

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

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

ORTHO STUDIO EXPRESS, INC.

Applicant

-and-

DIGITAL ORTHODONTIC CARE INC.

Respondent

**MOTION RECORD**

(Returnable February 15, 2024)

(RE: Approval of Sale Agreements, Fee Approval and  
Discharge)

February 10, 2024

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**Lawyer for the Receiver.**

**TO: THE SERVICE LIST**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
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Applicant

-and-

DIGITAL ORTHODONTIC CARE INC.

Respondent

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# TAB 1

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ORTHO STUDIO EXPRESS, INC.

Applicant

-and-

DIGITAL ORTHODONTIC CARE INC.

Respondent

**NOTICE OF MOTION**

(Returnable February 15, 2024)

(RE: Approval of Sale Agreement, Fee Approval and Discharge)

Richter Inc. (“**Richter**”), in its capacity as court-appointed receiver, (the “**Receiver**”), without security, of all of the assets, undertakings and properties (collectively, the “**Property**”) of Digital Orthodontic Care Inc. (the “**Company**”) will make a motion to a Judge presiding over the Commercial List at 330 University Avenue, Toronto, Ontario (the “**Court**”) on **February 15, 2024 at 11:00 am (Eastern Time)**, or as soon after that time as the motion can be heard by judicial video conference via Zoom at Toronto, Ontario.

**PROPOSED METHOD OF HEARING:** The motion is to be heard:

- in writing under subrule 37.12.1 (1) because it is on consent, unopposed or made without notice;
- in writing as an opposed motion under subrule 37.12.1 (4);
- In person;
- By telephone conference;
- By video conference.



At the following location:

Video conference details to be uploaded to Caselines.

**THE MOTION IS FOR:**

1. an Approval and Vesting Order (the “**Arcadlab AVO**”), substantially in the form appended at Tab 3 of the Receiver’s Motion Record, that, *inter alia*:
  - a) approves the transaction and the purchase agreement as between the Receiver and Ortho Studio Express, Inc. (the “**Purchaser**”) dated October 6, 2023 (the “**Arcadlab Purchase Agreement**”); and
  - b) vests in favour of the Purchaser all of the Company’s right, title, and interest and the assets described in the Arcadlab Purchase Agreement (the “**Arcadlab Shares**”);
2. an Approval and Vesting Order (the “**Stalking Horse AVO**”), substantially in the form appended at Tab 5 of the Receiver’s Motion Record, that, *inter alia*:
  - a) approves the transaction and the stalking horse purchase agreement dated as between the Receiver and the Purchaser dated August 9, 2023 (the “**Stalking Horse Agreement**”); and
  - b) vests in favour of the Purchaser all of the Company’s right, title, and interest and the assets described in the Stalking Horse Agreement (the “**Stalking Horse Assets**”);
3. a Distribution and Discharge Order (the “**Ancillary Order**”), substantially in the form appended at Tab 7 of the Receiver’s Motion Record, that, *inter alia*:

- a) abridges the time for service of this motion and declares that the motion is properly returnable before the Court;
- b) approves the actions and activities of the Receiver, as set out in the Second Report of the Receiver dated February 9, 2024 (the “**Second Report**”), including the Receiver’s Statement of Receipts and Disbursements for the period of July 4, 2023 to February 9, 2024 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;
- c) approves the fees and disbursements of the Receiver and of its independent legal counsel, Reconstruct LLP (“**Reconstruct**”), as set out in the Second Report;
- d) authorizes and directs the Receiver to make the following distributions as described in the Second Report:
  - (i) a distribution to the Receiver and its counsel, Reconstruct, for the Remaining Fees and Disbursements as defined and described in the Second Report;
  - (ii) a payment of the costs owing by the Receiver for record retention and destruction as described in the Second Report;
  - (iii) a distribution to the CRA for amounts owing, if any, as a result of the Proposed HST Assessment (as defined below); and
  - (iv) 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;

- e) approves the discharge of the Receiver upon the filing of the Discharge Certificate in the form substantially as set out as in the Ancillary Order (the “**Discharge Certificate**”), certifying that the remaining receivership tasks described in the Second Report have been completed by the Receiver; and
  - f) releases and discharges Richter from any and all liability that it 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; and
4. such further and other relief as this Honourable Court deems just.

#### **THE GROUNDS FOR THIS MOTION ARE:**

##### **Overview of the Company and the Receivership**

- 5. Pursuant to an application by the Purchaser under section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended, the Receiver was appointed pursuant to an order of the Court on July 4, 2023 (the “**Appointment Order**”).
- 6. The Company is a privately owned corporation that manufactures customized orthodontic supplies and related accessories.
- 7. The primary objective of the Company's receivership proceedings is to create a stabilized environment to allow the Receiver to realize on the Property for the benefit of all stakeholders.
- 8. Pursuant to the Appointment Order, the Receiver was authorized to borrow up to \$400,000, as it is considered necessary or desirable to fund the cost of the receivership

(the “**Receiver’s Borrowings**”). Throughout the receivership, the Receiver borrowed \$70,000 in Receiver’s Borrowings. As at the date of this Second Report, the Receiver’s Borrowings have been repaid in full.

9. The Purchaser is the Company’s senior secured creditor. The Purchaser’s secured indebtedness totals US\$5 million, plus interest and fees (the “**Purchaser’s Debt**”). The Receiver received an opinion from its counsel, subject to usual and customary qualifications and assumptions, that the Purchaser has a valid and enforceable security interest against the Company’s Property.

### **Sale Process**

10. In order to broadly canvass the market for value-maximizing transactions for the Property, the Receiver developed a sale and solicitation process (“**Sale Process**”) for materially all of the property of the Company that is not subject to the Court-approved liquidation agreement (the “**Marketed Property**”).
11. As part of the Sale Process, the Receiver and the Purchaser entered into the Stalking Horse Agreement, wherein the Purchaser agreed to purchase some of the Marketed Property (i.e. the Stalking Horse Assets) for a credit bid totalling \$3 million of the Purchaser’s Debt.
12. On August 17, 2023, the Court granted an order (the “**Sale Process Order**”) that, among other things:
  - a) approved the Sale Process;
  - b) approved the Stalking Horse Agreement; and

- c) conditionally vested in favour of the Purchaser the Company's right, title and interest in and to the Stalking Horse Assets in the event that the Stalking Horse Agreement was the sole bid in the Sale Process.
13. The Receiver conducted the Sale Process in a fair, transparent, and reasonable manner. In accordance with the Sale Process, the Receiver:
- a) prepared an interest solicitation summary document detailing the acquisition opportunity and distributed same to 58 prospective participants;
  - b) advertised the Sale Process in The Globe & Mail (National Edition);
  - c) developed and maintained a virtual data room with information necessary for potential bidders to perform due diligence on the opportunity; and
  - d) facilitated seven parties with completing their due diligence.
14. At the completion of the Sale Process, the Receiver received three bids for varying parts of the Marketed Property.
15. There were no bids received for the Stalking Horse Assets such that the Receiver deemed the Stalking Horse Agreement as the highest and best bid for the Stalking Horse Assets.
16. The Receiver received two bids for the Arcadlab Shares: one from a bidder in the cash amount of US\$10,000 and one from the Purchaser for a credit bid of \$2 million of the Purchaser's Debt. After reviewing both bids, the Receiver deemed the Purchaser's bid to be the highest and best bid for the Arcadlab Shares. Accordingly, the Receiver and Purchaser entered into the Arcadlab Purchase Agreement.

17. The final bid received in the Sale Process was a nominal bid for the Company's interest in shares of Dental SPV ("**Dental SPV Shares**") The Dental SPV Shares are a complex asset given they are shares in a company in a foreign jurisdiction (France) registered/held in the name of a former principal of the Company (for the benefit of the Company) and subject to a right of first refusal of other shareholders. Given the complexities with the Dental SPV Shares, the Receiver concluded that the estimated professional costs to complete the transaction would exceed the amounts realized under the bid. Accordingly, the Receiver requested the bidder increase its bid to cover the professional costs to complete the transaction. The bidder elected not to proceed with the transaction. Therefore, the Sale Process did not result in a viable transaction for the Dental SPV Shares.

#### **Approval of the Stalking Horse AVO**

18. The Sale Process Order conditionally approved the Stalking Horse Agreement and conditionally vested the Stalking Horse Assets with the Purchaser in the circumstances "where no bids (other than the Stalking Horse Agreement) are received by the Receiver".
19. Although there were multiple bids received in the Sale Process, no other bids were received for the Stalking Horse Assets. The wording in the Sale Process Order is unclear whether the condition of "no bids" is satisfied if there were other bids in the Sale Process but not for the Stalking Horse Assets. Accordingly, out of an abundance of caution, the Receiver seeks approval of the Stalking Horse AVO which vests the Stalking Horse Assets in the Purchaser.
20. The Stalking Horse Agreement represents the best and only offer for the Stalking Horse Assets. The Receiver is of the view that the Stalking Horse Agreement is fair and reasonable and is in the best interests of the Company's stakeholders.

### **Approval of the Arcadlab AVO**

21. The Receiver seeks the approval of the Arcadlab Purchase Agreement and the granting of the Arcadlab AVO.
22. The Arcadlab Purchase Agreement represents the best offer for the Arcadlab Shares. The Receiver is of the view that the Arcadlab Purchase Agreement is fair and reasonable and is in the best interests of the Company's stakeholders.

### **Approval of the Second Report of the Receiver**

23. The Second Report extensively describes the Receiver's actions and activities since the granting of the Sale Process Order. All actions and activities of the Receiver have been undertaken in accordance with the Appointment Order and in the best interests of the Company's estate.
24. The Receiver respectfully requests that this Court approve its activities, actions, and conduct, all as described in the Second Report.

### **Substantial Completion of the Receiver's Duties**

25. Given the completion of the Sale Process, the Receiver has completed its duties as set out in the Appointment Order and subsequent orders of the Court, save and except for the following (the "**Remaining Activities**"):
  - a) payment of the outstanding fees and disbursements of the Receiver and its counsel (the "**Remaining Fees and Disbursements**");
  - b) settlement of the CRA's proposed reassessment of the Company's pre-filing HST returns ("**Proposed HST Assessment**");

- c) the filing of any outstanding HST returns and pursuing potential recovery of any unclaimed HST input tax credits resulting from these receivership proceedings;
- d) payment of any distribution to the Purchaser; and
- e) other administrative matters incidental to these proceedings such as filing the Receiver's final statutory report pursuant to section 246(3) of the BIA.

### **Proposed Distributions**

26. The Receiver is currently holding approximately \$120,000 in cash. The Receiver seeks authorization and direction from the Court to make the following distributions from the funds currently in the estate or that may subsequently accrue to the estate:
- a) payment of the Remaining Fees and Disbursements of the Receiver and Reconstruct as described in the Second Report;
  - b) payment of the costs for record retention and destruction as described in the Second Report;
  - c) a distribution to the CRA for amounts owing, if any, as a result of 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.
27. The Receiver's proposed distributions comply with the priority of charges and security interests in respect of the Company's Property.



28. Based on the net proceeds from the realization of the Property, there are not sufficient funds to repay the entirety of the Purchaser's Debt. Therefore, it is not anticipated that the Purchaser will be paid in full, nor that any creditors ranking below the Purchaser will receive any repayments.

### **Approval of Fees and Disbursements**

29. The Appointment Order provides, among other things, that:
- a) the Receiver and its legal counsel shall pass its accounts from time to time and for this purpose the accounts of the Receiver and its legal counsel are referred to a Judge of the Court; and
  - b) prior to passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.
30. For the period from July 4, 2023 to February 7, 2024, the Receiver's accounts amount to \$172,698.00 in fees, \$2,886.88 in disbursements and \$22,825.24 in HST for a total amount of \$198,404.04.
31. For the period from July 4, 2023 to February 8, 2024, Reconstruct's accounts, as counsel to the Receiver, amount to \$47,801.00 in fees, \$714.58 in disbursements and \$6,307.03 in HST for a total amount of \$54,822.61.
32. The Receiver is seeking the Court's approval of its fees and those of its legal counsel.

**Discharge of the Receiver**

33. Following the filing of the Discharge Certificate with the Court, certifying that the Receiver has completed its Remaining Activities, the Receiver should be discharged.
34. Once the Receiver has completed the Remaining Activities, as provided in the Second Report, it would have completed its mandate to maximize value for the Company's stakeholders.
35. The Receiver respectfully submits that following the filing of the Discharge Certificate with the Court, the Receiver should be discharged and released.

**Other Grounds**

36. The *Rules of Civil Procedure*, RSO 1990, Reg 194, as amended, including without Rules 1.04(1), 1.05, 2.01, 2.03, 3.02, 37 and 39.
37. The inherent and equitable jurisdiction of this Honourable Court.
38. Such further and other grounds as counsel may advise and this Honourable Court may permit.

**THE FOLLOWING DOCUMENTARY EVIDENCE WILL BE USED ON THE HEARING OF THE MOTION:**

39. The Second Report of the Receiver dated February 9, 2024;
40. The Affidavit of Caitlin Fell, sworn February 9, 2024, with the exhibits attached thereto;
41. The Affidavit of Jonathan Joffe sworn February 9, 2024, with the exhibits attached thereto;  
and

42. Such further and other evidence as counsel may advise and this Honourable Court may permit.

February 10, 2024

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**Lawyers for the Receiver**

**TO: THE SERVICE LIST**

**ORTHO STUDIO EXPRESS, INC.** and **DIGITAL ORTHODONTIC CARE INC.**

Applicant \_\_\_\_\_ Respondent \_\_\_\_\_

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

Proceedings commenced at Toronto

**NOTICE OF MOTION**

(Returnable February 15, 2024)

(RE: Approval of Sale Agreements, Fee Approval  
and Discharge)

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# TAB 2

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

**SECOND REPORT OF RICHTER INC.,  
IN ITS CAPACITY AS RECEIVER OF  
DIGITAL ORTHODONTIC CARE INC.**

**FEBRUARY 9, 2024**

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## **APPENDICES**

Appendix "A" – Appointment Order dated July 4, 2023

Appendix "B" – August 17<sup>th</sup> Order

Appendix "C" – Receiver's First Report dated August 11, 2023

Appendix "D" – Auction Services Agreement dated September 6, 2023

Appendix "E" – Stalking Horse Agreement dated August 10, 2023

Appendix "F" – Agreement of Purchase and Sale dated October 6, 2023

Appendix "G" – Receiver's Fee Affidavit

Appendix "H" – Reconstruct's Fee Affidavit

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

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

BETWEEN:

**ORTHO STUDIO EXPRESS, INC.**

Applicant

- and -

**DIGITAL ORTHODONTIC CARE INC.**

Respondent

**APPLICATION UNDER Section 243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and under section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43**

**SECOND REPORT OF RICHTER INC.,  
IN ITS CAPACITY AS RECEIVER OF  
DIGITAL ORTHODONTIC CARE INC.**

**FEBRUARY 9, 2024**



## I. INTRODUCTION

1. Pursuant to an application by Ortho Studio Express, Inc. (the “**Lender**”) under section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, (the “**BIA**”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended, Richter Inc. (“**Richter**”) was appointed as receiver (in such capacity, the “**Receiver**”) of the assets, undertakings and properties (the “**Property**”) of Digital Orthodontic Care Inc. (the “**Company**”) by way of an order (the “**Appointment Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”), dated July 4, 2023 (the “**Date of Appointment**”). A copy of the Appointment Order is attached hereto as **Appendix “A”**.
2. Pursuant to the Appointment Order, the Receiver was authorized to market any or all of the Property.
3. On August 17, 2023 the Court issued an order (the “**August 17<sup>th</sup> Order**”), among other things, authorizing the Receiver to:
  - (i) engage Infinity Asset Solutions Inc. (the “**Agent**”) to conduct a liquidation sale under a net minimum guarantee arrangement (the “**Liquidation Sale**”) in respect of the Company’s tools, equipment, vehicle, and furniture (collectively, the “**Liquidation Property**”); and
  - (ii) conduct a sale solicitation process (the “**Sale Process**”) for the balance of the Company’s assets not subject to the Liquidation Sale, including, *inter alia*: minority investments in other businesses, intellectual property and other credits, refunds and rebates (collectively, the “**Sale Process Property**”).
4. Pursuant to the August 17<sup>th</sup> Order, the Court approved a stalking horse sale agreement dated August 10, 2023 (the “**Stalking Horse Agreement**”) pursuant to which the Lender agreed to act as a stalking horse bidder in the Sale Process (in such capacity, the “**Stalking Horse Bidder**”). The closing of the purchase transaction contemplated by the Stalking Horse Agreement was conditional on, among other things: (i) the Stalking Horse Bidder being declared the Successful Bidder (as defined in the Sale Process); and (ii) Court approval. The August 17<sup>th</sup> Order conditionally approved a vesting order (the “**Stalking Horse Vesting Order**”) in respect of the Stalking Horse bidder in the circumstances that no other bid was received in the Sale Process. A copy of the August 17<sup>th</sup> Order is attached hereto as **Appendix “B”**.
5. This report is the Receiver’s second report (the “**Second Report**”) filed with this Court in connection with these receivership proceedings. The Receiver’s first report (the “**First Report**”) dated August 11, 2023 outlined, among other things: background information on the Company, the security interests granted by the Company in favour

of the Lender, the activities of the Receiver since the Date of Appointment, the Liquidation Sale and the Sale Process. A copy of the First Report (without appendices) is attached hereto as **Appendix “C”**.

6. The Receiver has established a website (the “**Receiver’s Website**”) at <https://www.richter.ca/insolvencycase/digital-orthodontic-care-inc/> where copies of materials filed in the Company’s receivership proceedings, including the First Report, have been made available in electronic format.
7. The Receiver has engaged Reconstruct LLP (“**Reconstruct**”) as its legal counsel.

## II. PURPOSE OF REPORT

8. The purpose of this Second Report is to:
  - (i) provide an update on the outcome of the Liquidation Sale;
  - (ii) provide an update on the outcome of the Sale Process;
  - (iii) outline the terms of the agreement of purchase and sale between the Lender and the Receiver in relation to the ArcadLab Assets (as defined below);
  - (iv) provide an overview of the activities of the Receiver since the First Report;
  - (v) summarize the Receiver’s receipts and disbursements for the period from the Date of Appointment to February 9, 2024 (the “**Interim R&D**”);
  - (vi) summarize the Receiver’s estimate of accrued and unpaid obligations (the “**Accrued Obligations**”) as of the date of this Second Report and the Receiver’s estimate of professional fees and disbursements, including those of its counsel, Reconstruct, required to complete the administration of these receivership proceedings (the “**Remaining Fees and Disbursements**”); and
  - (vii) recommend the Court grant an Order:
    - (a) approving the First Report, the Second Report, and the actions, activities and conduct of the Receiver set out therein;
    - (b) approving the Interim R&D;
    - (c) approving the Stalking Horse Vesting Order in respect of the Stalking Horse Agreement;

- (d) approving the Lender's credit bid offer in relation to the ArcadLab Assets (the "**ArcadLab Offer**") and authorizing the Receiver to take any steps necessary to complete the transaction and vesting, upon closing of the transaction, all of the Company's right, title and interest in and to the ArcadLab Assets to the Lender, free and clear of all liens, charges, security interest and other encumbrances (the "**ArcadLab Approval and Vesting Order**");
- (e) authorizing the Receiver to make any distributions to the Lender without further order of this Court, provided that the aggregate distributions to the Lender do not exceed the indebtedness owed to it by the Company (the "**Lender Distributions**");
- (f) authorizing the Receiver to retain approximately \$120,000 (the "**Holdback**") from the available cash on hand, and to use such funds, and any subsequent receipts, to address the Remaining Matters (as defined herein) without further approval of this Court;
- (g) approving the accounts of the Receiver and its counsel, including the Remaining Fees and Disbursements, as set out in this Second Report;
- (h) discharging the Receiver upon completion of the Remaining Matters, including the distribution of any residual amounts remaining in its possession to the Lender, upon filing a certificate with the Court confirming that it has completed the administration of the Company's estate (the "**Discharge Certificate**"); and
- (i) ordering and declaring that effective upon its discharge as Receiver, Richter is 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, save and except for any gross negligence or wilful misconduct on the part of Richter.

### III. TERMS OF REFERENCE

9. In preparing this Second Report, Richter has relied upon financial information and documents prepared by the Company and its advisors, including unaudited, draft and/or internal financial information, the Company's books and records, discussions with representatives of the Company including former employees, communications with the Lender and its legal counsel, and information from third-party sources (collectively, the "**Information**"). In accordance with industry practice, except as otherwise described in the Second Report, Richter has reviewed the Information for reasonableness, internal consistency, and use in the context in which it was provided. However, Richter has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Canadian Auditing Standards ("**CAS**") pursuant to the *Chartered*

*Professional Accountant of Canada Handbook* and, as such, Richter expresses no opinion or other form of assurance contemplated under CAS in respect of the Information.

10. The Second Report should be read in conjunction with the motion materials filed in respect of the Lender's receivership motion, including the affidavit of Mr. Mark Cassidy sworn May 8, 2023 and the Receiver's First Report. Parties using this Second Report, other than for the purposes outlined herein, are cautioned that it may not be appropriate for their purposes, and consequently should not be used for any other purpose.
11. Capitalized terms used herein and not otherwise defined have the meanings ascribed to them in the First Report or the Stalking Horse Agreement.
12. Unless otherwise noted, all monetary amounts noted herein are expressed in Canadian dollars.

#### **IV. THE LIQUIDATION SALE**

13. The Company, which was established in 2017 and operated under the business name 'SureCure Orthodontic Aligners', was a manufacturer of customized orthodontic supplies, primarily clear aligners used to straighten teeth and related accessories.
14. Pursuant to the August 17<sup>th</sup> Order, the Receiver and the Agent entered into an auction services agreement (the "**Auction Services Agreement**") dated September 6, 2023 in respect of the Liquidation Sale. A copy of the Auction Services Agreement is attached as **Appendix "D"**.
15. The Auction Services Agreement entered into with the Agent, included the following key terms:
  - (i) **Agent's Fees:** Following the first \$515,000 in auction proceeds, the Agent was to retain the next \$60,000 to cover expenses, marketing, labour and set-up fees; and
  - (ii) **Profit Sharing:** Proceeds in excess of \$575,000 were to be split 85/15 between the Receiver and the Agent, in the Receiver's favour.
16. The auction conducted by the Agent concluded September 13, 2023 and resulted in auction proceeds totaling approximately \$533,000. As a result, the Liquidation Sale realized the guaranteed minimum amount, \$515,000.

## V. THE SALE PROCESS

17. The purpose of the Sale Process was to solicit interest in substantially all of the Company's remaining Property not subject to the Liquidation Sale while providing the certainty of a transaction through the Stalking Horse Agreement. A copy of the Stalking Horse Agreement is attached hereto as **Appendix "E"**.
18. The Property to be acquired pursuant to the Stalking Horse Agreement (the "**Stalking Horse Assets**") excluded:
  - (i) the Liquidation Property subject to the Liquidation Sale; and
  - (ii) the Company's interest in two (2) third-party businesses, ArcadLab LLC based in the United States and Dental SPV based in France (the "**AdcadLab Assets**" and "**Dental SPV Assets**", respectively).
19. Pursuant to the August 17th Order, on August 21, 2023, the Receiver commenced the Sale Process. A summary of certain of the activities undertaken in the Sale Process are as follows:
  - (i) the Receiver prepared an interest solicitation summary document (the "**Teaser**") detailing the acquisition opportunity;
  - (ii) the Receiver prepared a list of potential interested parties (the "**Prospective Participants**") with the assistance of the Company and the Lender. The Prospective Participants comprised both financial and strategic buyers, including both domestic and foreign parties;
  - (iii) in total, the Receiver distributed the Teaser to approximately fifty-eight (58) Prospective Participants, including more than forty (40) strategic buyers;
  - (iv) the Receiver placed a notice of the Sale Process in The Globe & Mail (National Edition); and
  - (v) Prospective Participants that executed a non-disclosure agreement ("**NDA**") were provided access to a virtual data room (the "**Data Room**") maintained by the Receiver. The Data Room contained, amongst other materials, confidential information about the Company, including corporate documents, historical financial information, prior tax returns, information related to the Company's intellectual property and information related to the Company's investment holdings. A copy of the Stalking Horse Agreement including the appended sale process procedures, setting out, *inter alia*, the Bid Deadline (as hereinafter defined), the bid protections and the minimum information requirements for any offer to be considered a Qualified Offer were also made available in the Data Room.

20. Offers were required to be submitted to the Receiver by no later than 5:00 pm (Toronto time) on September 29, 2023 (the “**Bid Deadline**”). Pursuant to the terms of the Sale Process, the Receiver extended the Bid Deadline to 5:00 pm (Toronto time) on October 6, 2023 in order to facilitate additional diligence requests.
21. A summary of the Sale Process results is as follows:
- (i) seven (7) parties executed an NDA (then, a “**Prospective Bidder**”) and were provided access to the Data Room to perform diligence on the opportunity. Throughout the course of the Sale Process, the Receiver facilitated due diligence for Prospective Bidders, including updating the Data Room with current information and responding to any queries from Prospective Bidders, as required;
  - (ii) three (3) offers were received prior to the Bid Deadline:
    - (a) no bids on the Stalking Horse Assets (aside from the Stalking Horse Bid) were received;
    - (b) two (2) bids were received in relation to the ArcadLab Assets; and
    - (c) one (1) bid was received in relation to the Dental SPV Assets.

### **Stalking Horse Assets**

22. As noted in the First Report, the Receiver, the Lender and their respective legal counsel negotiated the terms and provisions of the Stalking Horse Agreement and the Sale Process. The key elements of the transaction contemplated by the Stalking Horse Agreement include the following:
- (i) the Lender is acquiring, on an “as is, where is” basis, the Company’s intellectual property, legal actions where the Company is the moving party, tax refunds, credits, rebates, claims to insurance reimbursements, investment property and books and records related to the Stalking Horse Assets;
  - (ii) the Stalking Horse Assets specifically exclude: shares and other interests or capital in the Company, tax records unrelated to the Stalking Horse Assets, insurance policies, books and records unrelated to the Stalking Horse Assets and assets listed in Schedule D to the Stalking Horse Agreement (i.e., the Arcadlab Assets and the Dental SPV Assets);
  - (iii) the purchase price for the Stalking Horse Assets is \$3,000,000 to be paid by way of a credit bid, representing a portion of the Lender’s total Secured Indebtedness (USD\$ 5 million, plus interest and fees);

- (iv) as per the Stalking Horse Agreement, closing is scheduled to occur five (5) business days following the later of: (i) the selection of the Stalking Horse Agreement as the Successful Bid, and (ii) the issuance of the Stalking Horse Vesting Order, or such other date as may be agreed in writing between the parties; and
  - (v) the only material conditions precedent to the transaction contemplated by the Stalking Horse Agreement are the Stalking Horse Bidder becoming the “Winning Bidder” as contemplated by the Sale Process and the granting of the Stalking Horse Vesting Order.
23. Upon the waiver or satisfaction of the conditions precedent, the Receiver will file a certificate with the Court attesting that the transaction contemplated by the Stalking Horse Agreement has been completed to the satisfaction of the Receiver and confirming the closing of the sale for the Stalking Horse Assets.
24. As noted above, the Court’s August 17<sup>th</sup> Order approved the Stalking Horse Agreement and conditionally approved the Stalking Horse Vesting Order in respect of the Stalking Horse Agreement in the circumstances “where no bids (other than the Stalking Horse Agreement) are received by the Receiver”. Although there were multiple bids received in the Sale Process, no other bids were received for the Stalking Horse Assets. Accordingly, the Receiver is of the opinion that the Court has already approved the vesting of the Stalking Horse Assets in the Lender. However, given the wording of the August 17<sup>th</sup> Order does create some ambiguity, the Receiver seeks approval of the Stalking Horse Vesting Order out of an abundance of caution.
25. In granting the August 17<sup>th</sup> Order, the Court was satisfied that it was appropriate to approve the Stalking Horse Agreement and conditionally approve the Stalking Horse Vesting Order. The Receiver remains of the view that the transaction contemplated by the Stalking Horse Agreement represents the best recovery for the Stalking Horse Assets in the circumstances. In particular, the Receiver notes:
- (i) the Sale Process, which was approved by the Court, was reasonable in the circumstances, transparent and carried out in accordance with the August 17<sup>th</sup> Order;
  - (ii) there is a limited market for the Stalking Horse Assets. This market has been extensively canvassed, and all likely bidders have already been provided with an opportunity to bid on the Stalking Horse Assets;
  - (iii) the Stalking Horse Agreement was posted on the Receiver’s Website and available throughout the Sale Process for Prospective Bidders to review and consider in their assessment of the opportunity;
  - (iv) the transaction represented by the Stalking Horse Agreement is the only offer received for the Stalking Horse Assets; and

- (v) no funding is available to further market the Stalking Horse Assets and, as noted above, the market has been fully canvassed and all likely bidders have already been provided with an opportunity to bid on the Stalking Horse Assets.
26. Based on the foregoing, the Receiver recommends that the Court issue an order(s):
- (i) approving the transaction contemplated by the Stalking Horse Agreement and directing the Receiver to take all steps necessary to complete the transaction; and
  - (ii) granting the Stalking Horse Vesting Order.

### **ArcadLab Assets**

27. As noted above, two (2) bids were submitted to the Receiver in respect of the Arcadlab Assets:
- (i) a bid from ArcadLab LLC in the amount of US\$10,000 submitted in the form of a letter of intent; and
  - (ii) the ArcadLab Offer in the amount of \$2,000,000 submitted in the form of a credit bid from the Lender.
28. The ArcadLab Offer was submitted in substantially the same form as the Stalking Horse Agreement (the “**ArcadLab Agreement**”). A copy of the ArcadLab Agreement is attached as **Appendix “F”**. The key terms of the ArcadLab Agreement are provided below (capitalized terms not otherwise defined in this section have the meanings provided to them in the ArcadLab Offer):
- (i) **Purchaser:** Ortho Studios Express, Inc.
  - (ii) **Purchase Price:** estimated to be \$2,000,000 million (the “**Arcadlab Purchase Price**”) to be paid by way of a credit bid in the amount to \$2,000,000 of the Secured Indebtedness (the “**Arcadlab Credit Bid Amount**”), such that on Closing the Secured Indebtedness shall be partially repaid in the amount of the Credit Bid Amount.
  - (iii) **Purchased Assets:** all shares of Arcadlab, LLC issued to the Company, along with all of the Company’s right, title and interest (including any choses in action relating thereto) in and to such shares or any other shares of Arcadlab, LLC and all books and records related to the Arcadlab Assets.
  - (iv) **Excluded Assets:** the right, title, benefit and interest of the Company in and to the assets of the Company that are not the Purchased Assets.



