbursements referred to in sections 81.3 and 81.4 that was not paid;

IN THE MATTER 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, LOCAL 837
(Returnable October 26, 2026)

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