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 November 2, 2026)

November 1, 2026

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AND TO: **SERVICE LIST**

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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. Herein, the Union also responds to Oxygen Working Capital Corp.'s ("**Oxygen**") motion to appoint a receiver to carry out the Proposed Transaction.

2. Local 837 is now the largest single creditor of National Traffic Safety Management Inc. (the "**Company**" or "**National Traffic**").[2] To date, National Traffic owes the Union (on behalf of its members working at the Company) $1,073,314.21.

3. The Union and its members who are National Traffic employees have effectively funded these proceedings by continuing to provide their labour despite the Company paying less than what it owes them. The Union has absorbed these shortfalls. It has continued to provide benefits to members despite premiums being unfunded. The cost to the Union is approximately $420/month per employee.[3] The Union has also continued members' access to various other benefits and services, despite the requisite remittances being unpaid.

4. The members' pension service dating back to at least December 2024 is unfunded. The Company has failed to make $167,375.23 in pre-filing pension contributions and approximately

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[1] Unless otherwise defined herein, all capitalized terms have the same definitions as the Seventh Report of the Proposal Trustee dated October 23, 2026 ("**Seventh Report**") and the First Supplement to the Seventh Report of the Proposal Trustee dated October 31, 2026 ("**First Supp. Seventh Report**").
[2] Affidavit of Sam Tinebra sworn October 30, 2026, ("**Tinebra Aff**"), Local 837 Responding Motion Record ("**Local 837 RMR**"), Tab 1, para 25(b), p 14.
[3] Tinebra Aff., Local 837 RMR, Tab A, para 27, p 14.

$100,000 in post-filing pension contributions owing for remittance to the LiUNA Pension Fund of Central and Eastern Canada (the "**Union Pension Fund**").[4]

5. The Union expected that it would eventually be paid. The Company, more specifically Antonio Bruno ("**Bruno**") its sole director and officer, repeatedly assured the Court and creditors that a sales process was imminent. In the meantime, the Company failed to stay current on its post-filing remittances to the Union and broke its promise to rectify past shortfalls.[5] The Company's debt to the Union has increased by more than $324,169.09 since filing.[6] Additional arrears accrue weekly the longer this continues.

6. Under the circumstances, the Union has no confidence that the Amended Proposal can succeed. The financing from COR underpinning the Amended Proposal was withdrawn as of October 31, 2026.[7] Moreover, the Union had serious concerns about the terms of the financing offered by COR (the "**DIP Loan**"), including the uncertainty of the funding, the discretion granted to the lender and the quantum of the funds. Therefore, the Union opposes National Traffic's motion for approval of the DIP Loan (if the Company is still seeking approval on Monday).

7. As alluded to in the Seventh Report of the Proposal Trustee, this is the latest in a series of unsuccessful attempts to secure financing to allow Bruno's company, A2 Environmental Group Inc. ("**A2**"), to purchase the Company. Now, Bruno advises that, unless he can secure "a credible letter of intent or commitment letter by Monday morning, neither the Company nor A2 will object

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[4] Tinebra Aff., Local 837 RMR, Tab A, paras 11, 25 pp 8, 14; Various Remittance Reports, Tinebra Aff., Exs. 13, 14, 16, 18, 19, Local 837 RMR, Tabs A13-14, 16, 18, 19, pp 178-214.
[5] Tinebra Aff., Local 837 RMR, Tab A, paras 18, 20.
[6] Tinebra Aff., Local 837 RMR, Tab A, para 25(b), p 14.
[7] Affidavit of Antonio Bruno dated October 31, 2026 ("**Bruno Reply Aff.**"), Reply Motion Record of National Traffic Management Inc. ("**NTSM Reply MR")**, Tab 1, para 20, p 14.

to the approval of the Ramudden transaction".[8] This late-breaking development only underscores the Union's concerns about the Amended Proposal. Even if the Company obtains a letter of intent or commitment letter by Monday, the Union has no confidence that such financing will not be withdrawn or contain unreasonable terms like the COR commitment letter. Moreover, the creditors will have had little to no time to review the terms in advance of the hearing.[9]

8. The only reason that the Company even had the opportunity to file the Holding Proposal on the last day of the sixth-month period following the filing of the Second NOI is because the Company refused to accept the Proposal Trustee's recommendation and execute the Proposed Transaction. The November 2, 2026 hearing will be the parties' third appearance in which they attempt to give effect to the Proposed Transaction and overcome the Company's clear conflict of interest. The time and money that has been required to achieve what is obviously the fairest result is staggering. Further delay only puts the chances that the business emerges as a going concern, and the Union members' jobs, at risk.

9. The Proposed Transaction 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.[10] Moreover, the Proposed Transaction, as set out in the October 21, 2026 Letter of Intent ("**LOI**") and the terms of the Proposal Trustee's

[8] Bruno Reply Aff., NTSM Reply MR, Tab 1, para 22, p 14.
[9] Even if the Company manages to arrange some evidence of potential financing by Monday, the Amended Proposal is a poor substitute for the Proposed Transaction. The Proposed Transaction was the product of a sales process that was fair and reasonable under the circumstances and which represents a far superior outcome for the business, its creditors and its stakeholders.
[10] Affidavit of Jamie West dated October 21, 2026 ("**West Oct. 21 Aff.**"), Ramudden Responding Motion Record dated October 30, 2026 ("**Oct. 30 Ramudden RMR**"), Tab 1, para 14, p 12.

Approval and Vesting Order,[11] would result in payment to the Union for the significant post-filing obligations that the Company has incurred, as well as for pre-filing priority wage amounts owing.[12]

10. Accordingly, the Union supports the Proposed Transaction. It is the simplest and most efficient way to ensure that the Company continues as a going concern and that the amounts required under s. 65.13 (8) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the "**BIA**") are paid. Given the Union's and its members' contributions to the Company's continued operations, this is imperative. To this end, the Court should authorize the Proposal Trustee to take all steps necessary to seek approval of the Proposed Transaction and execute the transaction.

11. In the alternative, Oxygen Working Capital Corp. ("**Oxygen**") has brought a motion to appoint a receiver for the purposes of executing the Proposed Transaction. While the Union supports the Proposed Transaction, it is absurd that the creditors must resort to a receivership to overcome the Company's and Bruno's obvious conflict of interest. If the Court determines that a receivership is the only means to give effect to the Proposed Transaction, the Union and its members' claims should not be worse off than under a sale pursuant to s. 65.13.[13]

PART II - FACTS

A. BACKGROUND

12. On April 5, 2024, the Company filed an initial Notice of Intention to Make a Proposal. An amended proposal was accepted by its creditors on February 20, 2025 (the "**Initial Proposal**").[14]

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[11] A copy of the Proposal Trustee's October 26, 2026 proposed Approval and Vesting Order is attached at Schedule "C". The relevant language is at paragraphs 10 and 11.
[12] West Oct. 21 Aff., Exs. A and B., Oct. 30 Ramudden RMR, Tab 1, Tab 1A and Tab 1B, para 16, p 13.
[13] *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 ("**BIA**"), s 65.13(8).
[14] Notice of Intention dated April 8, 2024.

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.[15]

13. 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**").[16]

14. The Collective Agreement requires the Company to pay a specified amount for remittances and contributions fixed based on the number of hours worked by employees. Included in such amounts are contributions to the Union Pension Fund, to the LIUNA Local 837 Health and Welfare Trust Fund (the "**Benefits Fund**"), and union dues.[17]

15. 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. The Union estimates that the Company owes $167,375.23 in pre-filing pension obligations in respect of Local 837 members ("**Pre-Filing Priority Pension Amounts**"). With respect to other unpaid wages and compensation (vacation pay, benefits contributions, and dues) accrued during the six months prior to the filing of the Second NOI, and applying a cap of $2,000 per employee, the Union estimates that the Company owes approximately $71,936.06 in respect of Local 837's members ("**Pre-Filing Priority Wage Amounts**"). Together, the Pre-

[15] Tinebra Aff., Local 837 RMR, Tab A, paras 10 and 12, p 4.
[16] Tinebra Aff., Local 837 RMR, Tab A, para 6, p 2.
[17] Tinebra Aff., Local 837 RMR, Tab A, para 8, p 3.

Filing Priority Wage Amounts and Pre-Filing Priority Pension Amounts total $239,313 (the "**Pre-Filing Priority Amounts**").[18]

16. 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, plus October remittance obligations in the approximate amount of $100,000.[19]

17. 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. Pursuant to Minutes of Settlement, dated July 29, 2026, the Company made a $15,000 payment on July 28, 2026 and weekly $10,000 payments thereafter until October 14, 2026. The Company failed to make the weekly $10,000 payment on October 21, 2026 and October 28, 2026. Aside from these payments, the Company has failed to honour any of its post-filing remittance obligations as they become due.[20]

18. Despite the Company's failure to meet its remittance obligations, the Union's Benefits 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. Likewise, the Union is required to continue to represent them as their bargaining agent. The Union has no guarantee that it will recover these costs.[21] But for the commitment of the Union and its members, who continued to

[18] Tinebra Aff., Local 837 RMR, Tab A, para 11, p 8.
[19] Tinebra Aff., Local 837 RMR, Tab A, para 25(b), p 10.
[20] Tinebra Aff., Local 837 RMR, Tab A, paras 18, 19, and 20, p 8.
[21] Tinebra Aff., Local 837 RMR, Tab A, para 27, p 10.