- (v) **Assumption of Liabilities:** the Purchaser will assume only those liabilities in respect of the Purchased Assets. The Assumed Liabilities are the liabilities of the Company: (i) related to the transfer of the Purchased Assets, including any costs associated with obtaining consent to such transfer.
  - (vi) **Representations and Warranties:** consistent with the standard terms of an insolvency transaction, i.e. on an “as is, where is” basis, with limited representations and warranties.
  - (vii) **Closing Date:** the date that is five (5) Business Days following the later of (i) the selection of the ArcadLab Agreement as the Successful Bid and (ii) the date of the Approval and Vesting, or such other date as may be agreed in writing between the parties hereto, but in any case, not later than the Outside Date.
29. The Receiver is of the view that the transaction contemplated by the Arcadlab Offer represents the best recovery for the Arcadlab Assets in the circumstances. In particular, the Receiver notes:
- (i) the Sale Process, which was approved by the Court, was reasonable in the circumstances, transparent and carried out in accordance with the August 17<sup>th</sup> Order;
  - (ii) there is a limited market for the Arcadlab Assets. This market has been extensively canvassed, and all likely bidders have already been provided with an opportunity to bid on the Stalking Horse Assets;
  - (iii) the transaction contemplated by the Arcadlab Offer represents the best and highest offer for the Arcadlab Assets; and
  - (iv) no funding is available to further market the Arcadlab Assets and, as noted above, the market has been fully canvassed and all likely bidders have already been provided with an opportunity to bid on the Arcadlab Assets.
30. Based on the foregoing, the Receiver recommends that the Court issue an order(s):
- (i) approving the transaction contemplated by the Arcadlab Offer and directing the Receiver to take all steps necessary to complete the transaction; and
  - (ii) vesting, upon the closing of the transaction contemplated by the Arcadlab Offer, all of the Company’s right, title and interest in and to the Arcadlab Assets in the Lender free and clear of all liens, security interests, charges and other encumbrances other than permitted encumbrances.

### Dental SPV Assets

31. As noted above, one (1) bid (the “**Dental SPV Offer**”) was received on the Dental SPV Assets in the amount of US\$15,000.
32. Following receipt of the Dental SPV Offer, the Receiver explored the feasibility of completing a transaction for the Dental SPV Assets. However, based on the Receiver’s analysis, it was determined that the estimated costs to complete such transaction would exceed the amounts realized from such sale. In particular, as the Dental SPV Assets include shares in a foreign jurisdiction (France) registered/held in the name of a former principal of the Company (for the benefit of the Company), and any sale of such shares are subject to a right of first refusal in favour of the Dental SPV shareholders, the estimated professional costs to effect the contemplated transaction would exceed the amounts realized from such sale.
33. As the offeror for the Dental SPV Assets was unwilling to increase its bid for the Dental SPV Assets, the Receiver, after consulting with the Lender, elected to not proceed with the transaction contemplated by the Dental SPV Offer.
34. In the circumstances, and given the lack of interest in the Dental SPV Assets, the Receiver does not intend to take any further steps in respect of the Dental SPV Assets.

### VI. ACTIVITIES OF THE RECEIVER SINCE THE DATE OF THE FIRST REPORT

35. The Receiver’s activities since the Date of the First Report have included, *inter alia*, the following:
  - (i) attending before the Court in respect of the August 17<sup>th</sup> Order;
  - (ii) arranging for cash balances in the Company’s bank accounts to be transferred to the Receiver’s account;
  - (iii) administering claims of the Company’s former employee’s pursuant to the *Wage Earners Protection Plan Act (“WEPPA”)*;
  - (iv) corresponding with the Company’s former payroll administrator, the former head of human resources, Service Canada and the Company’s former employees regarding WEPPA;
  - (v) corresponding with the Company’s subtenant, Borderworx Logistics (the “**Subtenant**”), regarding the receivership proceedings and access to the Premises;
  - (vi) Coordinating access to the Premises for:

- (a) the Company's former employees to retrieve personal belongings;
  - (b) the Landlord's representatives;
  - (c) the Agent in respect of the Liquidation Sale; and
  - (d) the Company's Subtenant.
- (vii) responding to inquiries from various stakeholders, including creditors, customers, former employees and other interested parties;
- (viii) negotiating and entering into a reduced-rate short-term occupancy agreement with the landlord of the Company's former premises;
- (ix) corresponding with the Company's bookkeeping service provider regarding the Company's financial records;
- (x) compiling information for the Data Room in relation to the Sale Process;
- (xi) soliciting interest in the Sale Process, including compiling a listing of Prospective Participants;
- (xii) corresponding with Prospective Participants regarding the Sale Process;
- (xiii) facilitating diligence requests for Prospective Bidders;
- (xiv) reviewing and summarizing offers received in the Sale Process;
- (xv) analysing the feasibility of completing a transaction for the Dental SPV Assets, including corresponding with a former principal of the Company, a legal representative of Dental SPV, the party that submitted the Dental SPV Offer, Reconstruct, the Lender and their legal counsel, McMillan LLP ("**McMillan**");
- (xvi) corresponding with Canada Revenue Agency ("**CRA**") regarding the Company's sales tax obligations;
- (xvii) maintaining the Receiver's Website, where all materials filed with the Court in connection with The Company's receivership proceedings are available in electronic format;
- (xviii) corresponding extensively with Reconstruct regarding all matters relating to these proceedings;

- (xix) corresponding and communicating regularly with the Lender and McMillan regarding the receivership proceedings;
- (xx) reviewing post-filing invoices and arranging for payment of same from the Company's estate bank account;
- (xxi) preparing this Second Report;
- (xxii) recording receipts and disbursements, including preparation of the Interim R&D; and
- (xxiii) attending to other matters pertaining to the administration of the receivership proceedings.

## VII. RECEIVER'S STATEMENT OF RECEIPTS AND DISBURSEMENTS

36. Set out below is a summary of the Interim R&D for the period from the Date of Appointment to February 9, 2024 (the "Period"):

Digital Orthodontic Care Inc. Interim Statement of Receipts and Disbursements For the Period July 4, 2023 to February 9, 2024 (\$000s; Unaudited)	
<b>Receipts</b>	
Liquidation Plan proceeds	515
Transfers from Company's operating accounts	98
Advances under Receiver's Certificate	70
Collection of accounts receivable	32
Rental income	13
HST collected	2
Interest	7
<b>Total receipts</b>	<b>737</b>
<b>Disbursements</b>	
Professional fees	221
Occupation rent	157
Payroll	73
Repayment of Advances under Receiver's Certificate	70
HST paid on disbursements	54
Contract services	14
Waste disposal	10
IT expenses	5
Interest	4
Other expenses	9
<b>Total disbursements</b>	<b>617</b>
<b>Estate cash balance</b>	<b>120</b>

37. As noted above, the Receiver had total receipts of approximately \$737,000 over the Period, the majority of which relate to proceeds from the sale of the Company's equipment under the Liquidation Sale.

38. Total disbursements during the Period were approximately \$617,000, primarily consisting of:
- (i) Professional fees and disbursements (\$221,000) – fees and disbursements of the Receiver (\$172,692) and Reconstruct (\$48,516);
  - (ii) Occupancy rent (\$157,000) – occupation rent paid by the Receiver since the Date of Appointment through the effective vacate date;
  - (iii) Payroll and benefits (\$73,000) – includes regular wages, vacation pay and benefits to the former employees of the Company, including approximately \$30,000 related to the pre-filing period;
  - (iv) Receiver’s borrowings (\$70,000) – As noted in the First Report, the Receiver requested and received \$70,000 in borrowings (the “**Receiver’s Borrowings**”) from the Lender in order to fund interim expenditures such as rent and payroll. The Receiver’s Borrowings, plus interest, have been fully repaid and no Receiver’s Borrowings are outstanding;
  - (v) Sales taxes (\$54,000) – paid on disbursements made by the Receiver for rent, professional fees, and other operating costs;
  - (vi) Contract services (\$14,000) – includes fees associated with locksmiths, cataloguing of books and records, document retention and data preservation; and
  - (vii) Waste disposal (\$10,000) – includes fees associated with the removal of waste, including the professional removal of hazardous waste, from the Premises.
39. As at February 9, 2024 the Receiver’s estate account had cash on hand of approximately \$120,000.
40. The Interim R&D does not include approximately \$40,000 of Accrued Obligations in respect of: (i) the Remaining Fees and Disbursements; and (ii) costs related to the storage and destruction of the Company’s books and records. The Receiver has informed the Lender of the Accrued Obligations and the Receiver’s intention to hold back \$40,000 on account of the Accrued Obligations as part of the Holdback.
41. The Interim R&D does not include the expected receipt of a rent deposit refund in the amount of approximately \$150,000. Counsel to the Company’s former landlord has advised the Receiver that the refund is being processed and will be wired to the Receiver’s estate account by end of February 2024.
42. As at the date of this Second Report, the Receiver does not anticipate any additional material realizations to the estate.

## VIII. THE COMPANY'S OBLIGATIONS TO THE LENDER

43. Details of the Company's obligation to the Lender are set out in the affidavit of Mark Cassidy of the parent corporation to the Lender dated May 8, 2023 (the "**Cassidy Affidavit**"), sworn in support of the application for the appointment of the Receiver.
44. As noted in the Cassidy Affidavit, as at the Date of Appointment, the Company was indebted to the Lender in the principal amount of US\$5.0 million, plus interest and fees (the "**Secured Note**"). As security for the repayment of amounts owing under the Secured Note, the Company provided a general security agreement in favour of the Lender, including a security interest in all of the present and after acquired personal property of the Company.
45. The Receiver has received a written opinion from its independent counsel, Reconstruct, that subject to the customary assumptions and qualifications for opinions of this nature, the security interests in favour of the Lender are valid and enforceable in the Province of Ontario.

## IX. PRIORITY CLAIMS

46. Based on the search results for the Ontario personal property registration system (the "**PPSA**") in respect of the Company, the Lender as well as another party have registered their respective security interests against the personal property of the Company. According to the PPSA, the order of registrations is the Lender and then the other registrant.
47. The security granted by the Company in favour of the Lender is subject to prior charges and security interest or claims in respect of the Property, which include:
  - (i) the Receiver's Charge;
  - (ii) the Receiver's Borrowing Charge;
  - (iii) the Proposed HST Assessment; and
  - (iv) statutory claims pursuant to the BIA.

### Receiver's Charge

48. As at the date of this Second Report, the fees and disbursements of the Receiver and its legal counsel, Reconstruct, have been paid up to February 7, 2024 and February 8, 2024, respectively, and total approximately \$224,100, exclusive of HST. As discussed further below, the Receiver and Reconstruct have estimated Remaining Fees and Disbursements in the amount of \$25,000 (excluding HST). The Remaining Fees and

Disbursements are to be funded from the Holdback, subject to the Court granting the order requested by the Receiver as described herein.

### **Receiver's Borrowing Charge**

49. Pursuant to the Appointment Order, the Receiver was authorized to borrow up to \$400,000, as it is considered necessary or desirable to fund the cost of the receivership. The Receiver borrowed, by way of a receiver's certificate, \$70,000 from the Lender. As at the date of this Second Report, the Receiver's Borrowings, plus interest, have been fully repaid and no Receiver's Borrowings are outstanding.

### **Proposed HST Assessment**

50. By letter dated November 30, 2023, CRA advised the Receiver that it was proposing a reassessment of the Company's pre-filing HST returns that would result in an obligation to CRA in the amount of approximately \$474,212 (the "**Proposed HST Assessment**").
51. The Receiver has reviewed the matter and notes the Proposed HST Assessment is inconsistent with the Company's books and records and could potentially be overstated by approximately \$466,000. As of the date of the Second Report, the Receiver and the CRA are in the process of reconciling the difference in findings.
52. In the event that CRA finalizes an assessment at a material amount, the Lender has advised the Receiver that it would petition the Company into bankruptcy, pursuant to the BIA, in order to re-order any priority afforded CRA in respect of its HST-related claim in a non-bankruptcy scenario. A contingency reserve of \$80,000 has been included in the Holdback in relation to the Proposed HST Assessment.

### **Statutory Claims pursuant to the BIA**

53. Since the Date of Appointment, the Receiver has not received any supplier demands for repossession of goods. Accordingly, the Receiver is not aware of any claims that could be owing pursuant to section 81.1 of the BIA.
54. Since the Date of Appointment, the Receiver has paid approximately \$30,000 in respect of pre-filing wages and vacation pay to the Company's former employees. Based on the Receiver's review of the Company's books and records, there are no outstanding amounts owed to the Company's former employees in respect of wages and/or vacation pay. Accordingly, the Receiver is not aware of any amounts that could be owing pursuant to section 81.4 of the BIA.

55. The Receiver understands that the Company did not provide a registered pension plan for its employees. Accordingly, the Receiver is not aware of any amounts that could be owing pursuant to section 81.6 of the BIA.

## X. PROPOSED LENDER DISTRIBUTIONS

56. The Holdback of \$120,000 represents the entire balance remaining in the Receiver's estate account. Subject to this Court's approval, the following summarizes the funds that will remain in the Receiver's possession:

Digital Orthodontic Care Inc. Summary of Holdbacks (\$000s)	
<b>Holdback</b>	
Remaining Fees and Disbursements (incl. HST)	28
Record retention and destruction	12
Contingency / Proposed HST Assessment	80
<b>Total Holdback</b>	<b>120</b>

57. Other than the claims noted above, the Receiver is not aware of any security interests, liens, charges, encumbrances or other rights of third parties that would have priority over the security granted in favour of the Lender, with respect to the Property or the proceeds therefrom.
58. The Receiver is of the view that, in order to maximize efficiency and avoid the need to seek the approval of the Court to make distributions to the Lender, it is appropriate, to seek the Court's approval to make such distributions to the Lender, as the Receiver determines are appropriate, subject to the Receiver maintaining sufficient reserves to complete the administration of the Company's receivership proceedings, including settlement of the Proposed HST Assessment and payment of any outstanding disbursements.
59. The Receiver requests that the Court authorize the Lender Distributions, subject to maintaining sufficient reserves to satisfy any outstanding obligations, provided that the aggregate distributions to the Lender do not exceed the indebtedness owed to it by the Company.

## XI. REMAINING MATTERS AND RECEIVER'S DISCHARGE

60. If this Court grants the orders requested herein, the Receiver will have completed its duties and obligations as set out in the Appointment Order and subsequent orders of this Court, save and except for the following (the "**Remaining Matters**"):
- (i) payment of the Accrued Obligations and the Remaining Fees and Disbursements;
  - (ii) settlement of the Proposed HST Assessment;



- (iii) the filing of any outstanding HST returns and pursuing potential recovery of any unclaimed HST input tax credits resulting from these receivership proceedings;
  - (iv) payment of Lender Distributions, if any; and
  - (v) other administrative matters incidental to these proceedings such as filing the Receiver's final statutory report pursuant to section 246(3) of the BIA.
61. Upon completion of the Remaining Matters, the Receiver will have realized on the Property and completed its statutory duties as well as those duties set out in the Appointment Order. Accordingly, the Receiver is of the view that it is appropriate to seek an order of the Court discharging the Receiver upon the filing of the Discharge Certificate with this Court, certifying that all of the Remaining Matters have been completed.

## **XII. REQUEST FOR APPROVAL OF FEES**

62. The Receiver and its counsel, Reconstruct, have maintained detailed records of their professional fees and disbursements prior to and since the Date of Appointment.
63. In accordance with the Appointment Order, the Receiver has been authorized to periodically pay its fees and disbursements, and that of its counsel, subject to approval by the Court.
64. The Receiver's professional fees incurred for services rendered from the Date of Appointment to February 7, 2024, amount to \$172,692.00, plus disbursements in the amount of \$2,886.80 (all excluding HST). These amounts represent professional fees and disbursements not yet approved by the Court. The time spent by the Receiver's professionals is described in the affidavit of Jonathan Joffe, sworn February 9, 2024, attached hereto as **Appendix "G"**.
65. The fees of Reconstruct for services rendered from the Date of Appointment to February 8, 2024, amount to \$47,801.00, plus disbursements in the amount of \$714.58 (all excluding HST). These amounts represent professional fees and disbursements not yet approved by the Court. The time spent by Reconstruct's professionals is described in the affidavit of Caitlin Fell, sworn February 9, 2024, attached hereto as **Appendix "H"**.
66. The Receiver has reviewed Reconstruct's accounts and has determined that the services have been duly authorized and duly rendered and that the charges are reasonable given the circumstances.

67. In addition to the fees paid to Richter and Reconstruct as of February 7, 2024 and February 8, 2024 respectively, and on the assumption that there are no delays, disputes or unforeseen developments in connection with these proceedings, including the performance of the Remaining Matters, the Receiver and Reconstruct have estimated Remaining Fees and Disbursements in the amount of \$25,000 (excluding HST).
68. The above estimate represents the Receiver and Reconstruct's best estimate of the reasonable professional and legal fees required to complete the administration of these proceedings up to the effective date of discharge. If the actual Remaining Fees and Disbursements are less than the above estimates, no further Court approval of fees is required. If the actual Remaining Fees and Disbursements exceed the estimates, the Receiver is authorized to pay those excess fees with either: (i) the consent of the Lender; or (ii) pursuant to further order of the Court.

### **XIII. RECEIVER'S RECOMMENDATION**

69. To the best of the Receiver's knowledge and belief, all duties of the Receiver, as set out in the Appointment Order and subsequent order of the Court, will be completed upon completion of the Remaining Matters and payment of the Lender Distributions, if any.
70. Based on the foregoing, the Receiver respectfully recommends that this Court issue an Order granting the relief detailed in paragraph 8(vii) of this Second Report.

All of which is respectfully submitted, this 9<sup>th</sup> day of February, 2024.

**Richter Inc.**  
**in its capacity as Receiver of**  
**Digital Orthodontic Care Inc.**  
**and not in its personal or corporate capacity**

Per:




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**Karen Kimel, MAcc, CPA, CA, CPA (IL), CIRP, LIT**




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**Jonathan Joffe, CA, CPA, CFA, CIRP, LIT**

# Appendix “A”

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

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE	)	TUESDAY, THE 4 <sup>th</sup>
	)	
JUSTICE OSBORNE	)	DAY OF JULY, 2023
	)	

B E T W E E N :

ORTHO STUDIO EXPRESS, INC.

Applicant

- and -

DIGITAL ORTHODONTIC CARE INC.

Respondent

**ORDER  
(APPOINTING RECEIVER)**

THIS MOTION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “BIA”) and section 101 of the *Courts of Justice Act*, R.S.O 1990 c. C.43, as amended (the “CJA”) appointing Richter Inc. as receiver (in such capacities, the “Receiver”) without security, of all of the assets, undertakings and properties of Digital Orthodontic Care (the “Debtor”) acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Mark Cassidy sworn May 8, 2023 and the Exhibits thereto and on hearing the submissions of counsel for the Applicant, and on reading the consent of Richter Inc. to act as the Receiver,

AND UPON BEING ADVISED that the respondent does not oppose the relief sought in the Application,

**SERVICE**

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

**APPOINTMENT**

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, Richter Inc. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the “Property”).

**RECEIVER’S POWERS**

3. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;

- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;

- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
  - (i) without the approval of this Court in respect of any transaction not exceeding \$250,000.00 provided that the aggregate consideration for all such transactions does not exceed \$1,000,000.00; and
  - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the *Ontario Personal Property Security Act* shall not be required, and in each case the *Ontario Bulk Sales Act* shall not apply.

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing,

the ability to enter into occupation agreements for any property owned or leased by the Debtor;

- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations,

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

**DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER**

4. THIS COURT ORDERS that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being “Persons” and each being a “Person”) shall forthwith advise the Receiver of the existence of any Property in such Person’s possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver’s request.

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the “Records”) in that Person’s possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which



may not be disclosed or provided to the Receiver due to the privilege attaching to lawyer-client communication or due to statutory provisions prohibiting such disclosure.

6. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

7. THIS COURT ORDERS that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.

#### **NO PROCEEDINGS AGAINST THE RECEIVER**

8. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

**NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY**

9. THIS COURT ORDERS that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

**NO EXERCISE OF RIGHTS OR REMEDIES**

10. THIS COURT ORDERS that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any “eligible financial contract” as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

**NO INTERFERENCE WITH THE RECEIVER**

11. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

**CONTINUATION OF SERVICES**

12. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court

from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

**RECEIVER TO HOLD FUNDS**

13. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

**EMPLOYEES**

14. THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

**PIPEDA**

15. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose

personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a “Sale”). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

#### **LIMITATION ON ENVIRONMENTAL LIABILITIES**

16. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, “Possession”) of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the “Environmental Legislation”), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver’s duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

**LIMITATION ON THE RECEIVER’S LIABILITY**

17. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

**RECEIVER’S ACCOUNTS**

18. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the “Receiver’s Charge”) on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver’s Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

19. THIS COURT ORDERS that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

20. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

**FUNDING OF THE RECEIVERSHIP**

21. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow from Ortho Studio Express, Inc. or any of its affiliates, by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$400,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the “Receiver’s Borrowings Charge”) as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver’s Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

22. THIS COURT ORDERS that neither the Receiver’s Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

23. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule “A” hereto (the “Receiver’s Certificates”) for any amount borrowed by it pursuant to this Order.

24. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver’s Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver’s Certificates.

**POWER TO ASSIGN INTO BANKRUPTCY**

25. THIS COURT ORDERS that the Receiver is hereby authorized to assign the Debtor into bankruptcy if it reasonably determines that a sale of the Debtor’s business is

not reasonably achievable and that a bankruptcy proceeding would provide a more efficient means of liquidating the Property for the benefit of its creditors.

**SERVICE AND NOTICE**

26. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the “**Protocol**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the *Rules of Civil Procedure*. Subject to Rule 3.01(d) of the *Rules of Civil Procedure* and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL ‘<<https://www.richter.ca/insolvencycase/digital-orthodontic-care-inc/>>’.

27. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor’s creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

**GENERAL**

28. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

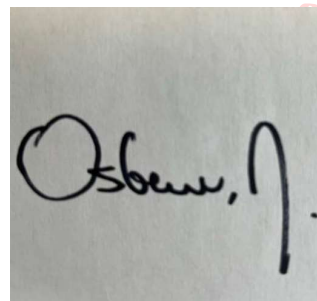
29. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

30. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

31. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

32. THIS COURT ORDERS that the Plaintiff shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

33. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.



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**SCHEDULE “A”**

**RECEIVER CERTIFICATE**

CERTIFICATE NO. <number>

AMOUNT \$<amount>

1. THIS IS TO CERTIFY that Richter Inc., the receiver (the “Receiver”) of the assets, undertakings and properties Digital Orthodontics Care Inc. acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the “Property”) appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the “Court”) dated the 4<sup>th</sup> day of July, 2023 (the “Order”) made in an action having Court file number CV-23-00699238-00CL, has received as such Receiver from the holder of this certificate (the “Lender”) the principal sum of \$<amount>, being part of the total principal sum of \$<amount> which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded monthly not in advance on the <day> day of each month after the date hereof at a notional rate per annum equal to the rate of <percentage> per cent above the prime commercial lending rate of Bank of Montreal from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

Dated the «day» of \_\_\_\_\_, 202\_\_\_\_\_

Richter Inc., solely in its capacity as Receiver of the Property (as defined in the Order), and not in its personal capacity

Per: \_\_\_\_\_  
Name: »  
Title: »

ORTHO STUDIO EXPRESS, INC.  
Applicant

DIGITAL ORTHODONTIC CARE INC.  
and  
Respondent

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

**ONTARIO  
SUPERIOR COURT OF JUSTICE -  
COMMERCIAL LIST**

Proceeding commenced at Toronto

**ORDER  
(APPOINTING RECEIVER)**

McMillan LLP  
Brookfield Place  
181 Bay St, Suite 4400  
Toronto ON M5J 2T3

**Stephen Brown-Okruhlik** LSO# 66576P  
[stephen.brown-okruhlik@mcmillan.ca](mailto:stephen.brown-okruhlik@mcmillan.ca)  
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**Sarah White** LSO#: 82985M  
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Tel: 416.865.5533

Lawyers for the Applicant

Served on the Service List

# Appendix “B”



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

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

THE HONOURABLE

)

THURSDAY, THE 17<sup>TH</sup>

)

JUSTICE CONWAY

)

DAY OF AUGUST, 2023

)

**B E T W E E N:**

**ORTHO STUDIO EXPRESS, INC.**

**Applicant**

**-and-**

**DIGITAL ORTHODONTIC CARE INC.**

**Respondent**

**ORDER**

**THIS MOTION**, made by Richter Inc. in its capacity as the Court-appointed receiver (the “**Receiver**”) of the undertaking, property and assets of Digital Orthodontic Care Inc. (the “**Debtor**”) for an order, among other things,

- (i) approving a Liquidation Agreement (as defined herein),
- (ii) approving sale procedures for the sale of the assets and property of the Debtor, which are not otherwise disposed of pursuant to the Liquidation Agreement,
- (iii) approving a stalking horse purchase agreement (the “**Stalking Horse Agreement**”) between the Receiver and Ortho Studio Express, Inc. (the “**Stalking Horse Bidder**”) dated August 9, 2023, and

- (iv) conditionally vesting in favour of the Stalking Horse Bidder the Debtor's right, title and interest in and to the assets described in the Stalking Horse Agreement (the "**Purchased Assets**") in the event that the Stalking Horse Agreement is the sole bid in accordance with the sales procedures,

was heard this day by judicial videoconference via Zoom at Toronto, Ontario.

**ON READING** the Motion Record of the Receiver dated August 9, 2023, including the First Report of the Receiver dated August 10, 2023 (the "**First Report**"), and on hearing the submissions of counsel for the Receiver and for the Applicant, and no one appearing for any other parties, although duly served as appears from the affidavit of Shaun Parsons dated August 11, 2023,

1. **THIS COURT ORDERS** that time for service of the Notice of Motion, the Motion Record of the Receiver and the First Report is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

#### **LIQUIDATION AGREEMENT**

2. **THIS COURT ORDERS** that the Liquidation Agreement between the Receiver and Infinity Asset Solutions (the "**Liquidator**") attached as Appendix B to the First Report (the "**Liquidation Agreement**") is hereby approved.

3. **THIS COURT ORDERS** that the Receiver and the Liquidator are hereby authorized and directed to perform their obligations under the Liquidation Agreement and to take any and all steps that are reasonably necessary or desirable to carry out the Liquidation Agreement.

## **SALE PROCEDURES**

4. **THIS COURT ORDERS** that the Sale Procedures attached as Schedule “A” to this Order (the “**Sale Procedures**”) are hereby approved.

5. **THIS COURT ORDERS** that the Receiver is hereby authorized and directed to carry out the Sale Procedures and to take any and all steps that are reasonably necessary or desirable to carry out the Sale Procedures.

## **STALKING HORSE AGREEMENT**

6. **THIS COURT ORDERS** that the execution by the Receiver of the Stalking Horse Agreement attached as Appendix C to the First Report is hereby authorized, *nunc pro tunc*.

7. **THIS COURT ORDERS** that, if required, the obligation to pay the Break Fee (as defined in the Stalking Horse Agreement) in the amount of \$85,000 pursuant to Section 5.05 of the Stalking Horse Agreement is hereby approved.

## **STALKING HORSE VESTING ORDER IF NO OTHER BIDS**

8. **THIS COURT ORDERS** that in accordance with the Sale Procedures, where no bids (other than the Stalking Horse Agreement) are received by the Receiver (as defined in the Sale Procedures), the Receiver shall serve upon the Service List and file a Report with the Court (the “**Stalking Horse Approval Report**”) advising of its intention to proceed with the sale transaction contemplated by the Stalking Horse Agreement (the “**Stalking Horse Transaction**”).

9. **THIS COURT ORDERS** that upon (i) serving the Stalking Horse Approval Report on the Service List; and (ii) provided that, within 10 days of serving the Stalking Horse Approval Report,

the Receiver receives no written objection from any person in respect to the Stalking Horse Transaction being designated as the Successful Bid (paragraph 9(i) and 9(ii) herein together, the “**Approval Conditions**”), then the Stalking Horse Transaction shall be deemed to be hereby approved and the Receiver shall be authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Stalking Horse Transaction and for the conveyance to the Stalking Horse Bidder of the Purchased Assets.

10. **THIS COURT ORDERS AND DECLARES** that upon satisfaction of the Approval Conditions as well as the delivery of a Receiver’s certificate to the Stalking Horse Bidder substantially in the form attached as Schedule “B” hereto (the “**Receiver’s Certificate**”), all of the Debtor’s right, title, benefit, and interest in and to the Purchased Assets as described in the Stalking Horse Agreement shall vest absolutely in the Stalking Horse Bidder, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the “**Claims**”) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Osborne dated July 4, 2023; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system all of which are collectively referred to as the “**Encumbrances**” and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.



11. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtor;

the vesting of the Purchased Assets in the Stalking Horse Bidder pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

12. **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof in connection with the Stalking Horse Transaction.

13. **THIS COURT ORDERS** that the Receiver and the Liquidator shall incur no liability or obligation as a result of carrying out of the Sale Procedures, the Liquidation Agreement, or the provisions of this Order, save and except for any gross negligence or wilful misconduct on their respective parts.

14. **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder or under the Sale Procedures.

#### **APPROVAL OF RECEIVER'S FIRST REPORT**

15. The First Report and the activities of the Receiver described therein 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.

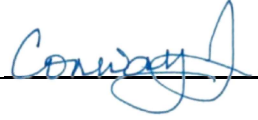
#### **REPUDIATION OF LEASE**

16. **THIS COURT ORDERS** that the Receiver shall be permitted to repudiate a lease by providing to the landlord not less than seven (7) days' prior notice in writing of its intention to do so, which notice shall set out the effective date of the repudiation and which may be sent by electronic transmission to the email address of the landlord and/or to the email address of their counsel.

17. **THIS COURT ORDERS** that the Receiver shall be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

18. **THIS COURT HEREBY REQUESTS** the aid and recognition of any other Canadian and foreign court, tribunal, regulatory or administrative body ("**Judicial Body**") to give effect to this Order and to assist the Receiver and its respective agents in carrying out the terms of this Order. All Judicial Bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver as an officer of this Court, as may be necessary or desirable to give

effect to this Order, to grant representative status to the Receiver in any foreign proceeding, or to assist the Receiver and its respective agents in carrying out the terms of this Order.



