CITATION: Re National Traffic Safety Management Inc., 2026 ONSC 6396
COURT FILE NO.: BK-26-03364251-0032
DATE: 20261112

SUPERIOR COURT OF JUSTICE – ONTARIO

(COMMERCIAL LIST)

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

BEFORE: Koehnen J.

COUNSEL: *Jeffrey Larry and Dillon Ghohil* for the Proposal Trustee

Robert Drake for the Labourers' International Union of North America Locals 183 and 506.

Danielle Stampley and Alex St. John for Labourers' International Union of North America Local 837.

Brendan Bissell for Ramudden Global (Canada) Inc.

Howard Manis for Betty Copeland, Jeanine Grossman and J9 Investments Inc.

Harvey Chaiton and Maleeha Anwar for National Traffic Safety Management Inc.

Assim Iqbal for Antonio Bruno

HEARD: November 2, 2026

ENDORSEMENT

[1] TDB Restructuring Limited ("TDB"), the Proposal Trustee of National Traffic Safety Management Inc. (the "Company") moves for court approval of a transaction pursuant to which certain assets of the Company will be sold to a competitor, Ramudden Global (Canada) Inc. ("Ramudden"). The motion raises the following issues:

i. Does the court have jurisdiction to approve the sale?

ii. Should the proposed transaction to Ramudden (the "Proposed Transaction") be approved in light of the abbreviated sales process?

iii. Should the requests of Antonio Bruno be granted?

iv. Should the Proposal Trustee's professional fees and disbursements be approved?

v. Should TDB be granted a charge if appointed as trustee in bankruptcy?

vi. Should certain confidential appendices be sealed?

[2] At the end of the oral hearing, I answered all the above questions, except (iii) in the affirmative and signed the order requested with reasons to follow. These are those reasons.

i. Jurisdiction to Approve the Sale

[3] Until the oral hearing, the Company opposed the motion and argued in its factum that the Court did not have jurisdiction to approve the sale. The business motivation behind that position arose because the operations of the Company had, in effect, been taken over by Antonio Bruno earlier this year. Mr. Bruno had submitted a bid to purchase the assets of the Company through another entity that he controlled, A2 Environmental Group Inc. ("A2"). The Proposal Trustee opposed the A2 transaction and preferred a competing bid from Ramudden.

[4] Two days before the hearing, the financing associated with the A2 offer was withdrawn. A2 continued to pursue other financing. When no other financing was available at the time of the hearing, the Company changed its position to one of not opposing the motion.

[5] Although the issue of jurisdiction was not argued during the oral hearing as thoroughly as it may have been had the Company maintained its opposition, the alleged lack of jurisdiction was argued in the Company's factum. In addition, the Company did not consent to the order but merely indicated a lack of opposition. In those circumstances the court is still required to satisfy itself that it has jurisdiction.

[6] In its factum, the Company relied on the wording of ss. 65.13, 50 and 50.4 of the *Bankruptcy and Insolvency Act* ("*BIA*") To argue that the court had no jurisdiction to approve the transaction because those sections required the insolvent debtor to bring any motion to approve a sale of assets and did not authorize a proposal trustee to do so.

[7] Section 65.13 (1) provides:

> 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.

[8] Section 65.13(3) provides:

> 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.

[9] Sections 50 and 50.4 of the *BIA* assign powers to the proposal trustee. The Company submitted that these sections are limited to monitoring and reporting. They do not give a proposal trustee possession of the Debtor's property, do not give the trustee the power to change any aspect of the business or personal affairs of the debtor[1] and do not give the trustee the independent power to market or sell the debtor's assets outside the ordinary course of business.

[10] In my view, the court has the jurisdiction to approve the transaction at the request of the Proposal Trustee for three principal reasons.

[11] First, this court has, in the past, approved transactions at the request of a proposal trustee without specifically addressing the issue of jurisdiction.[2]

[12] Second, on their plain language, ss. 65.13(1) and 65.13(3) are worded permissively. They allow an insolvent person to bring a motion. They do not preclude a trustee from doing so. In a similar vein, they prohibit sales out of the ordinary course without court approval. Court approval is, however, precisely what the Trustee is seeking.

