Court File No. BK-26-03364251-0032

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

FACTUM OF NATIONAL TRAFFIC SAFETY MANAGEMENT INC.

(Returnable September 14, 2026)

September 11, 2026

CHAITONS LLP
5000 Yonge Street, 10th Floor
Toronto, Ontario M2N 7E9

Harvey Chaiton (LSO No. 21592F)
Tel: (416) 218-1129
E-mail: harvey@chaitons.com

Maya Poliak (LSO No. 54100A)
Tel: (416) 218-1161
Email: maya@chaitons.com

Maleeha Anwar (LSO No. 92961B)
Tel: (416) 218-1128
Email: manwar@chaitons.com

Lawyers for National Traffic Safety Management Inc.

TO: **THE SERVICE LIST**

Court File No. BK-26-03364251-0032

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

FACTUM OF NATIONAL TRAFFIC SAFETY MANAGEMENT INC.

PART I – NATURE OF THE RELIEF SOUGHT

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

   (a) extending the time required for the Company to file its proposal from September 15, 2026, the date the current stay expires, to October 26, 2026; and

   (b) such further and other relief as the Company may request and the Court may deem appropriate.

2. The facts underlying this motion are more fully set out in the affidavit of Antonio Bruno sworn May 21, 2026 (the "**May 21 Affidavit**")[1], the affidavit of Antonio Bruno sworn June 11, 2026 (the "**June 11 Affidavit**")[2], the Affidavit of Antonio Bruno sworn July 29, 2026 (the "**July 29 Affidavit**")[3] and the Affidavit of Antonio Bruno sworn September 10, 2026 (the "**September**

[1] Motion Record of National Traffic Management Inc. dated September 10, 2026 ("**MR**"), Tab 2, Exhibit "A", Affidavit of Antonio Bruno sworn May 21, 2026 (the "**May 21 Affidavit**").
[2] MR, Tab 2, Exhibit "B", Affidavit of Antonio Bruno sworn June 11, 2026 (the "**June 11 Affidavit**").
[3] MR, Tab 2, Exhibit "C", Affidavit of Antonio Bruno sworn July 29, 2026 (the "**July 29 Affidavit**").

10 Affidavit”).[4] All capitalized terms used herein but not otherwise defined have the meanings ascribed to them in the September 10 Affidavit, and all monetary amounts referred to herein are in Canadian currency unless otherwise stated.

PART II – FACTS

Overview of the Company and Business

3. The Company is a private company incorporated under the *Ontario Business Corporations Act* whose registered head office was previously located in Toronto, Ontario and is now located in Niagara Falls, Ontario.[5]

4. The Company is in the business of providing end-to-end traffic management solutions including traffic management solutions to ensure construction and infrastructure workers are safe at job sites. The Company operates throughout the province of Ontario.[6]

The NOI Proceeding

5. On April 5, 2024, the Company filed a Notice of Intention to Make a Proposal (the “**Initial NOI**”) under the *Bankruptcy and Insolvency Act* (“**BIA**”).[7]

6. A proposal in connection with the Initial NOI was filed on September 19, 2024. An amended proposal dated January 6, 2025 was accepted by the creditors and approved by Justice Kimmel of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) on February 20, 2025 (the “**Amended Proposal**”).[8]

---

[4] MR, Tab 2, Affidavit of Antonio Bruno sworn September 10, 2026 (the “**September 10 Affidavit**”).
[5] May 21 Affidavit at para 3.
[6] May 21 Affidavit at para 4.
[7] May 21 Affidavit at para 5.
[8] May 21 Affidavit at para 6.

7. Subsequent to the approval of the Initial Proposal, Oxygen Working Capital Corp. ("**Oxygen**") advanced funds and extended credit to the Company pursuant to a Loan Agreement dated April 28, 2025 and an accounts receivable Factoring Agreement (collectively, the "**Oxygen Credit Facilities**") to refinance certain existing indebtedness and fund ongoing working capital requirements of the Company.[9]

8. The Company subsequently defaulted under the terms of the Amended Proposal due to non-payment of post-filing amounts owing to the Canada Revenue Agency within the stipulated grace period of three months. Further, an equipment lessor for the Company threatened to repossess its leased trucks which are required by the Company to operate its business.[10]

9. Certain shareholders of the Company and Antonio Bruno's company, A2 Environmental Group (the "**Purchaser**") entered into a Letter of Intent dated April 12, 2026, pursuant to which the Purchaser agreed to purchase the shares of those shareholders.[11]

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

11. The Purchaser had originally arranged for the provision of working capital and refinancing for the Company which was conditional on the completion of the share sale transaction. Since then, certain of the counterparties disputed that they agreed to transfer all of their shares in the Company to the Purchaser. The share transaction has since fallen apart but Mr. Bruno remained as the sole director and officer of the Company.[13] Since his appointment as director of the Company,

[9] September 10 Affidavit at para 5.
[10] May 21 Affidavit at para 7.
[11] September 10 Affidavit at para 6.
[12] September 10 Affidavit at para 7.
[13] September 10 Affidavit at para 8.