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**Schedule A – Sale Procedures  
For The Sale Of Property Of Digital Orthodontic Care Inc.**

## SALE PROCEDURES

### FOR THE SALE OF PROPERTY OF DIGITAL ORTHODONTIC CARE INC.

1. On July 4, 2023, Richter Inc. was appointed as receiver (in such capacity, the “**Receiver**”) of all of the assets, undertakings and properties of Digital Orthodontic Care Inc. (the “**Company**”) pursuant to an order (the “**Appointment Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”).
2. On August 17, 2023, the Court granted an order (the “**Sale Procedures Order**”) approving the procedures set forth herein (the “**Sale Procedures**”) for soliciting and selecting bids for one or more sale transactions (each, a “**Transaction**”) in respect of certain of the property and assets of the Company (the “**Property**”) and authorizing and directing the Receiver to carry out these Sale Procedures.

#### Defined Terms

3. Capitalized terms used and not otherwise defined in the body of these Sale Procedures shall have the meanings given to them in **Appendix “A”**.

#### Solicitation Process and Timeline

4. The Company has received a Transaction bid from Ortho Studios Express, Inc. (the “**Stalking Horse Bidder**”) pursuant to an asset purchase agreement in substantially the form attached to the Report of the Receiver dated August 9, 2023 (the “**Stalking Horse Agreement**”) which constitutes a qualified bid for all purposes and at all times under these Sale Procedures (the “**Stalking Horse Bid**”). The Stalking Horse Bid shall serve as the “stalking horse” bid for the purposes of the sale process governed by these Sale Procedures (the “**Sale Process**”).
5. Notwithstanding the receipt of the Stalking Horse Bid, all interested parties are encouraged to submit bids for a Transaction pursuant to these Sale Procedures.
6. These Sale Procedures describe the manner in which prospective bidders may gain access to or continue to have access to due diligence materials concerning the Company, its Property, and its businesses and operations, the manner in which a bid becomes a Qualified Bid, the receipt and review of bids received, the ultimate selection of a Successful Bid and the approval thereof by the Court.
7. In the event that there is disagreement as to the interpretation or application of these Sale Procedures, the Court will have jurisdiction to hear and resolve any such dispute.
8. The following table sets out the deadlines under the Sale Process, each of which can be extended by up to seven (7) days by the Receiver in its discretion, or for a longer period with the consent of the Stalking Horse Bidder or by Court order:

<b>Milestone</b>	<b>Deadline</b>
Commencement of Sale Process	Promptly following the granting of the Sale Procedures Order
Bid Deadline	September 29, 2023
Auction Date (if required)	October 6, 2023
Approval Hearing Date	October 13, 2023
Outside Date	October 27, 2023

### **Solicitation of Interest**

9. As soon as reasonably practicable following the granting of the Sales Procedure Order, the Receiver shall: (a) prepare a list of potential bidders (each, a “**Potential Bidder**”) who may be interested in pursuing a Transaction; (b) prepare an initial offering summary describing the Company, the Property and the opportunity to participate in the Sale Process (the “**Teaser Letter**”); and (c) establish a data room (the “**Data Room**”) of due diligence materials, including the Teaser Letter (the “**Diligence Materials**”) that the Receiver believes may be useful for Potential Bidders.

10. As soon as reasonably practicable following the granting of the Sale Procedure Order, the Receiver shall contact Potential Bidders to introduce the opportunity and shall provide the Teaser Letter to each Potential Bidder that executes a Confidentiality Agreement. The Receiver shall post a copy of the Sale Procedures on the website maintained by the Receiver and shall post a notice of the Sale Process, substantially in the form attached as **Appendix “B”** hereto, to be published in such newspaper(s) or journal(s) as the Receiver considers appropriate.

### **Participation Requirements**

11. Unless otherwise provided for herein, ordered by the Court or agreed by the Receiver, in order to participate in the Sale Process and be granted access to the Diligence Materials, a Potential Bidder must deliver to the Receiver, at the address specified in **Appendix “C”** hereto (including by email), (a) an executed confidentiality agreement in form and substance satisfactory to the Receiver (the “**Confidentiality Agreement**”), which shall inure to the benefit of any Successful Bidder that completes a Transaction contemplated by the Successful Bid, and (b) such other information as the Receiver may request to ascertain the identity of the Potential Bidder, including its direct and indirect owners.

12. Potential Bidders shall be provided with access to the Data Room. The Receiver makes no representations or warranties as to the accuracy or completeness of the information contained in the Data Room, the Diligence Materials or any other information provided by the Receiver or its agents in respect of the business or Property of the Company, except to the extent expressly

provided in any definitive sale agreement executed by the Potential Bidder (a “**Definitive Agreement**”) that is executed by the Receiver and returned to the Potential Bidder.

13. The Receiver reserves the right to withhold or delay the disclosure of any Diligence Materials that it determines are business sensitive or otherwise not appropriate for disclosure to a Potential Bidder who is a strategic buyer, competitor, supplier or other person with a business relationship with the Company until such time as the Receiver determines, in its discretion, that the disclosure of any Diligence Materials to such a Potential Bidder does not impair the efficacy of the Sales Procedure and that such Potential Bidder has (a) a *bona fide* intent to submit a Bid (as defined below), and (b) the financial capability to consummate a Transaction.

14. Potential Bidders shall direct information requests with respect to the Sale Process to the Receiver or such other individuals as the Receiver may authorize. Potential Bidders shall provide the Receiver with advance notice, and obtain the prior consent of the Receiver, before commencing or continuing any communications or discussions with any director, officer, agent, employee, former employee, supplier, customer, creditor or shareholder of the Company concerning the Company or its business, Property, financial condition, or prospects, and the Receiver shall have the option to oversee or participate in any such communications or discussions.

### **Bids**

15. A Potential Bidder, other than the Stalking Horse Bidder, that wishes to deliver a bid shall deliver a written binding offer for a Transaction (a “**Bid**”) to the Receiver at the addresses specified in **Appendix “C”** hereto (including by email) so as to be received by the Receiver no later than 5:00 p.m. (Eastern Time) on the Bid Deadline.

16. A Bid will be deemed to be a “**Qualified Bid**” only if the Bid complies with all of the following:

- (a) it includes an executed Definitive Agreement, including all exhibits and schedules contemplated thereby, together with a blackline against the Stalking Horse Agreement (which shall be posted by the Receiver in Word format in the Data Room), describing the terms and conditions of the proposed Transaction, including any liabilities proposed to be assumed, the purchase price (the “**Purchase Price**”), and the structure and financing of the proposed Transaction;
- (b) the Transaction shall, on closing, provide cash proceeds, in immediately available funds, sufficient to pay in full in cash: (i) the aggregate of the Priority Claims attributable to the Property being purchased, (ii) the portion of the Receiver’s Borrowing Obligations attributable to Property being purchased, (iii) a minimum incremental amount of \$10,000 in excess of the aggregate purchase price contemplated by the Stalking Horse Agreement; and (iv) a break fee in the amount of \$85,000;
- (c) it fully discloses the identity of each person (including any person that controls such person) that will be directly or indirectly sponsoring or participating in the Bid and the complete terms of any such participation;

- (d) it includes an acknowledgement and representation of the Qualified Bidder that: (i) it has had an opportunity to conduct any and all due diligence regarding the Property prior to making its Bid; (ii) it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Property in making its Bid; and (iii) it did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether express, implied, statutory or otherwise, regarding the Property or the completeness of any information provided in connection therewith;
- (e) it does not include any request of the Potential Bidder for an entitlement to any break or termination fee, expense reimbursement or similar type of payment;
- (f) it includes an acknowledgment that the offer is irrevocable until the earlier of (i) the approval of the Successful Bid by the Court (or, in the case of the Stalking Horse Bid, the delivery of the Receiver's Certificate to the Stalking Horse Bidder and the filing of the Receiver's Certificate in Court), and (ii) thirty (30) calendar days following the Bid Deadline (the "**Irrevocable Bid Date**"), provided that if such Potential Bidder's Bid is selected as a Successful Bid, its bid shall remain irrevocable until the closing of the Transaction contemplated by the Successful Bid;
- (g) it includes or is accompanied by evidence satisfactory to the Receiver of the financial ability of the Potential Bidder to consummate the Transaction contemplated by the Bid;
- (h) it is not conditioned on the outcome of unperformed due diligence or obtaining financing;
- (i) it is accompanied by a refundable deposit (the "**Deposit**") in the form of a wire transfer to a bank account specified by the Receiver, payable to the order of the Receiver, in trust, in an amount equal to 10% of the Purchase Price in the Bid, which Deposit is to be held by the Receiver and dealt with in accordance with these Sale Procedures;
- (j) it includes a commitment to close the Transaction contemplated by the Bid by no later than the Outside Date;
- (k) it contains such other information as may reasonably be requested by the Receiver; and
- (l) it is received prior to the Bid Deadline.

17. Notwithstanding the foregoing, a Qualified Bid may not be withdrawn, modified or amended without the written consent of the Receiver prior to the Successful Bid being determined. Any such withdrawal, modification or amendment made without the written consent of the Receiver prior to the Successful Bid being determined shall result in the forfeiture of such Qualified Bidder's Deposit as liquidated damages and not as a penalty.



### **Review of Bid(s)**

18. Following the Bid Deadline, the Receiver shall assess any Bids received and determine whether such bids constitute Qualified Bids. The Receiver may waive compliance with any one or more of the requirements specified herein and deem any non-compliant Bid to be a Qualified Bid.

19. Following the receipt of any Bid, the Receiver may seek clarification with respect to any of the terms or conditions of such Bid and/or request one or more amendments to such Bid prior to determining if such Bid should be considered a Qualified Bid. Each Qualified Bidder shall comply with all reasonable requests for additional information by the Receiver regarding the Qualified Bidder or the Qualified Bid. Failure of a Qualified Bidder to comply with such requests for additional information will be a basis for the Receiver to reject a Qualified Bid.

20. In the event that the Receiver determines that there are no Qualified Bids, the Receiver shall promptly proceed to declare the Stalking Horse Bid as the Successful Bid and proceed to complete the Transaction contemplated by the Stalking Horse Agreement, in accordance with Stalking Horse Sale Approval Order (as defined below).

### **Selection of Successful Bid**

21. The Stalking Horse Bid and each Qualified Bid will be considered and reviewed by the Receiver based upon several factors including, without limitation, items such as the Purchase Price and the net value provided by such bid, the claims likely to be created by such bid in relation to other bids, the counterparties to such transactions, the proposed transaction documents, other factors affecting the speed and certainty of the closing of the transaction, the value of the transaction, any related transaction costs, the likelihood and timing of consummating such transactions, and such other matters as the Receiver may determine.

22. The Receiver shall identify the highest or otherwise best Bid(s) (each, a “**Successful Bid**”, and the Stalking Horse Bidder or the Potential Bidder(s) making such Successful Bid(s), a “**Successful Bidder**”) pursuant to these Sale Procedures. Any Successful Bid shall be subject to approval by the Court.

23. If the Receiver receives one or more Qualified Bids which are superior to the Stalking Horse Bid, it may proceed with an auction to select the Successful Bid (an “**Auction**”) on notice to the Stalking Horse Bidder and each Potential Bidder that submitted a Qualified Bid with a higher Purchase Price or deemed by the Receiver to be superior to the Stalking Horse Bid who will be invited to attend the Auction by the Receiver having regard to the terms of its Qualified Bid (each, an “**Auction Bidder**”). There shall be no more than five (5) Auction Bidders, including the Stalking Horse Bidder. For greater certainty, the Stalking Horse Bidder shall constitute an Auction Bidder in all circumstances in which an Auction is conducted.

24. If an Auction is conducted, it shall be conducted in accordance with the following procedures:

- (a) The Auction shall be conducted at a time to be designated by the Receiver on the Auction Date at the Toronto offices of the Receiver or by electronic communication means (including videoconference, teleconference or such other reasonable means

as the Receiver deems appropriate) and shall continue thereafter until completed, subject to such adjournments as the Receiver may consider appropriate;

- (b) The identity of each Auction Bidder participating in the Auction will be disclosed, on a confidential basis, to each other Auction Bidder;
- (c) Except as otherwise permitted in the Receiver's discretion, only the Receiver and the Auction Bidders, and in each case their respective professional advisors, shall be entitled to attend the Auction. Each Auction Bidder shall appear at the Auction through a duly authorized representative that shall be designated by the Auction Bidder as its spokesperson;
- (d) Except as otherwise set forth herein, the Receiver may waive and/or employ and announce at the Auction additional procedures that the Receiver deems reasonable under the circumstances for conducting the Auction, provided that such procedures are (i) not inconsistent with these Sale Procedures, the Stalking Horse Agreement or any order of the Court granted in the within proceedings, (ii) disclosed to each Auction Bidder, and (iii) designed, in the Receiver's judgement, to result in the solicitation of the highest and best offer;
- (e) Not less than two (2) Business Days prior to the Auction, the Receiver shall: (i) identify the highest or otherwise best Qualified Bid or Stalking Horse Bid received, which shall constitute the opening bid for purposes of the Auction (the "**Opening Bid**"), and (ii) provide the Definitive Agreement in respect of the Opening Bid to all Auction Bidders, on a confidential basis. Subsequent bidding at the Auction will continue in minimum increments in an amount to be determined by the Receiver prior to, and announced at, the Auction. Each Auction Bidder shall, if requested by the Receiver, provide evidence of its financial wherewithal and ability to consummate the Transaction at the increased consideration bid at the Auction;
- (f) All Auction Bidders shall have the right, at any time during the Auction, to request that the Receiver announce, subject to any potential new bids, the then-current highest or otherwise best bid and, to the extent requested by any Auction Bidder, use reasonable efforts to clarify any questions such Auction Bidder may have on the then-current highest or otherwise best bid;
- (g) Each Auction Bidder shall be given a reasonable opportunity to submit an overbid at the Auction to any then-existing overbids;
- (h) The Auction shall continue until the bidding has concluded and there is one remaining Auction Bidder that the Receiver has determined has submitted the highest or otherwise best bid of the Auction. At such time, the Auction shall be closed and the Auction Bidder that submitted the highest or otherwise best bid shall be designated as the Successful Bidder; and
- (i) Upon selection of a Successful Bidder, the Successful Bidder shall, as soon as practicable, execute and deliver a Definitive Agreement that reflects the Successful Bidder's bid and any modifications submitted and agreed to during the Auction.

25. For all purposes of the Sale Process, the Stalking Horse Bidder shall be entitled to credit bid all or any portion of the Senior Secured Obligations, at the face value of such obligations in the full principal amount of US\$5,070,000 (plus interest). In the event that the Receiver designates a Qualified Bid, the Stalking Horse Bidder shall have the right, as part of an Auction, to supplement its Stalking Horse Bid with additional cash or other consideration such that the revised Stalking Horse Bid includes aggregate consideration in excess of the amount of the Senior Secured Obligations and the Priority Claims.

### **Court Approval**

26. Contemporaneously with the granting of the Sale Procedure Order, the Receiver obtained an order of the Court approving the Stalking Horse Agreement and vesting in the Stalking Horse Bidder (or its authorized assignee) all right, title interest in and to the Property described in the Stalking Horse Bid, conditional on, among other things, the selection of the Stalking Horse Bid as the Successful Bid by the Receiver (the “**Stalking Horse Sale Approval Order**”). If the Stalking Horse Bid is the sole bid the Receiver shall proceed to complete the Transaction contemplated by the Stalking Horse Agreement, in accordance with Stalking Horse Sale Approval Order.

27. If a Qualifying Bid other than the Stalking Horse Bid is selected by the Receiver as a Successful Bid, the Receiver shall apply to the Court (the “**Approval Motion**”) for an order approving such Successful Bid, which Approval Motion, subject to Court availability, shall be held on or prior to the Approval Hearing Date.

28. In either case, the Receiver shall implement the Successful Bid by no later than the Outside Date.

### **Deposits**

29. All Deposits shall be retained by the Receiver and deposited in a trust account.

30. The Deposit paid by the Successful Bidder whose bid is approved at the Approval Motion shall be applied (without interest) to the Purchase Price to be paid by the Successful Bidder upon closing of the Transaction. After selection of the Bid as the Successful Bid, the Deposit will be non-refundable.

31. The Deposits of Qualified Bidders not selected as the Successful Bidder shall be returned, without interest, within two (2) Business Days of the Irrevocable Bid Date.

32. The Stalking Horse Bidder shall not be required to provide a Deposit.

### **Approvals**

33. For greater certainty, the approvals required pursuant to the terms hereof are in addition to, and not in substitution for, any other approvals required at law in order to implement or complete a Successful Bid.

### **No Amendment**

34. Except as expressly set forth herein, there shall be no amendments or modifications to these Sale Procedures without the consent of the Receiver and the Stalking Horse Bidder or further Order of the Court.

### **“As Is, Where Is”**

35. Any Transaction will be on an “as is, where is” basis and without surviving representations or warranties of any kind, nature, or description except to the extent expressly provided under a Definitive Agreement with a Successful Bidder executed and delivered by the Receiver.

### **Further Orders**

36. At any time during the Sale Process, the Receiver may apply to the Court for advice and directions with respect to the discharge of its powers and duties hereunder.

### **Reservation of Rights**

37. These Sale Procedures do not, and shall not be interpreted to, create any contractual or other legal relationship between the Receiver and any other party, other than as specifically set forth in definitive agreements that may be executed.

38. For the avoidance of doubt, the approvals required pursuant to the terms hereof are in addition to, and not in substitution for, any other approvals required by the Appointment Order or any other statute or as otherwise required at law in order to implement a Successful Bid.

## Appendix “A” Definitions

For purposes of the Sale Procedures, the following terms shall have the following meanings:

“**Business Day**” means a day, other than a Saturday, Sunday, or a day on which banks in Toronto, Ontario are authorized or obligated by applicable law to close or otherwise are generally closed.

“**Priority Claims**” mean all claims other than the Receiver’s Borrowings Obligations ranking in priority to the Promissory Note Obligations and includes, for greater certainty, the post-closing fees of the Receiver and its counsel;

“**Promissory Note Obligations**” means, collectively, all present and future obligations of any kind or nature owing by the Company to Ortho Studios Express, Inc. including, without limitation, all principal, interest, fees, payments, costs, expenses and disbursements, pursuant to, or in connection with the Line of Credit Grid Promissory Note dated March 20, 2020 in the principal amount of US\$5,000,000 issued by the Company to Ortho Studios Express, Inc. and secured by that certain General Security Agreement dated as of March 20, 2020 granted by the Company in favour of Ortho Studios Express, Inc., in each case as amended, supplemented, amended and restated, replaced, or otherwise modified from time to time.

“**Receiver’s Borrowings Obligations**” means all obligations of any kind or nature owing by the Receiver to Ortho Studios Express, Inc. that are secured by the Receiver’s Borrowings Charge (as defined in the Appointment Order), including all principal, interest, fees, payments, costs, expenses and disbursements.

“**Receiver’s Certificate**” means the Receiver’s Certificate, in the form appended to the Stalking Horse Approval Order, signed and delivered by the Receiver to the Stalking Horse Bidder.

“**Senior Secured Obligations**” means, collectively, the Receiver’s Borrowings Obligations and the Promissory Note Obligations.

**Appendix “B” Form of Notice**

**Acquisition Opportunity**

**[Attached]**

**CERTAIN ASSETS OF DIGITAL ORTHODONTIC  
CARE INC. / INVESTORS SOUGHT**

Richter Inc. (“**Richter**”), in its capacity as receiver (the “**Receiver**”) of the assets, undertakings, and properties of Digital Orthodontic Care Inc. (the “**Company**”) and pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated August 17, 2023, which, *inter alia*, authorized the Receiver to undertake a sale solicitation process (the “**Sale Process**”) for the sale of certain of the Company’s business and/or assets, including, (i) intellectual property (ii) other intangible assets, (iii) rights to tax refunds, credits, rebates or similar benefits, (iv) reimbursement claims and (v) the books and records related to the purchased assets (collectively, the “**Assets**”).

The Company operated under the business name SureCure Orthodontic Aligners and manufactured orthodontic aligners for straightening teeth. Its business premises is located in Milton, Ontario. In order to obtain detailed information on the Company’s Assets, interested parties will be required to sign a non-disclosure agreement.

For further information regarding the Sale Process, please refer to the Receiver’s website at:  
<https://www.richter.ca/insolvencycase/digital-orthodontic-care-inc/>

For additional information regarding Digital Orthodontic Care Inc. and the Sale Process, please contact Shane Connolly (647-921-3902 or [SConnolly@richter.ca](mailto:SConnolly@richter.ca)) of the Receiver’s office. The deadline for submission of a qualifying offer is 5:00 p.m. (Toronto time) on September 29, 2023, and the outside closing date of the Sale Process is contemplated to be October 27, 2023.

**RICHTER**

Richter Inc.

Receiver of Digital Orthodontics Care Inc.  
181 Bay Street, Suite 3510  
Bay Wellington Tower  
Toronto, Ontario M5J 2T3  
Telephone: 461-488-2345  
Fax: 514-934-8603

### Appendix “C” Receiver Address for Notices

If to the Receiver:

Richter Inc.  
181 Bay St. #3510  
Bay Wellington Tower  
Toronto, ON M5J 2T3

Attention: Jonathan Joffe  
Email: JJoffe@Richter.ca

With a copy to:

Reconstruct LLP  
200 Bay Street, Suite 2305  
Toronto, ON M5J 2J3

Attention: Caitlin Fell  
Email: cfell@reconllp.com  
Tel.: 416 613-8282



**Schedule B – Form of Receiver’s Certificate**

Court File No.: CV-23-0069238-00CL

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

**B E T W E E N:**

**ORTHO STUDIO EXPRESS, INC.**

**Applicant**

**-and-**

**DIGITAL ORTHODONTIC CARE INC.**

**Respondent**

**RECEIVER’S 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 Honourable Justice Conway dated August 17, 2023, the Court approved certain sale procedures in respect of certain of the Debtor’s assets (the “**Sale Procedures**”).

C. Pursuant to an Order of the Honourable Justice Conway dated August 17, 2023, the Court approved the Agreement of Purchase and Sale made as of August 9, 2023 (the “**Stalking Horse Agreement**”) between the Receiver and Ortho Studio Express, Inc. (the “**Purchaser**”) and provided for the vesting in the Purchaser of the Debtor’s right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the Receiver has selected or declared the Purchaser’s Stalking Horse Bid as the Successful Bid (ii) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (iii) that the conditions to Closing as set out in Article 5 of the Stalking Horse Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iv) the Transaction has been completed to the satisfaction of the Receiver.

D. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Stalking Horse Agreement.

**THE RECEIVER CERTIFIES** the following:

1. The Purchaser's Stalking Horse Bid is the Successful Bid pursuant to the Sale Procedures;
2. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Stalking Horse Agreement;
3. The conditions to Closing as set out in Article 5 of the Stalking Horse Agreement have been satisfied or waived by the Receiver and the Purchaser; and
4. The Transaction has been completed to the satisfaction of the Receiver.
5. This Certificate was delivered by the Receiver at \_\_\_\_\_ [TIME] on \_\_\_\_\_ [DATE].

**Richter Inc. in its capacity as Receiver of the  
undertaking, property and assets of Digital  
Orthodontic Care Inc., and not in its personal  
capacity**

Per: \_\_\_\_\_

Name:

Title:

**ORTHO STUDIO EXPRESS, INC.**

and

**DIGITAL ORTHODONTIC CARE INC.**

Applicant

Respondent

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

Proceedings commenced at Toronto

**ORDER**

**RECONSTRUCT LLP**

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**Lawyers for the Receiver**

# Appendix “C”

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

**FIRST REPORT OF RICHTER INC.,  
IN ITS CAPACITY AS RECEIVER OF  
DIGITAL ORTHODONTIC CARE INC.**

**AUGUST 11, 2023**

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**APPENDICES**

Appendix “A” – Appointment Order dated July 4, 2023

Appendix “B” – Liquidation Proposal dated August 2, 2023

Appendix “C” – Stalking Horse Agreement dated August 10, 2023

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

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

BETWEEN:

**ORTHO STUDIO EXPRESS, INC.**

Applicant

- and -

**DIGITAL ORTHODONTIC CARE INC.**

Respondent

**APPLICATION UNDER Section 243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and under section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43**

**FIRST REPORT OF RICHTER INC.,  
IN ITS CAPACITY AS RECEIVER OF  
DIGITAL ORTHODONTIC CARE INC.**

**AUGUST 11, 2023**

## I. INTRODUCTION

1. Pursuant to an application by Ortho Studio Express, Inc. (the “**Lender**”) under section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, (the “**BIA**”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended, Richter Inc. (“**Richter**”) was appointed as receiver (in such capacity, the “**Receiver**”) of the assets, undertakings and properties (the “**Property**”) of Digital Orthodontic Care Inc. (the “**Company**”) by way of an order (the “**Appointment Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”), dated July 4, 2023 (the “**Date of Appointment**”). A copy of the Appointment Order is attached hereto as **Appendix “A”**.
2. The primary objective of the Company’s receivership proceedings is to create a stabilized environment to allow the Receiver to realize on the Property.
3. Marketing the Company’s business as a going concern was not viable given:
  - (i) the Company was and would continue to incur cash losses;
  - (ii) the Company was utilizing only a fraction of the business’s infrastructure capacity; and
  - (iii) the Lender was not prepared to finance the cash losses anticipated to support a going-concern sale process.
4. Pursuant to the Appointment Order, the Receiver is authorized to market any or all of the Property.
5. As set out below, the Receiver is seeking the Court’s authorization to engage Infinity Asset Solutions Inc. (the “**Agent**”) to conduct a liquidation process under a net minimum guarantee arrangement (the “**Liquidation Plan**”) to govern the sale of the Company’s tools, equipment, vehicle, and furniture (collectively, the “**Liquidation Property**”).
6. A sale solicitation process (the “**Sale Process**”) is proposed to be conducted by the Receiver for the balance of the Company’s assets not subject to the Liquidation Plan, including, *inter alia*: minority investments in other businesses, intellectual property and other credits, refunds and rebates (collectively, the “**Sale Process Property**”). The Sale Process is contemplated to include the approval of a “stalking horse bid”, as discussed below.
7. The Lender has prepared a proposed stalking horse agreement dated August 10, 2023 (the “**Stalking Horse Agreement**”) pursuant to which the Lender agreed to act as a stalking horse bidder in the Sale Process (in such capacity, the “**Stalking Horse Bidder**”), to govern the sale of the Sale Process Property. The closing of the



purchase transaction contemplated by the Stalking Horse Agreement is conditional on, among other things: (i) the Stalking Horse Bidder being declared the Successful Bidder (as defined in the Sale Process); and (ii) Court approval. The Stalking Horse Bid is intended to set the floor price for other bidders in the Sale Process.

8. This report is the Receiver's first report (the "**First Report**") filed with this Court in connection with these receivership proceedings.
9. The Receiver has established a website (the "**Receiver's Website**") at <https://www.richter.ca/insolvencycase/digital-orthodontic-care-inc/> where copies of materials filed in the Company's receivership proceedings have been made available in electronic format.
10. The Receiver has engaged Reconstruct LLP ("**Reconstruct**") as its legal counsel.

## II. PURPOSE OF REPORT

11. The purpose of this First Report is to:
  - (i) provide background information on the Company;
  - (ii) provide an overview of the activities of the Receiver since the Date of Appointment;
  - (iii) outline the key aspects of the Liquidation Plan;
  - (iv) outline the key aspects of the Receiver's proposed Sale Process, including an overview of the Stalking Horse Agreement; and

- (v) recommend the Court grant an Order:
  - (i) approving the Liquidation Plan, and authorizing the Receiver to take such steps necessary to implement same;
  - (ii) approving the Sale Process, and authorizing the Receiver to take such steps necessary to implement same;
  - (iii) approving the Stalking Horse Agreement;
  - (iv) in the event the Stalking Horse Agreement is selected as the Successful Bid (as defined below), approving a vesting order (the “**Vesting Order**”) in respect of same; and
  - (v) approving the activities of the Receiver as outlined in this First Report.

### III. TERMS OF REFERENCE

12. In preparing this First Report, Richter has relied upon financial information and documents prepared by the Company and its advisors, including unaudited, draft and/or internal financial information, the Company’s books and records, discussions with representatives of the Company, including former employees and information from third-party sources (collectively, the “**Information**”). In accordance with industry practice, except as otherwise described in the First Report, Richter has reviewed the Information for reasonableness, internal consistency, and use in the context in which it was provided. However, Richter has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Canadian Auditing Standards (“**CAS**”) pursuant to the *Chartered Professional Accountant of Canada Handbook* and, as such, Richter expresses no opinion or other form of assurance contemplated under CAS in respect of the Information.
13. The First Report should be read in conjunction with the motion materials filed in respect of the Lender’s receivership motion, including the affidavit of Mr. Mark Cassidy sworn May 8, 2023 (the “**Cassidy Affidavit**”). Parties using this First Report, other than for the purposes outlined herein, are cautioned that it may not be appropriate for their purposes, and consequently should not be used for any other purpose.
14. Unless otherwise noted, all monetary amounts noted herein are expressed in Canadian dollars.

## IV. BACKGROUND

### Company Overview

15. The Company was established in 2017 and operated under the business name 'SureCure Orthodontic Aligners'. The Company is a privately owned corporation organized under the *Business Corporations Act*, RSO 1990 c B.16. The Company's shareholders include:
  - (i) Murrell Health Services Inc. ("**MHS**"), owned by Fred Murrell, the Company's former Vice President (61%);
  - (ii) Jeff Sheppard, the Company's former CEO and President (21.3%);
  - (iii) The Lender (10.1%);
  - (iv) Sachin Bhatia, the Company's former secretary (7.4%); and
  - (v) Asad Kaspar (0.2%).
16. The Company is a manufacturer of customized orthodontic supplies, primarily clear aligners used to straighten teeth and related accessories.
17. The Company operated from a leased premises located at 8400 Lawson Road, Units 2-4, in Milton, Ontario (the "**Premises**").
18. As at the Date of Appointment, the Company employed approximately forty-seven salaried and hourly employees (the "**Employees**"). Pursuant to the Appointment Order, all Employees have been terminated. There was no company sponsored pension plan for the Employees, nor were any of the Employees unionized. Two former Employees are engaged by the Receiver to assist on a term and task basis.