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

19. 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.[22] Relying in part on these representations, on September 15, 2026, Justice Steele granted a three-week stay extension.[23]

20. 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's purchase of the Company's assets.[24] A2 is a related company owned by Bruno.[25]

21. 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 purchasing the Company's assets.[26] As of the October 12, 2026 offer deadline, the Proposal Trustee had received proposals from two parties: A2 and Ramudden.[27]

22. 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 judgment, the Proposed Transaction "represented the most favourable outcome for

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[22] Tinebra Aff., Local 837 RMR, Tab A, para 30, p. 10.
[23] Tinebra Aff., Local 837 RMR, Tab A, para 30, p 11.
[24] Tinebra Aff., Local 837 RMR, Tab A, para 31 (citing Bruno's October 2, 2026 Affidavit ("**Bruno Oct. 2 Aff.**"), National Traffic Safety Management Motion Record dated October 2, 2026 ("**NT Oct. 2 MR**"), Tab 2, para 22, p 20).
[25] Sixth Report of the Proposal Trustee dated October 21, 2026 ("**Sixth Report**"), para 13.
[26] Fifth Report of the Proposal Trustee dated October 12, 2026 ("**Fifth Report**"), paras 16-22.
[27] Sixth Report, para 17.

the Company's creditors and other stakeholders".[28] The Union agrees with the Proposal Trustee.[29] This is a viable sale that the Union believes will save the employees' jobs and pay the Union's Pre-Filing Priority Amounts and post-filing remittance obligations.[30]

C. THE COMPANY'S AMENDED PROPOSAL AND COMMITMENT LETTER

23. On October 29, 2026, the Company filed an Amended Proposal and brought a motion of for approval of a $500,000 DIP Loan.[31] The financing for the DIP Loan has been withdrawn.[32] Regardless of whether new financing emerges, for the reasons below, the Union opposes the Amended Proposal and any DIP loan on similar terms and conditions.[33]

PART III - LEGAL ISSUES AND ANALYSIS

24. The issues before the Court are:

(a) whether the Court should approve the Company's motion for approval of the DIP Loan: No;

(b) whether the Amended Proposal is viable: No;

(c) whether the Proposal Trustee has the power to seek approval of the Proposed Transaction: Yes, or the Court should grant the Proposal Trustee the enhanced powers necessary to do so;

(d) whether the Proposed Transaction should be approved: Yes; and

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[28] Sixth Report, para 19.
[29] Tinebra Aff., Local 837 RMR, Tab A, para 50, p 16.
[30] Tinebra Aff., Local 837 RMR, Tab A, para 11, p 16, para 37 p 17, and para 45, p 19.
[31] Notice of Motion, para 1(b), National Traffic Safety Management Inc. Motion Record ("**NTSM MR**"), p 2.
[32] Bruno Reply Aff., NTSM Reply MR, para 20, p 14.
[33] Tinebra Aff., Local 837 RMR, Tab A, paras 36 to 40, 44, pp 13-15.

(e) whether the Court should grant Oxygen's motion to appoint a receiver: Yes, but only if the Proposed Transaction cannot be effected by the Proposal Trustee and the Union's entitlements under s. 65.13 (8) will be paid.

D. THE DIP LOAN SHOULD NOT BE APPROVED

25. The Company advises that the offer of financing for the DIP Loan has been withdrawn. The Union opposes any DIP loan on the same or similar terms as proposed by the Company in its Notice of Motion. The test for approval of a DIP loan is set out in s. 50.6. The Company cannot satisfy subsections 50.6(b), (c), (d) or (f) as set out below.

26. ***Section 50.6(b) and (c): how the debtor's business and financial affairs are to be managed during the proceedings and whether the debtor's management has the confidence of its major creditors***. Present management has lost the trust of the Union.[34] The Company has violated Minutes of Settlement reached during the pendency of these proceedings.[35]

27. The so-called "Employee Impact Statement" (the "**EI Statement**") has further eroded the Union's confidence in the Amended Proposal and damaged the Union's relationship with the Company.[36] The Union has no objection to the employees voicing their concerns. Unions members are allowed to disagree with the Union leadership. To that end, the Union investigated the allegations in paragraph 13 of Bruno's October 30, 2026 affidavit and will file a reply affidavit that contradicts his account. In any event, it appears that management was involved in the

[34] Tinebra Aff., Local 837 RMR, Tab A, paras 14 and 44, pp 10, 19.
[35] Tinebra Aff., Local 837 RMR, Tab A, paras 19 and 20, p 12.
[36] Tinebra Aff., Local 837 RMR, Tab A, para 47, p 15.

preparation and circulation of the EI Statement, which constitutes an unfair labour practice and renders the Statement inherently unreliable.[37]

28. Further, The Proposal Trustee reports that Company funds were used to pay A2's legal fees in connection with its potential purchase of the Company. Accordingly, the Union has no confidence that the Company will be well managed while proposal is pending. Sub-section 50.6(c) is a subjective test and is clearly not satisfied here.[38]

29. ***Section 50.6(d): whether the loan would enhance the prospects of a viable proposal being made in respect of the debtor***. As explained in greater detail below, the Amended Proposal is not viable. While financing is generally a necessary condition of a proposal, here, the DIP Loan (and any other financing on the same or similar terms) does not enhance the prospects of a viable proposal because, *inter alia*, the nature of the funding is too uncertain and the amount is insufficient.[39] Further, Oxygen, a significant secured creditor, will not agree to financing that adversely impacts its priority. Without the support of secured creditors, a DIP Loan cannot enhance the Amended Proposal's chances of success.

30. ***Section 50.6(f): whether any creditor would be materially prejudiced as a result of the security or charge***. The Union has been an involuntary creditor in these proceedings. The DIP Loan (as it was) was insufficient to fund both post-filing amounts incurred to-date and continued operations.[40] The Proposal Trustee has correctly identified that the Company may continue to incur

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[37] Supplementary Affidavit of Sam Tinebra sworn October 30, 2026 ("**Supp Tinebra Aff**"), Local 837 Supplementary Responding Motion Record ("**Local 837 SRMR**"), Tab A, paras 4 and 5, p 2.
[38] *Nautican v Dumont*, 2020 PESC 15, para 31.
[39] Tinebra Aff., Local 837 RMR, Tab A, paras 36 to 40, pp 13, 14.
[40] Tinebra Aff., Local 837 RMR, Tab A, paras 36 to 40, pp 13, 14.

post-filing obligations to the Union and the CRA that it cannot satisfy. This is highly prejudicial to the Union especially where the Proposed Transaction is available and preferred.[41]

E. THE AMENDED PROPOSAL IS NOT VIABLE

(i) The Proposal Trustee and Major Creditors Do Not Support the Transaction

31. The Amended Proposal is not viable. The major creditors (i.e., the Union and Oxygen) do not support the Amended Proposal. The Proposal Trustee does not support the Amended Proposal. Like the Proposal Trustee, the Union:

(a) was not satisfied the funding for the Amended Proposal would be available when required. In fact, the funding for the Amended Proposal has now been withdrawn. Any new financing that emerges should be viewed with skepticism;[42]

(b) believes there is a risk the Amended Proposal will prejudice stakeholders;[43]

(c) objects to the Amended Proposal's terms providing that sections 95-101 of the *BIA*, which address improper preferences, will not apply in respect of the Company;[44] and

(d) has concluded that the Proposed Transaction is the more certain and more commercially appropriate outcome for the Company's creditors and stakeholders.[45]

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[41] The cashflow statement enclosed with the Proposal Trustee's First Supplement to the Seventh Report materially differs from the cashflow statement enclosed in the confidential Commitment Letter. The Union cannot account for the difference and is concerned that it has not been explained.
[42] First Supp. Seventh Report, paras 31-33.
[43] First Supp. Seventh Report, paras 34-36.
[44] First Supp. Seventh Report, paras 37-40.
[45] First Supp. Seventh Report, paras 37-40.

(ii) The Employee Statement Supporting the Proposal Should be Given No Weight

32. It is a bedrock labour law principle that a certified bargaining agent is the exclusive representative of the employees in the bargaining unit.[46] In a unionized workplace, the Union is the exclusive representative of employees in the bargaining unit "irrespective of their individual views".[47] The Union is investigating what appears to be management solicitation of the views of members of the bargaining unit contrary to the *Labour Relations Act*.[48] The Company's attempt to rely upon or solicit individual views from members in this context constitutes interference with a trade union and is in and of itself an unfair labour practice.[49] The Court should give the EI Statement, insofar as it is signed by members of the bargaining unit, limited weight.

33. The Union, the only party in the position of properly communicating the wishes of the employees in the bargaining unit, has reviewed the Amended Proposal and does not support it. Moreover, the Union has had the benefit of receiving advice from counsel, attending the hearings in these proceedings, reviewing the extensive court materials and discussing matters with the Proposal Trustee, the Company's counsel and other creditors and stakeholders. Accordingly, the Union is better situated to assess the situation, which it is obligated to do in order to protect its members' interests. Like the employees who signed the EI Statement, the Union's primary concern is to protect their employment. The Proposed Transaction is the best way to do that.