Mr. Bruno has invested substantial funds, time and energy into restructuring the Company's business to allow it to emerge from this process as a going-concern business.[14]

12. Following consultation with the Proposal Trustee and the inspectors, the Company filed a Notice of Intention to Make a Proposal on April 24, 2026 (the "**Filing Date**") to obtain a stay of proceedings and preserve the going-concern operations of the business and employment of the employees of the Company (the "**Second NOI**"). TDB Restructuring Limited ("**TDB**") is the proposal trustee in these Second NOI proceedings ("in such capacity, the **Proposal Trustee**").[15]

13. The Company's focus in this proceeding was to: (i) improve the financial position of the Company by improving profitability, strengthening cash flow, maximizing asset utilisation and restoring confidence among employees, customers and stakeholders;[16] and (ii) facilitate the sale of the Company's business and assets to the Purchaser or a third party.[17]

14. The efforts expended by the Company to improve its financial position were set out in the Affidavit of Antonio Bruno sworn September 10, 2026 (the "**September Affidavit**"). The Company is in a substantially improved financial position than it was at the commencement of this proceeding.[18]

15. The time for the Company to file a proposal has been extended multiple times in this proceeding, with the most recent extension granted on July 31, 2026. The time for the Company to file a proposal will expire on September 15, 2026.[19]

[14] September 10 Affidavit at para 10.
[15] September 10 Affidavit at para 10.
[16] September 10 Affidavit at para 11.
[17] September 10 Affidavit at para 13.
[18] September 10 Affidavit at paras 22-26.
[19] September 10 Affidavit at para 2.

16. During its last Court attendance on July 31, 2026, the Company advised the Court that the Purchaser is in the process of securing financing necessary to complete the acquisition of the Company's business and/or assets. The Company also advised that if financing is secured, the Purchaser and the Company will return to Court to seek an order approving a stalking horse sale process with the Purchaser acting as the stalking horse bidder.[20]

Financing and Stalking Horse Bid

17. The Purchaser received a Commitment Letter from COR Financial Corp. (the "**Lender**") dated September 4, 2026. Pursuant to the Commitment Letter, the Lender has agreed to advance $2.1 million to the Purchaser to fund: (i) the acquisition of the Company's assets; (ii) working capital; and (iii) the cost of these proceedings.[21]

18. The proposed financing is sufficient to repay the Company's indebtedness to Oxygen, purchase the leased fleet subject to the EMKAY Fleet Management lease arrangements, fund the Court-supervised process and professional restructuring costs associated with the acquisition, replace the Company's existing receivables-factoring arrangements with an operating line and pay the post-filing source deductions and outstanding HST obligations owing to the CRA.[22]

19. The proposed financing is conditional on, among other things, the Court granting an order approving a stalking horse sale process with the Purchaser acting as the stalking horse bidder. If the stay extension sought is granted, the Company intends to return to Court within a short time period for an order approving a stalking horse sale process to be administered by the Proposal Trustee.[23]

---

[20] September 10 Affidavit at para 14; Exhibit "C", July 29 Affidavit at para 25.
[21] September 10 Affidavit at para 15.
[22] September 10 Affidavit at para 16.
[23] September 10 Affidavit at para 17.

Extension to Make a Proposal

20. The Company seeks a 45 day extension of time to file a proposal to October 26, 2026. The Company will have sufficient liquidity to continue operating through the extended stay period.[24]

21. The Company is acting in good faith and with due diligence. No creditor would be materially prejudiced by the extension sought.[25]

22. The contemplated going-concern transaction is expected to preserve the Company's operations and employment and maximize value for its creditors and other stakeholders.[26]

23. Without the extension sought, the Company will not be in a position to make a viable proposal to their creditors and will become bankrupt to the detriment of its creditors and stakeholders.[27]

24. If the requested 45 day stay extension is granted, the Company will likely be able to make a viable proposal to its creditors.[28]

PART III – ISSUES

25. The sole issue to be determined on this motion is whether the Court should grant an extension of the time to file a proposal to October 26, 2026.