19. According to the Company's most recent internal, unaudited financial statements, as at April 30, 2023, the Property consisted of the following:

<b>ASSETS</b>	(\$000's, CAD)
Cash	138
Deposits	234
Investments	77
<b>Total current assets</b>	<b>449</b>
Fixed assets	6,625
<b>Total non-current assets</b>	<b>6,625</b>
<b>Total assets</b>	<b>7,074</b>

*Note: The above amounts represent book values of the Company's assets and do not represent the realizable value of the Property.*

20. Further background information about the Company, including the causes of its financial difficulties, is detailed in the Cassidy Affidavit, and are not repeated herein.

### **Secured Creditors**

#### Ortho Studio Express, Inc.

##### *Secured Promissory Note*

21. The Receiver understands that as at the Date of Appointment, the Company was indebted to the Lender in the principal amount of USD\$5 million, plus interest and fees under a Line of Credit Grid Promissory Note dated March 20, 2020 (the "**Secured Note**"). As security for the repayment of amounts owing under the Secured Note, the Company provided a general security agreement in favour of the Lender, including a security interest in all of the present and after acquired personal property of the Company.
22. The Receiver has received a written opinion from its independent counsel, Reconstruct, that subject to the customary assumptions and qualifications for opinions of this nature, the security interests in favour of the Lender are valid and enforceable in the Province of Ontario.

##### *Receivership Funding*

23. Pursuant to the Appointment Order, the Receiver is empowered to borrow from the Lender such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$400,000 (or such greater amount as this Court may by further Order authorize) for the purpose of funding

the exercise of the powers and duties conferred upon the Receiver by the Appointment Order, including interim expenditures. Borrowings by the Receiver are secured against the Property by way of a Receiver's Borrowing Charge (the "**Receiver's Borrowing Charge**") granted pursuant to the Appointment Order.

24. As at the date of the First Report, the Receiver has borrowed \$70,000 (the "**Receiver's Borrowings**") from the Lender. The Receiver issued a certificate to the Lender for the Receiver's Borrowings.
25. The Receiver's Borrowings have been used primarily to fund payroll amounts to the Company's former employees. The Receiver paid wages and vacation pay, including certain pre-filing amounts (approximately \$30,000 in aggregate), to the terminated employees. The pre-filing payments largely relate to priority claims under section 81.4(5) of the BIA. Aggregate claims in excess of the \$2,000 priority amount per employee are anticipated to be immaterial. The Lender is aware of the pre-filing payments and supports the payment of these amounts by the Receiver.

#### Murrell Health Services Inc.

26. The Receiver understands that the Company granted certain security to MHS, the Company's majority shareholder, in relation to promissory notes dated July 24, 2018, October 31, 2018, March 5, 2019, April 26, 2019, June 5, 2019, October 4, 2019, October 9, 2019, December 12, 2019, February 5, 2020, February 11, 2020, February 25, 2020, February 26, 2020 and March 10, 2020 (collectively, the "**MHS Loan Agreements**") in the total aggregate principal amount of \$5,767,756.53.
27. Pursuant to a subordination agreement dated March 20, 2020 between MHS and the Lender, all advances under the MHS Loan Agreements were subordinated to the Lender's line of credit facility up to USD\$5 million.
28. Until such time as it is known as to whether there will be proceeds sufficient to pay the Lender, the Receiver will hold off on the review as to the validity of any security granted in connection with the MHS Loan Agreements.

#### Marina Sheppard

29. The Receiver understands that the Company granted certain security to Marina Sheppard, the wife of the Company's President and minority shareholder, Jeff Sheppard, in relation to promissory notes dated December 7, 2018, February 12, 2019, February 5, 2020 and March 11, 2020 (collectively, the "**Sheppard Loan Agreements**") in the total aggregate principal amount of \$320,000.

30. Pursuant to a subordination agreement dated March 20, 2020 between Marina Sheppard and the Lender, all advances under the Sheppard Loan Agreements were subordinated to the Lender's line of credit facility up to USD\$5 million.
31. Until such time as it is known as to whether there will be proceeds sufficient to pay the Lender, the Receiver will hold off on the review as to the validity of any security granted in connection with the Sheppard Loan Agreements.

### **Unsecured Creditors**

#### Canada Emergency Business Account ("CEBA")

32. The Government of Canada's CEBA program was launched in April, 2020 as a financial relief measure to support Canadian businesses adversely affected by COVID-19. The CEBA program offered interest-free loans of up to \$60,000 to small businesses and not-for-profits.
33. Royal Bank of Canada administers the Company's CEBA loan. The Company's current balance under their CEBA loan of \$60,000 is unsecured and non-interest bearing.

#### Due to Related Parties

34. A summary of the amounts due to related parties (the "**Related Parties**") reported in the Company's most recent internal unaudited accounting records, as at April 30, 2023 is presented in the following table.

<b>Related Parties</b>	<b>Amount (\$000's, CAD)</b>
MHS	2,800
Marina Sheppard	865
1358023 Ontario Ltd	200
Jeff Sheppard	130
Thomas F Seiler	6
Thomas Feeney	5
Other	2,699
<b>Total amount due to Related Parties</b>	<b>6,705</b>

35. The Company records the balances owing to multiple Related Parties under a single general ledger account. This account captures advances that are related to: (i) the MHS Loan Agreements; (ii) the Sheppard Loan Agreements; and (iii) other transactions.

36. Multiple transactions recorded in the Company's general ledger account did not identify the lending party. These transactions have been categorized under 'Other' in the summary above.
37. In the event that realizations from the Company's Property is sufficient to fully repay (i) amounts borrowed under Receiver's Borrowing Charge; (ii) the secured amount owed to the Lender; and (iii) any other priority payables, the Receiver will complete a detailed review of the advances and repayments recorded in the Related Parties general ledger account and the subordinated secured balances, if any, still held by the Related Parties.

#### The Canada Life Assurance Company

38. An account statement provided by agents representing The Canada Life Assurance Company, the landlord of the Premises (the "**Landlord**"), indicate that as at the Date of Appointment, the Company owed approximately \$460,000 in occupancy cost arrears.

#### Unsecured Trade Creditors

39. Based on the Company's books and records, the Company owed approximately \$622,000 to unsecured trade creditors.

### **V. ACTIVITIES OF THE RECEIVER SINCE THE DATE OF APPOINTMENT**

40. The Receiver's activities since the Date of Appointment have included, *inter alia*, the following:
- (i) attending before the Court in respect of the Appointment Order;
  - (ii) taking possession and control of the Property;
  - (iii) opening new bank accounts under the Receiver's name;
  - (iv) arranging for the Company's existing bank accounts to be modified to deposit only;
  - (v) arranging for balances in the Company's bank accounts to be transferred to the Receiver's new account;
  - (vi) sending to all creditors on record the *Notice and Statement of Receiver* required under section 245(1) and 246(1) of the BIA;
  - (vii) terminating the Company's employees pursuant to the Appointment Order;
  - (viii) engaging two of the Company's former employees on a task and term basis;

- (ix) coordinating for the processing of records of employment for terminated employees;
- (x) compiling the payroll and personal employee details required to administer claims pursuant to the *Wage Earners Protection Plan Act* (“**WEPPA**”) in relation to employees that were terminated;
- (xi) corresponding with the Company’s former payroll administrator and the former head of human resources regarding WEPPA;
- (xii) corresponding with the Company’s subtenant, Borderworx Logistics (the “**Subtenant**”), regarding the receivership proceedings and regarding access to the Premises;
- (xiii) coordinating access to the Premises for:
  - (i) the Company’s former employees to retrieve personal belongings;
  - (ii) the Landlord’s fire safety equipment service providers;
  - (iii) liquidators reviewing assets in respect of the Liquidation process; and
  - (iv) the Company’s Subtenant.
- (xiv) responding to inquiries from stakeholders, including creditors, customers and former employees;
- (xv) engaging with counsel to the Landlord regarding a rent reduction in respect of a proposed short-term occupancy agreement;
- (xvi) reviewing the Company’s books and records, and specifically its accounting and financial records;
- (xvii) corresponding with the Company’s bookkeeping service provider regarding the Company’s financial records;
- (xviii) corresponding with the Company’s external accounting service provider, MNP LLP, regarding the status of the Company’s fiscal 2023 tax filings and year-end compilation engagement;
- (xix) corresponding with The Regional Insurance Services Inc., the Company’s insurance broker and arranging for the Receiver to be added to the policy as a named-insured;
- (xx) establishing and maintaining the Receiver’s Website, where all materials filed the Court in connection with The Company’s receivership proceedings are available in electronic format;



- (xxi) corresponding and communicating regularly with the Lender and their legal counsel, McMillan LLP (“**McMillan**”), regarding the receivership proceedings;
- (xxii) working with the Lender, McMillan and Reconstruct to develop the Sale Process;
- (xxiii) preparing this First Report;
- (xxiv) soliciting proposals from five liquidators, and developing the Liquidation Plan with the Agent; and
- (xxv) attending to other matters pertaining to the administration of the receivership proceedings.

## VI. PROPOSED LIQUIDATION PLAN

41. The Receiver solicited liquidation proposals from five liquidators in respect of the Liquidation Property. Four liquidators each submitted multiple offers including outright purchases, net minimum guarantee offers, and strictly commission-based arrangements. After review of the proposals and consultation with the Lender, the Receiver proposes to engage the Agent to conduct a liquidation process under a net minimum guarantee arrangement.
42. The Liquidation Plan to be entered into with the Agent, pending approval of this Court, includes the following key terms a copy of which is attached as **Appendix “B”**.
  - (i) **Guaranteed Amount:** The Agent will pay the Receiver a guaranteed minimum amount of \$515,000 (the “**NMG Amount**”) for the Liquidation Property.
  - (ii) **Deposit:** A deposit in the amount of \$100,000 upon signing of an auction service agreement (“**ASA**”) between the Receiver and the Agent;
  - (iii) **Agent’s Fees:** Following the first \$515,000 in auction proceeds, the Agent will retain the next \$60,000 to cover expenses, marketing, labour and set-up fees; and
  - (iv) **Profit Sharing:** Proceeds in excess of \$575,000 will be split 85/15 between the Receiver and the Agent, in the Receiver’s favour.

## (v) Expenses:

- (i) The Receiver will be responsible for providing the Agent with rent-free access at the Premises;
- (ii) The Agent will be responsible for *inter alia*, the advertising, marketing, preparing of the Liquidation Property for sale, cleaning setup, cataloguing, preview, inspection arrangements, collection invoices, in supervision of the release period following the auction; and
- (iii) The Agent will not be responsible for any the removal of, or the disposition of, any and all environmentally hazardous chemicals, alcohol, isopropanol, waste or substances found in or on the Premises or contained in any of the Liquidation Property during our contract, without cost or obligation.

(vi) Timing: the Agent's access to the Premises will be terminated on September 30, 2023.

(vii) Court Approval: the Liquidation Plan is subject to court approval authorizing the Receiver to:

- (i) enter into the ASA and retain the Agent on terms set out in the Agent's NMG Amount proposal; and
- (ii) pay the Agent its compensation on the terms out in the Agent's NMG Amount proposal.

43. The terms of the Agent's NMG Amount proposal are consistent with standard insolvency transactions, to be completed on an "as-is, where is" basis, without any material representations or warranties. All sales of Liquidation Property are to be on the same terms.

## VII. PROPOSED SALE PROCESS

44. The purpose of the Sale Process is to solicit interest in substantially all of the Company's remaining Property not subject to the Liquidation Plan while providing the certainty of a transaction through the Stalking Horse Agreement. It is anticipated that the Stalking Horse Bid will add competitive tension, thereby increasing the maximization of value to be derived with respect to the Sale Process Property. A copy of the Stalking Horse Agreement is included in **Appendix "C"** of this First Report.

45. The closing of the purchase transaction contemplated by the Stalking Horse Agreement is conditional on, among other things: (i) the Stalking Horse Bidder being declared the Successful Bidder (as defined in the Sale Process); and (ii) Court approval of the Stalking Horse Bid, which the Receiver proposes to obtain as part of this motion in the event that the Receiver constitutes the Stalking Horse Bidder as the Successful Bidder.
46. The proposed Sale Process is to be administered by the Receiver.
47. A summary of the proposed Sale Process is as follows (capitalized terms not otherwise defined in this section have the meanings provided to them in the Sale Process, which are provided in Schedule “G” to the Stalking Horse Agreement):
- (i) Subject to Court approval, the following table sets out the Sale Process timeline:

Milestone	Key Dates
Commencement of Sale Process	Promptly following the granting of the Sales Procedure Order
Distribution of Teaser Letter & Data Room to be opened	As soon as practical following the granting of the Sales Procedure Order
Bid Deadline	September 29, 2023
Auction Date (if required)	October 6, 2023
Approval Hearing Date (if required)	October 13, 2023
Outside Date	October 27, 2023

- (ii) Key Dates can be extended by up to 7 days by the Receiver in its discretion, or for a longer period with the consent of the Stalking Horse Bidder or by Court order.
- (iii) The Sale Process is proposed to commence on the date the Court issues the Sale Procedure Order (the “**Commencement Date**”).
- (iv) As soon as practicable following the Commencement Date, the Receiver will distribute an initial offering summary (the “**Teaser Letter**”) detailing the opportunity to potential interested parties (the “**Prospective Bidders**”) identified by the Receiver. Attached to the Teaser Letter will be a form of confidentiality agreement

(“**Confidentiality Agreement**”), which Prospective Bidders must execute in order to gain access to a data room containing further information about the Sale Process Property.

- (v) As soon as practicable after the Commencement Date, the Receiver will (a) have arranged for an advertisement of the acquisition opportunity in such newspaper(s) and/or journal(s) or other publications as the Receiver may deem appropriate or advisable, and (b) post the Teaser Letter and other relevant information concerning the acquisition opportunity on the Receiver’s Website.
- (vi) Prospective Bidders who have executed a Confidentiality Agreement, will be provided with access to a virtual data room (the “**Data Room**”) to be maintained by the Receiver. The Data Room will contain various financial and other information concerning the Company and the Sale Process Property for purposes of performing diligence on the acquisition opportunity.
- (vii) Prospective Bidders will be provided with a copy of the Stalking Horse Agreement and Prospective Bidders will be required to submit offers in a form similar to the Stalking Horse Agreement, with a blackline comparison illustrating any changes.
- (viii) Offers will be required to be submitted to the Receiver by no later than 5:00 pm (Toronto time) on September 29, 2023 (the “**Bid Deadline**”), being approximately 43 days from the return date of the motion for approval of the Sale Process.

#### **Qualified Bid**

48. To be a “Qualified Bid”, an offer must be submitted by the Bid Deadline and must, at a minimum, include, *inter alia*, the following requirements, unless such requirement is waived by the Receiver:

- (i) a complete, executed Definitive Agreement and a blackline against the Stalking Horse Agreement;
- (ii) a cash purchase price equal to or greater than:
  - (a) the sum of \$3,000,000, being the consideration under the Stalking Horse Agreement; plus
  - (b) an amount equal to the Priority Amounts. Priority amounts consist of all amounts which by operation of law are in priority to the security interest of the Lender in respect of the Secured Indebtedness, including amounts that may be due and owing under the Receiver’s Borrowing Charge; plus
  - (c) an amount equal to the Receiver’s Borrowing Obligations attributable to Property being purchased;

- (d) a minimum incremental amount of \$10,000 in excess of the aggregate purchase price contemplated by the Stalking Horse Agreement; plus
  - (e) \$85,000, representing the Break Fee.
- (iii) it fully discloses the identity of each person (including any person that controls such person) that will be directly or indirectly sponsoring or participating in the Bid and the complete terms of any such participation;
  - (iv) it does not include any request of the Potential Bidder for an entitlement to any break or termination fee, expense reimbursement or similar type of payment;
  - (v) it includes an acknowledgment that the offer is irrevocable until the earlier of (i) the approval of the Successful Bid by the Court (or, in the case of the Stalking Horse Bid, the delivery of the Receiver's Certificate to the Stalking Horse Bidder and the filing of the Receiver's Certificate in Court), and (ii) thirty (30) calendar days following the Bid Deadline, provided that if such Potential Bidder's Bid is selected as a Successful Bid, its bid shall remain irrevocable until the closing of the Transaction contemplated by the Successful Bid;
  - (vi) it must include written evidence, satisfactory to the Receiver, that the prospective purchaser has the financial means to complete the proposed acquisition;
  - (vii) it must not contain any condition or contingency relating to due diligence or financing conditions precedent to the offeror's obligation to complete the transaction (save and except for approval by the Court); and
  - (viii) a cash deposit in the form of cheque or bank draft of not less than 10% of offer purchase price;
  - (ix) it includes a commitment to close the Transaction contemplated by the Bid by no later than the Outside Date;
  - (x) it contains such other information as may reasonably be requested by the Receiver; and
  - (xi) it is received prior to the Bid Deadline.
49. Under the Sale Process, the Stalking Horse Bidder is deemed to be a Qualified Bid.

### **Auction**

50. The Receiver will review all Qualified Bids and identify the Successful Bidder pursuant to the Sale Process.
51. If no Qualified Bids are submitted by the Bid Deadline, the Stalking Horse Bid will be deemed to be the Successful Bid.

52. If more than one Qualified Bids are received by the Bid Deadline (including the Stalking Horse Bid) , the Receiver may proceed with an auction to select the Successful Bid (an “**Auction**”) on notice to the Stalking Horse Bidder and each bidder that is invited to attend the Auction by the Receiver having regard to the terms of its Qualified Bid (each, an “**Auction Bidder**”).
53. There shall be no more than five (5) Auction Bidders, including the Stalking Horse Bidder. The Stalking Horse Bidder shall constitute an Auction Bidder in all circumstances in which an Auction is conducted.
54. If an Auction is conducted, it shall be conducted in accordance with the following procedures:
  - (i) the Receiver will notify all Auction Bidders, that the Auction shall be held at a time to be designated by the Receiver at the offices of the Receiver or by teleconference, video conference or other form of electronic telecommunications, as the Receiver may deem fit;
  - (ii) The identity of each Auction Bidder participating in the Auction will be disclosed, on a confidential basis, to each other Auction Bidder;
  - (iii) only the Receiver and the Auction Bidders, and in each case their respective professional advisors, shall be entitled to attend the Auction;
  - (iv) the Receiver may waive and/or employ and announce at the Auction additional procedures that the Receiver deems reasonable under the circumstances for conducting the Auction;
  - (v) the bidding will begin initially with the highest Qualified Bid and subsequently continue in minimum increment amounts to be determined by the Receiver prior to the Auction;
  - (vi) the Auction shall continue until the bidding has concluded and there is one remaining Auction Bidder that the Receiver has determined has submitted the highest or otherwise best bid of the Auction. At such time, the Auction shall be closed and the Auction Bidder that submitted the highest or otherwise best bid shall be designated as the Successful Bidder; and
  - (vii) upon selection of a Successful Bidder, the Successful Bidder shall, as soon as practicable, execute and deliver a Definitive Agreement that reflects the Successful Bidder’s bid and any modifications submitted and agreed to during the Auction.

## The Stalking Horse Agreement

55. In the days following the Date of Appointment, the Receiver engaged in discussions with the Lender and its counsel, whereby the Lender expressed an interest in acquiring the Sale Process Property.
56. These discussions culminated in the Stalking Horse Agreement between the Receiver and the Stalking Horse Bidder, pursuant to which, subject to Court approval, the terms of the Sale Process, and the terms and conditions of the Stalking Horse Agreement, the Stalking Horse Bidder agrees to purchase the Sale Process Property free and clear of all encumbrances, in exchange for the payment of the Purchase Price (as defined below).
57. The key terms and conditions of the Stalking Horse Agreement are provided below.
  - (i) **Stalking Horse Purchaser:** Ortho Studios Express, Inc.
  - (ii) **Purchase Price:** estimated to be \$3,000,000 million (the “**Purchase Price**”) to be paid by way of a credit bid in the amount to \$3,000,000 of the Secured Indebtedness (the “**Credit Bid Amount**”), such that on Closing the Secured Indebtedness shall be partially repaid in the amount of the Credit Bid Amount.
  - (iii) **Purchased Assets:** intellectual property, legal actions where the Company is the moving party, tax refunds, credits, rebates, claims to insurance reimbursements, investment property and books and records related to the Purchased Assets.
  - (iv) **Excluded Assets:** shares and other interests or capital in the Company, tax records unrelated to the Purchased assets, insurance policies, books and records unrelated to the Purchased Assets and assets listed in schedule E to the Stalking Horse Agreement.
  - (v) **Assumption of Liabilities:** the Stalking Horse Bidder will assume only those liabilities in respect of the Purchased Assets. The Assumed Liabilities are the liabilities of the Company: (i) related to the transfer or maintenance of the Intellectual Property; (ii) related to the transfer or maintenance of the investment property (iii) the transfer of the Intangibles; and (iv) associated with the transfer of authorizations owned, held or used by the Company in connection with the Purchased Assets (each as defined in the Stalking Horse Bid).
  - (vi) **Representations and Warranties:** consistent with the standard terms of an insolvency transaction, i.e. on an “as is, where is” basis, with limited representations and warranties.

(vii) **Closing Date:** the date that is five (5) Business Days following the later of (i) the selection of the Stalking Horse Agreement as the Successful Bid and (ii) the date of the Approval and Vesting, or such other date as may be agreed in writing between the parties hereto, but in any case, not later than the Outside Date.

(viii) **Material Conditions:**

For the Benefit of both Parties

- (a) the Court shall have issued and entered the Approval and Vesting Order, which Approval and Vesting Order shall not have been stayed, set aside, or vacated;
- (b) no Applicable Law and no judgment, injunction, order or decree shall have been issued by a Governmental Authority or otherwise in effect that restrains or prohibits the completion of the Transaction; and
- (c) no motion, action or proceedings shall be pending by or before a Governmental Authority to restrain or prohibit the completion of the Transaction contemplated by this Agreement.

For the Benefit of the Stalking Horse Purchaser

- (a) the representations and warranties of the Company set forth in this Agreement will be true and correct in all material respects at the Time of Closing with the same force and effect as if made at and as of such time;
- (b) the Company will have performed or complied in all material respects with all of the obligations and covenants of this Agreement to be performed or complied with by the Company at or prior to the Time of Closing; and
- (c) no action or proceeding in Canada will be pending by any third party to enjoin or prohibit the sale and purchase of the Purchased Assets.

For the Benefit of the Company

- (a) the representations and warranties of the Stalking Horse Bidder set forth in this Agreement will be true and correct in all material respects at the Time of Closing with the same force and effect as if made at and as of such time;



- (b) the Stalking Horse Bidder will have performed or complied in all material respects with all of the obligations and covenants of this Agreement to be performed or complied with by the Stalking Horse Bidder at or prior to the Time of Closing; and
  - (c) no action or proceeding in Canada will be pending by any third party to enjoin or prohibit the purchase and sale of the Purchased Assets.
- (ix) **Termination:** the Stalking Horse Agreement can be terminated:
- (a) by either party if the other party is in breach of the Stalking Horse Agreement;
  - (b) by either party if the agreement becomes impossible to satisfy prior to the Outside Date other than for failure of that party to comply with its obligations under the Stalking Horse Agreement;
  - (c) by written agreement of both parties, and on consent of the Receiver; or
  - (d) by either party if the completion of the sale of the Purchased Assets has not occurred by the Outside Date;

#### **Conditional Pre- Approval of the Stalking Horse Agreement**

58. As part of the relief sought, the Receiver is seeking conditional approval of the Stalking Horse Agreement in the event that the Stalking Horse Bid is declared by the Receiver to be the Successful Bid.
59. The proposed Sale Process provides that if no Qualified Bids are submitted by the Bid Deadline, the Stalking Horse Bidder will be deemed to have submitted the Successful Bid. Alternatively, the Stalking Horse Bidder may be declared by the Receiver to be the Successful Bid at the culmination of the Sale Process, including any Auction.
60. The Receiver is requesting that the Court conditionally pre-approve the Stalking Horse Bid and provisionally vest the Sale Process Property to the Stalking Horse Bidder in the event that the Stalking Horse Bid is determined by the Receiver to be the Successful Bid pursuant to and in accordance with the Sale Procedures. The Receiver proposes that the Stalking Horse Bid be pre-approved by this Court and that the vesting of the Sale Process Property to the Stalking Horse Purchaser occur upon the satisfaction of the following conditions:
- (i) the Receiver serving a report to the Court and on the service list designating the Stalking Horse Transaction as the Successful Bid; and

- (ii) the Receiver receiving no written objection from any person as to the selection by the Receiver of the Stalking Horse Transaction as the Successful Bid within 10 days of serving such report.
61. In the event that a Qualified Bidder other than the Stalking Horse Bidder is declared to be the Successful Bid, the Receiver intends to return to Court to seek Court approval of such Successful Bid.

### **Recommendation**

62. The Receiver has considered whether the Stalking Horse Bid warrants it being conditionally pre-approved by the Court at this time, as opposed to the Stalking Horse Bidder simply being invited to bid in the Sale Process. The Receiver is of the view that the Stalking Horse Bid should be pre-approved by the Court at this time as::
- (i) if the Stalking Horse Bid is declared to be Successful Bid, the purchase price being offered by the Stalking Horse Bidder will reflect the market value of the Sale Process Property.
  - (ii) the requirement for an additional hearing and the associated inherent delays may adversely affect the value of the Company's assets and cause the Lender and the Receiver to incur additional costs to return to Court where the proposed Purchase Price is advanced as a credit bid;
  - (iii) the Stalking Horse Agreement provides certainty that a transaction will be completed;
  - (iv) the Stalking Horse Bidder is not being approved as making the Successful Bid at this time, but is subject to the outcome of the Sale Process;
  - (v) upon serving a report declaring the Stalking Horse Bid as the Successful Bidder, any person shall have 10 business days to object to the selection of the Stalking Horse Bid (the "**Stalking Horse Approval Report**"). In the event that this occurs, the Receiver will bring a motion for formal approval by the Court of the Stalking Horse Bid;
  - (vi) the requirement of the service and filing of the Stalking Horse Approval Report provides a mechanism under which the Sale Process will ensure that parties are treated fairly. The requested Order requires that, should a party have an objection to the selection of the Stalking Horse Bid as the Successful Bid, the Receiver will return to the Court for sale approval;
  - (vii) the terms of the Sale Process treats all interested persons fairly and affords them substantially equal information and opportunity;
  - (viii) the Receiver is of the view that the Stalking Horse Offer is not prejudicial to any creditor; and

- (ix) the Stalking Horse Agreement sets a minimum bid amount, which will avoid the Company's time and resources being spent on below market offers.

### **Sale Process Recommendation**

63. The Receiver recommends that this Court issue an order approving the Stalking Horse Agreement and the Sale Process for the following reasons:
- (i) the Sale Process provides for a wide marketing of the Company's business by the Receiver, which has extensive experience selling distressed assets and businesses;
  - (ii) stalking horse sale processes are a recognized mechanism in restructuring processes to maximize recoveries, while creating stability for the business;
  - (iii) the Sale Procedures allow for a fair, efficient and transparent market test for the benefit of all stakeholders, and provide an opportunity to complete a transaction with greater value than the Stalking Horse Agreement, should one materialize;
  - (iv) it is in the best interests of the Company and its stakeholders that the Stalking Horse Agreement be preserved in order to have the opportunity to maximize value and to protect downside risk in the event that a superior offer is not submitted;
  - (v) the proposed timelines of the Sale Process are sufficient to allow interested parties to perform diligence and submit offers;
  - (vi) the terms of the Stalking Horse Agreement are commercially reasonable; and
  - (vii) approving the form of Vesting Order in the event the Stalking Horse Bidder is the Successful Bidder minimizes professional fees.
64. The Receiver has also considered the reasonableness of the Break Fee. The Receiver has reviewed recent comparable stalking horse agreements wherein bid protections have been approved in transactions of this nature. Based on this comparison, the Receiver is of the view that, in the circumstances, the Break Fee is fair and reasonable to compensate the Stalking Horse Bidder for costs and expenses in relation to entering into the Stalking Horse Agreement and will not unduly "chill" bidding on the Company's assets and/or business as part of the Sale Process.

**VIII. RECEIVER'S RECOMMENDATION**

65. Based on the foregoing, the Receiver respectfully recommends that this Court issue an Order granting the relief detailed in paragraph 11(v) of this First Report.

All of which is respectfully submitted, this 11<sup>th</sup> day of August, 2023.

**Richter Inc.**  
**in its capacity as Receiver of**  
**Digital Orthodontic Care Inc.**  
**and not in its personal or corporate capacity**

Per:



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Karen Kimel, MAcc, CPA, CA, CPA (IL), CIRP, LIT



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Jonathan Joffe, CA, CPA, CFA, CIRP, LIT

# Appendix “D”

## Auction Services Agreement

**THIS AGREEMENT** (the “**Agreement**”) is made this 6<sup>th</sup> day of September 2023, by and between Richter Inc. in its capacity as the Court-Appointed Receiver of the undertaking, property and assets of Digital Orthodontic Care Inc. (“**Receiver**”) and Infinity Asset Solutions Inc., (“**Auctioneer**” or “**Agent**”) hereto agree as follows:

**Agreement** - Receiver and Auctioneer, collectively agree that these terms and conditions (the “**Agreement**”) shall govern the sale of the machinery & equipment, inventory and raw material products of Receiver described in the DOC Asset List hereto attached (“**Assets**”) located at 8400 Lawson Road, Units 2-4, Milton, ON (the “**Premises**”) and as viewed during our site inspections. This Agreement and terms constitute all the applicable terms related to this transaction and no other representations, whatsoever, are being made or agreed to outside of this Agreement. The Auctioneer will sell the Assets by public online auction or liquidation sale.

**Assets** – Auctioneer shall have the exclusive right to sell the Assets on behalf of the Receiver during the period up to and including the expiry of the contract or September 30<sup>th</sup>, 2023.

**Conduct of Sale & Auction Date** – Subject to the terms of this Agreement, all matters relating to the conduct of the sale, including advertising, marketing, the preparation of Assets for sale, inspection arrangements, and the timing and duration of the sale, shall be at the sole discretion of the Auctioneer acting reasonably and in accordance with the terms hereof and the auction practices in the manner and at the times directed by it. The Receiver and Agent will work cooperatively to ensure the inspection, sale and removal of the Assets from the Receiver’s Premises do not contravene any terms of the lease governing the Premises. The initial auction date will be Wednesday September 13<sup>th</sup>, 2023 (the “**Auction Date**”).

**Use of Name** – Receiver agrees that the Auctioneer shall be entitled to use the names SureCure Aligners and Digital Orthodontic Care Inc. and logos, in any and all of the marketing for the promotion and sale of the Assets.

