

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

THE HONOURABLE

)

THURSDAY, THE 15th

JUSTICE BLACK

)

DAY OF FEBRUARY, 2024

)

B E T W E E N:

ORTHO STUDIO EXPRESS, INC.

Applicant

- and -

DIGITAL ORTHODONTIC CARE INC.

Respondents

**ORDER
(Re Interim Distribution and Discharge)**

THIS MOTION made by Richter Inc. ("**Richter**") in its capacity as the Court-appointed receiver (the "**Receiver**") without security, of the undertaking, property and assets of Digital Orthodontic Care Inc. (the "**Debtor**"), for the relief set out in the Notice of Motion dated February 9, 2024, was heard by judicial videoconference.

ON READING the Motion Record of the Receiver, and the Second Report of the Receiver dated February 9, 2024 (the "**Second Report**"), the Affidavit of Jonathan Joffe sworn February 9, 2024 (the "**Richter Fee Affidavit**"), the Affidavit of Caitlin Fell sworn February 9, 2024 (the "**Recon Fee Affidavit**"), and on hearing the submissions of counsel for the Receiver and any such other party as was present, no one appearing for any other person on the service list, although properly served as evidenced by the affidavit of service of Levi Rivers sworn February 12, 2024, filed.

DEFINES TERMS

1. **THIS COURT ORDERS** that all capitalized terms not expressly defined herein are defined in the Second Report.

SERVICE

2. **THIS COURT ORDERS** that the time and method for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service hereof.

APPROVAL OF ACTIVITIES

3. **THIS COURT ORDERS** that the actions and activities of the Receiver, as set out in the Second Report, including the Receiver's Statement of Receipts and Disbursements for the period of July 4, 2023 to February 9, 2024, be and are hereby approved provided, however, that only the Receiver, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

APPROVAL OF FEES

4. **THIS COURT ORDERS** that the fees and disbursements of the Receiver for the period from July 4, 2023 to and including February 7, 2024 in the amount of \$172,698.00 in fees, \$2,886.80 in disbursements, plus HST of \$22,825.24, for the total amount of \$198,404.04, as set out in the Second Report and the Richter Fee Affidavit attached as Appendix "G" to the Second Report, be and are hereby approved.

5. **THIS COURT ORDERS** that the fees and disbursements of the Receiver's counsel, Reconstruct LLP ("**Reconstruct**"), for the period from July 4, 2023 to February 8, 2024 in the total amount of \$54,822.61 - which is comprised of \$47,801.00 in fees, \$714.58 in disbursements, plus HST of \$6,307.03 - as set out in the Second Report and the Recon Fee Affidavit attached as Appendix "H" to the Second Report, be and are hereby approved.

DISTRIBUTION

6. **THIS COURT ORDERS** that the Receiver be and is hereby authorized and directed to make distributions (collectively, the "**Distributions**") in payment of the following:

- (a) amounts to the Receiver and its counsel, Reconstruct, for the Remaining Fees

and Disbursements as described in the Second Report;

- (b) amounts owing by the Receiver for record retention and destruction as described in the Second Report;
- (c) amounts owing to the CRA, if any, regarding the Proposed HST Assessment; and
- (d) a distribution of any remaining funds, in quantum and timing at the discretion of the Receiver, to the Purchaser in partial satisfaction of its secured claim against the Company.

DISCHARGE

7. **THIS COURT ORDERS** that, effective upon the filing of the Receiver of a certificate (the “**Discharge Certificate**”) in the form attached hereto as Schedule “A”, confirming the completion of the terms and conditions of its discharge have been met, as set out in the Second Report, the Receiver shall be discharged as receiver of all property, assets and undertakings of the Company, provided however that notwithstanding its discharge herein (a) the Receiver shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein, and (b) the Receiver shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stay of proceedings in favour of Richter in its capacity as Receiver.

8. **THIS COURT ORDERS AND DECLARES** that Richter is hereby released and discharged from any and all liability that Richter now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of Richter while acting in its capacity as Receiver herein, save and except for any gross negligence or wilful misconduct on the Receiver's part. Without limiting the generality of the foregoing, Richter is hereby forever released and discharged from any and all liability relating to matters that were raised, or which could have been raised, in the within receivership proceedings, save and except for any gross negligence or wilful misconduct on the Receiver's part.

GENERAL

8. **THIS COURT ORDERS** that, notwithstanding Rule 59.05, this Order is effective from

the date that it is made and is enforceable without any need for entry and filing.

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

A handwritten signature in blue ink, appearing to read 'W. Black', is written above a solid horizontal line.

Justice W. Black

Schedule "A" – Form of Receiver's Certificate

Court File No. CV-23-00699238-00CL

**ONTARIO
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B E T W E E N:

ORTHO STUDIO EXPRESS, INC.

Applicant

- and -

DIGITAL ORTHODONTIC CARE INC.

Respondents

RECEIVER'S DISCHARGE CERTIFICATE

RECITALS

A Pursuant to an Order of the Honourable Justice Osborne of the Ontario Superior Court of Justice (the "**Court**") dated July 4, 2023, Richter Inc. was appointed as the receiver (the "**Receiver**") of the undertaking, property, and assets of Digital Orthodontic Care Inc. (the "**Debtor**").

B Pursuant to an Order of the Court dated February 15, 2024, the Court approved the discharge of the Receiver to become effective upon the filing by the Receiver of a certificate certifying that all outstanding matters in respect of the receivership proceeding have been completed.

THE RECEIVER CERTIFIES the following:

1. All outstanding matters in respect of the receivership proceeding, including but not limited to those set out in the Second Report of the Receiver dated February 9, 2024, have been completed; and
2. This Certificate was delivered by the Receiver at _____ [TIME] on _____ 2024.

Richter Inc., solely in its capacity as Receiver of
the Debtor, and not in its personal capacity

Per:

Name:

Title:

ORTHO STUDIO EXPRESS, INC.

and

DIGITAL ORTHODONTIC CARE INC

Applicant

Respondents

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

Proceedings commenced at Toronto

**ORDER
(Distribution and Discharge)**

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