

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERICAL LIST)**

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

AIDE MEMOIRE OF THE PROPOSAL TRUSTEE

October 12, 2026

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Lawyers for the Proposal Trustee, TDB
Restructuring Limited

A. Overview

1. TDB Restructuring Inc. (the “**Proposal Trustee**”) is the proposal trustee in these proceedings. As set out in its Fifth Report to the Court dated October 12, 2026 (the “**Report**”), the Proposal Trustee supports National Traffic Safety Management Inc. (“**NTSM**”)’s motion for a final extension of the deadline to file a proposal from October 14, 2026 to October 26, 2026. In addition, the Proposal Trustee seeks an increase to the Administration Charge from \$80,000 to \$200,000.

B. Background

2. An initial Notice of Intention to Make a Proposal was filed by the Company on April 5, 2024 and an amended proposal was subsequently accepted by the creditors and approved by the Court on February 20, 2025 (the “**Initial Proposal**”). The Company defaulted under the Initial Proposal.¹

3. The Company filed a second Notice of Intention to Make a Proposal on April 24, 2026 (“**Second NOI**”). The time to file a proposal was subsequently extended, most recently on October 5, 2026, when it was extended by this Court to October 14, 2026 (the return date of this motion).²

1. Three offers to acquire NTSM’s business and assets

4. The most recent extension was necessary to provide the Proposal Trustee time to consider a potential acquisition of NTSM’s business and assets by a related party – A2 Environmental Group Inc. (“**A2**”).³

¹ Proposal Trustee’s First Report (“**First Report**”) dated June 13, 2026, at ¶19.

² Report at ¶¶1, 10.

³ Report at ¶10

5. Since the last extension approximately one week ago, an additional two parties have delivered expressions of interest to the Proposal Trustee, indicating their interest in acquiring NTSM's business and assets.⁴

6. The Proposal Trustee considers it appropriate to provide these parties with an opportunity to conduct further due diligence and submit binding offers by October 16, 2026. After this time and before October 26, 2026,⁵ the Proposal Trustee proposes to make a recommendation to the Court as to the acceptance of any of the offers.⁶

C. A final extension is warranted

7. Pursuant to subsection 50.4(9) of the *BIA*, this Court may extend the time to file a proposal where:

- (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.

⁴ Report at ¶19

⁵ October 26, 2026 represents the expiry of the six-month period following the filing of the Second NOI and is the final date to which the proposal filing period may be extended pursuant to section 50.4(9) of the *Bankruptcy and Insolvency Act* ("**BIA**").

⁶ Report at ¶20.

8. At its core, extension requests are assessed to determine whether the insolvent entity is making genuine efforts to maximize the chances of a viable proposal for the benefit of all stakeholders.⁷

9. Here, NTSM is seeking only a brief final extension to finalize a value maximizing sale of NTSM for the benefit of all stakeholders. Such a transaction would preserve NTSM as a going concern, retain NTSM's employees, and maximize the possibility of the best recovery in the circumstances for creditors. Since the filing of the Second NOI, the Proposal Trustee understands from NTSM that it has undertaken good faith business restructuring efforts. The Proposal Trustee is not aware of any material creditor that would be prejudiced from the requested extension, and believes that a sale of NTSM is the only path to a viable proposal (although a transaction may not necessarily result in a proposal being put forward).⁸

D. The Administration Charge should be increased

10. Since the Administration Charge was established, the Professionals⁹ have incurred significant fees and disbursements, including through several Court attendances, the review and assessment of NTSM's restructuring efforts, and the consideration of potential transactions involving NTSM's business and assets.¹⁰

11. Administration charges are granted (and should be increased) where:

⁷ 2806401 Ontario Inc. o/a Allied Track Services Inc., 2022 ONSC 5509, at ¶38.

⁸ Report at ¶¶11,38-40, Appendix A.

⁹ the Proposal Trustee, its counsel, and NTSM's counsel.

¹⁰ Report at ¶¶30-33.

- (a) the debtor has limited means to obtain professional assistance;
- (b) the involvement of professional advisors is critical to the success of the proceedings; and
- (c) the quantum of the proposed charge is commensurate with the complexity of the debtor's business.¹¹

12. As set out in more detail in the Report, the increase sought is reasonable in the circumstances, commensurate with complexity, and critical to the success of these proceedings. A significant amount of the Professionals' fees are unpaid, additional work is anticipated to assess value maximizing offers to purchase NTSM's business and assets (while preserving it as a going concern), NTSM continues to face liquidity constraints, and the increase will provide the Professionals with the protection necessary to continue performing their roles and bring these proceedings to an orderly end. In addition, the administration of NTSM has presented complexities, including the variability of seasonal payroll, dealings with NTSM's Union, multiple secured creditors, unpaid debts to the Canada Revenue Agency, arrangements with DIP lenders, changes in shareholding, and addressing allegations of misconduct by NTSM's former Vice President of Operations, which is being investigated by the Niagara Police Service.¹²

¹¹ *Field Aviation Company et al*, 2026 ONSC 3498, at ¶32.

¹² Report at ¶33, First Report at Appendix B and C (Affidavits of Michael Spencley and Antonio Bruno, dated April 11, 2024 and May 21, 2026).

13. In short, the ongoing process to source, assess, and complete a value maximizing transaction for the benefit of all stakeholders depends in large part on the continued efforts of the Professionals.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 12th day of October, 2026.



Jeffrey Larry/ Dillon Gohil