**Premises** – The Auctioneer intends to conduct an online auction sale of the Assets from the Premises and accordingly, will require at no charge unrestricted access to the Premises until the assets have been sold and removed by no later than September 30<sup>th</sup>, 2023. For certainty, the sale of the Assets must be completed, and the Auctioneer must have vacated the Premises by no later than September 30<sup>th</sup>, 2023. The sale of the Assets will be offered online to the public, and the Receiver hereby acknowledges and consents to allow access to members of the public for pre-sale inspections in an orderly and supervised fashion and only as may be permitted pursuant to the lease for the Premises, provided that the Receiver shall be entitled to have its representatives present in the Premises at all times during any such pre-sale inspections or at any point during the auction process and removal of sold Assets from the Premises. The Receiver shall ensure that utilities to the Premises are maintained during the foregoing period at no cost to the Auctioneer.

The Receiver will provide the Auctioneer with a key and the alarm code to the Premises. The Auctioneer agrees to control access to the Premises and to not allow any unauthorized individuals to gain access to the premises without the express written consent of the Receiver. The Auctioneer also

agrees to ensure that all doors to the Premises are locked, and the alarm set when departing the Premises.

**Environmental and Oils** – Agent or its buyers shall not be responsible or liable for any environmental conditions or damage, oils, hazardous materials or any environmentally regulated or waste substances of any kind existing prior to the signing of this Agreement. The Agent is responsible for any environmental condition and spills that take place during the term of this agreement.

**Representations and Warranties** – Trustee represents and warrants that each of the facts set out below hereto is correct in all material respects.

As of the date of this Agreement:

- a) the Receiver upon receiving any necessary approvals, has the ability to convey its right, title and interest in and to the Assets on an “As is Where is Basis”;
- b) the Receiver is able to grant the Auctioneer the use of the Premises on the terms contemplated by this Agreement, without charge.

**As-is Where-is** – All assets are being sold on an “As-is Where-is” basis with no representations and warranties of any kind, whether statutory (*Sale of Goods Act*) or otherwise, and the Auctioneer agrees to indemnify the Receiver for any claims arising thereon.

**Force Majeure** – Auctioneer shall not be liable for any failure or delay in performance or a breach of the terms under the Agreement due to conditions beyond its control including, but not limited to, force majeure, acts of God, wars, riots, insurrections, natural disasters, fires, acts of terrorism and/or any other cause beyond reasonable control that have the effect of disrupting, interfering and/or obstructing any segment of the economy.

**Insurance** – Agent shall also maintain insurance at its own expense for third party liability with respect to any physical activities at the Premises, including any damage caused to the Premises as a result of the Auctioneer’s activities or by any buyer during the inspection or removal of the Assets.

**Confidentiality** – The Receiver and Auctioneer shall keep confidential all information and documents pertaining to this transaction except for such information required to be disclosed by applicable law, court order, or as required to be disclosed by legal proceedings, if applicable.

**Removal of Debris** – Auctioneer agrees to leave the premises in broom-swept condition following completion of the auction sale. Auctioneer does not assume responsibility for the removal or disposal of any unsold lots. All related waste bin costs and clean-up of the premises will be for the Receiver’s account, supported by applicable invoices.

**Net Minimum Guarantee** – Infinity Asset Solutions guarantees to the Receiver a minimum monetary recovery of \$515,000 (the “**Guaranteed Amount**”) plus applicable taxes, which will be payable and subject to the following:

- a. The Receiver shall comply with all of their obligations set forth in this Agreement. In particular, that the Agent shall be entitled to sell all of the Assets in their present location and condition as inspected by the Agent and to use the Premises as set forth herein;
- b. The Guaranteed Amount shall be paid by delivery to the Receiver the sum of \$100,000 as a deposit upon execution of this Agreement and the balance to be paid a minimum of 2 days prior to the Auction Date; and
- c. The next \$60,000 beyond the Guaranteed Amount (if any) will be retained by the Agent for its expenses for sale set-up, check out and overseeing of the removal process, auction Marketing – Bidspotter E-blasts, Infinity digital E-blasts and website promotion. Any sales beyond \$575,000 will be split 85% / 15% in favour of the Receiver and will be paid within 30 days following the final sale of the Assets. In the event that the proceeds of sale are less than the Guaranteed Amount, the Agent will not be entitled to any compensation, fees, expenses or charge backs, with its sole compensation being the Buyer's Premium as set out below.

**Adjustment on Removal of Assets from Sale** – If the Receiver is not entitled to convey title to an Asset to the Agent, or if the Receiver is not able to give the Agent possession of an Asset, then the Net Minimum Guarantee shall be reduced by an amount equal to the orderly liquidation value of such Asset.

**Buyer's Premium** – Agent shall be entitled to charge and retain an industry standard buyer's premium of 18% from all sales of the Assets.

**Removal of Sold items** – Auctioneer to supervise the removal of all sold inventory and equipment for the period of the contract. Auctioneer will be responsible for supervising and ensuring the proper and safe disconnection of sold Assets from the Premises. Auctioneer agrees to indemnify the Receiver from any damage caused to the Premises during the removal of Assets and any claims that arise thereto.

**Government Sales Tax** – Agent will charge and collect from the purchasers any/all applicable taxes from the sale and will submit the collected taxes to the appropriate Canadian government entity.

**Accounting Package and Payment to Receiver** – Agent shall deliver a detailed accounting package to Receiver together with the net proceeds within 30 days of the date of the auction. Such information will also include a detailed sales report that outlines the individual price of each lot sold. Payments for the purchase of all Assets shall be held separately by the Agent in trust for the Receiver.

**Selling Prices** – All items will be sold to the highest bidder, conforming to the bid process, without reserved bids or minimum selling prices.

**Counterparts & Execution** – This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original, and all of which taken together will be deemed to constitute one and the same instrument. This Agreement may be executed and delivered by electronic means and each of the parties may rely on such electronic execution as though it were an original hand-written signature.



This Agreement is entered into by the Receiver solely in its capacity as the Court-Appointed Receiver of the undertaking, property and assets of Digital Orthodontic Care Inc., and the Receiver shall incur no personal or corporate liability as a result of this Agreement and its covenants and obligations hereunder. The Agent understands and agrees that the Ontario Superior Court of Justice has jurisdiction over any claim, dispute or proceedings arising out of this Agreement and the contemplated transactions.

**Richter Inc.**, solely in its capacity as  
Court-Appointed Receiver of the undertaking,  
property and assets of Digital Orthodontic Care Inc.


Per:

Authorized Representative

  
\_\_\_\_\_  
Title Jonathan Joffe, VP

**AGREED TO AND ACCEPTED** this 6<sup>th</sup> day of September 2023

**INFINITY ASSET SOLUTIONS INC.**

Per:   
\_\_\_\_\_  
Name: Bruce Lyle -  
Title: President

# Appendix “E”

## STALKING HORSE PURCHASE AGREEMENT

This Agreement is made as of August 10, 2023, between

**Richter Inc., in its capacity as court appointed receiver of Digital Orthodontic Care Inc. and not in its personal or corporate capacity**

(the “Vendor”)

and

**Ortho Studios Express, Inc.**  
a corporation incorporated under the laws of the State of Wisconsin

(the “Purchaser”)

**WHEREAS** on July 4, 2023, Richter Inc. was appointed as receiver (in such capacity, the “Receiver”) of all of the assets, undertakings and properties of Digital Orthodontic Care Inc. (the “Company”) pursuant to an order (the “Appointment Order”) of the Ontario Superior Court of Justice (Commercial List) (the “Court”),

**AND WHEREAS** pursuant to the Appointment Order, the Receiver is authorized to market any or all of the property of the Company (the “Property”), including advertising or soliciting offers in respect of any and all the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver, in its discretion, may deem appropriate,

**AND WHEREAS** on August 17, 2023, the Court granted an order (the “Sale Procedures Order”) approving the procedures for soliciting and selecting bids for one or more sale transactions (each, a “Transaction”) in respect of certain of the property and assets of the Company and authorizing and directing the Receiver to carry out the Sale Procedures (as defined below),

**AND WHEREAS** in the event that this Agreement is selected as the Successful Bid (as defined below) in the Sale Procedures, the Vendor has agreed to sell and transfer to the Purchaser, and the Purchaser has agreed to purchase from the Vendor, all of the Vendor’s and Company’s right, title and interest in and to the Purchased Assets, subject to and in accordance with the terms and conditions set forth in this Agreement,

**NOW THEREFORE**, in consideration of the mutual covenants and agreements set forth in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby irrevocably acknowledged, the parties hereto (collectively, the “Parties”, and each, a “Party”) hereby acknowledge and agree as follows:

## ARTICLE 1 – INTERPRETATION

### 1.01 Definitions

(1) In this Agreement, unless something in the subject matter or context is inconsistent therewith:

“**Affiliates**” means, with respect to any Person, any other Person that controls or is controlled by or is under common control with the referent Person.

“**Agreement**” means this agreement, including its recitals and schedules, as amended from time to time.

“**Applicable Law**” means (i) any applicable domestic or foreign law including any statute, regulation, subordinate legislation or treaty, as well as the common law, and (ii) any applicable and enforceable rule, requirement, order, judgment, injunction, award or decree of a Governmental Authority.

“**Appointment Order**” has the meaning set out in the recitals hereto.

“**Approval and Vesting Order**” means an order of the Court substantially in a form to be agreed on by the Vendor and the Purchaser, each acting reasonably: (i) approving the sale of the Purchased Assets by the Vendor to the Purchaser pursuant to the terms of this Agreement, (ii) authorizing and directing the Vendor to complete the Transaction to convey to the Purchaser the Purchased Assets, and (iii) providing for the vesting of all the right, title, benefit and interest of the Company and the Vendor in and to the Purchased Assets in and to the Purchaser, free and clear of all Encumbrances, other than the Permitted Encumbrances.

“**Assumed Liabilities**” has the meaning set out in Section 2.07(1).

“**Bid Deadline**” has the meaning set out in Schedule F.

“**Books and Records**” means all personnel records, inspection records, financial records, and other records, books, documents and data bases recorded or stored by means of any device, including in electronic form, relating to the Business or the Purchased Assets as are in the possession or under the control of the Vendor.

“**Break Fee**” means the break fee in an amount equal to CAN\$85,000 contemplated by the Sale Procedures that will become immediately due and payable to the Purchaser (in its capacity as “Stalking Horse Bidder” under the Sale Procedures) if this Agreement is not designated by the Receiver as the Successful Bid pursuant to and in accordance with the Sale Procedures and Section 5.05(1)(b) hereof.

“**Business**” means the business conducted by Digital Orthodontic Care Inc. being a dental technology company engaged in the development, marketing and sale of orthodontic aligners.

“**Business Day**” means a day other than a Saturday, Sunday, statutory or civic holiday in Toronto, Ontario.

“**Claim**” means any actual or threatened civil, criminal, administrative, regulatory, arbitral or investigative inquiry, action, suit, investigation or proceeding and any loss, claim or demand relating thereto or resulting therefrom, or any other claim or demand of whatever nature or kind.

“**Closing Date**” means five (5) Business Days following the later of (i) the selection of this Agreement as the Successful Bid and (ii) the date of the Approval and Vesting Order, or such other date as may be agreed in writing between the parties hereto, but in any case, not later than the Outside Date.

“**Company**” has the meaning set out in the recitals hereto.

“**Court**” means the Ontario Superior Court of Justice (Commercial List).

“**Credit Bid Amount**” has the meaning set out in Section 2.03(b).

“**Encumbrances**” means any security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens (statutory or otherwise), pledges, executions, levies, charges, encumbrances, interests in property, or other financial or monetary Claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise.

“**ETA**” means the *Excise Tax Act*, R.S.C. 1985, c, E-15, as amended.

“**Excluded Assets**” has the meaning set out in Section 2.02.

“**Governmental Authority**” means any domestic or foreign legislative, executive, judicial or administrative body or Person having jurisdiction in the relevant circumstances.

“**HST**” means harmonized sales tax imposed under Part IX of the ETA.

“**Intangibles**” has the meaning set out in Section 2.01(1)(b).

“**Intellectual Property**” means intellectual property of any nature and kind including all domestic and foreign trade-marks, business names, trade names, domain names, trading styles, patents, trade secrets, confidential information, software, industrial designs and copyrights, whether registered or unregistered, and all applications for registration thereof, and inventions, formulae, recipes, product formulations and chemistries, processes and processing methods, technology and techniques and know-how, including without limitation the patents set out on **Schedule A** hereto.

“**Investment Property**” means all of the shares, units, debt instruments, notes or equity interests owned or held by the Company in the capital of, or issued by, the entities listed on **Schedule B** hereto (excluding any such shares, units, debt instruments, notes or equity interests identified as Excluded Assets on **Schedule D** hereto).

“**Liabilities**” means all costs, expenses, charges, debts, liabilities, commitments and obligations of any nature or kind, whether accrued or fixed, actual, absolute, contingent, latent or otherwise, matured or unmatured or determined or undeterminable, including those arising under any Applicable Law or Claim and those arising under any contract or undertaking or otherwise, including any tax liability or tort liability of the Company or the Vendor.

“**Liquidation Agreement**” means the agreement between the Receiver and Infinity Asset Solutions dated on or about the date hereof.

“**Outside Date**” means 11:59 pm (Toronto time) on October 27, 2023 or such later date and time as the Vendor and the Purchaser may agree in writing.

“**Permitted Encumbrances**” means only those Encumbrances and other registrations or encumbrances related to the Purchased Assets set forth on **Schedule C** hereto.

“**Person**” means any individual, corporation, limited liability company, partnership, firm, joint venture, association, joint-stock company, trust, unincorporated organization, Governmental Authority or other entity.

“**Personal Information**” means information about an identifiable individual, but does not include the name, title or business address or telephone number of an employee of an organization.

“**Priority Payable Amount**” has the meaning set out in Section 2.03(a).

“**Priority Payables**” means all amounts which by operation of law are in priority to the security interest of the Purchaser in respect of the Secured Indebtedness, including amounts that may be due and owing under the Receiver’s Charge.

“**Purchase Price**” has the meaning set out in Section 2.03.

“**Purchased Assets**” has the meaning set out in Section 2.01.

“**Receiver**” has the meaning set out in the recitals hereto.

“**Receiver’s Certificate**” means a certificate signed by the Receiver substantially in the form attached as Schedule “A” to the Approval and Vesting Order.

“**Receiver’s Borrowings Charge**” has the meaning set out in the Appointment Order.

“**Receiver’s Charge**” has the meaning set out in the Appointment Order.

“**Sale Procedures**” means the sale procedures, substantially in the form set out in **Schedule F** hereto.

“**Sale Procedures Order**” has the meaning set out in the recitals hereto.

“**Secured Indebtedness**” means the indebtedness owing to the Purchaser by the Company including, without limitation, all principal, interest, fees, payments, costs, expenses and disbursements, pursuant to, or in connection with (i) the Line of Credit Grid Promissory Note dated March 20, 2020 in the principal amount of US\$5,000,000 issued by the Company to the Purchaser and secured by the General Security Agreement dated as of March 20, 2020 granted by the Company in favour of the Purchaser, in each case as amended, supplemented, amended and restated, replaced, or otherwise modified from time to time, and (ii) advances made by the Purchaser to the Receiver under the Receiver’s Borrowings Charge in the amount of CAN\$70,000.

“**Successful Bid**” has the meaning set out in Schedule F.

“**Tax Act**” means the *Income Tax Act* (Canada), as amended from time to time.

“**Time of Closing**” means 10:00 a.m. (Toronto Time) on the Closing Date.

“**Transfer Taxes**” has the meaning set out in Section 2.06(1).

“**Transaction**” means the transaction of the purchase and sale of the Purchased Assets as contemplated by this Agreement.

“**Vendor**” has the meaning set out in the recitals hereto.

## 1.02 Headings

The division of this Agreement into Articles and Sections and the insertion of a table of contents and headings are for convenience of reference only and do not affect the construction or interpretation of this Agreement. The terms “hereof”, “hereunder” and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles, Sections and Schedules are to Articles and Sections of and Schedules to this Agreement.

## 1.03 Extended Meanings

In this Agreement words importing the singular number include the plural and vice versa, words importing any gender include all genders and words importing Persons include individuals, corporations, limited and unlimited liability companies, general and limited partnerships, associations, trusts, unincorporated organizations, joint ventures and Governmental Authorities. The term “including” means “including without limiting the generality of the foregoing” and the term “third party” means any Person other than the Vendor and the Purchaser.

## 1.04 Statutory References

In this Agreement, unless something in the subject matter or context is inconsistent therewith or unless otherwise herein provided, a reference to any statute is to that statute as now enacted or as the same may from time to time be amended, re-enacted or replaced and includes any regulations made thereunder.

## 1.05 Currency

All references to currency herein are to lawful money of Canada.

## 1.06 Schedules

The following are the Schedules to this Agreement:

Schedule A – Intellectual Property

Schedule B – Investment Property

**Schedule C** – Permitted Encumbrances

**Schedule D** – Other Excluded Assets

**Schedule E** – Allocation of Purchase Price

**Schedule F** – Sale Procedures

The Schedules hereto are for the sole benefit of the Purchaser. The parties hereto acknowledge and agree that the Purchaser, in its sole discretion, may revise the Schedules “A” through “E” up to and until the Time of Closing. For greater certainty, any revision of the Sale Procedures must comply with the terms therein.

## ARTICLE 2 - SALE AND PURCHASE

### 2.01 Assets to be Sold and Purchased

(1) Upon and subject to the terms and conditions hereof, the Vendor will sell to the Purchaser and the Purchaser will purchase from the Vendor, as of and with effect from the Time of Closing, all of the right, title, benefit and interest of the Vendor in and to the following assets (collectively, the “**Purchased Assets**”);

- (a) all Intellectual Property owned by the Company relating to the Business or otherwise;
- (b) all choses in action where the Company is the plaintiff or moving party and any other intangibles owned by the Company that do not form part of the Intellectual Property (“**Intangibles**”);
- (c) all authorizations owned, held or used by the Company in connection with the Purchased Assets to the extent they are transferable;
- (d) all rights of the Vendor to tax refunds, credits, rebates or similar benefits for the period prior to the Closing Date;
- (e) any Claim of the Company to reimbursement under any insurance policy applicable to the Company;
- (f) all Investment Property; and
- (g) all Books and Records related to the Purchased Assets;

but excluding, for greater certainty, in each and every case the Excluded Assets (as hereinafter defined).

### 2.02 Excluded Assets

(1) Notwithstanding Section 2.01 or any other provision in this Agreement to the contrary, the Vendor and the Company will retain the right, title, benefit and interest in and to, and the Purchaser



will have no rights with respect to the right, title, benefit and interest of the Vendor in and to the following assets (collectively, the “**Excluded Assets**”):

- (a) shares and other interests or capital in the Company;
- (b) the tax records and insurance policies of the Vendor, save and except for those tax records that are required with respect to any Purchased Assets;
- (c) Books and Records not pertaining primarily to the Purchased Assets;
- (d) any other assets listed in **Schedule D**.

(2) The Purchaser and the Vendor agree that the Purchaser shall deliver to the Vendor, on or before the Bid Deadline, a completed form of **Schedule D**, which upon delivery shall form part of this Agreement.

### **2.03 Purchase Price**

The aggregate purchase price payable by the Purchaser to the Vendor for the Purchased Assets excluding all applicable Taxes (such amount being hereinafter referred to as the “**Purchase Price**”) shall be CAN\$3,000,000 (inclusive of any applicable Transfer Taxes), which shall comprise of the following:

- (a) the payment in cash of an amount equal to that portion of the Priority Payables not otherwise satisfied from the proceeds of sale of the Property sold pursuant to the Liquidation Agreement (the “**Priority Payable Amount**”); and
- (b) a credit bid of the Secured Indebtedness of the balance of the Purchase Price (the “**Credit Bid Amount**”), which shall upon Closing cause the partial repayment and release of that portion of the Secured Indebtedness.

### **2.04 Satisfaction of Purchase Price**

The Purchaser shall pay and satisfy the Purchase Price on the Closing Date as follows:

- (a) the assumption by the Purchaser of the Assumed Liabilities, if any;
- (b) the Purchaser shall pay in cash the Priority Payable Amount, if any; and
- (c) the repayment and release of the Credit Bid Amount, as described in Section 2.03(b).

### **2.05 Allocation of Purchase Price**

The Purchase Price will be allocated among the Purchased Assets as set out in **Schedule E**. The Vendor and Purchaser will make and file all tax returns and filings on a basis which is consistent with the amount and allocation of the Purchase Price. The Purchaser and the Vendor agree that the Purchaser shall deliver to the Vendor, on or before Closing, a completed form of **Schedule E**, which upon delivery shall form part of this Agreement.

## 2.06 Transfer Taxes

(1) The Purchaser shall be responsible for all federal and provincial sales taxes, transfer tax, goods and services, HST and other similar taxes and duties payable upon or in connection with the conveyance or transfer of the Purchased Assets to the Purchaser (collectively, the “**Transfer Taxes**”). The Vendor will not collect HST if the Purchaser provides to the Vendor a warranty that it is registered under the ETA, together with a copy of the required ETA registration at least five Business Days prior to Closing, a warranty that the Purchaser shall self-assess and remit the HST payable and file the prescribed form and shall indemnify the Vendor in respect of any HST payable. The foregoing warranties shall not merge but shall survive the completion of the Transaction.

(2) Subject to Section 2.06(1), any applicable Transfer Taxes shall be paid by the Purchaser to the Vendor in cash on Closing, which payment shall result in a reduction to the Credit Bid Amount in an amount equal to the amount of the Transfer Taxes.

## 2.07 Assumption of Liabilities

(1) Subject to this transaction Closing on the Closing Date, the Purchaser agrees to discharge, perform and fulfil the following obligations and liabilities of the Company:

- (a) All Liabilities in respect of the transfer or maintenance of the Intellectual Property;
- (b) All Liabilities in respect of the transfer of the Investment Property, including any costs associated with obtaining consent to such transfer;
- (c) All Liabilities in respect of the transfer of the Intangibles; and
- (d) Any Liabilities associated with the transfer of authorizations owned, held or used by the Company in connection with the Purchased Assets,

(collectively, the “**Assumed Liabilities**”).

(2) Other than the Assumed Liabilities, the Purchaser shall not assume and shall have no obligation to discharge, perform or fulfil any other Liabilities.

(3) For greater certainty, the Purchaser hereby releases the Vendor from any obligation to discharge, perform or fulfil any Liabilities in respect of the Purchased Assets.

## 2.08 Delivery of Purchased Assets

At the Time of Closing, the Purchaser will take possession of the Purchased Assets where situated. The Purchaser acknowledges that the Vendor has no obligation to deliver possession of the Purchased Assets to the Purchaser at any location other than where situated.

## ARTICLE 3 - REPRESENTATIONS AND WARRANTIES

### 3.01 Vendor's Representations and Warranties

(1) The Vendor represents and warrants to the Purchaser that, as at the date hereof and as of the Closing Date:

- (a) the Vendor has taken all necessary corporate action to authorize the entering into and performance by it of this Agreement and completion of the transactions contemplated herein and the entering into of this Agreement in completion of the transactions contemplated herein;
- (b) subject to the entry of the Approval and Vesting Order and any other orders required by the Court in connection with the transactions contemplated herein, the Vendor has the power, authority and right to enter into and deliver this Agreement and to carry out its obligations hereunder;
- (c) subject to the entry of the Approval and Vesting Order and any other orders required by the Court in connection with the transactions contemplated herein, this Agreement constitutes a valid and legally binding obligation of the Vendor, enforceable against the Vendor in accordance with its terms;
- (d) the Vendor is or will be a registrant under Part IX of the *Excise Tax Act* (Canada) on the Closing Date; and
- (e) the Vendor is not a non-resident of Canada within the meaning of section 116 of the *Tax Act*.

### 3.02 Purchaser's Representations and Warranties

(1) The Purchaser represents and warrants to the Vendor that:

- (a) the Purchaser is a corporation duly incorporated, organized and existing under the laws of the State of Wisconsin;
- (b) the Purchaser has the power, authority and right to enter into and deliver this Agreement and to carry out its obligations hereunder;
- (c) this Agreement constitutes a valid and legally binding obligation of the Purchaser, enforceable against the Purchaser in accordance with its terms;
- (d) the Purchaser has taken all necessary corporate action to authorize the entering into and performance by it of this Agreement and completion of the transactions contemplated herein and the entering into of this Agreement in completion of the transactions contemplated herein will not breach its constating documents, any agreement binding on the Purchaser, or Applicable Laws relating to the Purchaser;
- (e) the Purchaser has not committed an act of bankruptcy, is not insolvent, has not proposed a compromise or arrangement to its creditors generally, has not had any application for a bankruptcy order filed against it, has not taken any proceeding and

no proceeding has been taken to have a receiver appointed over any of its assets, has not had an encumbrancer take possession of any of its property and has not had any execution or distress become enforceable or levied against any of its property;

- (f) there are no orders of or proceedings before or pending before any Governmental Authority, or threatened to be brought by or before any Governmental Authority by or against the Purchaser affecting the legality, validity or enforceability of this Agreement or the consummation of the transactions contemplated hereby by the Purchaser;
- (g) no authorizations, consents or approvals of, or filing with or notice to, any Governmental Authority is required in connection with the execution, delivery or performance of this Agreement; and
- (h) except for the Approval and Vesting Order, no consent, waiver, authorization or approval of any Person and no declaration to or filing or registration with any Governmental Authority is required in connection with the execution and delivery by the Purchaser of this Agreement.

### 3.03 “As Is, Where Is”

(1) The Purchaser acknowledges and agrees that it is purchasing the Purchased Assets and assuming the Assumed Liabilities on an “*as is, where is*” basis and on the basis that the Purchaser has conducted to its satisfaction an independent inspection, investigation and verification of the Purchased Assets (including a review of title) and all other relevant matters and has determined to proceed with the transaction contemplated herein and will accept the same at the Time of Closing in their then current state, condition, location, and amounts, subject to all Permitted Encumbrances.

(2) Except as otherwise expressly provided in Section 3.01, no representation, warranty or condition whether statutory (including under the *Sale of Goods Act* (Ontario), the *International Sale of Goods Contracts Convention Act* (Canada) and the *International Sale of Goods Act* (Ontario) or any international equivalent act which may be applicable to the subject matter pursuant to the provisions of this Agreement, including but not limited to the *United Nations Convention on Contracts for the International Sale of Goods*), or express or implied, oral or written, legal, equitable, conventional, collateral, arising by custom or usage of trade, or otherwise is or will be given including as to title, outstanding Encumbrances, description, fitness for purpose, merchantability, merchantable quality, quantity, condition (including physical environmental condition), suitability, durability, assignability, or marketability thereof or any other matter or thing whatsoever, and all of the same are expressly excluded and disclaimed and any rights pursuant to such statutes have been waived by the Purchaser. The Purchaser acknowledges and agrees that it has relied entirely and solely on its own investigations as to the matters set out above and in determining to purchase the Purchased Assets and assume the Assumed Liabilities pursuant to this Agreement.

(3) The description of the Purchased Assets contained herein is for the purpose of identification only and the inclusion of any item in such description does not confirm the existence of any such items or that any such item is owned by the Company. Except as otherwise explicitly set forth in Section 3.01, no representation, warranty or condition has been given by the Vendor concerning the completeness or accuracy of such descriptions and the Purchaser acknowledges and agrees that

any other representation, warranty, statements of any kind or nature, express or implied, (including any relating to the future or historical financial condition, results of operations, prospects, assets or liabilities of the Vendor or the quality, quantity or condition of the Purchased Assets) are specifically disclaimed by the Vendor.

(4) Any documents, materials and information provided by or on behalf of the Vendor or the Company to the Purchaser with respect to the Purchased Assets and the Assumed Liabilities (including any confidential information memorandums, management presentations, or material made available in the electronic data room) have been provided to the Purchaser solely to assist the Purchaser in undertaking its own due diligence, and the Vendor has not made and is not making any representations or warranties, implied or otherwise, to or for the benefit of the Purchaser as to the accuracy and completeness of any such documents, materials or information or the achievability of any valuations, estimates or projections. The Purchaser acknowledges that it has not and will not rely upon any such documents, materials or information in any manner, whether as a substitute for or supplementary to its own due diligence, searches, inspections and evaluations. The Vendor and its respective Affiliates, directors, officers, employees, agents and advisors shall not be liable for any inaccuracy, incompleteness or subsequent changes to any such documents, materials or information.

## ARTICLE 4 – COVENANTS

### 4.01 Covenants of the Vendor

(1) As soon as practicable after the execution of this Agreement, the Vendor shall serve and file with the Court a motion for (i) the issuance of the Sale Procedures Order approving the Sale Procedures, and (ii) the issuance of the Approval and Vesting Order, among other things, approving this Agreement and, subject to this Agreement's selection as the Successful Bid, authorizing the Vendor to consummate the Transaction. The Vendor shall use its best efforts to seek the issuance and entry of the Approval and Vesting Order and the Purchaser shall cooperate with the Vendor in its efforts to obtain the issuance and entry of the Approval and Vesting Order.

(2) The Vendor will ensure that the representations and warranties of the Vendor set out in Section 3.01 are true and correct in all material respects at the Time of Closing and use reasonable commercial efforts to ensure that the conditions of closing for the benefit of the Purchaser set out in Section 5.02 over which it has reasonable control have been performed or complied with in all material respects by the Time of Closing.

### 4.02 Covenants of the Purchaser

(1) The Purchaser will ensure that the representations and warranties of the Purchaser set out in Section 3.02 are true and correct in all material respects at the Time of Closing and use reasonable commercial efforts to ensure that the conditions of closing for the benefit of the Vendor set out in Section 5.03 over which it has reasonable control have been performed or complied with in all material respects by the Time of Closing.

(2) The Purchaser will provide the Vendor with all information within its possession or control that the Vendor may reasonably request to assist the Vendor in obtaining the Approval and Vesting Order.

(3) The Purchaser will comply with the *Personal Information Protection and Electronic Documents Act* (Canada) and other similar Applicable Laws relating to privacy and the protection of Personal Information in respect of the Books and Records and any other business and financial records related to the Purchased Assets.

## ARTICLE 5 - CONDITIONS AND TERMINATION

### 5.01 Mutual Conditions

(1) The obligation of the Parties to complete the Transaction is subject to the following joint conditions being satisfied, fulfilled or performed on or prior to the Closing Date:

- (a) the Court shall have issued and entered the Approval and Vesting Order, which Approval and Vesting Order shall not have been stayed, set aside, or vacated;
- (b) the Transaction shall have been designated as the Successful Bid pursuant to the Sale Procedures;
- (c) no Applicable Law and no judgment, injunction, order or decree shall have been issued by a Governmental Authority or otherwise in effect that restrains or prohibits the completion of the Transaction; and
- (d) no motion, action or proceedings shall be pending by or before a Governmental Authority to restrain or prohibit the completion of the Transaction contemplated by this Agreement.