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[46] *Labour Relations Act, 1995*, SO 1995, c 1, Sch A, s 45(1); *Noël v Société d'énergie de la Baie James*, 2001 SCC 39, paras 41-42; *Canadian Merchant Service Guild v Gagnon et al*., 1984 CanLII 18 (SCC), [1984] 1 SCR 509, p 519; Ontario Traffic Control Contractors' Association Collective Agreement, Tinebra Aff., Ex. 4, Local 837 RMR, Tab A4, Article 1, p 55.
[47] *Noël v. Société d'énergie de la Baie James*, 2001 SCC 39, paras 41-42.
[48] *Barouh Eaton (Canada) Ltd.*, 1988 CanLII 3662 (ON LRB), para 27; *Labour Relations Act, 1995*, SO 1995, c 1, Sch A, ss. 70, 72, and 76.
[49] *Barouh Eaton (Canada) Ltd.*, 1988 CanLII 3662 (ON LRB), para 27.

(iii) The Amended Proposal Need Not Proceed to a Vote

34. There is no requirement under the *BIA* that the Amended Proposal proceed to a vote in light of the overwhelming support for the Proposed Transaction. 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.[50] Additionally, in considering whether to approve 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.[51]

35. The Company participated in the Proposal Trustee's sales process. Now, with the principal of a losing "bitter bidder" at the helm, the Company seeks to undermine the outcome of that process. As set out below and throughout these submissions, all the relevant considerations favour the Proposed Transaction, not the Amended Proposal.

36. ***The Amended Proposal is not reasonable***. The financing for the Amended Proposal has been withdrawn. The DIP Loan, were it available, is insufficient to fund both post-filing amounts incurred to-date and continued operations, notwithstanding the terms in the Amended Proposal suggesting that this is the DIP Loan's purpose. Further the proposed financing was speculative, and the entire Amended Proposal seems to be contrived to allow for A2 to finally acquire the Company, regardless of the impact on the creditors and stakeholders or the business more broadly.

37. ***The Amended Proposal is neither calculated to benefit the general body of creditors nor is it made in good faith***. The Second NOI was filed on April 24, 2026. Since that time, the

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[50] BIA, s. 59(2).
[51] *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).

Company has repeatedly represented that there would be a stalking-horse proposal and sales process to facilitate the sale 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.

38. Despite the benefits to the Company and the creditors, the Company opposed the Proposed Transaction. The Amended 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. Further, the Amended Proposal includes terms that avoid the operation of ss. 95-101 of the *BIA* and which operate only to protect the Debtor, under questionable circumstances. For these reasons, the Amended Proposal is not viable.

F. THE PROPOSAL TRUSTEE HAS THE POWER TO BRING THE MOTION

39. Section 65.13(1) of the BIA requires court authorization for the sale or disposition of the Company's assets.[52] In oral argument on October 26, 2026, Company counsel raised for the first time the question of whether the Proposal Trustee has the power to bring the requisite approval motion. To support its position, the Company cited s. 65.13 (3), which requires an "insolvent person who applies to the court for authorization" to give notice of the application to the secured creditors. The Company argued that the Proposal Trustee is not an "insolvent person". Therefore, according to the Company, the Proposal Trustee cannot bring the motion required under 65.13.

[52] BIA, s 65.13(1).

This is an incorrect interpretation of s. 65.13's plain language and is contrary to the BIA's remedial purpose.

40. First, in multiple cases, courts have considered and granted motions by proposal trustees to authorize sales under s. 65.13.[53] The proposal trustee's power to seek authorization under s. 65.13 was not contested.

41. While in the Organic Garage (Canada) Ltd. ("**Organic Garage**") proceeding, the Court had previously expressly granted the proposal the power to bring "motions",[54] the order does not expressly authorize motions under s. 65.13. If only debtors were permitted under s. 65.13 to seek authorization under the BIA, the Court's order would likely have addressed that section specifically and given some justification for circumventing that requirement.

42. Second, s. 65.13 (1)'s plain language simply requires the Court's approval for the insolvent person to sell or otherwise dispose of assets. It says nothing about who must take the procedural steps necessary to seek the Court's approval. Given the BIA's remedial purpose, courts interpret it liberally so that the BIA's objects are "attained according to its true meaning, spirit and intent".[55]

43. The Company's interpretation of s. 65.13 is overly restrictive and seeks to undermine the BIA's remedial purpose. The purpose of the motion is to allow the Court to review a proposed

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[53] *See Edgemount Manor (Re) and Sheridan Lodge (Re)*, 2021 ONSC 7803, para 1 (noting that the Court had granted a motion sought by the proposal trustee seeking approval of two sales under s. 65.13); Approval and Vesting Order dated May 2, 2024 and Endorsement dated May 2, 2024, *Organic Garage (Canada) Ltd. (Re)*, Ct File No. 31-3051650 (granting motion made by KPMG as proposal trustee to approve a sale transaction and other relief); Approval and Vesting Order dated July 28, 2020 and Endorsement dated July 28, 2020, *Cranbrook Glen Enterprises Limited o/a Henry's (Re)*, Ct. File No. 31-2642597 (granting approval and vesting order on motion made by Grant Thornton Ltd. as proposal trustee), Endorsement dated May 29, 2020, Endorsement dated July 28, 2020, and Approval and Vesting Order dated July 28, 2020.

[54] Order dated March 14, 2024, *Organic Garage (Canada) Ltd. (Re)*, Ct. File No. 31-3051650, para 7.

[55] *Re Bell*, 2013 ONSC 2682, para 124; *Third Eye Capital Corporation v Ressources Dianor Inc./Dianor Resources Inc.*, 2019 ONCA 508 ("***Third Eye Capital***"), para 43.

transaction and ensure that it satisfies the requirements of s. 65.13. To refuse to do so because the motion is brought by a proposal trustee—especially where the Company's management is in a conflict of interest—is an overly technical approach that only serves to frustrate a transaction that is supported by the Company's creditors and stakeholders.

44. Third, if Parliament intended to restrict the parties who could bring a motion under s. 65.13, it would have said so. In many sections, the BIA clearly restricts who can bring certain motions and applications.[56] Section 65.13, by contrast, is silent as to who may seek court authorization.

45. While the Union maintains that the Proposal Trustee has inherently had this authority, in the alternative, the Court could issue an order allowing the Proposal Trustee to bring the motion (similar to the order in Organic Garage) and exercise any other additional powers necessary to carry out the Proposed Transaction.[57]

46. If the Court has any concerns about its authority to grant the Proposal Trustee the necessary powers to carry out the Proposed Transaction, the Union urges the Court to consider doing so under s. 4.2 of the BIA.[58] Section 4.2 (1) requires all interested parties in any proceeding under the BIA to act in good faith. Under s. 4.2 (2), interested persons may apply to the Court to make "any order that it considers appropriate under the circumstances".[59] Section 4.2 authorizes the Court to grant relief where there is a finding that an interested party has failed to act in good faith.[60]

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[56] *See*, *e.g.*, BIA, s. 34(1) (a trustee may apply to the court for directions); BIA, s. 233 (registered creditors to seek enforcement of an order); BIA, s. 243 (secured creditors to appoint a receiver).
[57] *See* Sale Approval and Vesting Order and Enhanced Trustee's Powers dated August 16, 2021, *Re GS E&R Canada Inc.*, Cr File No. B201-719774 (ABKB) (granting proposal trustee enhanced powers after resignation of company's directors and officers).
[58] BIA, s. 4.2.
[59] BIA s. 4.2(2).
[60] *McInnis (Re)*, 2025 NSSC 119, para 40.

47. The duty of good faith under the BIA requires that interested parties not bring or conduct proceedings for an "oblique motive or improper purpose" and that they not lie or mislead other interested parties about matters related to the insolvency proceedings.[61] A debtor is an "interested person" for the purposes of s. 4.2.[62] "The conduct of the party alleged to have breached the duty of good faith should be assessed in light of the intent and policy objectives of the BIA".[63]

48. Here, the evidence is that the Company is in a conflict of interest with respect to the Proposed Transaction. Its sole director and officer is the principal of A2, which was unsuccessful in the sales process conducted by the Proposal Trustee. Under Bruno's direction, the Company refused to cooperate in giving effect to the Proposed Transaction, as recommended by the Proposal Trustee and supported by the Creditors and many stakeholders. Further, the Proposal Trustee has determined that the Company (under Bruno's direction) paid Gowling WLG $25,000 in respect of A2's competing bid in the sales process.[64] The Company's actions have put the proposed transaction in jeopardy, cost the creditors and stakeholders significant amounts of time and money and are not in the creditors' and stakeholders' best interests. Under the circumstances, an order authorizing the Proposal Trustee to take the necessary steps to give effect to the Proposed Transaction is the appropriate remedy.