[13] Third, allowing the Trustee to bring the motion is consistent with a purposive application of the *BIA*. In light of its remedial purpose, Courts have held that the *BIA* is to be interpreted liberally so that its objects are "attained according to its true meaning, spirit and intent".[3] The *BIA*'s broad and remedial purpose is to "provide timely, efficient and impartial resolution of the debtor's insolvency, to preserve and maximize the value of a debtor's assets, to ensure fair and equitable treatment of the claims against a debtor, to protect the public interest, and to balance the costs and benefits of restructuring or liquidating the debtor company."[4]

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[1] *Saran (Re)*, 2018 ONSC 2998 at para. 45.
[2] *In the Matter of the Notice of Intention to Make a Proposal of Cranbrook Glen Enterprises o/a Henry's*, Justice Gilmore's Order of July 28, 2020 ("*Cranbrook*"), *Estate No. 31-2642597 and Edgemount Manor (Re) and Sheridan Lodge (Re)*, 2021 ONSC 7803, at para.1.
[3] *Re Bell*, 2013 ONSC 2682, para. 124; *Third Eye Capital Corporation v Ressources Dianor Inc./Dianor Resources Inc.*, 2019 ONCA 508 at para. 43.
[4] *9354-9186 Québec inc. v. Callidus Capital Corp.*, 2020 SCC 10 at para.40; *Re Hudson's Bay Company*, 2025 ONSC 5998, at para.42.

[14] To deny the Proposal Trustee authority to bring the motion in this case would put form over substance and defeat the purposes of the *BIA*. This requires some factual background to appreciate.

[15] The Company filed its Notice of Intention on April 24, 2026. The six month deadline to file a proposal expired on October 26, 2026 (October 24 falling on a Saturday). At about the time of filing the Notice of Intention, the Company entered into a letter of intent with Mr. Bruno through A2. Mr. Bruno also took over the Company's operations with a view to stabilizing the Company and to prepare it for a takeover by A2. After Mr. Bruno took over operations, the Company defaulted on its HST remittances and defaulted on its obligations to make payments to benefits and pension plans for unionized employees.

[16] In late September 2026 the Company proposed a stalking horse bid to sell its assets to A2. The Proposal Trustee did not support the stalking horse bid because it had been approached by two other parties who were interested in acquiring the assets and because the Trustee had concerns about the break fee and expense reimbursement provisions associated with he stalking horse bid. Instead, the Trustee proposed an abbreviated sales process which was approved by this court on October 13, 2026, and which called for bids by October 16, 2026. Neither Mr. Bruno nor the Company opposed the sales process. Two offers emerged from that process: one from A2, another from Ramudden. The Proposal Trustee concluded that the Ramudden offer was preferable to that of A2.

[17] The Company's opposition to the Proposed Transaction in those circumstances is the product of a conflict of interest. The Company would not bring the motion to approve the transaction because it is controlled by Mr. Bruno who wishes to acquire the Company through A2 and who therefore objects to the Ramudden transaction that the Trustee proposes.

[18] To hold that the Trustee has no authority to seek approval of the sale of corporate assets in these circumstances would undermine the integrity of the court-supervised sale process. It would permit a Trustee to conduct a sales process, determine which transaction is in the best interests of the estate, and yet allow the outcome to be frustrated by the debtor's conflicted and self-interested controlling mind, who refuses to authorize the approval motion because it would likely result in the rejection of the transaction they favour.

[19] A proposal trustee is an officer of the court whose duty is to represent, impartially, the interests of creditors.[5] Holding that a trustee has no authority to bring the motion would fundamentally limit the effectiveness of a trustee's role.

[20] Finally in this regard s. 4.2(1) of the *BIA* requires any person with an interest in a *BIA* proceeding to act in good faith with respect to those proceedings. A debtor is an "interested

[5] *White Oak Commercial Finance, LLC v. Nygård Holdings*, 2020 MBQB 58, at para.18.

person" for the purposes of s. 4.2.[6] If the court is satisfied that an interested person fails to act in good faith, the court may make any order that it considers appropriate in the circumstances.