(2) The foregoing conditions are for the mutual benefit of the Parties. If any condition set out in this Section 5.01 is not satisfied, performed or mutually waived on or prior to the Outside Date, any Party may elect on written notice to the other Party to terminate this Agreement.

### 5.02 Conditions for the Benefit of the Purchaser

(1) The sale by the Vendor and the purchase by the Purchaser of the Purchased Assets and the assumption of the Assumed Liabilities are subject to the following conditions, which are for the exclusive benefit of the Purchaser and which are to be performed or complied with at or prior to the Time of Closing:

- (a) the representations and warranties of the Vendor set forth in this Agreement will be true and correct in all material respects at the Time of Closing with the same force and effect as if made at and as of such time;
- (b) the Vendor will have performed or complied in all material respects with all of the obligations and covenants of this Agreement to be performed or complied with by the Vendor at or prior to the Time of Closing; and
- (c) no action or proceeding in Canada will be pending by any third party to enjoin or prohibit the sale and purchase of the Purchased Assets.

### **5.03 Conditions for the Benefit of the Vendor**

(1) The sale by the Vendor and the purchase by the Purchaser of the Purchased Assets and the assumption of the Assumed Liabilities are subject to the following conditions, which are for the exclusive benefit of the Vendor and which are to be performed or complied with at or prior to the Time of Closing:

- (a) the representations and warranties of the Purchaser set forth in this Agreement will be true and correct in all material respects at the Time of Closing with the same force and effect as if made at and as of such time;
- (b) the Purchaser will have performed or complied in all material respects with all of the obligations and covenants of this Agreement to be performed or complied with by the Purchaser at or prior to the Time of Closing; and
- (c) no action or proceeding in Canada will be pending by any third party to enjoin or prohibit the purchase and sale of the Purchased Assets and the assumption of the Assumed Liabilities.

### **5.04 Waiver of Condition**

(1) The Purchaser, in the case of a condition set out in Section 5.02, and the Vendor, in the case of a condition set out in Section 5.03, will have the exclusive right to waive the performance or compliance of such condition in whole or in part and on such terms as may be agreed upon without prejudice to any of its rights in the event of non-performance of or non-compliance with any other condition in whole or in part. Any such waiver will not constitute a waiver of any other conditions in favour of the waiving party. Such waiving party will retain the right to complete the purchase and sale of the Purchased Assets herein contemplated.

### **5.05 Termination**

- (1) This Agreement may be terminated, by notice given prior to or on the Closing Date:
- (a) by the Vendor or the Purchaser if a material breach of any representation, warranty, covenant, obligation or other provision of this Agreement has been committed by the other party and such breach has not been waived or cured within five days following the date on which the non-breaching party notifies the other party of such breach;
  - (b) by the Vendor or the Purchaser, if a transaction other than the Transaction is designated by the Receiver as the Successful Bid at the Bid Deadline pursuant to the Sale Procedures and such transaction is consummated and closes, in which case, upon closing of the transaction that is the Successful Bid, the Break Fee will be forthwith payable by the Receiver to the Purchaser. The Break Fee shall be paid to the Purchaser only if the Purchaser is not in breach or default of any provision of this Agreement, which breach or default has not been waived in writing by the Vendor;

- (c) by the Purchaser if a condition in Section 5.01 or Section 5.02 becomes impossible to satisfy prior to the Outside Date (other than through the failure of the Purchaser to comply with its obligations under this Agreement) and the Purchaser has not waived such condition;
- (d) by the Vendor if a condition in Section 5.01 or Section 5.03 becomes impossible to satisfy prior to the Outside Date (other than through the failure of the Vendor to comply with its obligations under this Agreement) and the Vendor has not waived such condition;
- (e) by written agreement of the Purchaser and the Vendor;
- (f) by the Vendor or the Purchaser if the completion of the sale of Purchased Assets herein contemplated has not occurred (other than through the failure of the party seeking termination to comply with its obligations under this Agreement) on or before the Outside Date.

### **5.06 Effect of Termination**

Each party's right of termination under Section 5.05 is in addition to any other rights it may have under this Agreement or otherwise, and the exercise of a right of termination will not be an election of remedies. If this Agreement is terminated pursuant to Section 5.05, all further obligations of the parties under this Agreement will terminate, except that the obligations in sections 6.04 and 8.03 will survive; provided, however, that if this Agreement is terminated by a party because of a material breach of a representation or warranty, covenant, obligation or other provision of this Agreement by the other party or because one or more of the conditions to the terminating party's obligations under this Agreement is not satisfied as a result of the other party's failure to comply with its obligations under this Agreement, the terminating party's right to pursue all legal remedies with respect to such breach will survive such termination unimpaired.

## **ARTICLE 6 - CLOSING ARRANGEMENTS**

### **6.01 Closing**

The sale and purchase of the Purchased Assets will be completed at the Time of Closing at the offices of Reconstruct LLP, 200 Bay Street, Suite 2305, Toronto, Ontario.

### **6.02 Vendor's Closing Deliveries**

- (1) On or before the Time of Closing, the Vendor will deliver or cause to be delivered to the Purchaser the following:
  - (a) a certificate from the Vendor, dated as of the Closing Date, certifying:
    - (i) that, except as disclosed in the certificate, the Vendor has not been served with any notice of appeal with respect to the Approval and Vesting Order, or any notice of any application, motion or proceedings seeking to set aside or vary the Approval and Vesting Order or to enjoin, restrict or prohibit the Transaction; and



- (ii) that all representations, warranties and covenants of the Vendor contained in this Agreement are true as of the Time of Closing, with the same effect as though made on and as of the Time of Closing;
- (b) an acknowledgement, dated as of the Closing Date, that each of the conditions in Sections 5.01 and 5.03 hereof have been fulfilled, performed or waived as of the Time of Closing;
- (c) a copy of the issued and entered Approval and Vesting Order;
- (d) a bill of sale, duly executed by the Vendor, if necessary;
- (e) the share certificate(s) or other documentation evidencing the Investment Property;
- (f) the executed Receiver's Certificate; and
- (g) such other documents or instruments as contemplated or required to be delivered pursuant to this Agreement, all of which shall be in form and substance satisfactory to the parties, acting reasonably.

### **6.03 Purchaser's Closing Deliveries**

- (1) On or before the Time of Closing, the Purchaser will deliver or cause to be delivered to the Vendor the following:
  - (a) a receipt and release with respect to the Credit Bid Amount;
  - (b) by the payment, in cash by wire transfer in immediately available funds, of the Priority Payable Amount and any applicable Transfer Taxes;
  - (c) a certificate executed by an officer of the Purchaser confirming that the representations and warranties of the Purchaser in this Agreement are true and correct in all material respects as of the Time of Closing and that the obligations of the Purchaser to be performed prior to the Time of Closing have been performed in all material respects;
  - (d) an acknowledgement, dated as of the Closing Date, that each of the conditions in Sections 5.01 and 5.02 hereof have been fulfilled, performed or waived as of the Time of Closing; and
  - (e) such other documents or instruments as contemplated or required to be delivered pursuant to this Agreement, all of which shall be in form and substance satisfactory to the parties, acting reasonably.

### **6.04 Confidentiality**

Subject to the terms of any non-disclosure agreement, both prior to the Closing Date and, if the sale and purchase of the Purchased Assets hereunder fails to occur for whatever reason thereafter, the Purchaser will not disclose to anyone or use for its own or for any purpose other than the purpose contemplated by this Agreement any confidential information concerning the Vendor or

the operations obtained by the Purchaser pursuant hereto, and will hold all such information in the strictest confidence and, if the sale and purchase of the Purchased Assets hereunder fails to occur for whatever reason, will return all documents, records and all other information or data relating to the Vendor or to the operations which the Purchaser obtained pursuant to this Agreement.

## **ARTICLE 7 – SURVIVAL**

### **7.01 Survival**

No covenants, representations and warranties of each party contained in this Agreement will survive the completion of the sale and purchase of the Purchased Assets hereunder, except for the covenants that by their terms are to be satisfied or survive after the Time of Closing, which covenants will continue in full force and effect in accordance with their terms.

## **ARTICLE 8 - GENERAL**

### **8.01 Further Assurances**

Each of the Vendor and the Purchaser will from time to time at the request and expense of the other execute and deliver all such further documents and instruments and do all acts and things as the other party may, either before or after the Closing Date, reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement.

### **8.02 Time of the Essence**

Time is of the essence of this Agreement.

### **8.03 Fees, Commissions and other Costs and Expenses**

Each of the Vendor and the Purchaser will pay its respective legal and accounting costs and expenses and any other commissions incurred in connection with the preparation, execution and delivery of this Agreement and all documents and instruments executed pursuant to this Agreement and any other costs and expenses whatsoever and howsoever incurred and will indemnify and save harmless the other from and against any Claim resulting from any broker's, finder's or placement fee or commission alleged to have been incurred as a result of any action by it in connection with the transactions under this Agreement.

### **8.04 Benefit of the Agreement**

This Agreement will enure to the benefit of and be binding upon the successors and permitted assigns of the parties.

### **8.05 Entire Agreement**

This Agreement (including the agreements contemplated hereby) constitutes the entire agreement between the parties with respect to the subject matter hereof and such agreements cancel and supersede any prior understandings and agreements between the parties with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties other than as expressly set forth in this Agreement (including the agreements contemplated hereby).

## 8.06 Amendments and Waivers

No amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by both of the parties. No waiver of any breach of any provision of this Agreement will be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided, will be limited to the specific breach waived.

## 8.07 Assignment

This Agreement may not be assigned by the Vendor without the prior written consent of the Purchaser. This Agreement may not be assigned by the Purchaser without the prior written consent of the Vendor.

## 8.08 Notices

(1) Any demand, notice or other communication to be given in connection with this Agreement must be given in writing and will be given by personal delivery or by electronic means of communication addressed to the recipient as follows:

to the Vendor:

Richter Inc.  
181 Bay St. #3510  
Bay Wellington Tower  
Toronto, ON M5J 2T3

Attention: Jonathan Joffe  
Email: JJoffe@Richter.ca

with a copy to:

Reconstruct LLP  
200 Bay Street, Suite 2305  
Toronto, ON M5J 2J3

Attention: Caitlin Fell  
Email: cfell@reconllp.com

to the Purchaser:

Ortho Studios Express, Inc.  
N2263 Foster Rd South  
Oostburg, Wisconsin  
53070-1643

Attention: Mark Cassidy  
Email: mcassidy@americanortho.com

With a copy to:

McMillan LLP  
Brookfield Place, Suite 4400  
181 Bay Street  
Toronto, Ontario  
M5J 2T3

Attention: Tushara Weerasooriya  
Email: tushara.weerasooriya@mcmillan.ca

or to such other street address, individual or electronic communication number or address as may be designated by notice given by either party to the other. Any demand, notice or other communication given by personal delivery will be conclusively deemed to have been given on the day of actual delivery thereof and, if given by electronic communication, on the day of transmittal thereof if given during the normal business hours of the recipient and on the Business Day during which such normal business hours next occur if not given during such hours on any day.

#### **8.09 Remedies Cumulative**

The right and remedies of the parties under this Agreement are cumulative and are in addition to, and not in substitution for, any other rights and remedies available at law or in equity or otherwise. No single or partial exercise by a party of any right or remedy precludes or otherwise affects the exercise of any other right or remedy to which that party may be entitled.

#### **8.10 Non-Assignable Rights**

Nothing in this Agreement will constitute an agreement to assign or an attempted assignment of any non-assignable rights or any contracts or permits for which any requisite consent or approval has not been obtained or which as a matter of Applicable Law or by its terms is not assignable.

#### **8.11 No Third Party Beneficiaries**

- (1) This Agreement is solely for the benefit of:
  - (a) the Vendor, and its successors and permitted assigns, with respect to the obligations of the Purchaser under this Agreement, and
  - (b) the Purchaser, and its successors and permitted assigns, with respect to the obligations of the Vendor under this Agreement, and this Agreement will not be deemed to confer upon or give to any other Person any Claim or other right or remedy.

#### **8.12 Governing Law**

This Agreement is governed by and will be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

**8.13 Attornment**

For the purpose of all legal proceedings this Agreement will be deemed to have been performed in the Province of Ontario and the courts of the Province of Ontario will have jurisdiction to entertain any action arising under this Agreement. The Vendor and the Purchaser each attorns to the jurisdiction of the courts of the Province of Ontario.

**8.14 Severability**

If any provision of this Agreement is determined by any court of competent jurisdiction to be illegal or unenforceable, that provision will be severed from this Agreement and the remaining provisions will continue in full force and effect.

**8.15 Counterparts**

This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original and all of which taken together will be deemed to constitute one and the same instrument.

**8.16 Electronic Execution**

Delivery of an executed signature page to this Agreement by any party by electronic transmission will be as effective as delivery of a manually executed copy of this Agreement by such party.

*[The balance of this page has been intentionally left blank]*

The parties have executed this Agreement.

**RICHTER INC., IN ITS CAPACITY AS  
RECEIVER OF DIGITAL ORTHODONTIC  
CARE INC., AND NOT IN ITS PERSONAL  
OR CORPORATE CAPACITY**

By:  \_\_\_\_\_

Name: Karen Kimel

Title: Senior Vice President

*I have authority to bind the Corporation*

**ORTHO STUDIOS EXPRESS, INC.**

By: \_\_\_\_\_

Name:

Title:

*I have authority to bind the Corporation*

The parties have executed this Agreement.

**RICHTER INC., IN ITS CAPACITY AS  
RECEIVER OF DIGITAL ORTHODONTIC  
CARE INC., AND NOT IN ITS PERSONAL  
CAPACITY**

By: \_\_\_\_\_

Name:

Title:

*I have authority to bind the Corporation*

**ORTHO STUDIOS EXPRESS, INC.**

By:  \_\_\_\_\_

Name: **MARK CASSIDY**

Title: **VP OPERATIONS**

*I have authority to bind the Corporation*

**Schedule A – [Intellectual Property]**

See attached.



## DIGITAL ORTHODONTIC CARE – PATENT PORTFOLIO

Our Ref.	Country	Application No.	Filing Date	Title	Patent No.	Issue Date	Status
16165-9 (156587)	US	63/121173	12/03/2020	SYSTEMS AND METHODS FOR PRODUCING DENTAL ALIGNERS	N/A	N/A	Expired on 03 Dec 2021; PCT application filed 03 Dec 2021
16165-10 (161457)	WO	PCT/CA2021/051734	12/03/2021	APPARATUSES, SYSTEMS AND METHODS FOR PRODUCING DENTAL ALIGNERS	N/A	N/A	National phase entered in US, Canada and Europe
16165-13 (309076)	US	18/255707	06/02/2023	APPARATUSES, SYSTEMS AND METHODS FOR PRODUCING DENTAL ALIGNERS	N/A	N/A	Pending and in good standing Awaiting first Office Action
16165-14 (309053)	CA	3203596	12/03/2021	APPARATUSES, SYSTEMS AND METHODS FOR PRODUCING DENTAL ALIGNERS	N/A	N/A	Pending and in good standing 2 <sup>nd</sup> Annuity due 03 Dec 2023 Request for Examination due 03 Dec 2025
16165-15 (309077)	EP	21899392.1	12/03/2021	APPARATUSES, SYSTEMS AND METHODS FOR PRODUCING DENTAL ALIGNERS	N/A	N/A	Pending and in good standing Annuity due 03 Dec 2023 Response to Rule 161/162 due 11 Jan 2024

**Schedule B – [Investment Property]**

Shares, units, debt instruments, notes or equity interests owned or held by the Company (excluding any such shares, units, debt instruments, notes or equity interests identified as Excluded Assets on **Schedule D** hereto) in or issued by:

1. Candid Care Co.

**Schedule C – [Permitted Encumbrances]**

Nil.

**Schedule D – [Other Excluded Assets]**

To be delivered by the Purchaser on or before the Bid Deadline.

**Schedule E – [Allocation of Purchase Price]**

To be delivered by the Purchaser on or before Closing.

**Schedule F – [Sale Procedures]**

## SALE PROCEDURES

### FOR THE SALE OF PROPERTY OF DIGITAL ORTHODONTIC CARE INC.

1. On July 4, 2023, Richter Inc. was appointed as receiver (in such capacity, the “**Receiver**”) of all of the assets, undertakings and properties of Digital Orthodontic Care Inc. (the “**Company**”) pursuant to an order (the “**Appointment Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”).
2. On August 17, 2023, the Court granted an order (the “**Sale Procedures Order**”) approving the procedures set forth herein (the “**Sale Procedures**”) for soliciting and selecting bids for one or more sale transactions (each, a “**Transaction**”) in respect of certain of the property and assets of the Company (the “**Property**”) and authorizing and directing the Receiver to carry out these Sale Procedures.

#### **Defined Terms**

3. Capitalized terms used and not otherwise defined in the body of these Sale Procedures shall have the meanings given to them in **Appendix “A”**.

#### **Solicitation Process and Timeline**

4. The Company has received a Transaction bid from Ortho Studios Express, Inc. (the “**Stalking Horse Bidder**”) pursuant to an asset purchase agreement in substantially the form attached to the Report of the Receiver dated August 9, 2023 (the “**Stalking Horse Agreement**”) which constitutes a qualified bid for all purposes and at all times under these Sale Procedures (the “**Stalking Horse Bid**”). The Stalking Horse Bid shall serve as the “stalking horse” bid for the purposes of the sale process governed by these Sale Procedures (the “**Sale Process**”).
5. Notwithstanding the receipt of the Stalking Horse Bid, all interested parties are encouraged to submit bids for a Transaction pursuant to these Sale Procedures.
6. These Sale Procedures describe the manner in which prospective bidders may gain access to or continue to have access to due diligence materials concerning the Company, its Property, and its businesses and operations, the manner in which a bid becomes a Qualified Bid, the receipt and review of bids received, the ultimate selection of a Successful Bid and the approval thereof by the Court.
7. In the event that there is disagreement as to the interpretation or application of these Sale Procedures, the Court will have jurisdiction to hear and resolve any such dispute.
8. The following table sets out the deadlines under the Sale Process, each of which can be extended by up to seven (7) days by the Receiver in its discretion, or for a longer period with the consent of the Stalking Horse Bidder or by Court order:

<b>Milestone</b>	<b>Deadline</b>
Commencement of Sale Process	Promptly following the granting of the Sale Procedures Order
Bid Deadline	September 29, 2023
Auction Date (if required)	October 6, 2023
Approval Hearing Date	October 13, 2023
Outside Date	October 27, 2023

### **Solicitation of Interest**

9. As soon as reasonably practicable following the granting of the Sales Procedure Order, the Receiver shall: (a) prepare a list of potential bidders (each, a “**Potential Bidder**”) who may be interested in pursuing a Transaction; (b) prepare an initial offering summary describing the Company, the Property and the opportunity to participate in the Sale Process (the “**Teaser Letter**”); and (c) establish a data room (the “**Data Room**”) of due diligence materials, including the Teaser Letter (the “**Diligence Materials**”) that the Receiver believes may be useful for Potential Bidders.

10. As soon as reasonably practicable following the granting of the Sale Procedure Order, the Receiver shall contact Potential Bidders to introduce the opportunity and shall provide the Teaser Letter to each Potential Bidder that executes a Confidentiality Agreement. The Receiver shall post a copy of the Sale Procedures on the website maintained by the Receiver and shall post a notice of the Sale Process, substantially in the form attached as **Appendix “B”** hereto, to be published in such newspaper(s) or journal(s) as the Receiver considers appropriate.

### **Participation Requirements**

11. Unless otherwise provided for herein, ordered by the Court or agreed by the Receiver, in order to participate in the Sale Process and be granted access to the Diligence Materials, a Potential Bidder must deliver to the Receiver, at the address specified in **Appendix “C”** hereto (including by email), (a) an executed confidentiality agreement in form and substance satisfactory to the Receiver (the “**Confidentiality Agreement**”), which shall inure to the benefit of any Successful Bidder that completes a Transaction contemplated by the Successful Bid, and (b) such other information as the Receiver may request to ascertain the identity of the Potential Bidder, including its direct and indirect owners.

12. Potential Bidders shall be provided with access to the Data Room. The Receiver makes no representations or warranties as to the accuracy or completeness of the information contained in the Data Room, the Diligence Materials or any other information provided by the Receiver or its agents in respect of the business or Property of the Company, except to the extent expressly



provided in any definitive sale agreement executed by the Potential Bidder (a “**Definitive Agreement**”) that is executed by the Receiver and returned to the Potential Bidder.

13. The Receiver reserves the right to withhold or delay the disclosure of any Diligence Materials that it determines are business sensitive or otherwise not appropriate for disclosure to a Potential Bidder who is a strategic buyer, competitor, supplier or other person with a business relationship with the Company until such time as the Receiver determines, in its discretion, that the disclosure of any Diligence Materials to such a Potential Bidder does not impair the efficacy of the Sales Procedure and that such Potential Bidder has (a) a *bona fide* intent to submit a Bid (as defined below), and (b) the financial capability to consummate a Transaction.

14. Potential Bidders shall direct information requests with respect to the Sale Process to the Receiver or such other individuals as the Receiver may authorize. Potential Bidders shall provide the Receiver with advance notice, and obtain the prior consent of the Receiver, before commencing or continuing any communications or discussions with any director, officer, agent, employee, former employee, supplier, customer, creditor or shareholder of the Company concerning the Company or its business, Property, financial condition, or prospects, and the Receiver shall have the option to oversee or participate in any such communications or discussions.

### **Bids**

15. A Potential Bidder, other than the Stalking Horse Bidder, that wishes to deliver a bid shall deliver a written binding offer for a Transaction (a “**Bid**”) to the Receiver at the addresses specified in **Appendix “C”** hereto (including by email) so as to be received by the Receiver no later than 5:00 p.m. (Eastern Time) on the Bid Deadline.

16. A Bid will be deemed to be a “**Qualified Bid**” only if the Bid complies with all of the following:

- (a) it includes an executed Definitive Agreement, including all exhibits and schedules contemplated thereby, together with a blackline against the Stalking Horse Agreement (which shall be posted by the Receiver in Word format in the Data Room), describing the terms and conditions of the proposed Transaction, including any liabilities proposed to be assumed, the purchase price (the “**Purchase Price**”), and the structure and financing of the proposed Transaction;
- (b) the Transaction shall, on closing, provide cash proceeds, in immediately available funds, sufficient to pay in full in cash: (i) the aggregate of the Priority Claims attributable to the Property being purchased, (ii) the portion of the Receiver’s Borrowing Obligations attributable to Property being purchased, and (iii) a break fee in the amount of \$85,000;
- (c) it fully discloses the identity of each person (including any person that controls such person) that will be directly or indirectly sponsoring or participating in the Bid and the complete terms of any such participation;
- (d) it includes an acknowledgement and representation of the Qualified Bidder that: (i) it has had an opportunity to conduct any and all due diligence regarding the Property

prior to making its Bid; (ii) it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Property in making its Bid; and (iii) it did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether express, implied, statutory or otherwise, regarding the Property or the completeness of any information provided in connection therewith;

- (e) it does not include any request of the Potential Bidder for an entitlement to any break or termination fee, expense reimbursement or similar type of payment;
- (f) it includes an acknowledgment that the offer is irrevocable until the earlier of (i) the approval of the Successful Bid by the Court (or, in the case of the Stalking Horse Bid, the delivery of the Receiver's Certificate to the Stalking Horse Bidder and the filing of the Receiver's Certificate in Court), and (ii) thirty (30) calendar days following the Bid Deadline (the "**Irrevocable Bid Date**"), provided that if such Potential Bidder's Bid is selected as a Successful Bid, its bid shall remain irrevocable until the closing of the Transaction contemplated by the Successful Bid;
- (g) it includes or is accompanied by evidence satisfactory to the Receiver of the financial ability of the Potential Bidder to consummate the Transaction contemplated by the Bid;
- (h) it is not conditioned on the outcome of unperformed due diligence or obtaining financing;
- (i) it is accompanied by a refundable deposit (the "**Deposit**") in the form of a wire transfer to a bank account specified by the Receiver, payable to the order of the Receiver, in trust, in an amount equal to 10% of the Purchase Price in the Bid, which Deposit is to be held by the Receiver and dealt with in accordance with these Sale Procedures;
- (j) it includes a commitment to close the Transaction contemplated by the Bid by no later than the Outside Date;
- (k) it contains such other information as may reasonably be requested by the Receiver; and
- (l) it is received prior to the Bid Deadline.

17. Notwithstanding the foregoing, a Qualified Bid may not be withdrawn, modified or amended without the written consent of the Receiver prior to the Successful Bid being determined. Any such withdrawal, modification or amendment made without the written consent of the Receiver prior to the Successful Bid being determined shall result in the forfeiture of such Qualified Bidder's Deposit as liquidated damages and not as a penalty.

### **Review of Bid(s)**

18. Following the Bid Deadline, the Receiver shall assess any Bids received and determine whether such bids constitute Qualified Bids. The Receiver may waive compliance with any one or more of the requirements specified herein and deem any non-compliant Bid to be a Qualified Bid.

19. Following the receipt of any Bid, the Receiver may seek clarification with respect to any of the terms or conditions of such Bid and/or request one or more amendments to such Bid prior to determining if such Bid should be considered a Qualified Bid. Each Qualified Bidder shall comply with all reasonable requests for additional information by the Receiver regarding the Qualified Bidder or the Qualified Bid. Failure of a Qualified Bidder to comply with such requests for additional information will be a basis for the Receiver to reject a Qualified Bid.

20. In the event that the Receiver determines that there are no Qualified Bids, the Receiver shall promptly proceed to declare the Stalking Horse Bid as the Successful Bid and proceed to complete the Transaction contemplated by the Stalking Horse Agreement, in accordance with Stalking Horse Sale Approval Order (as defined below).

### **Selection of Successful Bid**

21. The Stalking Horse Bid and each Qualified Bid will be considered and reviewed by the Receiver based upon several factors including, without limitation, items such as the Purchase Price and the net value provided by such bid, the claims likely to be created by such bid in relation to other bids, the counterparties to such transactions, the proposed transaction documents, other factors affecting the speed and certainty of the closing of the transaction, the value of the transaction, any related transaction costs, the likelihood and timing of consummating such transactions, and such other matters as the Receiver may determine.

22. The Receiver shall identify the highest or otherwise best Bid(s) (each, a “**Successful Bid**”, and the Stalking Horse Bidder or the Potential Bidder(s) making such Successful Bid(s), a “**Successful Bidder**”) pursuant to these Sale Procedures. Any Successful Bid shall be subject to approval by the Court.

23. If the Receiver receives one or more Qualified Bids which are superior to the Stalking Horse Bid, it may proceed with an auction to select the Successful Bid (an “**Auction**”) on notice to the Stalking Horse Bidder and each Potential Bidder that submitted a Qualified Bid with a higher Purchase Price or deemed by the Receiver to be superior to the Stalking Horse Bid who will be invited to attend the Auction by the Receiver having regard to the terms of its Qualified Bid (each, an “**Auction Bidder**”). There shall be no more than five (5) Auction Bidders, including the Stalking Horse Bidder. For greater certainty, the Stalking Horse Bidder shall constitute an Auction Bidder in all circumstances in which an Auction is conducted.

24. If an Auction is conducted, it shall be conducted in accordance with the following procedures:

- (a) The Auction shall be conducted at a time to be designated by the Receiver on the Auction Date at the Toronto offices of the Receiver or by electronic communication means (including videoconference, teleconference or such other reasonable means

as the Receiver deems appropriate) and shall continue thereafter until completed, subject to such adjournments as the Receiver may consider appropriate;

- (b) The identity of each Auction Bidder participating in the Auction will be disclosed, on a confidential basis, to each other Auction Bidder;
- (c) Except as otherwise permitted in the Receiver's discretion, only the Receiver and the Auction Bidders, and in each case their respective professional advisors, shall be entitled to attend the Auction. Each Auction Bidder shall appear at the Auction through a duly authorized representative that shall be designated by the Auction Bidder as its spokesperson;
- (d) Except as otherwise set forth herein, the Receiver may waive and/or employ and announce at the Auction additional procedures that the Receiver deems reasonable under the circumstances for conducting the Auction, provided that such procedures are (i) not inconsistent with these Sale Procedures, the Stalking Horse Agreement or any order of the Court granted in the within proceedings, (ii) disclosed to each Auction Bidder, and (iii) designed, in the Receiver's judgement, to result in the solicitation of the highest and best offer;
- (e) Not less than two (2) Business Days prior to the Auction, the Receiver shall: (i) identify the highest or otherwise best Qualified Bid or Stalking Horse Bid received, which shall constitute the opening bid for purposes of the Auction (the "**Opening Bid**"), and (ii) provide the Definitive Agreement in respect of the Opening Bid to all Auction Bidders, on a confidential basis. Subsequent bidding at the Auction will continue in minimum increments in an amount to be determined by the Receiver prior to, and announced at, the Auction. Each Auction Bidder shall, if requested by the Receiver, provide evidence of its financial wherewithal and ability to consummate the Transaction at the increased consideration bid at the Auction;
- (f) All Auction Bidders shall have the right, at any time during the Auction, to request that the Receiver announce, subject to any potential new bids, the then-current highest or otherwise best bid and, to the extent requested by any Auction Bidder, use reasonable efforts to clarify any questions such Auction Bidder may have on the then-current highest or otherwise best bid;
- (g) Each Auction Bidder shall be given a reasonable opportunity to submit an overbid at the Auction to any then-existing overbids;
- (h) The Auction shall continue until the bidding has concluded and there is one remaining Auction Bidder that the Receiver has determined has submitted the highest or otherwise best bid of the Auction. At such time, the Auction shall be closed and the Auction Bidder that submitted the highest or otherwise best bid shall be designated as the Successful Bidder; and
- (i) Upon selection of a Successful Bidder, the Successful Bidder shall, as soon as practicable, execute and deliver a Definitive Agreement that reflects the Successful Bidder's bid and any modifications submitted and agreed to during the Auction.

25. For all purposes of the Sale Process, the Stalking Horse Bidder shall be entitled to credit bid all or any portion of the Senior Secured Obligations, at the face value of such obligations in the full principal amount of US\$5,070,000 (plus interest). In the event that the Receiver designates a Qualified Bid, the Stalking Horse Bidder shall have the right, as part of an Auction, to supplement its Stalking Horse Bid with additional cash or other consideration such that the revised Stalking Horse Bid includes aggregate consideration in excess of the amount of the Senior Secured Obligations and the Priority Claims.