G. THE PROPOSED TRANSACTION SHOULD BE APPROVED

[61] *See Malhotra v City of Brampton*, 2023 ONSC 2291, para 159.
[62] *See Malhotra v City of Brampton*, 2023 ONSC 2291, para 158; *Re Gerstein*, 2024 ONSC 6253, para 222.
[63] *Re Gerstein*, 2024 ONSC 6253, para 223 (internal citations omitted).
[64] First Supp. Seventh Report, paras 37-40.

49. Section 65.13(1) of the BIA requires court authorization for the sale or disposition of the Company's assets.[65] Section 65.13(4) sets out the relevant criteria that the Court must apply to determine whether to grant the requisite authorization.[66]

50. Additionally, the principles in *Royal Bank of Canada v Soundair Corp* ("***Soundair***")[67] apply.[68] 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.[69]

51. 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.[70] As the Union understands it, the Proposed Transaction, as authorized in the Proposal Trustee's proposed Approval and Vesting Order,[71] would satisfy this requirement. However, if changes 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.

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[65] BIA, s 65.13(1).
[66] BIA, s 65.13(4).
[67] *Royal Bank v Soundair*, 1991 CanLII 2727 (ONCA) ("***Soundair***").
[68] *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); *Propostition de SRTX inc*., 2026 QCCS 570, paras 38-40.
[69] *Tool Shed*, paras 40-41.
[70] BIA, s 65.13(8).
[71] A copy of the Proposal Trustee's October 26, 2026 proposed Approval and Vesting Order is attached at Schedule "C". The relevant language is at paragraphs 10 and 11.

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

52. ***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.[72] Courts have approved sales even in the absence of a formal sales process where the practical realities of the situation did not allow for one.[73]

53. In *OEL Projects Ltd.*, the court authorized the sale of an energy firm to a related party even though, not all secured creditors were given notice of the application.[74] The court noted that they likely were not even aware of the NOI.[75] Further, the company's directors determined that a formal sales process was not feasible because the company did not have the funds to pay for it and its workforce and clients would likely dissipate during a lengthy process.[76] The Court also noted that secured creditors were supportive and the proposal trustee supported the sale.[77]

54. Here, the constraints were similar. The Proposal Trustee had very little time to organize any sales process before a deemed bankruptcy. The Company only changed course from its intention to bring a motion to approve a stalking horse bid approximately one month before the statutory limit on extending the stay.[78] This is due, at least in part, to the concerns the Proposal Trustee raised about the terms of the stalking horse sale process, which included a proposed $250,000 break fee and an additional expense reimbursement of up to $50,000.[79]

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[72] *Tool Shed*, para 44; *Proposition de 2964-3277 Québec inc.*, 2019 QCCS 115, paras 11-15.
[73] *See OEL Projects Ltd. (Re)*, 2020 ABQB 365 ("***OEL Projects Ltd.***"), para 22.
[74] *OEL Projects Ltd.*, para 20.
[75] *OEL Projects Ltd.*, para 20.
[76] *OEL Projects Ltd.*, para 23.
[77] *OEL Projects Ltd.*, para 27.
[78] Fifth Report, paras 16-22; First Supp. Seventh Report, paras 19-20.
[79] First Supp. Seventh Report, paras 24-25.

55. In a short time, 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.[80] Of the three interested parties, two submitted competitive bids. The Proposal Trustee then gave both parties an opportunity to amend their bids, presumably to make their best offers.[81]

56. 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 determined that the Ramudden bid is the most favourable outcome for the creditors and other stakeholders.[82] After reviewing the Amended Proposal, the Proposal Trustee maintained its recommendation.[83]

57. The sales process was both fair and reasonable given: (i) the compressed timeline available; (ii) the unsuccessful bidder, A2, is a related party that had access to detailed information about the Company and had been contemplating a purchase prior to the sales process; and (iii) the real risk that the business would be unable to continue as a going concern if a sale did not transpire.

58. ***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.[84] Given that the sales process was implemented and managed by the Proposal Trustee, this factor is satisfied.

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[80] Fifth Report, paras 16-21.
[81] Sixth Report, paras 14-19.
[82] Sixth Report, paras 17-19.
[83] First Supp. Seventh Report, paras 20-23.
[84] *Tool Shed*, para 45.

59. ***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 disposition under a bankruptcy***. The Proposal Trustee has compared the Proposed Transaction to the Amended Proposal and determined that the Proposed Transaction is superior in light of the following: (i) the risk that the Amended Proposal's financing will not materialize, which is significant since the financing for the DIP Loan was withdrawn; (ii) the execution risks; (iii) the potential for the Company to incur post-filing obligations that it cannot pay in the normal course while the Amended Proposal is proceeding to a vote; and (iv) that the Proposed Transaction will provide a greater recovery than liquidation of the Company's assets in bankruptcy.[85] Therefore, the Proposed Transaction is preferable. This factor is met.[86]

60. ***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.

61. ***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

[85] First Supp. Seventh Report, paras 55.
[86] *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).

necessary documentation is prepared and the Court approves the transaction.[87] Additionally, the Proposed Transaction, will pay the Union's pre- and post-filing amounts owing.[88]

62. On the other hand, the Amended Proposal is contingent on financing that has yet to be arranged and may not materialize. Further, given the withdrawal of financial support just days after the Company filed the Amended Proposal (and after months of seeking financing), the Company has not given the creditors sufficient basis to expect that the Amended Proposal would ever be fully funded and implemented. Under the circumstances, the Proposed Transaction is in the creditors' and stakeholders' best interest. This factor is satisfied.

63. ***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 and assessment that "pursuing the Amended Proposal creates a substantial risk that the Company will ultimately become bankrupt, resulting in a materially worse outcome for creditors than the [Proposed Transaction],"[89] the reasonable conclusion is that this is the best available consideration for the assets. Further, given how long these proceedings have been ongoing, the Union has little hope that any better offer is available. This factor is met.

(v) The Soundair *Criteria are Satisfied*

64. ***Whether the receiver has made a sufficient effort to get the best price and has not acted improvidently***.[90] 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;

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[87] First Supp. Seventh Report, paras 55.
[88] West Oct. 21 Aff., Oct. 30 Ramudden RMR, Tab 1, paras 15-17, pp 13-14; Sixth Report, paras 23-24.
[89] Seventh Report, para 20; First Supp. Seventh Report, para 52.
[90] *Soundair*.

(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.[91]

65. Here, the Union understands that the offer accepted is the highest offer. While the time available for the sales process was compressed, the process was reasonable under the circumstances where the alternative was bankruptcy or accepting a concerning offer from a related party. Given that A2, the unsuccessful bidder, was a related 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.

66. 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.

67. ***Whether the interests of all parties were considered***.[92] This factor turns on whether a proposal trustee considered the interests of the competing bidders, the debtor company, the creditors and other stakeholders.[93] Both the Proposal Trustee's process and reasons supporting its decision-making establish that this factor is satisfied.

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[91] *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).
[92] *Soundair*.
[93] *Tool Shed*, para 84.

68. ***The efficacy and integrity of the process***.[94] 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. 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.

69. ***Whether there has been unfairness in the working out of the process***.[95] To determine whether there has been unfairness in the process, courts consider the process in its totality.[96] If the evidence demonstrates that the Proposal Trustee acted in a commercially reasonable manner under the circumstances, this factor is satisfied.[97] 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 reasonable manner.

70. The Company's concerns about Ramudden's prior knowledge of A2's offer are unfounded. The Company, and therefore Bruno, was aware of other interested purchasers before it filed any materials disclosing any material financial terms to the service list.[98] This factor is met.

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[94] *Soundair*.
[95] *Soundair*.
[96] *Tool Shed*, para 100.
[97] *Tool Shed*, para 102.
[98] October 26, 2026 Email from D. Gohil, Affidavit of Lauren Allan, Supplementary Responding Motion Record of LiUNA Local 837 dated October 26, 2026, Tab 1A.

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

71. 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.[99] 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 compensation.[100] Section 60(1.5)(a) requires the payment of all pension contributions that were deducted from employees' wages or were required employer contributions.

72. 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.[101]

73. As set out above, 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. The Pre-Filing Priority Amounts owing to the Union total $239,313.[102] To date, the Company's post-filing remittance obligations total $324,169.09 (the "**Post-Filing Priority Amounts**").[103]

74. 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.[104] The Proposal

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[99] BIA, s. 65.13(8).
[100] *See* BIA, ss. 60(1.3), (a), 81.3, 81.4 and 136(1)(d).
[101] *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).
[102] Tinebra Aff., Local 837 RMR, Tab A, para 11, p 8.
[103] Tinebra Aff., Local 837 RMR, Tab A, para 25(b), p 14.
[104] West Oct. 21 Aff., Oct. 30 Ramudden RMR, Tab 1, para 16, p 13. We note that the Seventh Report mistakenly attaches the earlier non-binding LOI dated October 9, 2026.

Trustee's proposed Approval and Vesting Order circulated on October 25, 2026 likewise satisfied s. 65.13 (8).[105]

75. The APA does not address amounts owing pursuant to s. 65.13 (8). In the absence of the above language (or very similar language) in the order ensuring 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), the Court cannot be satisfied that s. 65.13 (8) will be met. Moreover, the Union's support for the Proposed Transaction is premised on assurances that s. 65.13 (8) will be satisfied.

