Court File No. BK-26-03424986-0031

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 KINNECT SUPPORT SERVICES INC.

FACTUM OF THE DEBTOR, KINNECT SUPPORT SERVICES INC.

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TO: **THIS HONOURABLE COURT**

AND TO: **SERVICE LIST**

SERVICE LIST

(October 13, 2026)

PROPOSAL OF KINNECT SUPPORT SERVICES INC.

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PART I – OVERVIEW

1. This Motion is brought by Kinnect Support Services Inc. ("**Kinnect**" or the "**Company**") seeking an order extending the time for the Company to file a proposal with Goldhar & Associates Ltd. (the "**Stay Period**") for a period up to and including forty-five (45) days, pursuant to section 50.4(9) of the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3, as amended (the "**BIA**").

2. Kinnect is a privately held Ontario corporation providing critical social services, healthcare, and educational staffing and support to organizations across the Greater Toronto Area. The Company commenced these proposal proceedings on September 17, 2026, by filing a Notice of Intention to Make a Proposal ("**NOI**") in response to acute financial distress caused by compounding interest and penalties stemming from outstanding tax liabilities owed to the Canada Revenue Agency ("**CRA**").

3. Since September 17, 2026, the Company has acted with outstanding good faith and due diligence. In close coordination with its legal counsel and Goldhar & Associates Ltd., in its capacity as proposal trustee (the "**Proposal Trustee**"), Kinnect has maintained stable ongoing operations, implemented strict weekly financial reporting protocols, managed stakeholder and creditor inquiries, and actively engaged in a review of commercial proposal and sales strategies.

4. An extension of the Stay Period is necessary to allow Kinnect to continue formulating and implementing a comprehensive, long-term restructuring plan, stabilizing its working capital constraints, and maximizing potential enterprise recovery. The requested extension is supported by the Proposal Trustee, will not materially prejudice any creditor group, and is vital to preserving the baseline value of the business as a going concern.

PART II – FACTS

A. The Parties and Background

5. The moving party, Kinnect, is a privately held corporation incorporated on November 28, 2017, pursuant to the *Business Corporations Act* (Ontario), with its registered corporate office located in North York, Ontario.[1]

6. Kinnect operates as a specialized service provider, delivering essential staffing and operational support to a diverse array of organizations, agencies, and public institutions operating across the healthcare, social services, and education sectors throughout the Greater Toronto Area.[2]

7. On September 17, 2026 (the "**Filing Date**"), the Company officially commenced restructuring proceedings by filing a NOI pursuant to section 50.4 of BIA. Goldhar & Associates Ltd. was named as the licensed insolvency trustee in respect of the within proposal proceedings.[3]

B. Circumstances Leading to the Proposal Proceedings

8. The financial instability necessitating the Company's current restructuring efforts stems primarily from significant historical tax liabilities owed directly to the CRA.[4]

9. Specifically, the Company's outstanding statutory debts to the CRA totals approximately $656,000, which is comprised of roughly $250,000 in unremitted source deductions alongside approximately $406,000 in outstanding Goods and Services Tax ("**GST**").[5]

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[1] First Report of the Proposal Trustee, dated October 13, 2026, at para 10 [the "**First Report**"].
[2] *Ibid* at para 11.
[3] *Ibid* at para 1.
[4] *Ibid* at para 12.

10. The continuous accrual of statutory interest and compounding financial penalties assessed against these outstanding balances has severely strained the Company's working capital. Consequently, the NOI was filed to preserve enterprise value, mitigate the ongoing impact of interest accrual, and formulate a viable, long-term restructuring strategy to satisfy its creditor obligations.[6]

C. Restructuring Activities and Compliance Since the Filing Date

11. Since the Filing Date, Kinnect has acted in good faith and with due diligence, working continuously alongside its legal counsel, Spetter Zeitz Klaiman PC, and the Proposal Trustee to manage internal operations and coordinate programmatic stakeholder communications.[7]