### **Court Approval**

26. Contemporaneously with the granting of the Sale Procedure Order, the Receiver obtained an order of the Court approving the Stalking Horse Agreement and vesting in the Stalking Horse Bidder (or its authorized assignee) all right, title interest in and to the Property described in the Stalking Horse Bid, conditional on, among other things, the selection of the Stalking Horse Bid as the Successful Bid by the Receiver (the “**Stalking Horse Sale Approval Order**”). If the Stalking Horse Bid is selected by the Receiver as the Successful Bid, the Receiver shall proceed to complete the Transaction contemplated by the Stalking Horse Agreement, in accordance with Stalking Horse Sale Approval Order.

27. If a Qualifying Bid other than the Stalking Horse Bid is selected by the Receiver as a Successful Bid, the Receiver shall apply to the Court (the “**Approval Motion**”) for an order approving such Successful Bid, which Approval Motion, subject to Court availability, shall be held on or prior to the Approval Hearing Date.

28. In either case, the Receiver shall implement the Successful Bid by no later than the Outside Date.

### **Deposits**

29. All Deposits shall be retained by the Receiver and deposited in a trust account.

30. The Deposit paid by the Successful Bidder whose bid is approved at the Approval Motion shall be applied (without interest) to the Purchase Price to be paid by the Successful Bidder upon closing of the Transaction. After selection of the Bid as the Successful Bid, the Deposit will be non-refundable.

31. The Deposits of Qualified Bidders not selected as the Successful Bidder shall be returned, without interest, within two (2) Business Days of the Irrevocable Bid Date.

32. The Stalking Horse Bidder shall not be required to provide a Deposit.

### **Approvals**

33. For greater certainty, the approvals required pursuant to the terms hereof are in addition to, and not in substitution for, any other approvals required at law in order to implement or complete a Successful Bid.

**No Amendment**

34. Except as expressly set forth herein, there shall be no amendments or modifications to these Sale Procedures without the consent of the Receiver and the Stalking Horse Bidder or further Order of the Court.

**“As Is, Where Is”**

35. Any Transaction will be on an “as is, where is” basis and without surviving representations or warranties of any kind, nature, or description except to the extent expressly provided under a Definitive Agreement with a Successful Bidder executed and delivered by the Receiver.

**Further Orders**

36. At any time during the Sale Process, the Receiver may apply to the Court for advice and directions with respect to the discharge of its powers and duties hereunder.

**Reservation of Rights**

37. These Sale Procedures do not, and shall not be interpreted to, create any contractual or other legal relationship between the Receiver and any other party, other than as specifically set forth in definitive agreements that may be executed.

38. For the avoidance of doubt, the approvals required pursuant to the terms hereof are in addition to, and not in substitution for, any other approvals required by the Appointment Order or any other statute or as otherwise required at law in order to implement a Successful Bid.

## Appendix “A” Definitions

For purposes of the Sale Procedures, the following terms shall have the following meanings:

**“Business Day”** means a day, other than a Saturday, Sunday, or a day on which banks in Toronto, Ontario are authorized or obligated by applicable law to close or otherwise are generally closed.

**“Priority Claims”** mean all claims other than the Receiver’s Borrowings Obligations ranking in priority to the Promissory Note Obligations and includes, for greater certainty, the post-closing fees of the Receiver and its counsel;

**“Promissory Note Obligations”** means, collectively, all present and future obligations of any kind or nature owing by the Company to Ortho Studios Express, Inc. including, without limitation, all principal, interest, fees, payments, costs, expenses and disbursements, pursuant to, or in connection with the Line of Credit Grid Promissory Note dated March 20, 2020 in the principal amount of US\$5,000,000 issued by the Company to Ortho Studios Express, Inc. and secured by that certain General Security Agreement dated as of March 20, 2020 granted by the Company in favour of Ortho Studios Express, Inc., in each case as amended, supplemented, amended and restated, replaced, or otherwise modified from time to time.

**“Receiver’s Borrowings Obligations”** means all obligations of any kind or nature owing by the Receiver to Ortho Studios Express, Inc. that are secured by the Receiver’s Borrowings Charge (as defined in the Appointment Order), including all principal, interest, fees, payments, costs, expenses and disbursements.

**“Receiver’s Certificate”** means the Receiver’s Certificate, in the form appended to the Stalking Horse Approval Order, signed and delivered by the Receiver to the Stalking Horse Bidder.

**“Senior Secured Obligations”** means, collectively, the Receiver’s Borrowings Obligations and the Promissory Note Obligations.

**Appendix “B” Form of Notice  
Acquisition Opportunity**

**[To be completed by Richter]**



**Appendix “C” Receiver Address for Notices**

If to the Receiver:

Richter Inc.  
181 Bay St. #3510  
Bay Wellington Tower  
Toronto, ON M5J 2T3

Attention: Jonathan Joffe  
Email: JJoffe@Richter.ca

With a copy to:

Reconstruct LLP  
200 Bay Street, Suite 2305  
Toronto, ON M5J 2J3

Attention: Caitlin Fell  
Email: cfell@reconllp.com  
Tel.: 416 613-8282

# Appendix “F”

## PURCHASE AGREEMENT

This Agreement is made as of October 6, 2023, between

**Richter Inc., in its capacity as court appointed receiver of Digital Orthodontic Care Inc. and not in its personal or corporate capacity**

(the “Vendor”)

and

**Ortho Studios Express, Inc.**

a corporation incorporated under the laws of the State of Wisconsin

(the “Purchaser”)

**WHEREAS** on July 4, 2023, Richter Inc. was appointed as receiver (in such capacity, the “Receiver”) of all of the assets, undertakings and properties of Digital Orthodontic Care Inc. (the “Company”) pursuant to an order (the “Appointment Order”) of the Ontario Superior Court of Justice (Commercial List) (the “Court”),

**AND WHEREAS** pursuant to the Appointment Order, the Receiver is authorized to market any or all of the property of the Company (the “Property”), including advertising or soliciting offers in respect of any and all the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver, in its discretion, may deem appropriate,

**AND WHEREAS** on August 17, 2023, the Court granted an order (the “Sale Procedures Order”) approving the procedures for soliciting and selecting bids for one or more sale transactions (each, a “Transaction”) in respect of certain of the property and assets of the Company and authorizing and directing the Receiver to carry out the Sale Procedures (as defined below),

**AND WHEREAS** in the event that this Agreement is selected as the Successful Bid (as defined below) in the Sale Procedures, the Vendor has agreed to sell and transfer to the Purchaser, and the Purchaser has agreed to purchase from the Vendor, all of the Vendor’s and Company’s right, title and interest in and to the Purchased Assets, subject to and in accordance with the terms and conditions set forth in this Agreement,

**NOW THEREFORE**, in consideration of the mutual covenants and agreements set forth in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby irrevocably acknowledged, the parties hereto (collectively, the “Parties”, and each, a “Party”) hereby acknowledge and agree as follows:

## ARTICLE 1 – INTERPRETATION

### 1.01 Definitions

(1) In this Agreement, unless something in the subject matter or context is inconsistent therewith:

“**Affiliates**” means, with respect to any Person, any other Person that controls or is controlled by or is under common control with the referent Person.

“**Agreement**” means this agreement, including its recitals and schedules, as amended from time to time.

“**Applicable Law**” means (i) any applicable domestic or foreign law including any statute, regulation, subordinate legislation or treaty, as well as the common law, and (ii) any applicable and enforceable rule, requirement, order, judgment, injunction, award or decree of a Governmental Authority.

“**Appointment Order**” has the meaning set out in the recitals hereto.

“**Approval and Vesting Order**” means an order of the Court substantially in a form to be agreed on by the Vendor and the Purchaser, each acting reasonably: (i) approving the sale of the Purchased Assets by the Vendor to the Purchaser pursuant to the terms of this Agreement, (ii) authorizing and directing the Vendor to complete the Transaction to convey to the Purchaser the Purchased Assets, and (iii) providing for the vesting of all the right, title, benefit and interest of the Company and the Vendor in and to the Purchased Assets in and to the Purchaser, free and clear of all Encumbrances, other than the Permitted Encumbrances.

“**Assumed Liabilities**” has the meaning set out in Section 2.07(1).

“**Bid Deadline**” has the meaning set out in Schedule B.

“**Books and Records**” means all personnel records, inspection records, financial records, and other records, books, documents and data bases recorded or stored by means of any device, including in electronic form, relating to the Business or the Purchased Assets as are in the possession or under the control of the Vendor.

“**Business**” means the business conducted by Digital Orthodontic Care Inc. being a dental technology company engaged in the development, marketing and sale of orthodontic aligners.

“**Business Day**” means a day other than a Saturday, Sunday, statutory or civic holiday in Toronto, Ontario.

“**Claim**” means any actual or threatened civil, criminal, administrative, regulatory, arbitral or investigative inquiry, action, suit, investigation or proceeding and any loss, claim or demand relating thereto or resulting therefrom, or any other claim or demand of whatever nature or kind.

“**Closing Date**” means five (5) Business Days following the later of (i) the selection of this Agreement as the Successful Bid and (ii) the date of the Approval and Vesting Order, or such other

date as may be agreed in writing between the parties hereto, but in any case, not later than the Outside Date.

“**Company**” has the meaning set out in the recitals hereto.

“**Court**” means the Ontario Superior Court of Justice (Commercial List).

“**Credit Bid Amount**” has the meaning set out in Section 2.03.

“**Encumbrances**” means any security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens (statutory or otherwise), pledges, executions, levies, charges, encumbrances, interests in property, or other financial or monetary Claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise.

“**ETA**” means the *Excise Tax Act*, R.S.C. 1985, c, E-15, as amended.

“**Excluded Assets**” has the meaning set out in Section 2.02.

“**Governmental Authority**” means any domestic or foreign legislative, executive, judicial or administrative body or Person having jurisdiction in the relevant circumstances.

“**HST**” means harmonized sales tax imposed under Part IX of the ETA.

“**Liabilities**” means all costs, expenses, charges, debts, liabilities, commitments and obligations of any nature or kind, whether accrued or fixed, actual, absolute, contingent, latent or otherwise, matured or unmatured or determined or undeterminable, including those arising under any Applicable Law or Claim and those arising under any contract or undertaking or otherwise, including any tax liability or tort liability of the Company or the Vendor.

“**Outside Date**” means 11:59 pm (Toronto time) on October 27, 2023 or such later date and time as the Vendor and the Purchaser may agree to in writing.

“**Permitted Encumbrances**” means only those Encumbrances and other registrations or encumbrances related to the Purchased Assets set forth on **Schedule A** hereto.

“**Person**” means any individual, corporation, limited liability company, partnership, firm, joint venture, association, joint-stock company, trust, unincorporated organization, Governmental Authority or other entity.

“**Personal Information**” means information about an identifiable individual, but does not include the name, title or business address or telephone number of an employee of an organization.

“**Purchase Price**” has the meaning set out in Section 2.03.

“**Purchased Assets**” has the meaning set out in Section 2.01.

“**Receiver**” has the meaning set out in the recitals hereto.

“**Receiver’s Certificate**” means a certificate signed by the Receiver substantially in the form attached as Schedule “A” to the Approval and Vesting Order.

“**Receiver’s Charge**” has the meaning set out in the Appointment Order.

“**Sale Procedures**” means the sale procedures, substantially in the form set out in Schedule B hereto.

“**Sale Procedures Order**” has the meaning set out in the recitals hereto.

“**Secured Indebtedness**” means the indebtedness owing to the Purchaser by the Company including, without limitation, all principal, interest, fees, payments, costs, expenses and disbursements, pursuant to, or in connection with the Line of Credit Grid Promissory Note dated March 20, 2020 in the principal amount of US\$5,000,000 issued by the Company to the Purchaser and secured by the General Security Agreement dated as of March 20, 2020 granted by the Company in favour of the Purchaser, in each case as amended, supplemented, amended and restated, replaced, or otherwise modified from time to time.

“**Successful Bid**” has the meaning set out in Schedule B.

“**Tax Act**” means the *Income Tax Act* (Canada), as amended from time to time.

“**Time of Closing**” means 10:00 a.m. (Toronto Time) on the Closing Date.

“**Transfer Taxes**” has the meaning set out in Section 2.06(1).

“**Transaction**” means the transaction of the purchase and sale of the Purchased Assets as contemplated by this Agreement.

“**Vendor**” has the meaning set out in the recitals hereto.

## 1.02 Headings

The division of this Agreement into Articles and Sections and the insertion of a table of contents and headings are for convenience of reference only and do not affect the construction or interpretation of this Agreement. The terms “hereof”, “hereunder” and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles, Sections and Schedules are to Articles and Sections of and Schedules to this Agreement.

## 1.03 Extended Meanings

In this Agreement words importing the singular number include the plural and vice versa, words importing any gender include all genders and words importing Persons include individuals, corporations, limited and unlimited liability companies, general and limited partnerships, associations, trusts, unincorporated organizations, joint ventures and Governmental Authorities. The term “including” means “including without limiting the generality of the foregoing” and the term “third party” means any Person other than the Vendor and the Purchaser.

#### 1.04 Statutory References

In this Agreement, unless something in the subject matter or context is inconsistent therewith or unless otherwise herein provided, a reference to any statute is to that statute as now enacted or as the same may from time to time be amended, re-enacted or replaced and includes any regulations made thereunder.

#### 1.05 Currency

All references to currency herein are to lawful money of Canada.

#### 1.06 Schedules

The following are the Schedules to this Agreement:

**Schedule A** – Permitted Encumbrances

**Schedule B** – Sale Procedures

The Schedules hereto are for the sole benefit of the Purchaser. The parties hereto acknowledge and agree that the Purchaser, in its sole discretion, may revise the Schedules “A” through “E” up to and until the Time of Closing. For greater certainty, any revision of the Sale Procedures must comply with the terms therein.

### ARTICLE 2 - SALE AND PURCHASE

#### 2.01 Assets to be Sold and Purchased

(1) Upon and subject to the terms and conditions hereof, the Vendor will sell to the Purchaser and the Purchaser will purchase from the Vendor, as of and with effect from the Time of Closing, all of the right, title, benefit and interest of the Vendor in and to the following assets (collectively, the “**Purchased Assets**”):

- (a) All shares of Arcadlab, LLC issued to the Company, along with all of the Company’s right, title and interest (including any choses in action relating thereto) in and to such shares or any other shares of Arcadlab, LLC; and
- (b) all Books and Records related to the Purchased Assets;

but excluding, for greater certainty, in each and every case the Excluded Assets (as hereinafter defined).

#### 2.02 Excluded Assets

(1) Notwithstanding Section 2.01 or any other provision in this Agreement to the contrary, the Purchaser will not acquire under this Agreement, and will have no rights with respect to the right, title, benefit and interest of the Vendor in and to the assets of the Company that are not the Purchased Assets (collectively, the “**Excluded Assets**”). The Parties agree that nothing herein shall amend, modify or exclude any assets which the Purchaser may acquire pursuant to its Stalking Horse Bid (as that term is defined in Schedule B).

### **2.03 Purchase Price**

The aggregate purchase price payable by the Purchaser to the Vendor for the Purchased Assets excluding all applicable Taxes (such amount being hereinafter referred to as the “**Purchase Price**”) shall be CAN\$2,000,000 (inclusive of any applicable Transfer Taxes) by way of a credit bid of the Secured Indebtedness in that amount (the “**Credit Bid Amount**”), which shall upon Closing cause the partial repayment and release of that portion of the Secured Indebtedness.

### **2.04 Satisfaction of Purchase Price**

The Purchaser shall pay and satisfy the Purchase Price on the Closing Date by a repayment and release of the Credit Bid Amount, as described in Section 2.03.

### **2.05 Allocation of Purchase Price**

The Purchase Price will be allocated among the Purchased Assets as set out in Schedule E. The Vendor and Purchaser will make and file all tax returns and filings on a basis which is consistent with the amount and allocation of the Purchase Price. The Purchaser and the Vendor agree that the Purchaser shall deliver to the Vendor, on or before Closing, a completed form of Schedule E, which upon delivery shall form part of this Agreement.

### **2.06 Transfer Taxes**

(1) The Purchaser shall be responsible for all federal and provincial sales taxes, transfer tax, goods and services, HST and other similar taxes and duties payable upon or in connection with the conveyance or transfer of the Purchased Assets to the Purchaser (collectively, the “**Transfer Taxes**”). The Vendor will not collect HST if the Purchaser provides to the Vendor a warranty that it is registered under the ETA, together with a copy of the required ETA registration at least five Business Days prior to Closing, a warranty that the Purchaser shall self-assess and remit the HST payable and file the prescribed form and shall indemnify the Vendor in respect of any HST payable. The foregoing warranties shall not merge but shall survive the completion of the Transaction.

(2) Subject to Section 2.06(1), any applicable Transfer Taxes shall be paid by the Purchaser to the Vendor in cash on Closing, which payment shall result in a reduction to the Credit Bid Amount in an amount equal to the amount of the Transfer Taxes.

### **2.07 Assumption of Liabilities**

(1) Subject to this transaction Closing on the Closing Date, the Purchaser agrees to discharge, perform and fulfil all Liabilities in respect of the transfer of the Purchased Assets, including any costs associated with obtaining consent to such transfer; (collectively, the “**Assumed Liabilities**”).

(2) Other than the Assumed Liabilities, the Purchaser shall not assume and shall have no obligation to discharge, perform or fulfil any other Liabilities.



## 2.08 Delivery of Purchased Assets

At the Time of Closing, the Purchaser will take possession of the Purchased Assets where situated. The Purchaser acknowledges that the Vendor has no obligation to deliver possession of the Purchased Assets to the Purchaser at any location other than where situated.

## ARTICLE 3 - REPRESENTATIONS AND WARRANTIES

### 3.01 Vendor's Representations and Warranties

(1) The Vendor represents and warrants to the Purchaser that, as at the date hereof and as of the Closing Date:

- (a) the Vendor has taken all necessary corporate action to authorize the entering into and performance by it of this Agreement and completion of the transactions contemplated herein and the entering into of this Agreement in completion of the transactions contemplated herein;
- (b) subject to the entry of the Approval and Vesting Order and any other orders required by the Court in connection with the transactions contemplated herein, the Vendor has the power, authority and right to enter into and deliver this Agreement and to carry out its obligations hereunder;
- (c) subject to the entry of the Approval and Vesting Order and any other orders required by the Court in connection with the transactions contemplated herein, this Agreement constitutes a valid and legally binding obligation of the Vendor, enforceable against the Vendor in accordance with its terms;
- (d) the Vendor is registered under Part IX of the *Excise Tax Act* (Canada) with registration number [●]; and
- (e) the Vendor is not a non-resident of Canada within the meaning of section 116 of the *Tax Act*.

### 3.02 Purchaser's Representations and Warranties

(1) The Purchaser represents and warrants to the Vendor that:

- (a) the Purchaser is a corporation duly incorporated, organized and existing under the laws of the State of Wisconsin;
- (b) the Purchaser has the power, authority and right to enter into and deliver this Agreement and to carry out its obligations hereunder;
- (c) this Agreement constitutes a valid and legally binding obligation of the Purchaser, enforceable against the Purchaser in accordance with its terms;
- (d) the Purchaser has taken all necessary corporate action to authorize the entering into and performance by it of this Agreement and completion of the transactions contemplated herein and the entering into of this Agreement in completion of the

transactions contemplated herein will not breach its constating documents, any agreement binding on the Purchaser, or Applicable Laws relating to the Purchaser;

- (e) the Purchaser has not committed an act of bankruptcy, is not insolvent, has not proposed a compromise or arrangement to its creditors generally, has not had any application for a bankruptcy order filed against it, has not taken any proceeding and no proceeding has been taken to have a receiver appointed over any of its assets, has not had an encumbrancer take possession of any of its property and has not had any execution or distress become enforceable or levied against any of its property;
- (f) there are no orders of or proceedings before or pending before any Governmental Authority, or threatened to be brought by or before any Governmental Authority by or against the Purchaser affecting the legality, validity or enforceability of this Agreement or the consummation of the transactions contemplated hereby by the Purchaser;
- (g) no authorizations, consents or approvals of, or filing with or notice to, any Governmental Authority is required in connection with the execution, delivery or performance of this Agreement; and
- (h) except for the Approval and Vesting Order, no consent, waiver, authorization or approval of any Person and no declaration to or filing or registration with any Governmental Authority is required in connection with the execution and delivery by the Purchaser of this Agreement.

### **3.03 “As Is, Where Is”**

(1) The Purchaser acknowledges and agrees that it is purchasing the Purchased Assets and assuming the Assumed Liabilities on an “*as is, where is*” basis and on the basis that the Purchaser has conducted to its satisfaction an independent inspection, investigation and verification of the Purchased Assets (including a review of title) and all other relevant matters and has determined to proceed with the transaction contemplated herein and will accept the same at the Time of Closing in their then current state, condition, location, and amounts, subject to all Permitted Encumbrances.

(2) Except as otherwise expressly provided in Section 3.01, no representation, warranty or condition whether statutory (including under the *Sale of Goods Act* (Ontario), the *International Sale of Goods Contracts Convention Act* (Canada) and the *International Sale of Goods Act* (Ontario) or any international equivalent act which may be applicable to the subject matter pursuant to the provisions of this Agreement, including but not limited to the *United Nations Convention on Contracts for the International Sale of Goods*), or express or implied, oral or written, legal, equitable, conventional, collateral, arising by custom or usage of trade, or otherwise is or will be given including as to title, outstanding Encumbrances, description, fitness for purpose, merchantability, merchantable quality, quantity, condition (including physical environmental condition), suitability, durability, assignability, or marketability thereof or any other matter or thing whatsoever, and all of the same are expressly excluded and disclaimed and any rights pursuant to such statutes have been waived by the Purchaser. The Purchaser acknowledges and agrees that it has relied entirely and solely on its own investigations as to the matters set out above and in determining to purchase the Purchased Assets and assume the Assumed Liabilities pursuant to this Agreement.

(3) The description of the Purchased Assets contained herein is for the purpose of identification only and the inclusion of any item in such description does not confirm the existence of any such items or that any such item is owned by the Company. Except as otherwise explicitly set forth in Section 3.01, no representation, warranty or condition has been given by the Vendor concerning the completeness or accuracy of such descriptions and the Purchaser acknowledges and agrees that any other representation, warranty, statements of any kind or nature, express or implied, (including any relating to the future or historical financial condition, results of operations, prospects, assets or liabilities of the Vendor or the quality, quantity or condition of the Purchased Assets) are specifically disclaimed by the Vendor.

(4) Any documents, materials and information provided by or on behalf of the Vendor or the Company to the Purchaser with respect to the Purchased Assets and the Assumed Liabilities (including any confidential information memorandums, management presentations, or material made available in the electronic data room) have been provided to the Purchaser solely to assist the Purchaser in undertaking its own due diligence, and the Vendor has not made and is not making any representations or warranties, implied or otherwise, to or for the benefit of the Purchaser as to the accuracy and completeness of any such documents, materials or information or the achievability of any valuations, estimates or projections. The Purchaser acknowledges that it has not and will not rely upon any such documents, materials or information in any manner, whether as a substitute for or supplementary to its own due diligence, searches, inspections and evaluations. The Vendor and its respective Affiliates, directors, officers, employees, agents and advisors shall not be liable for any inaccuracy, incompleteness or subsequent changes to any such documents, materials or information.

## ARTICLE 4 – COVENANTS

### 4.01 Covenants of the Vendor

(1) As soon as practicable after the execution of this Agreement, the Vendor shall serve and file with the Court a motion for (i) the issuance of the Sale Procedures Order approving the Sale Procedures, and (ii) the issuance of the Approval and Vesting Order, among other things, approving this Agreement and, subject to this Agreement's selection as the Successful Bid, authorizing the Vendor to consummate the Transaction. The Vendor shall use its best efforts to seek the issuance and entry of the Approval and Vesting Order and the Purchaser shall cooperate with the Vendor in its efforts to obtain the issuance and entry of the Approval and Vesting Order.

(2) The Vendor will ensure that the representations and warranties of the Vendor set out in Section 3.01 are true and correct in all material respects at the Time of Closing and use reasonable commercial efforts to ensure that the conditions of closing for the benefit of the Purchaser set out in Section 5.02 over which it has reasonable control have been performed or complied with in all material respects by the Time of Closing.

### 4.02 Covenants of the Purchaser

(1) The Purchaser will ensure that the representations and warranties of the Purchaser set out in Section 3.02 are true and correct in all material respects at the Time of Closing and use reasonable commercial efforts to ensure that the conditions of closing for the benefit of the Vendor set out in Section 5.03 over which it has reasonable control have been performed or complied with in all material respects by the Time of Closing.

(2) The Purchaser will provide the Vendor with all information within its possession or control that the Vendor may reasonably request to assist the Vendor in obtaining the Approval and Vesting Order.

(3) The Purchaser will comply with the *Personal Information Protection and Electronic Documents Act* (Canada) and other similar Applicable Laws relating to privacy and the protection of Personal Information in respect of the Books and Records and any other business and financial records related to the Purchased Assets.

## ARTICLE 5 - CONDITIONS AND TERMINATION

### 5.01 Mutual Conditions

(1) The obligation of the Parties to complete the Transaction is subject to the following joint conditions being satisfied, fulfilled or performed on or prior to the Closing Date:

- (a) the Court shall have issued and entered the Approval and Vesting Order, which Approval and Vesting Order shall not have been stayed, set aside, or vacated;
- (b) the Transaction shall have been designated as the Successful Bid pursuant to the Sale Procedures;
- (c) no Applicable Law and no judgment, injunction, order or decree shall have been issued by a Governmental Authority or otherwise in effect that restrains or prohibits the completion of the Transaction; and
- (d) no motion, action or proceedings shall be pending by or before a Governmental Authority to restrain or prohibit the completion of the Transaction contemplated by this Agreement.

(2) The foregoing conditions are for the mutual benefit of the Parties. If any condition set out in this Section 5.01 is not satisfied, performed or mutually waived on or prior to the Outside Date, any Party may elect on written notice to the other Party to terminate this Agreement.

### 5.02 Conditions for the Benefit of the Purchaser

(1) The sale by the Vendor and the purchase by the Purchaser of the Purchased Assets and the assumption of the Assumed Liabilities are subject to the following conditions, which are for the exclusive benefit of the Purchaser and which are to be performed or complied with at or prior to the Time of Closing:

- (a) the representations and warranties of the Vendor set forth in this Agreement will be true and correct in all material respects at the Time of Closing with the same force and effect as if made at and as of such time;
- (b) the Vendor will have performed or complied in all material respects with all of the obligations and covenants of this Agreement to be performed or complied with by the Vendor at or prior to the Time of Closing; and

- (c) no action or proceeding in Canada will be pending by any third party to enjoin or prohibit the sale and purchase of the Purchased Assets.

### **5.03 Conditions for the Benefit of the Vendor**

(1) The sale by the Vendor and the purchase by the Purchaser of the Purchased Assets and the assumption of the Assumed Liabilities are subject to the following conditions, which are for the exclusive benefit of the Vendor and which are to be performed or complied with at or prior to the Time of Closing:

- (a) the representations and warranties of the Purchaser set forth in this Agreement will be true and correct in all material respects at the Time of Closing with the same force and effect as if made at and as of such time;
- (b) the Purchaser will have performed or complied in all material respects with all of the obligations and covenants of this Agreement to be performed or complied with by the Purchaser at or prior to the Time of Closing; and
- (c) no action or proceeding in Canada will be pending by any third party to enjoin or prohibit the purchase and sale of the Purchased Assets and the assumption of the Assumed Liabilities.

### **5.04 Waiver of Condition**

(1) The Purchaser, in the case of a condition set out in Section 5.02, and the Vendor, in the case of a condition set out in Section 5.03, will have the exclusive right to waive the performance or compliance of such condition in whole or in part and on such terms as may be agreed upon without prejudice to any of its rights in the event of non-performance of or non-compliance with any other condition in whole or in part. Any such waiver will not constitute a waiver of any other conditions in favour of the waiving party. Such waiving party will retain the right to complete the purchase and sale of the Purchased Assets herein contemplated.

### **5.05 Termination**

- (1) This Agreement may be terminated, by notice given prior to or on the Closing Date:
  - (a) by the Vendor or the Purchaser if a material breach of any representation, warranty, covenant, obligation or other provision of this Agreement has been committed by the other party and such breach has not been waived or cured within five days following the date on which the non-breaching party notifies the other party of such breach;
  - (b) by the Vendor or the Purchaser, if a transaction other than the Transaction is designated by the Receiver as the Successful Bid at the Bid Deadline pursuant to the Sale Procedures and such transaction is consummated and closes;
  - (c) by the Purchaser if a condition in Section 5.01 or Section 5.02 becomes impossible to satisfy prior to the Outside Date (other than through the failure of the Purchaser

to comply with its obligations under this Agreement) and the Purchaser has not waived such condition;

- (d) by the Vendor if a condition in Section 5.01 or Section 5.03 becomes impossible to satisfy prior to the Outside Date (other than through the failure of the Vendor to comply with its obligations under this Agreement) and the Vendor has not waived such condition;
- (e) by written agreement of the Purchaser and the Vendor;
- (f) by the Vendor or the Purchaser if the completion of the sale of Purchased Assets herein contemplated has not occurred (other than through the failure of the party seeking termination to comply with its obligations under this Agreement) on or before the Outside Date.

### **5.06 Effect of Termination**

Each party's right of termination under Section 5.05 is in addition to any other rights it may have under this Agreement or otherwise, and the exercise of a right of termination will not be an election of remedies. If this Agreement is terminated pursuant to Section 5.05, all further obligations of the parties under this Agreement will terminate, except that the obligations in sections 6.04 and 8.03 will survive; provided, however, that if this Agreement is terminated by a party because of a material breach of a representation or warranty, covenant, obligation or other provision of this Agreement by the other party or because one or more of the conditions to the terminating party's obligations under this Agreement is not satisfied as a result of the other party's failure to comply with its obligations under this Agreement, the terminating party's right to pursue all legal remedies with respect to such breach will survive such termination unimpaired.

## **ARTICLE 6 - CLOSING ARRANGEMENTS**

### **6.01 Closing**

The sale and purchase of the Purchased Assets will be completed at the Time of Closing at the offices of Reconstruct LLP, 200 Bay Street, Suite 2305, Toronto, Ontario.