[21] The duty of good faith under the *BIA* requires that interested parties not initiate or conduct proceedings for an "oblique motive or improper purpose."[7] Whether that duty has been breached must be assessed in light of the purposes and policy objectives of the *BIA*.[8] In my view, a refusal to permit a transaction to proceed by declining to bring a motion for approval of an asset sale, where that refusal is motivated by self-interest rather than the interests of the estate, would constitute bad faith. Such conduct frustrates a fundamental objective of the *BIA*: maximizing the value of a debtor's assets through a timely and efficient insolvency process.[9] In those circumstances, authorizing the Proposal Trustee to bring a motion seeking approval of the sale is an order that is also available under s. 4.2 of the *BIA* in addition to being available under s. 65.13.

ii. Should the Proposed Transaction be Approved?

[22] As noted earlier, the transaction the Court is being asked to approve could be seen to be the product of a three day sales process. That, however, must be understood in the overall circumstances of the case. As outlined in the Trustee's Fourth Report, it had received expressions of interest from two other bidders before October 4, 2026.

[23] After receiving the stalking horse bid from A2, the Trustee did not recommend it because it had been contacted by two other potential bidders who had not the chance to submit bids. The Proposal Trustee also had concerns about certain features of the A2 bid including a break fee equal to approximately 10% of the purchase price and expense reimbursement provisions. As a result, on October 13, 2026, the Proposal Trustee recommended an abbreviated sales process which the court approved. Neither Mr. Bruno nor A2 objected to the abbreviated sales process. The sales process ultimately entailed a bid deadline of October 16, 2026, with an opportunity to submit further, best offers by October 19, 2026.

[24] The Proposal Trustee received one other bid in the sales process, that of Ramudden. The Proposal trustee preferred the Ramudden bid because, among other reasons, the A2 bid was conditional on financing which remained uncertain. In the days following completion of bids, the financing associated with the A2 bid was withdrawn leaving only the Ramudden bid. In addition, the financing associated with the A2 offer provided that it would rank in priority over existing secured creditors. The Company's primary secured creditor, Oxygen

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[6] See *Malhotra v City of Brampton*, 2023 ONSC 2291, para. 158; *Re Gerstein*, 2024 ONSC 6253, at para. 222.
[7] *CWB Maxium Financial Inc v 2026998 Alberta Ltd*, 2021 ABQB 137 at para. 59.
[8] *Re Gerstein*, 2024 ONSC 6253, at para. 223 (internal citations omitted).
[9] *9354-9186 Québec inc. v. Callidus Capital Corp.*, 2020 SCC 10 at para.40; *Re Hudson's Bay Company*, 2025 ONSC 5998, at para. 42.

Working Capital Corp., refused to agree to such a provision. The Ramudden offer contained no priming provision.

[25] Subsection 65.13(4) of the *BIA* provides the following non-exhaustive list of factors for the Court to consider when determining whether to approve a sale:

> (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.

[26] These are similar to the factors in *Royal Bank v Soundair Corp*.[10]

[27] I am satisfied that the sales process was reasonable in the circumstances of this case.

[28] The factors potentially at issue here are those in sub-paragraphs (a) and (f).

[29] The driving factor here was the impending expiry of the 6 month period by which to file a proposal for approval of creditors failing which the Company would be assigned into bankruptcy. On October 26, 2026, the Company had already filed a holding proposal to avoid automatic bankruptcy. That proposal simply proposed to file a proposal at a meeting of creditors on a date to be agreed to with the Proposal Trustee. On the record before me, the Company cannot make a proposal nor is there any evidence to suggest it will be able to do so in the future. It has already had six months to do so and has not succeeded.

[30] In this case, the Proposal Trustee contacted the two other interested parties following the October 13, 2026, attendance. As noted in the Proposal Trustee's Fifth Report to the Court dated October 12, 2026, the Company's distressed financial position and the limited time remaining in the Notice of Intention proceedings before a deemed assignment necessitated

[10] *Royal Bank v Soundair Corp*, 1991 CanLII 2727.

a sales process that was both expeditious and straightforward. This Court has recognized that such circumstances may justify a more expedited and streamlined sales process.[11]

[31] Although the sales process may have been abbreviated, it generated an offer from Ramudden that is superior to the only other offer from A2.