---

[24] September 10 Affidavit at para 25.
[25] September 10 Affidavit at para 26.
[26] September 10 Affidavit at para 27.
[27] September 10 Affidavit at para 28.
[28] September 10 Affidavit at para 27.

PART IV – LAW AND ARGUMENT

Extension of Time

26. Section 50.4(9) of the BIA provides that the Court may grant an extension or further extension not exceeding forty-five (45) days for any individual extension or five months in the aggregate following the expiry of the original 30 day period. In determining whether to grant a debtor an extension under s. 50.4(9) the Court is required to examine three factors: (a) whether the debtor has acted in good faith and with due diligence; (b) whether the debtor would likely be able to make a viable proposal if the extension being applied for were granted; and (c) whether any creditor will be materially prejudiced by the extension.[29]

27. The Company submits that each of the factors have been met in this instance, and the extension of the proposal period is appropriate as the Company is likely to continue as a going-concern as a result of the contemplated sale to the Purchaser or another party in a sale process.[30]

28. The Company has acted and is acting in good faith and with due diligence.[31] Without the extension sought, the Company will not be in a position to make a viable proposal to their creditors and will become bankrupt to the detriment of its creditors and stakeholders.[32]

29. There is no known material prejudice that will be suffered by any creditors or other stakeholders by the proposed extension.[33] The Company is projected to have sufficient cash to continue operating through the extended Proposal Period.[34]

---

[29] BIA, s. 50.4(9). See also *In the Matter of the Notice of Intention to Make a Proposal of The Body Shop Canada Limited*, 2024 ONSC 1651 at paras. 73-75.
[30] September 10 Affidavit at paras 24 and 27.
[31] September 10 Affidavit at para 26.
[32] September 10 Affidavit at para 28.
[33] September 10 Affidavit at para 26.
[34] September 10 Affidavit at para 25.

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

PART IV – ORDER REQUESTED

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

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 11th day of September, 2026.

Per:__________________________

CHAITONS LLP
5000 Yonge Street, 10th Floor
Toronto, Ontario M2N 7E9

Harvey Chaiton (LSO No. 21592F)
Tel: (416) 218-1129
E-mail: harvey@chaitons.com

Maya Poliak (LSO No. 54100A)
Tel: (416) 218-1161
Email: maya@chaitons.com

Maleeha Anwar (LSO No. 92961B)
Tel: (416) 218-1128
Email: manwar@chaitons.com

Lawyers for National Traffic Safety Management Inc.

SCHEDULE "A"

AUTHORITIES

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

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

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

Date September 11, 2026

Signature

SCHEDULE "B"

TEXT OF STATUTES, REGULATIONS & BY - LAWS

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

Who may make a proposal

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

(a) an insolvent person;

(b) a receiver, within the meaning of subsection 243(2), but only in relation to an insolvent person;

(c) a liquidator of an insolvent person's property;

(d) a bankrupt; and

(e) a trustee of the estate of a bankrupt.

Notice of intention

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

(a) the insolvent person's intention to make a proposal,

(b) the name and address of the licensed trustee who has consented, in writing, to act as the trustee under the proposal, and

(c) the names of the creditors with claims amounting to two hundred and fifty dollars or more and the amounts of their claims as known or shown by the debtor's books,

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

Extension of time for filing proposal

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

(a) the insolvent person has acted, and is acting, in good faith and with due diligence;

(b) the insolvent person would likely be able to make a viable proposal if the extension being applied for were granted; and

(c) no creditor would be materially prejudiced if the extension being applied for were granted.

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

Court File No. BK-26-03364251-0032

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
IN BANKRUPTCY AND INSOLVENCY

FACTUM OF NATIONAL TRAFFIC SAFETY MANAGEMENT INC.
(Returnable September 14, 2026)

CHAITONS LLP
5000 Yonge Street, 10th Floor
Toronto, Ontario M2N 7E9

Harvey Chaiton (LSO No. 21592F)
Tel: (416) 218-1129
E-mail: harvey@chaitons.com

Maya Poliak (LSO No. 54100A)
Tel: (416) 218-1161
Email: maya@chaitons.com

Maleeha Anwar (LSO No. 92961B)
Tel: (416) 218-1128
Email: manwar@chaitons.com

Lawyers for National Traffic Safety Management Inc.