H. THE RECEIVERSHIP ORDER IS A LAST RESORT

76. In the alternative to the Proposed Transaction, Oxygen moves to appoint TDB as Receiver pursuant to section 243(1) of the BIA. The Receiver's primary purpose would be to give effect to the Proposed Transaction. Under these circumstances – in which Oxygen seeks to have TDB appointed as Receiver for the sole purpose of entering into and completing the Proposed Transaction prior to approval of a proposal – the Court must still be satisfied that the requirements of section 65.13 (8), even if not expressly applicable, are met.

77. The BIA is remedial legislation and should be given a liberal interpretation to facilitate its objectives.[106] Section 243(1)(c) of the BIA permits the Court to appoint a receiver to take any action which it considers advisable.[107] This language provides the court with "the broadest possible mandate in insolvency proceedings to enable them to react to any circumstances that may arise".[108]

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[105] A copy of the Proposal Trustee's October 26, 2026 proposed Approval and Vesting Order is attached at Schedule "C". The relevant language is at paragraphs 10 and 11.
[106] *Third Eye Capital*, para 43.
[107] BIA, section 243(1)(c).
[108] *DGDP-BC Holdings Ltd v Third Eye Capital Corporation*, 2021 ABCA 226, para 20.

For this reason, the Supreme Court of Canada has affirmed that s. 243 permits a court to do not only what "justice dictates", but also what "practicality demands".[109]

78. In light of the purpose and the broad wording of s. 243 set out above, the absence of the express language from s. 65.13 from s. 243 does not foreclose a court from granting orders under s. 243 to facilitate transactions that are only expressly permitted under s. 65.13.[110] However, s. 65.13 does more than simply allow the sale of assets, subject to court authorization. In authorizing transactions, s. 65.13 (8) must be applied to protect employees whose claims may be otherwise improperly subjugated in a sale process prior to making or approving a proposal.

79. In the circumstances, justice dictates that the Union's interests not be lost in a court-appointed receivership. Oxygen's motion does not alter the nature of the Proposed Transaction. It remains a sale outside the ordinary course of business where a NOI has been filed. Accordingly, if the Court grants Oxygen's motion to appoint TDB as Receiver for the sole purpose of executing the Proposed Transaction, the Court must satisfy itself that the Receiver's execution of the Proposed Transaction will be in accordance with the requirements of s. 65.13 (8).

80. If the funds are not allocated in accordance with s. 65.13 (8), then this receivership is arguably an end run around the protections established in the BIA for the Union's and its members' Pre-filing Priority Amounts and Post-filing Priority Amounts. Given that this receivership is a last resort to save a viable transaction after the Company has obstructed it while in a conflict of interest, allowing the Union's and the member's claims to be avoided would be contrary to the BIA's remedial purpose and intent.

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[109] *Peace River Hydro Partners v Petrowest Corp.*, 2022 SCC 41, paras 9, 148.
[110] *Third Eye Capital*, para 71.

PART IV - ORDER SOUGHT

81. The Union requests an order:

(a) approving the Proposed Transaction and granting any other related relief necessary to give effect to the transaction and ensure payment of the Pre-Filing Priority Amounts and Post-Filing Priority Amounts owing and required pursuant to s. 65.13 (8) of the BIA;

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

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

(d) granting such further and other relief that this Honourable Court deems just.

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



Danielle Stampley



Alex St. John

SCHEDULE "A"

LIST OF AUTHORITIES

1. *Nautican v Dumont*, 2020 PESC 15
2. *Noël v Société d'énergie de la Baie James*, 2001 SCC 39
3. *Canadian Merchant Service Guild v Gagnon et al.*, 1984 CanLII 18 (SCC)
4. *Barouh Eaton (Canada) Ltd.*, 1988 CanLII 3662 (ON LRB)
5. *Gustafson Pontiac Buick Cadillac GMC Ltd., (RE)*, 1995 CanLII 5775 (SK QB)
6. *Edgemount Manor (Re) and Sheridan Lodge (Re)*, 2021 ONSC 7803 Approval and Vesting Order dated May 2, 2024 and Endorsement dated May 2, 2024
7. *Organic Garage (Canada) Ltd. (Re)*, Ct File No. 31-3051650 Approval and Vesting Order dated July 28, 2020 and Endorsement dated July 28, 2020
8. *Cranbrook Glen Enterprises Limited o/a Henry's (Re)*, Ct. File No. 31-2642597, Approval and Vesting Order dated July 28, 2020 and Endorsement dated July 28, 2020.
9. *Organic Garage (Canada) Ltd. (Re)*, Ct. File No. 31-3051650, Order dated March 14, 2024
10. *Re Bell*, 2013 ONSC 2682
11. *Third Eye Capital Corporation v Ressources Dianor Inc./Dianor Resources Inc.*, 2019 ONCA 508
12. *GS E&R Canada Inc. (Re)*, Cr File No. B201-719774 (ABKB) Sale Approval and Vesting Order and Enhanced Trustee's Powers dated August 16, 2021
13. *McInnis (Re)*, 2025 NSSC 119
14. *Malhotra v City of Brampton*, 2023 ONSC 2291
15. *Re Gerstein*, 2024 ONSC 6253
16. *Royal Bank v Soundair*, 1991 CanLII 2727 (ONCA)
17. *Tool Shed Brewing Company Inc (Re)*, 2024 ABKB 234
18. *Komtech Inc. (Re)*, 2011 ONSC 3230
19. *Propostition de SRTX inc.*, 2026 QCCS 570,
20. *Proposition de 2964-3277 Québec inc.*, 2019 QCCS 115
21. *OEL Projects Ltd. (Re)*, 2020 ABQB 365
22. *Kingsett Mortgage Corporation v Churchill Lands United Inc.*, 2024 ONSC 7127
23. *River Rentals Group Ltd. v Hutterian Brethren Church of Codesa,* 2010 ABCA 16
24. *Ted Leroy Trucking Ltd. and 383838 B.C. Ltd. (Re.)*, 2009 BCSC 41
25. *Ted Leroy Trucking Ltd. v Century Services Inc.*, 2010 BCCA 223
26. *DGDP-BC Holdings Ltd v Third Eye Capital Corporation*, 2021 ABCA 226

27. *Peace River Hydro Partners v Petrowest Corp.*, 2022 SCC 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 November 1, 2026



ALEX ST. JOHN

SCHEDULE "B"

TEXT OF STATUTES, REGULATIONS & BY - LAWS

1. ***Bankruptcy and Insolvency Act*, RSC 1985, c B-3**, ss. 4.2, 34(1), 50.6(5)(b)-(d), (f), 59(2), 60(1.3)(a), 60(1.5)(a), 65.13 (1), 65.13 (3), 65.13 (4), 65.13 (8), 81.3, 81.4, 95-101, 136(1)(d), 233, 243(1)(c)

Good faith

4.2(1) Any interested person in any proceedings under this Act shall act in good faith with respect to those proceedings.

Good faith — powers of court

(2) If the court is satisfied that an interested person fails to act in good faith, on application by any interested person, the court may make any order that it considers appropriate in the circumstances.

. . . . .

Trustee may apply to court for directions

34(1) A trustee may apply to the court for directions in relation to any matter affecting the administration of the estate of a bankrupt and the court shall give in writing such directions, if any, as to it appear proper in the circumstances.

. . . . .

Factors to be considered

50.6(5) In deciding whether to make an order, the court is to consider, among other things,

. . . . .

(b) how the debtor's business and financial affairs are to be managed during the proceedings;

(c) whether the debtor's management has the confidence of its major creditors;

(d) whether the loan would enhance the prospects of a viable proposal being made in respect of the debtor;

. . . . .

(f) whether any creditor would be materially prejudiced as a result of the security or charge; and

. . . . .

Court may refuse to approve the proposal

59(2) Where the court is of the opinion that the terms of the proposal are not reasonable or are not calculated to benefit the general body of creditors, the court shall refuse to approve the proposal, and the court may refuse to approve the proposal whenever it is established that the debtor has committed any one of the offences mentioned in sections 198 to 200.

. . . . .

Proposals by employers

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

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

. . . . .

Proposals by employers — prescribed pension plans

60(1.5) No proposal in respect of an employer who participates in a prescribed pension plan for the benefit of its employees shall be approved by the court unless

(a) the proposal provides for payment of the following amounts that are unpaid to the fund established for the purpose of the pension plan:

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

(A.2) any amount required to liquidate any other unfunded liability or solvency deficiency of the fund as determined at the time of the filing of the notice of intention or of the proposal, if no notice of intention was filed,

(B) an amount equal to the sum of all amounts that were required to be paid by the employer to the fund under a defined contribution provision, within the meaning of subsection 2(1) of the Pension Benefits Standards Act, 1985,

(C) an amount equal to the sum of all amounts that were required to be paid by the employer to the administrator of a pooled registered pension plan, as defined in subsection 2(1) of the Pooled Registered Pension Plans Act, and

(iii) in the case of any other prescribed pension plan,

(A) an amount equal to the amount that would be the normal cost, within the meaning of subsection 2(1) of the Pension Benefits Standards Regulations, 1985, that the employer would be required to pay to the fund if the prescribed plan were regulated by an Act of Parliament, and

(A.1) an amount equal to the sum of all special payments, determined in accordance with section 9 of the Pension Benefits Standards Regulations, 1985, that would have been required to be paid by the employer to the fund referred to in sections 81.5 and 81.6 to liquidate an unfunded liability or a solvency deficiency if the prescribed plan were regulated by an Act of Parliament,

(A.2) any amount required to liquidate any other unfunded liability or solvency deficiency of the fund as determined at the time of the filing of the notice of intention or of the proposal, if no notice of intention was filed,

(B) an amount equal to the sum of all amounts that would have been required to be paid by the employer to the fund under a defined contribution provision, within the meaning of subsection 2(1) of the Pension Benefits Standards Act, 1985, if the prescribed plan were regulated by an Act of Parliament,

(C) an amount equal to the sum of all amounts that would have been required to be paid by the employer in respect of a prescribed plan, if it were regulated by the Pooled Registered Pension Plans Act; and

. . . . .