[32] Courts have approved sales in the absence of a formal sales process where the realities of the situation do not permit a traditional sales process.[12] By way of example, in *OEL Projects Ltd*., the court authorized a sale to a related party even though, not all secured creditors were given notice of the application, some secured creditors were likely not even aware of the notice of intention, a formal sales process was not feasible because the company did not have the funds to pay for it, and the company's workforce and clients were likely to dissipate during a lengthy process.[13]

[33] The other factors listed in s. 65.13 (4) can be addressed quickly. The trustee clearly approved of the process. The Trustee has conducted a liquidation analysis which demonstrates that the Proposed Transaction provides superior value for stakeholders than would a bankruptcy. Creditors were consulted and did not object to the sales process or the Ramudden transaction. The Proposed Transaction ensures that priority payments to union pension and benefit plans will be made. Given the withdrawal of the financing associated with the A 2 offer, the Ramudden offer is the only one available. In those constrained circumstances, the consideration being received for the assets is fair and reasonable.

iii. iii. Should the Requests of Mr. Bruno be Granted?

[34] Mr. Bruno appeared at the hearing through counsel to seek reimbursement of funds that he says he injected into the Company. He submits that he was instrumental in bringing about the sales process and keeping the company afloat until the sales process could be completed. In addition, he seeks a release in his capacity as a director of the Company from any liability for failure to remit HST. He notes that if a release is not granted, he may face personal liability for those failures if the Company is assigned into bankruptcy.

[35] Other parties have different views about Mr. Bruno's contribution to the well being of the Company.

[36] The Labourers' International Union of North America says its members have, in effect, funded these proceedings by continuing to provide their labour even though the Company failed to make contributions to employee benefit and pension plans. The Union has been

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[11] *Edgemount Manor (Re) and Sheridan Lodge (Re)*, 2021 ONSC 7803, at para.15.
[12] *OEL Projects Ltd. (Re)*, 2020 ABQB 365, at para. 22.
[13] *OEL Projects Ltd. (Re)*, 2020 ABQB 365, at paras. 20, 23.

left to absorb these shortfalls. The materials before me suggest that the deficits exceed $260,000.

[37] The Proposal Trustee also notes that Mr. Bruno has failed to provide evidence of cash injections even though asked to do so, has paid himself $112,000 from Company funds (apparently for compensation), and has advanced $25,000 from the Company to Gowlings for legal services provided to A 2 in relation to its proposed purchase.

[38] I am not prepared to grant Mr. Bruno any of the relief he seeks today. There are no motion materials from him, as a result of which there is no factual basis on which to grant relief. In addition, although he seeks a release for HST obligations, he has not given any notice to CRA of that relief. In response, counsel for Mr. Bruno notes that CRA has not appeared in any past proceedings although given notice of them. In my view, that is irrelevant. Those past proceedings did not seek orders that would extinguish claims that CRA would otherwise be entitled to bring.

[39] To the extent Mr. Bruno seeks reimbursement, he should discuss a process for establishing that reimbursement with the Proposal Trustee. If the parties cannot agree on a process, they can approach the court for a case conference to settle at issue. In the absence of any further court order, however, any claim by Mr. Bruno would be accorded whatever priority is accorded under the operation of the *BIA* and the priorities of secured creditors or others.

iv. Fee Approval

[40] In evaluating the professional and legal fees, the standard to be applied is whether the compensation sought is holistically "fair and reasonable", with an emphasis on the value provided and what is accomplished by the professionals.[14]

[41] There are no objections raised with respect to any of the fees claimed.

[42] I have reviewed the fee affidavits of Bryan A. Tannenbaum the sworn October 23, 2026, for the Proposal Trustee and Emma Wheeler affirmed October 23, 2026, for Proposal Trustee's counsel as well as the supporting attachments thereto. I am satisfied that the overall fees are fair and reasonable given the nature of the work required in the circumstances in which it was required.

[14] *Bank of Nova Scotia v. Diemer*, 2014 ONCA 851, at paras. 44-45; *Triple-I Capital Partners Limited v 12411300 Canada Inc.*, 2023 ONSC 3400, at para. 53.

v. Priority Charge for TDB as Bankruptcy Trustee

[43] TDB seeks a charge in its potential role as Bankruptcy Trustee ranking in priority over other creditors except for the first ranking secured creditor, Oxygen, to whom the Bankruptcy Trustee's charge shall be subordinate.