12. The Company has strictly adhered to its ongoing monitoring and supervisory duties by providing comprehensive financial updates to the Proposal Trustee on a weekly basis regarding all corporate receipts and disbursements and has actively assisted in compiling the operational parameters for its First Cash Flow Forecast.[8]

13. Concurrently, the Proposal Trustee has monitored corporate operations, held structured meetings with internal management to evaluate ongoing proposal and prospective sales options, and directly facilitated communications with external third-party vendors and financial stakeholders.[9]

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[5] *Ibid* at para 13.
[6] *Ibid* at paras 13–14.
[7] *Ibid* at paras 15(c), 15(g).
[8] *Ibid* at paras 15(e), 15(f).
[9] *Ibid* at paras 16(a)–16(c).

PART III - ISSUES

14. The sole issue on this motion are whether the Court shall extend the Stay Period.

PART IV – LAW AND ARGUMENT

15. In accordance with Subsection 50.4(8) of the BIA, unless the Stay Period is extended, the Company will be automatically bankrupt on October 16, 2026.[10]

16. Pursuant to Subsection 50.4(9), the Court may extend the Stay Period so long as (i) the Company has acted, and is acting, in good faith and with due diligence, (ii) the Company would likely be able to make a viable proposal if the extension being applied for were granted; and (iii) no creditor would be materially prejudiced if the extension applied for were granted.[11]

17. Those criteria are met. The Company is acting in good faith and with due diligence. Among other things, the Company has strictly adhered to its ongoing monitoring and supervisory duties by providing comprehensive financial updates to the Proposal Trustee on a weekly basis regarding all corporate receipts and disbursements and has actively assisted in compiling the operational parameters for its First Cash Flow Forecast.

18. The extension will provide additional time for Kinnect to make a viable proposal to its creditors which will be for the general benefit of the Company's stakeholders.

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[10] BIA, Section 50.4(8).
[11] BIA, Section 50.4(9).

19. The extension should not adversely affect or prejudice any group of creditors as the Company is projected to have funding to pay post-filing services and suppliers in the amounts contemplated in the First Cash Flow Forecast.[12]

20. The Proposal Trustee supports the extension of the Stay Period for those reasons and the further and other ones set out in the First Report.

21. For those reasons, the Court should extend the Stay Period.

PART V – RELIEF REQUESTED

80. The moving party, Kinnect, hereby requests:

(a) An Order validating service of the Notice of Motion and Motion Record and abridging the time for service, if necessary;

(b) An Order extending the time for Kinnect to file a proposal and extending the stay of proceedings under section 50.4(9) of the BIA to and including November 30, 2026;

(c) such further and other relief as this Honourable Court may deem just.

Dated: October 14, 2026 **ALL OF WHICH IS RESPECTFULLY SUBMITTED**



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James S. Quigley
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[12] First report, para. 20(c).

SCHEDULE “A” - LIST OF AUTHORITIES

1. None.

SCHEDULE "B" - STATUTORY PROVISIONS

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

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).

* * *

Where assignment deemed to have been made

(8) Where an insolvent person fails to comply with subsection (2), or where the trustee fails to file a proposal with the official receiver under subsection 62(1) within a period of thirty days after the day the notice of intention was filed under subsection (1), or within any extension of that period granted under subsection (9),

(a) the insolvent person is, on the expiration of that period or that extension, as the case may be, deemed to have thereupon made an assignment;

(b) the trustee shall, without delay, file with the official receiver, in the prescribed form, a report of the deemed assignment;

(b.1) the official receiver shall issue a certificate of assignment, in the prescribed form, which has the same effect for the purposes of this Act as an assignment filed under section 49; and

(c) the trustee shall, within five days after the day the certificate mentioned in paragraph (b.1) is issued, send notice of the meeting of creditors under section 102, at which meeting the creditors may by ordinary resolution, notwithstanding section 14, affirm the appointment of the trustee or appoint another licensed trustee in lieu of that trustee.

* * *

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.

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KINNECT SUPPORT SERVICES INC.

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Proceeding Commenced in Toronto

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