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.

. . . . .

Notice to secured creditors

(3) An insolvent person who applies to the court for an authorization shall give notice of the application to the secured creditors who are likely to be affected by the proposed sale or disposition.

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.

. . . . .

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*)

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*)

. . . . .

Preferences

95 (1) A transfer of property made, a provision of services made, a charge on property made, a payment made, an obligation incurred or a judicial proceeding taken or suffered by an insolvent person

(a) in favour of a creditor who is dealing at arm's length with the insolvent person, or a person in trust for that creditor, with a view to giving that creditor a preference over another creditor is void as against — or, in Quebec, may not be set up against — the trustee if it is made, incurred, taken or suffered, as the case may be, during the period beginning on the day that is three months before the date of the initial bankruptcy event and ending on the date of the bankruptcy; and

(b) in favour of a creditor who is not dealing at arm's length with the insolvent person, or a person in trust for that creditor, that has the effect of giving that creditor a preference over another creditor

is void as against — or, in Quebec, may not be set up against — the trustee if it is made, incurred, taken or suffered, as the case may be, during the period beginning on the day that is 12 months before the date of the initial bankruptcy event and ending on the date of the bankruptcy.

Preference presumed

(2) If the transfer, charge, payment, obligation or judicial proceeding referred to in paragraph (1)(a) has the effect of giving the creditor a preference, it is, in the absence of evidence to the contrary, presumed to have been made, incurred, taken or suffered with a view to giving the creditor the preference — even if it was made, incurred, taken or suffered, as the case may be, under pressure — and evidence of pressure is not admissible to support the transaction.

Exception

(2.1) Subsection (2) does not apply, and the parties are deemed to be dealing with each other at arm's length, in respect of the following:

(a) a margin deposit made by a clearing member with a clearing house; or

(b) a transfer, charge or payment made in connection with financial collateral and in accordance with the provisions of an eligible financial contract.

Definitions

(3) In this section,

clearing house means a body that acts as an intermediary for its clearing members in effecting securities transactions; (chambre de compensation)

clearing member means a person engaged in the business of effecting securities transactions who uses a clearing house as intermediary; (membre)

creditor includes a surety or guarantor for the debt due to the creditor; (créancier)

margin deposit means a payment, deposit or transfer to a clearing house under the rules of the clearing house to assure the performance of the obligations of a clearing member in connection with security transactions, including, without limiting the generality of the foregoing, transactions respecting futures, options or other derivatives or to fulfil any of those obligations. (dépôt de couverture)

Transfer at undervalue

96 (1) On application by the trustee, a court may declare that a transfer at undervalue is void as against, or, in Quebec, may not be set up against, the trustee — or order that a party to the transfer or any other person who is privy to the transfer, or all of those persons, pay to the estate the

difference between the value of the consideration received by the debtor and the value of the consideration given by the debtor — if

(a) the party was dealing at arm's length with the debtor and

(i) the transfer occurred during the period that begins on the day that is one year before the date of the initial bankruptcy event and that ends on the date of the bankruptcy,

(ii) the debtor was insolvent at the time of the transfer or was rendered insolvent by it, and

(iii) the debtor intended to defraud, defeat or delay a creditor; or

(b) the party was not dealing at arm's length with the debtor and

(i) the transfer occurred during the period that begins on the day that is one year before the date of the initial bankruptcy event and ends on the date of the bankruptcy, or

(ii) the transfer occurred during the period that begins on the day that is five years before the date of the initial bankruptcy event and ends on the day before the day on which the period referred to in subparagraph (i) begins and

(A) the debtor was insolvent at the time of the transfer or was rendered insolvent by it, or

(B) the debtor intended to defraud, defeat or delay a creditor.

Establishing values

(2) In making the application referred to in this section, the trustee shall state what, in the trustee's opinion, was the fair market value of the property or services and what, in the trustee's opinion, was the value of the actual consideration given or received by the debtor, and the values on which the court makes any finding under this section are, in the absence of evidence to the contrary, the values stated by the trustee.

Meaning of person who is privy

(3) In this section, a person who is privy means a person who is not dealing at arm's length with a party to a transfer and, by reason of the transfer, directly or indirectly, receives a benefit or causes a benefit to be received by another person.

Protected transactions

97 (1) No payment, contract, dealing or transaction to, by or with a bankrupt made between the date of the initial bankruptcy event and the date of the bankruptcy is valid, except the following, which are valid if made in good faith, subject to the provisions of this Act with respect to the effect

of bankruptcy on an execution, attachment or other process against property, and subject to the provisions of this Act respecting preferences and transfers at undervalue:

(a) a payment by the bankrupt to any of the bankrupt's creditors;

(b) a payment or delivery to the bankrupt;

(c) a transfer by the bankrupt for adequate valuable consideration; and

(d) a contract, dealing or transaction, including any giving of security, by or with the bankrupt for adequate valuable consideration.

Definition of adequate valuable consideration

(2) The expression adequate valuable consideration in paragraph (1)(c) means a consideration of fair and reasonable money value with relation to that of the property assigned or transferred, and in paragraph (1)(d) means a consideration of fair and reasonable money value with relation to the known or reasonably to be anticipated benefits of the contract, dealing or transaction.

Law of set-off or compensation

(3) The law of set-off or compensation applies to all claims made against the estate of the bankrupt and also to all actions instituted by the trustee for the recovery of debts due to the bankrupt in the same manner and to the same extent as if the bankrupt were plaintiff or defendant, as the case may be, except in so far as any claim for set-off or compensation is affected by the provisions of this Act respecting frauds or fraudulent preferences.

Recovering proceeds if transferred

98 (1) If a person has acquired property of a bankrupt under a transaction that is void or voidable and set aside or, in the Province of Quebec, null or annullable and set aside, and has sold, disposed of, realized or collected the property or any part of it, the money or other proceeds, whether further disposed of or not, shall be deemed the property of the trustee.

Trustee may recover

(2) The trustee may recover the property or the value thereof or the money or proceeds therefrom from the person who acquired it from the bankrupt or from any other person to whom he may have resold, transferred or paid over the proceeds of the property as fully and effectually as the trustee could have recovered the property if it had not been so sold, disposed of, realized or collected.

Operation of section

(3) Notwithstanding subsection (1), where any person to whom the property has been sold or disposed of has paid or given therefor in good faith adequate valuable consideration, he is not subject to the operation of this section but the trustee's recourse shall be solely against the person

entering into the transaction with the bankrupt for recovery of the consideration so paid or given or the value thereof.

Trustee subrogated

(4) Where the consideration payable for or on any sale or resale of the property or any part thereof remains unsatisfied, the trustee is subrogated to the rights of the vendor to compel payment or satisfaction.

General assignments of book debts ineffective

98.1 (1) If a person engaged in any trade or business makes an assignment of their existing or future book debts, or any class or part of those debts, and subsequently becomes bankrupt, the assignment of book debts is void as against, or, in the Province of Quebec, may not be set up against, the trustee with respect to any book debts that have not been paid at the date of the bankruptcy.

Foregoing provisions not to apply in some cases

(2) Subsection (1) does not apply to an assignment of book debts that is registered under any statute of any province providing for the registration of assignments of book debts if the assignment is valid in accordance with the laws of the province.

Other cases

(3) Nothing in subsection (1) renders void or, in the Province of Quebec, null any assignment of book debts due at the date of the assignment from specified debtors, or of debts growing due under specified contracts, or any assignment of book debts included in a transfer of a business made in good faith and for adequate valuable consideration.

Definition of assignment

(4) For the purposes of this section, assignment includes assignment by way of security, hypothec and other charges on book debts.

Dealings with undischarged bankrupt

99 (1) All transactions by a bankrupt with any person dealing with the bankrupt in good faith and for value in respect of property acquired by the bankrupt after the bankruptcy, if completed before any intervention by the trustee, are valid against the trustee, and any estate, or interest or right, in the property that by virtue of this Act is vested in the trustee shall determine and pass in any manner and to any extent that may be required for giving effect to any such transaction.

Receipt of money by banker

(2) For the purposes of this section, the receipt of any money, security or negotiable instrument from or by the order or direction of a bankrupt by his banker and any payment and any delivery of any security or negotiable instrument made to or by the order or direction of a bankrupt by his banker shall be deemed to be a transaction by the bankrupt with his banker dealing with him for value.