[44] The *BIA* does not expressly give a Bankruptcy Trustee priority over other creditors.

[45] Section 183 (1) of the *BIA* gives this court such jurisdiction in law and equity as will enable them to exercise original, auxiliary and ancillary jurisdiction in bankruptcy and in other proceedings authorized by the BIA. To determine whether the Court may use this inherent jurisdiction, the Court must determine, first, whether the *BIA* is silent on or has not exhaustively dealt with an issue.

[46] It has been found that the *BIA* does not deal exhaustively deal with the matter of priorities between secured creditors and trustees.[15]

[47] If the Court finds that a point has not been exhaustively dealt with, then the court exercises this inherent jurisdiction by balancing the competing interests, and grants relief only if doing so outweighs the prejudice to those affected by it.[16]

[48] I am satisfied that the benefit of granting the charge outweighs the prejudice to those affected by it. Although the charge would rank in priority to secured creditors, other than Oxygen, the charge will also ensure that TDB is funded. This will increase efficiency and reduce costs in the administration of the Company's bankruptcy estate, which in turn, leads to larger distributions to creditors. If TDB were simply discharged, the proceeds of the Ramudden transaction would sit in a bank account with no one to administer their distribution. In that scenario creditors would be required to: (a) appoint a licensed insolvency trustee to act in respect of the Company's estate which trustee would need to be paid by such creditor(s) as is/are willing or would require a charge on the property of the Company, in any event. An even less attractive alternative would leave creditors to enforce their security individually. This would lead to duplicated work, duplicative court proceedings and confusion in the absence of a centralized court officer to administer the estate. Granting TDB the charge it seeks is significantly less prejudicial to secured creditors than the alternative. That reality probably also explains why no creditors oppose the charge even though served with the motion materials.

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[15] *Golfside Ventures Ltd (Re)*, 2023 ABKB 86 at para. 47.
[16] *Golfside Ventures Ltd (Re)*, 2023 ABKB 86 at para. 46.

vi. Sealing Order

[49] The Proposal Trustee seeks to seal the following materials until the Company's assets have been sold:

> (a) Confidential Appendices 1 and 2 to the Sixth Report, which are (1) the Proposal Trustee's analysis of the material terms of the Offers; and (2) the Letter of Intent provided by Ramudden, respectively;
>
> (b) the Confidential Appendix to the Seventh Report, which is a liquidation analysis of the Company; and
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> (c) the Confidential Appendix to the First Supplement, which is an analysis of the Proposed Transaction against the Company's proposal.

[50] In *Sherman Estate v. Donovan,*[17] the Supreme Court of Canada held that an applicant for a sealing order must establish that:

(i) court openness poses a serious risk to an important public interest;

(ii) the order sought is necessary to prevent this serious risk to the identified interest because reasonably alternative measures will not prevent this risk; and,

(iii) as a matter of proportionality, the benefits of the order outweigh its negative effects.

[51] All three factors are satisfied here. The documents the Receiver seeks to seal contain bids and assessments of value. If those are publicly available, they could prejudice any subsequent sale if the Proposed Transaction does not close. There is an important public interest in allowing trustees to maximize value. Sealing the documents is the only way to protect that interest. The sealing order is proportionate. The balance of the court file is public. The proposed sealing order would only be temporary and would end upon the completion of the sale of the Company's assets. In these circumstances, I am satisfied that the benefits of sealing outweigh the limited negative effects on the open courts principle.

Alternative Receivership Proposal

[52] In the alternative to an order approving the sale, Oxygen moved to appoint a receiver. Given that I have allowed the motion I do not propose to address the alternative receivership motion.

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[17] *Sherman Estate v. Donovan*, 2021 SCC 25.

Conclusion

[53] For the reasons set out above I grant the motion of the Proposal Trustee to approve the Proposed Transaction, approve Proposal Trustee's professional fees and disbursements as well as those of its counsel, grant TDB a charge ranking in priority to secured creditors other than Oxygen if TDB is appointed as trustee in bankruptcy, and sealing certain portions of the record. I decline to address Oxygen's motion to appoint a receiver because the receiver has been rendered unnecessary in light of my approval of the Proposed Transaction.



Koehnen J.

Date: November 12, 2026