100 [Repealed, 2005, c. 47, s. 76]

Inquiry into dividends, redemption of shares or compensation

101 (1) When a corporation that is bankrupt has paid a dividend, other than a stock dividend, redeemed or purchased for cancellation any of the shares of the capital stock of the corporation or has paid termination pay, severance pay or incentive benefits or other benefits to a director, an officer or any person who manages or supervises the management of business and affairs of the corporation within the period beginning on the day that is one year before the date of the initial bankruptcy event and ending on the date of the bankruptcy, both dates included, the court may, on the application of the trustee, inquire into the transaction to ascertain whether it occurred at a time when the corporation was insolvent or whether it rendered the corporation insolvent.

Judgment against directors

(2) If a transaction referred to in subsection (1) has occurred, the court may give judgment to the trustee against the directors of the corporation, jointly and severally, or solidarily, in the amount of the dividend or redemption or purchase price, with interest on the amount, that has not been paid to the corporation if the court finds that

(a) the transaction occurred at a time when the corporation was insolvent or the transaction rendered the corporation insolvent; and

(b) the directors did not have reasonable grounds to believe that the transaction was occurring at a time when the corporation was not insolvent or the transaction would not render the corporation insolvent.

Judgment against directors — compensation

(2.01) If a transaction referred to in subsection (1) has occurred, the court may give judgment to the trustee against the directors of the corporation, jointly and severally, or solidarily, in the amount of the termination pay, severance pay or incentive benefits or other benefits, with interest on the amount, that has not been paid to the corporation if the court finds that

(a) the payment

> (i) occurred at a time when the corporation was insolvent or rendered the corporation insolvent,

(ii) was conspicuously over the fair market value of the consideration received by the corporation, and

(iii) was made outside the ordinary course of business; and

(b) the directors did not have reasonable grounds to believe that the payment

(i) occurred at a time when the corporation was not insolvent or would not render the corporation insolvent,

(ii) was not conspicuously over the fair market value of the consideration received by the corporation, and

(iii) was made in the ordinary course of business.

Criteria

(2.1) In making a determination under paragraph (2)(b) or (2.01)(b), the court shall consider whether the directors acted as prudent and diligent persons would have acted in the same circumstances and whether the directors in good faith relied on

(a) financial or other statements of the corporation represented to them by officers of the corporation or the auditor of the corporation, as the case may be, or by written reports of the auditor to fairly reflect the financial condition of the corporation; or

(b) a report relating to the corporation's affairs prepared pursuant to a contract with the corporation by a lawyer, notary, accountant, engineer, appraiser or other person whose profession gave credibility to the statements made in the report.

Judgment against shareholders

(2.2) Where a transaction referred to in subsection (1) has occurred and the court makes a finding referred to in paragraph (2)(a), the court may give judgment to the trustee against a shareholder who is related to one or more directors or to the corporation or who is a director not liable by reason of paragraph (2)(b) or subsection (3), in the amount of the dividend or redemption or purchase price referred to in subsection (1) and the interest thereon, that was received by the shareholder and not repaid to the corporation.

Directors exonerated by law

(3) A judgment pursuant to subsection (2) shall not be entered against or be binding on a director who had, in accordance with any applicable law governing the operation of the corporation, protested against the payment of the dividend or the redemption or purchase for cancellation of the shares of the capital stock of the corporation and had thereby exonerated himself or herself under that law from any liability therefor.

Directors exonerated by law — compensation

(3.1) A judgment under subsection (2.01) shall not be entered against or be binding on a director who had, in accordance with any applicable law governing the operation of the corporation, protested against the payment of termination pay, severance pay or incentive benefits or other benefits and had exonerated himself or herself under that law from any resulting liability.

Directors' right to recover

(4) Nothing in this section shall be construed to affect any right, under any applicable law governing the operation of the corporation, of the directors to recover from a shareholder the whole or any part of any dividend, or any redemption or purchase price, made or paid to the shareholder when the corporation was insolvent or that rendered the corporation insolvent.

Onus of proof — directors

(5) For the purposes of subsection (2), the onus of proving

(a) that the corporation was not insolvent at the time the transaction occurred and that the transaction did not render the corporation insolvent, or

(b) that the directors had reasonable grounds to believe that the transaction was occurring at a time when the corporation was not insolvent or that the transaction would not render the corporation insolvent

lies on the directors.

Onus of proof — directors

(5.1) For the purposes of subsection (2.01), a director has the onus of proving any of the following:

(a) that the payment

> (i) occurred at a time when the corporation was not insolvent or did not render the corporation insolvent,
>
> (ii) was not conspicuously over the fair market value of the consideration received by the corporation, or
>
> (iii) was made in the ordinary course of business; or

(b) that the director had reasonable grounds to believe that the payment

> (i) occurred at a time when the corporation was not insolvent or would not render the corporation insolvent,

(ii) was not conspicuously over the fair market value of the consideration received by the corporation, or

(iii) was made in the ordinary course of business.

Onus of proof — shareholder

(6) For the purposes of subsection (2.2), the onus of proving that the corporation was not insolvent at the time the transaction occurred and that the transaction did not render the corporation insolvent lies on the shareholder.

. . . . .

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;

2. ***Labour Relations Act, 1995*, SO 1995, c 1, Sch A**, ss 45(1), 70, 72 and 76

Recognition provisions

45(1) Every collective agreement shall be deemed to provide that the trade union that is a party thereto is recognized as the exclusive bargaining agent of the employees in the bargaining unit defined therein.

. . . . .

Employers, etc., not to interfere with unions

70 No employer or employers' organization and no person acting on behalf of an employer or an employers' organization shall participate in or interfere with the formation, selection or administration of a trade union or the representation of employees by a trade union or contribute financial or other support to a trade union, but nothing in this section shall be deemed to deprive an employer of the employer's freedom to express views so long as the employer does not use coercion, intimidation, threats, promises or undue influence.

. . . . .

Employers not to interfere with employees' rights

72 No employer, employers' organization or person acting on behalf of an employer or an employers' organization,

(a) shall refuse to employ or to continue to employ a person, or discriminate against a person in regard to employment or any term or condition of employment because the person was or is a member of a trade union or was or is exercising any other rights under this Act;

(b) shall impose any condition in a contract of employment or propose the imposition of any condition in a contract of employment that seeks to restrain an employee or a person seeking employment from becoming a member of a trade union or exercising any other rights under this Act; or

(c) shall seek by threat of dismissal, or by any other kind of threat, or by the imposition of a pecuniary or other penalty, or by any other means to compel an employee to become or refrain from becoming or to continue to be or to cease to be a member or officer or representative of a trade union or to cease to exercise any other rights under this Act.

. . . . .

Intimidation and coercion

76 No person, trade union or employers' organization shall seek by intimidation or coercion to compel any person to become or refrain from becoming or to continue to be or to cease to be a

member of a trade union or of an employers' organization or to refrain from exercising any other rights under this Act or from performing any obligations under this Act.

3. ***Courts of Justice Act*, R.S.O. 1990, c. C.43**, s. 101

Injunctions and receivers

101 (1) In the Superior Court of Justice, an interlocutory injunction or mandatory order may be granted or a receiver or receiver and manager may be appointed by an interlocutory order, where it appears to a judge of the court to be just or convenient to do so.

Terms

(2) An order under subsection (1) may include such terms as are considered just.

SCHEDULE "C"

Proposal Trustee's October 26, 2026 proposed Approval and Vesting Order

Court File No. BK-26-03364251-0032

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE	)	MONDAY THE 26TH
	)	
JUSTICE J. DIETRICH	)	DAY OF OCTOBER, 2026

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED

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

APPROVAL AND VESTING ORDER

THIS MOTION, made by TDB Restructuring Limited, in its capacity as proposal trustee (the "**Proposal Trustee**") of National Traffic Safety Management Inc. (the "**Debtor**") in the proposal proceedings (the "**NOI Proceedings**") of the Debtor, for an order (the "**Order**"): (i) approving the sale transaction (the "**Transaction**") contemplated by the asset purchase agreement (the "**Purchase Agreement**") between the Debtor and Ramudden Global (Canada) Inc. (the "**Purchaser**") dated October 21, 2026, attached as **Schedule "B"** to this Order; (ii) vesting in the Purchaser the Debtor's right, title and interest in and to the assets described in the Purchase Agreement (the "**Purchased Assets**"); and (iii) enhancing the powers of the Proposal Trustee, if necessary, including expressly authorizing and empowering the Proposal Trustee to execute, deliver and perform, for and on behalf of and in the name of the Debtor, the Purchase Agreement and such other documents as may be necessary documents to give effect to the Transaction was heard this day by judicial videoconference in Toronto, Ontario.

ON READING the Seventh Report of the Proposal Trustee, dated October 23, 2026 (the "**Seventh Report**"), the affidavit of Jamie West sworn October 21, 2026 (the "**West Affidavit**"), and the exhibits thereto, including the Purchase Agreement, and on hearing the submissions of counsel for the Purchaser, the Proposal Trustee, and such other counsel as may appear, no

one appearing for any other person on the service list, although properly served as appears from the Lawyer's Certificate of Service of Dillon Gohil, filed.

SERVICE AND DEFINED TERMS

1. **THIS COURT ORDERS** that the time for service of the Seventh Report, Proposal Trustee's Notice of Motion, and West Affidavit is hereby deemed adequate notice so that this motion is properly returnable today and hereby dispenses with further service thereof.

APPROVAL AND VESTING

2. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution and delivery of the Purchase Agreement by the Debtor or, if necessary, the Proposal Trustee pursuant to and in accordance with its powers as set out herein, for and on behalf of and in the name of the Debtor, is hereby authorized and approved, with such minor amendments as the Proposal Trustee and the Purchaser may deem necessary. The Proposal Trustee, acting for and on behalf of and in the name of the Debtor, is hereby authorized, if necessary, to take such additional steps and execute and deliver such additional documents in the name of and on behalf of the Debtor as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

3. **THIS COURT ORDERS AND DECLARES** that this Order shall constitute the only authorization required by the Debtor and the Proposal Trustee to proceed with the Transaction and that no shareholder, director or other approvals shall be required in connection therewith.

4. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Proposal Trustee's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "**Proposal Trustee's Certificate**"), all of the Debtor's right, title and interest in and to the Purchased Assets described in the Purchase Agreement shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**"), other than the Permitted Encumbrances (as defined in the Purchase Agreement), including, without limiting the generality of the foregoing:

(a) any encumbrances or charges created by the Order of the Honourable Justice Black dated June 3, 2026, the Order of the Honourable Justice Dunphy dated October 13, 2026 and any other Orders granted in these proceedings;

(b) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and

(c) those Claims listed on **Schedule "A"** to the Purchase Agreement (all of which are collectively referred to as the "Encumbrances", which term shall not include the Permitted Encumbrances, as defined in the Purchase Agreement) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

5. **THIS COURT ORDERS** that upon the issuance of the Proposal Trustee's Certificate, either the Purchaser or the Proposal Trustee shall be authorized to take all such steps as may be necessary to effect the discharge of all Encumbrances registered against the Purchased Assets (including by filing such financing change statements in the Ontario Personal Property Registry (or pursuant to any analogous legislation as may be necessary)), provided that the Purchaser and the Proposal Trustee shall not be authorized to effect any discharge that would have the effect of releasing any Encumbrances against any property other than the Purchased Assets.

6. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets (the "**Net Proceeds**") shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Proposal Trustee's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

7. **THIS COURT ORDERS AND DIRECTS** the Proposal Trustee to file with the Court a copy of the Proposal Trustee's Certificate, forthwith after delivery thereof.

8. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada), the Proposal Trustee, with the assistance of the Debtor, is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Debtor's records pertaining to the Debtor's past and current employees, including personal information of those employees whose employment is contemplated to continue with the Purchaser pursuant to the Purchase Agreement. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.

9. **THIS COURT ORDERS** that, notwithstanding:

(a) the pendency of these proceedings;

(b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**") in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and

(c) any assignment in bankruptcy made in respect of the Debtor;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

10. **THIS COURT ORDERS** that, to satisfy subsection 65.13(8) of the BIA, the Proposal Trustee shall pay in full from the proceeds of the Proposed Transaction, whether before or after any assignment in bankruptcy of the Company, the following amounts owing in respect of current and former employees of the Company represented by the Labourers' International Union of North America (the "Employee Amounts"):

(a) the amounts that would have been required under paragraph 60(1.3)(a) of the BIA, being

(i) the amounts the employees would be qualified to receive under paragraph 136(1)(d) of the BIA as at April 24, 2026; and

(ii) all wages, salaries, commissions and compensation for services rendered from April 24, 2026 to the Closing Date, including vacation pay and all contributions and remittances required by the applicable collective agreement; and

(b) the amounts that would have been required under paragraph 60(1.5)(a) of the BIA, being all pension contributions unpaid to the pension fund, whenever they arose.

11. **THIS COURT ORDERS** that the Employee Amounts shall be paid to the applicable trust funds or union locals, on or before payment of any amount under paragraph 6, and shall rank ahead of the Administration Charge, the Further Amended Administration Charge and the Bankruptcy Trustee's Charge (as set out in the Seventh Report). Any portion of the Employee Amounts that the Proposal Trustee disputes shall be held back from the proceeds pending further order of this Court. Paragraphs 10 and 11 apply notwithstanding paragraphs 6 and 13 of this Order.

THE PROPOSAL TRUSTEE'S ENHANCED POWERS

12. **THIS COURT ORDERS** that in addition to the powers and duties of the Proposal Trustee set out in the BIA or any other Order of this Court in these NOI Proceedings, and without altering in any way the limitations and obligations of the Debtor as a result of these proceedings, the Proposal Trustee be and is hereby authorized and empowered, but not required, to take any and all actions and steps, and execute all documents and writings, on behalf of, and in the name of the Debtor, including expressly executing, delivering and performing, for and on behalf of and in the name of the Debtor, the Purchase Agreement attached as **Schedule "B"** to this Order, and executing and delivering all such further agreements, instruments and documents and taking all such steps as may be necessary or desirable to complete the Transaction, without requiring any further authorization, approval or consent of the Debtor's directors, officers or shareholders, and to facilitate the performance of any ongoing obligations of the Debtor, including with respect to the Purchase Agreement and the Transaction, and to carry out the Proposal Trustee's duties under this Order or any other Order of this Court in these proceedings;

13. **THIS COURT ORDERS** that, without limiting the provisions of the orders granted in these proceedings and notwithstanding anything contained in this Order:

(a) the Proposal Trustee shall not take, or be deemed to have taken, possession or control of the Property or the Business of the Debtor, or any part thereof; and

(b) the Proposal Trustee is not and shall not be, or be deemed to be, a director, officer, or employee of the Debtor, *de facto* or otherwise, and shall incur no liability as a result of acting in accordance with this Order, other than any liability arising as a direct result of the gross negligence or wilful misconduct of the Proposal Trustee.

14. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Proposal Trustee under the BIA or as an officer of this Court, the Proposal Trustee and its legal counsel shall (i) continue to have the benefit of all of the indemnities, charges, protections and priorities as set out in all orders of this Court in these proceedings and all such indemnities, approvals, charges, protections and priorities shall apply and extend to the Proposal Trustee and the fulfillment of its duties and the carrying out of the provisions of this Order and (ii) incur no liability in carrying out the provisions of this Order, save and except for gross negligence or wilful misconduct.

15. **THIS COURT ORDERS** that the power and authority granted to the Proposal Trustee by virtue of this Order shall, if exercised in any case, be paramount to the power and authority of the Debtor with respect to such matters and, in the event of a conflict between the terms of this Order and those of any Order of this Court, the provisions of this Order shall govern.

GENERAL

16. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

17. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Proposal Trustee and its respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Proposal Trustee in any foreign proceeding, or to assist the Proposal Trustee and its respective agents in carrying out the terms of this Order.

18. **THIS COURT ORDERS** that the Proposal Trustee be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever

located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

_____

Schedule A – Form of Proposal Trustee's Certificate

Court File No. BK-26-03364251-0032

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED

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

PROPOSAL TRUSTEE'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Dunphy of the Ontario Superior Court of Justice (the "**Court**") dated October 13, 2026, TDB Restructuring Limited, in its capacity as proposal trustee (the "**Proposal Trustee**") of National Traffic Safety Management Inc. (the "**Debtor**"), was granted an extension of the time for the Debtor to file a proposal to and including October 26, 2026.

B. Pursuant to an Order of the Court dated October ●, 2026, the Court approved the asset purchase agreement made as of October 21, 2026 (the "**Purchase Agreement**") between the Debtor and Ramudden Global (Canada) Inc. (the "**Purchaser**"), authorized the Proposal Trustee to execute the Purchase Agreement for and on behalf of the Debtor, and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Proposal Trustee to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in sections 7.1, 7.2 and 7.3 of the Purchase Agreement have been satisfied or waived by the Proposal Trustee and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Proposal Trustee.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Purchase Agreement.

THE PROPOSAL TRUSTEE CERTIFIES the following:

1. The Purchaser has paid and the Proposal Trustee has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Purchase Agreement;

2. The conditions to Closing as set out in sections 7.1, 7.2 and 7.3 of the Purchase Agreement have been satisfied or waived by the Proposal Trustee and the Purchaser; and

3. The Transaction has been completed to the satisfaction of the Proposal Trustee.

4. This Certificate was delivered by the Proposal Trustee at _____ [TIME] on _____ [DATE].

TDB RESTRUCTURING LIMITED, in its capacity as Proposal Trustee of the undertaking, property and assets of NATIONAL TRAFFIC SAFETY MANAGEMENT INC., and not in its personal capacity

Per: _____

Name:

Title:

Schedule B – Asset Purchase Agreement dated October 21, 2026, between National Traffic Safety Management Inc. and Ramudden Global (Canada) Inc.

See Attached

Court File No. BK-26-03364251-0032

IN THE MATTER OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED

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

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceedings commenced at Toronto

APPROVAL AND VESTING ORDER

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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 November 2, 2026)

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