### **6.02 Vendor's Closing Deliveries**

- (1) On or before the Time of Closing, the Vendor will deliver or cause to be delivered to the Purchaser the following:
  - (a) a certificate from the Vendor, dated as of the Closing Date, certifying:
    - (i) that, except as disclosed in the certificate, the Vendor has not been served with any notice of appeal with respect to the Approval and Vesting Order, or any notice of any application, motion or proceedings seeking to set aside or vary the Approval and Vesting Order or to enjoin, restrict or prohibit the Transaction; and

- (ii) that all representations, warranties and covenants of the Vendor contained in this Agreement are true as of the Time of Closing, with the same effect as though made on and as of the Time of Closing;
- (b) an acknowledgement, dated as of the Closing Date, that each of the conditions in Sections 5.01 and 5.03 hereof have been fulfilled, performed or waived as of the Time of Closing;
- (c) a copy of the issued and entered Approval and Vesting Order;
- (d) a bill of sale, duly executed by the Vendor, if necessary;
- (e) the share certificate(s) or other documentation evidencing the Investment Property;
- (f) the executed Receiver's Certificate; and
- (g) such other documents or instruments as contemplated or required to be delivered pursuant to this Agreement, all of which shall be in form and substance satisfactory to the parties, acting reasonably.

### **6.03 Purchaser's Closing Deliveries**

- (1) On or before the Time of Closing, the Purchaser will deliver or cause to be delivered to the Vendor the following:
  - (a) a receipt and release with respect to the Credit Bid Amount;
  - (b) by the payment, in cash by wire transfer in immediately available funds, of the Priority Payable Amount and any applicable Transfer Taxes;
  - (c) a certificate executed by an officer of the Purchaser confirming that the representations and warranties of the Purchaser in this Agreement are true and correct in all material respects as of the Time of Closing and that the obligations of the Purchaser to be performed prior to the Time of Closing have been performed in all material respects;
  - (d) an acknowledgement, dated as of the Closing Date, that each of the conditions in Sections 5.01 and 5.02 hereof have been fulfilled, performed or waived as of the Time of Closing; and
  - (e) such other documents or instruments as contemplated or required to be delivered pursuant to this Agreement, all of which shall be in form and substance satisfactory to the parties, acting reasonably.

### **6.04 Confidentiality**

Subject to the terms of any non-disclosure agreement, both prior to the Closing Date and, if the sale and purchase of the Purchased Assets hereunder fails to occur for whatever reason thereafter, the Purchaser will not disclose to anyone or use for its own or for any purpose other than the purpose contemplated by this Agreement any confidential information concerning the Vendor or

the operations obtained by the Purchaser pursuant hereto, and will hold all such information in the strictest confidence and, if the sale and purchase of the Purchased Assets hereunder fails to occur for whatever reason, will return all documents, records and all other information or data relating to the Vendor or to the operations which the Purchaser obtained pursuant to this Agreement.

## **ARTICLE 7 – SURVIVAL**

### **7.01 Survival**

No covenants, representations and warranties of each party contained in this Agreement will survive the completion of the sale and purchase of the Purchased Assets hereunder, except for the covenants that by their terms are to be satisfied or survive after the Time of Closing, which covenants will continue in full force and effect in accordance with their terms.

## **ARTICLE 8 - GENERAL**

### **8.01 Further Assurances**

Each of the Vendor and the Purchaser will from time to time at the request and expense of the other execute and deliver all such further documents and instruments and do all acts and things as the other party may, either before or after the Closing Date, reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement.

### **8.02 Time of the Essence**

Time is of the essence of this Agreement.

### **8.03 Fees, Commissions and other Costs and Expenses**

Each of the Vendor and the Purchaser will pay its respective legal and accounting costs and expenses and any other commissions incurred in connection with the preparation, execution and delivery of this Agreement and all documents and instruments executed pursuant to this Agreement and any other costs and expenses whatsoever and howsoever incurred and will indemnify and save harmless the other from and against any Claim resulting from any broker's, finder's or placement fee or commission alleged to have been incurred as a result of any action by it in connection with the transactions under this Agreement.

### **8.04 Benefit of the Agreement**

This Agreement will enure to the benefit of and be binding upon the successors and permitted assigns of the parties.

### **8.05 Entire Agreement**

This Agreement (including the agreements contemplated hereby) constitutes the entire agreement between the parties with respect to the subject matter hereof and such agreements cancel and supersede any prior understandings and agreements between the parties with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties other than as expressly set forth in this Agreement (including the agreements contemplated hereby).



## 8.06 Amendments and Waivers

No amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by both of the parties. No waiver of any breach of any provision of this Agreement will be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided, will be limited to the specific breach waived.

## 8.07 Assignment

This Agreement may not be assigned by the Vendor without the prior written consent of the Purchaser. This Agreement may not be assigned by the Purchaser without the prior written consent of the Vendor.

## 8.08 Notices

(1) Any demand, notice or other communication to be given in connection with this Agreement must be given in writing and will be given by personal delivery or by electronic means of communication addressed to the recipient as follows:

to the Vendor:

Richter Inc.  
181 Bay St. #3510  
Bay Wellington Tower  
Toronto, ON M5J 2T3

Attention: Jonathan Joffe  
Email: JJoffe@Richter.ca

with a copy to:

Reconstruct LLP  
200 Bay Street, Suite 2305  
Toronto, ON M5J 2J3

Attention: Caitlin Fell  
Email: cfell@reconllp.com

to the Purchaser:

Ortho Studios Express, Inc.  
N2263 Foster Rd South  
Oostburg, Wisconsin  
53070-1643

Attention: Mark Cassidy  
Email: mcassidy@americanortho.com

With a copy to:

McMillan LLP  
Brookfield Place, Suite 4400  
181 Bay Street  
Toronto, Ontario  
M5J 2T3

Attention: Tushara Weerasooriya  
Email: tushara.weerasooriya@mcmillan.ca

or to such other street address, individual or electronic communication number or address as may be designated by notice given by either party to the other. Any demand, notice or other communication given by personal delivery will be conclusively deemed to have been given on the day of actual delivery thereof and, if given by electronic communication, on the day of transmittal thereof if given during the normal business hours of the recipient and on the Business Day during which such normal business hours next occur if not given during such hours on any day.

#### **8.09 Remedies Cumulative**

The right and remedies of the parties under this Agreement are cumulative and are in addition to, and not in substitution for, any other rights and remedies available at law or in equity or otherwise. No single or partial exercise by a party of any right or remedy precludes or otherwise affects the exercise of any other right or remedy to which that party may be entitled.

#### **8.10 Non-Assignable Rights**

Nothing in this Agreement will constitute an agreement to assign or an attempted assignment of any non-assignable rights or any contracts or permits for which any requisite consent or approval has not been obtained or which as a matter of Applicable Law or by its terms is not assignable.

#### **8.11 No Third Party Beneficiaries**

- (1) This Agreement is solely for the benefit of:
  - (a) the Vendor, and its successors and permitted assigns, with respect to the obligations of the Purchaser under this Agreement, and
  - (b) the Purchaser, and its successors and permitted assigns, with respect to the obligations of the Vendor under this Agreement, and this Agreement will not be deemed to confer upon or give to any other Person any Claim or other right or remedy.

#### **8.12 Governing Law**

This Agreement is governed by and will be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

**8.13 Attornment**

For the purpose of all legal proceedings this Agreement will be deemed to have been performed in the Province of Ontario and the courts of the Province of Ontario will have jurisdiction to entertain any action arising under this Agreement. The Vendor and the Purchaser each attorns to the jurisdiction of the courts of the Province of Ontario.

**8.14 Severability**

If any provision of this Agreement is determined by any court of competent jurisdiction to be illegal or unenforceable, that provision will be severed from this Agreement and the remaining provisions will continue in full force and effect.

**8.15 Counterparts**

This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original and all of which taken together will be deemed to constitute one and the same instrument.

**8.16 Electronic Execution**

Delivery of an executed signature page to this Agreement by any party by electronic transmission will be as effective as delivery of a manually executed copy of this Agreement by such party.

*[The balance of this page has been intentionally left blank]*

The parties have executed this Agreement.

**RICHTER INC., IN ITS CAPACITY AS  
RECEIVER OF DIGITAL ORTHODONTIC  
CARE INC., AND NOT IN ITS PERSONAL  
OR CORPORATE CAPACITY**

By: \_\_\_\_\_

Name:

Title:

*I have authority to bind the Corporation*

**ORTHO STUDIOS EXPRESS, INC.**

By:  \_\_\_\_\_

Name: **MARK CASSIDY**

Title: **VP OPERATIONS, AO**

*I have authority to bind the Corporation*

**Schedule A – [Permitted Encumbrances]**

Nil.

## Schedule B – Sale Procedures

### SALE PROCEDURES

#### FOR THE SALE OF PROPERTY OF DIGITAL ORTHODONTIC CARE INC.

1. On July 4, 2023, Richter Inc. was appointed as receiver (in such capacity, the “**Receiver**”) of all of the assets, undertakings and properties of Digital Orthodontic Care Inc. (the “**Company**”) pursuant to an order (the “**Appointment Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”).
2. On August 17, 2023, the Court granted an order (the “**Sale Procedures Order**”) approving the procedures set forth herein (the “**Sale Procedures**”) for soliciting and selecting bids for one or more sale transactions (each, a “**Transaction**”) in respect of certain of the property and assets of the Company (the “**Property**”) and authorizing and directing the Receiver to carry out these Sale Procedures.

#### Defined Terms

3. Capitalized terms used and not otherwise defined in the body of these Sale Procedures shall have the meanings given to them in **Appendix “A”**.

#### Solicitation Process and Timeline

4. The Company has received a Transaction bid from Ortho Studios Express, Inc. (the “**Stalking Horse Bidder**”) pursuant to an asset purchase agreement in substantially the form attached to the Report of the Receiver dated August 9, 2023 (the “**Stalking Horse Agreement**”) which constitutes a qualified bid for all purposes and at all times under these Sale Procedures (the “**Stalking Horse Bid**”). The Stalking Horse Bid shall serve as the “stalking horse” bid for the purposes of the sale process governed by these Sale Procedures (the “**Sale Process**”).
5. Notwithstanding the receipt of the Stalking Horse Bid, all interested parties are encouraged to submit bids for a Transaction pursuant to these Sale Procedures.
6. These Sale Procedures describe the manner in which prospective bidders may gain access to or continue to have access to due diligence materials concerning the Company, its Property, and its businesses and operations, the manner in which a bid becomes a Qualified Bid, the receipt and review of bids received, the ultimate selection of a Successful Bid and the approval thereof by the Court.
7. In the event that there is disagreement as to the interpretation or application of these Sale Procedures, the Court will have jurisdiction to hear and resolve any such dispute.
8. The following table sets out the deadlines under the Sale Process, each of which can be extended by up to seven (7) days by the Receiver in its discretion, or for a longer period with the consent of the Stalking Horse Bidder or by Court order:

<b>Milestone</b>	<b>Deadline</b>
Commencement of Sale Process	Promptly following the granting of the Sale Procedures Order
Bid Deadline	September 29, 2023
Auction Date (if required)	October 6, 2023
Approval Hearing Date	October 13, 2023
Outside Date	October 27, 2023

### **Solicitation of Interest**

9. As soon as reasonably practicable following the granting of the Sales Procedure Order, the Receiver shall: (a) prepare a list of potential bidders (each, a “**Potential Bidder**”) who may be interested in pursuing a Transaction; (b) prepare an initial offering summary describing the Company, the Property and the opportunity to participate in the Sale Process (the “**Teaser Letter**”); and (c) establish a data room (the “**Data Room**”) of due diligence materials, including the Teaser Letter (the “**Diligence Materials**”) that the Receiver believes may be useful for Potential Bidders.

10. As soon as reasonably practicable following the granting of the Sale Procedure Order, the Receiver shall contact Potential Bidders to introduce the opportunity and shall provide the Teaser Letter to each Potential Bidder that executes a Confidentiality Agreement. The Receiver shall post a copy of the Sale Procedures on the website maintained by the Receiver and shall post a notice of the Sale Process, substantially in the form attached as **Appendix “B”** hereto, to be published in such newspaper(s) or journal(s) as the Receiver considers appropriate.

### **Participation Requirements**

11. Unless otherwise provided for herein, ordered by the Court or agreed by the Receiver, in order to participate in the Sale Process and be granted access to the Diligence Materials, a Potential Bidder must deliver to the Receiver, at the address specified in **Appendix “C”** hereto (including by email), (a) an executed confidentiality agreement in form and substance satisfactory to the Receiver (the “**Confidentiality Agreement**”), which shall inure to the benefit of any Successful Bidder that completes a Transaction contemplated by the Successful Bid, and (b) such other information as the Receiver may request to ascertain the identity of the Potential Bidder, including its direct and indirect owners.

12. Potential Bidders shall be provided with access to the Data Room. The Receiver makes no representations or warranties as to the accuracy or completeness of the information contained in the Data Room, the Diligence Materials or any other information provided by the Receiver or its agents in respect of the business or Property of the Company, except to the extent expressly

provided in any definitive sale agreement executed by the Potential Bidder (a “**Definitive Agreement**”) that is executed by the Receiver and returned to the Potential Bidder.

13. The Receiver reserves the right to withhold or delay the disclosure of any Diligence Materials that it determines are business sensitive or otherwise not appropriate for disclosure to a Potential Bidder who is a strategic buyer, competitor, supplier or other person with a business relationship with the Company until such time as the Receiver determines, in its discretion, that the disclosure of any Diligence Materials to such a Potential Bidder does not impair the efficacy of the Sales Procedure and that such Potential Bidder has (a) a *bona fide* intent to submit a Bid (as defined below), and (b) the financial capability to consummate a Transaction.

14. Potential Bidders shall direct information requests with respect to the Sale Process to the Receiver or such other individuals as the Receiver may authorize. Potential Bidders shall provide the Receiver with advance notice, and obtain the prior consent of the Receiver, before commencing or continuing any communications or discussions with any director, officer, agent, employee, former employee, supplier, customer, creditor or shareholder of the Company concerning the Company or its business, Property, financial condition, or prospects, and the Receiver shall have the option to oversee or participate in any such communications or discussions.

### **Bids**

15. A Potential Bidder, other than the Stalking Horse Bidder, that wishes to deliver a bid shall deliver a written binding offer for a Transaction (a “**Bid**”) to the Receiver at the addresses specified in **Appendix “C”** hereto (including by email) so as to be received by the Receiver no later than 5:00 p.m. (Eastern Time) on the Bid Deadline.

16. A Bid will be deemed to be a “**Qualified Bid**” only if the Bid complies with all of the following:

- (a) it includes an executed Definitive Agreement, including all exhibits and schedules contemplated thereby, together with a blackline against the Stalking Horse Agreement (which shall be posted by the Receiver in Word format in the Data Room), describing the terms and conditions of the proposed Transaction, including any liabilities proposed to be assumed, the purchase price (the “**Purchase Price**”), and the structure and financing of the proposed Transaction;
- (b) the Transaction shall, on closing, provide cash proceeds, in immediately available funds, sufficient to pay in full in cash: (i) the aggregate of the Priority Claims attributable to the Property being purchased, (ii) the portion of the Receiver’s Borrowing Obligations attributable to Property being purchased, and (iii) a break fee in the amount of \$85,000;
- (c) it fully discloses the identity of each person (including any person that controls such person) that will be directly or indirectly sponsoring or participating in the Bid and the complete terms of any such participation;
- (d) it includes an acknowledgement and representation of the Qualified Bidder that: (i) it has had an opportunity to conduct any and all due diligence regarding the Property



prior to making its Bid; (ii) it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Property in making its Bid; and (iii) it did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether express, implied, statutory or otherwise, regarding the Property or the completeness of any information provided in connection therewith;

- (e) it does not include any request of the Potential Bidder for an entitlement to any break or termination fee, expense reimbursement or similar type of payment;
- (f) it includes an acknowledgment that the offer is irrevocable until the earlier of (i) the approval of the Successful Bid by the Court (or, in the case of the Stalking Horse Bid, the delivery of the Receiver's Certificate to the Stalking Horse Bidder and the filing of the Receiver's Certificate in Court), and (ii) thirty (30) calendar days following the Bid Deadline (the "**Irrevocable Bid Date**"), provided that if such Potential Bidder's Bid is selected as a Successful Bid, its bid shall remain irrevocable until the closing of the Transaction contemplated by the Successful Bid;
- (g) it includes or is accompanied by evidence satisfactory to the Receiver of the financial ability of the Potential Bidder to consummate the Transaction contemplated by the Bid;
- (h) it is not conditioned on the outcome of unperformed due diligence or obtaining financing;
- (i) it is accompanied by a refundable deposit (the "**Deposit**") in the form of a wire transfer to a bank account specified by the Receiver, payable to the order of the Receiver, in trust, in an amount equal to 10% of the Purchase Price in the Bid, which Deposit is to be held by the Receiver and dealt with in accordance with these Sale Procedures;
- (j) it includes a commitment to close the Transaction contemplated by the Bid by no later than the Outside Date;
- (k) it contains such other information as may reasonably be requested by the Receiver; and
- (l) it is received prior to the Bid Deadline.

17. Notwithstanding the foregoing, a Qualified Bid may not be withdrawn, modified or amended without the written consent of the Receiver prior to the Successful Bid being determined. Any such withdrawal, modification or amendment made without the written consent of the Receiver prior to the Successful Bid being determined shall result in the forfeiture of such Qualified Bidder's Deposit as liquidated damages and not as a penalty.

### **Review of Bid(s)**

18. Following the Bid Deadline, the Receiver shall assess any Bids received and determine whether such bids constitute Qualified Bids. The Receiver may waive compliance with any one or more of the requirements specified herein and deem any non-compliant Bid to be a Qualified Bid.

19. Following the receipt of any Bid, the Receiver may seek clarification with respect to any of the terms or conditions of such Bid and/or request one or more amendments to such Bid prior to determining if such Bid should be considered a Qualified Bid. Each Qualified Bidder shall comply with all reasonable requests for additional information by the Receiver regarding the Qualified Bidder or the Qualified Bid. Failure of a Qualified Bidder to comply with such requests for additional information will be a basis for the Receiver to reject a Qualified Bid.

20. In the event that the Receiver determines that there are no Qualified Bids, the Receiver shall promptly proceed to declare the Stalking Horse Bid as the Successful Bid and proceed to complete the Transaction contemplated by the Stalking Horse Agreement, in accordance with Stalking Horse Sale Approval Order (as defined below).

### **Selection of Successful Bid**

21. The Stalking Horse Bid and each Qualified Bid will be considered and reviewed by the Receiver based upon several factors including, without limitation, items such as the Purchase Price and the net value provided by such bid, the claims likely to be created by such bid in relation to other bids, the counterparties to such transactions, the proposed transaction documents, other factors affecting the speed and certainty of the closing of the transaction, the value of the transaction, any related transaction costs, the likelihood and timing of consummating such transactions, and such other matters as the Receiver may determine.

22. The Receiver shall identify the highest or otherwise best Bid(s) (each, a “**Successful Bid**”, and the Stalking Horse Bidder or the Potential Bidder(s) making such Successful Bid(s), a “**Successful Bidder**”) pursuant to these Sale Procedures. Any Successful Bid shall be subject to approval by the Court.

23. If the Receiver receives one or more Qualified Bids which are superior to the Stalking Horse Bid, it may proceed with an auction to select the Successful Bid (an “**Auction**”) on notice to the Stalking Horse Bidder and each Potential Bidder that submitted a Qualified Bid with a higher Purchase Price or deemed by the Receiver to be superior to the Stalking Horse Bid who will be invited to attend the Auction by the Receiver having regard to the terms of its Qualified Bid (each, an “**Auction Bidder**”). There shall be no more than five (5) Auction Bidders, including the Stalking Horse Bidder. For greater certainty, the Stalking Horse Bidder shall constitute an Auction Bidder in all circumstances in which an Auction is conducted.

24. If an Auction is conducted, it shall be conducted in accordance with the following procedures:

- (a) The Auction shall be conducted at a time to be designated by the Receiver on the Auction Date at the Toronto offices of the Receiver or by electronic communication means (including videoconference, teleconference or such other reasonable means

as the Receiver deems appropriate) and shall continue thereafter until completed, subject to such adjournments as the Receiver may consider appropriate;

- (b) The identity of each Auction Bidder participating in the Auction will be disclosed, on a confidential basis, to each other Auction Bidder;
- (c) Except as otherwise permitted in the Receiver's discretion, only the Receiver and the Auction Bidders, and in each case their respective professional advisors, shall be entitled to attend the Auction. Each Auction Bidder shall appear at the Auction through a duly authorized representative that shall be designated by the Auction Bidder as its spokesperson;
- (d) Except as otherwise set forth herein, the Receiver may waive and/or employ and announce at the Auction additional procedures that the Receiver deems reasonable under the circumstances for conducting the Auction, provided that such procedures are (i) not inconsistent with these Sale Procedures, the Stalking Horse Agreement or any order of the Court granted in the within proceedings, (ii) disclosed to each Auction Bidder, and (iii) designed, in the Receiver's judgement, to result in the solicitation of the highest and best offer;
- (e) Not less than two (2) Business Days prior to the Auction, the Receiver shall: (i) identify the highest or otherwise best Qualified Bid or Stalking Horse Bid received, which shall constitute the opening bid for purposes of the Auction (the "**Opening Bid**"), and (ii) provide the Definitive Agreement in respect of the Opening Bid to all Auction Bidders, on a confidential basis. Subsequent bidding at the Auction will continue in minimum increments in an amount to be determined by the Receiver prior to, and announced at, the Auction. Each Auction Bidder shall, if requested by the Receiver, provide evidence of its financial wherewithal and ability to consummate the Transaction at the increased consideration bid at the Auction;
- (f) All Auction Bidders shall have the right, at any time during the Auction, to request that the Receiver announce, subject to any potential new bids, the then-current highest or otherwise best bid and, to the extent requested by any Auction Bidder, use reasonable efforts to clarify any questions such Auction Bidder may have on the then-current highest or otherwise best bid;
- (g) Each Auction Bidder shall be given a reasonable opportunity to submit an overbid at the Auction to any then-existing overbids;
- (h) The Auction shall continue until the bidding has concluded and there is one remaining Auction Bidder that the Receiver has determined has submitted the highest or otherwise best bid of the Auction. At such time, the Auction shall be closed and the Auction Bidder that submitted the highest or otherwise best bid shall be designated as the Successful Bidder; and
- (i) Upon selection of a Successful Bidder, the Successful Bidder shall, as soon as practicable, execute and deliver a Definitive Agreement that reflects the Successful Bidder's bid and any modifications submitted and agreed to during the Auction.

25. For all purposes of the Sale Process, the Stalking Horse Bidder shall be entitled to credit bid all or any portion of the Senior Secured Obligations, at the face value of such obligations in the full principal amount of US\$5,070,000 (plus interest). In the event that the Receiver designates a Qualified Bid, the Stalking Horse Bidder shall have the right, as part of an Auction, to supplement its Stalking Horse Bid with additional cash or other consideration such that the revised Stalking Horse Bid includes aggregate consideration in excess of the amount of the Senior Secured Obligations and the Priority Claims.

### **Court Approval**

26. Contemporaneously with the granting of the Sale Procedure Order, the Receiver obtained an order of the Court approving the Stalking Horse Agreement and vesting in the Stalking Horse Bidder (or its authorized assignee) all right, title interest in and to the Property described in the Stalking Horse Bid, conditional on, among other things, the selection of the Stalking Horse Bid as the Successful Bid by the Receiver (the “**Stalking Horse Sale Approval Order**”). If the Stalking Horse Bid is selected by the Receiver as the Successful Bid, the Receiver shall proceed to complete the Transaction contemplated by the Stalking Horse Agreement, in accordance with Stalking Horse Sale Approval Order.

27. If a Qualifying Bid other than the Stalking Horse Bid is selected by the Receiver as a Successful Bid, the Receiver shall apply to the Court (the “**Approval Motion**”) for an order approving such Successful Bid, which Approval Motion, subject to Court availability, shall be held on or prior to the Approval Hearing Date.

28. In either case, the Receiver shall implement the Successful Bid by no later than the Outside Date.

### **Deposits**

29. All Deposits shall be retained by the Receiver and deposited in a trust account.

30. The Deposit paid by the Successful Bidder whose bid is approved at the Approval Motion shall be applied (without interest) to the Purchase Price to be paid by the Successful Bidder upon closing of the Transaction. After selection of the Bid as the Successful Bid, the Deposit will be non-refundable.

31. The Deposits of Qualified Bidders not selected as the Successful Bidder shall be returned, without interest, within two (2) Business Days of the Irrevocable Bid Date.

32. The Stalking Horse Bidder shall not be required to provide a Deposit.

### **Approvals**

33. For greater certainty, the approvals required pursuant to the terms hereof are in addition to, and not in substitution for, any other approvals required at law in order to implement or complete a Successful Bid.

**No Amendment**

34. Except as expressly set forth herein, there shall be no amendments or modifications to these Sale Procedures without the consent of the Receiver and the Stalking Horse Bidder or further Order of the Court.

**“As Is, Where Is”**

35. Any Transaction will be on an “as is, where is” basis and without surviving representations or warranties of any kind, nature, or description except to the extent expressly provided under a Definitive Agreement with a Successful Bidder executed and delivered by the Receiver.

**Further Orders**

36. At any time during the Sale Process, the Receiver may apply to the Court for advice and directions with respect to the discharge of its powers and duties hereunder.

**Reservation of Rights**

37. These Sale Procedures do not, and shall not be interpreted to, create any contractual or other legal relationship between the Receiver and any other party, other than as specifically set forth in definitive agreements that may be executed.

38. For the avoidance of doubt, the approvals required pursuant to the terms hereof are in addition to, and not in substitution for, any other approvals required by the Appointment Order or any other statute or as otherwise required at law in order to implement a Successful Bid.

## Appendix “A” Definitions

For purposes of the Sale Procedures, the following terms shall have the following meanings:

**“Business Day”** means a day, other than a Saturday, Sunday, or a day on which banks in Toronto, Ontario are authorized or obligated by applicable law to close or otherwise are generally closed.

**“Priority Claims”** mean all claims other than the Receiver’s Borrowings Obligations ranking in priority to the Promissory Note Obligations and includes, for greater certainty, the post-closing fees of the Receiver and its counsel;

**“Promissory Note Obligations”** means, collectively, all present and future obligations of any kind or nature owing by the Company to Ortho Studios Express, Inc. including, without limitation, all principal, interest, fees, payments, costs, expenses and disbursements, pursuant to, or in connection with the Line of Credit Grid Promissory Note dated March 20, 2020 in the principal amount of US\$5,000,000 issued by the Company to Ortho Studios Express, Inc. and secured by that certain General Security Agreement dated as of March 20, 2020 granted by the Company in favour of Ortho Studios Express, Inc., in each case as amended, supplemented, amended and restated, replaced, or otherwise modified from time to time.

**“Receiver’s Borrowings Obligations”** means all obligations of any kind or nature owing by the Receiver to Ortho Studios Express, Inc. that are secured by the Receiver’s Borrowings Charge (as defined in the Appointment Order), including all principal, interest, fees, payments, costs, expenses and disbursements.

**“Receiver’s Certificate”** means the Receiver’s Certificate, in the form appended to the Stalking Horse Approval Order, signed and delivered by the Receiver to the Stalking Horse Bidder.

**“Senior Secured Obligations”** means, collectively, the Receiver’s Borrowings Obligations and the Promissory Note Obligations.

**Appendix “B” Form of Notice  
Acquisition Opportunity**

**[To be completed by Richter]**

**Appendix “C” Receiver Address for Notices**

If to the Receiver:

Richter Inc.  
181 Bay St. #3510  
Bay Wellington Tower  
Toronto, ON M5J 2T3

Attention: Jonathan Joffe  
Email: JJoffe@Richter.ca

With a copy to:

Reconstruct LLP  
200 Bay Street, Suite 2305  
Toronto, ON M5J 2J3

Attention: Caitlin Fell  
Email: cfell@reconllp.com  
Tel.: 416 613-8282



# Appendix “G”

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

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 SECTION 101 OF THE *COURTS OF JUSTICE ACT*,  
R.S.O. 1990, C. C.43, AS AMENDED

AFFIDAVIT OF JONATHAN JOFFE  
(sworn February 9, 2024)

I, Jonathan Joffe, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am a Vice President at Richter Inc. ("**Richter**"), and, as such, I have knowledge of the matters hereinafter deposed to, except where stated to be on information and belief and whereso stated I verily believe it to be true.
2. By order (the "**Appointment Order**") of the Honourable Justice Conway of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated July 4, 2023, Richter was appointed receiver and manager (the "**Receiver**") without security, of the assets, undertaking and properties of Digital Orthodontic Care Inc. (the "**Company**") pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and section 101 of the *Courts of Justice Act* R.S.O. 1990, c. C.43, as amended.
3. Unless otherwise stated, all monetary amounts contained herein (including exhibits) are expressed in Canadian dollars.
4. Pursuant to the Appointment Order, the Receiver has provided services and incurred disbursements, in the amount of \$172,692.00 and \$2,886.80 (all excluding HST), respectively, in the period from July 4, 2023 to February 7, 2024 (the "**Period**"). Attached hereto an marked as Exhibit "**A**" to this affidavit is a summary of all invoices rendered by the Receiver on a periodic basis during the Period (the "**Accounts**").
5. True copies of the Accounts, which include a fair and accurate description of the services provided along with the hours and applicable rates claimed by the Receiver, are attached as Exhibit "**B**" to this Affidavit.

6. Richter, in its capacity as Receiver, has previously filed one report with the Court (the “**First Report**”). In addition, and contemporaneously with the filing of this Affidavit, the Receiver is filing its second report to Court (the “**Second Report**”). Details of the activities undertaken and services provided by the Receiver in connection with the administration of these receivership proceedings are described in the First Report and Second Report.
7. In the course of performing its duties pursuant to the Appointment Order, the Receiver’s staff has expended a total of 362.2 hours during the Period at an average blended hourly rate of \$476.79. Attached as **Exhibit “C”** to this Affidavit is a schedule setting out a summary of the individual staff involved in the administration of the receivership and the hours and applicable rates claimed by the Receiver for the Period.
8. The Receiver requests that this Court approve its Accounts for the Period, in the total amount of \$175,584.80 (excluding HST) for services rendered and recorded during the Period.
9. Reconstruct LLP (“**Reconstruct**”), as independent counsel to the Receiver, has also rendered services and incurred disbursements throughout these proceedings in a manner consistent with the instructions of the Receiver and have prepared an affidavit with respect to the services rendered for the period July 4, 2023 to February 8, 2024. The Receiver has reviewed the invoices rendered by Reconstruct during this period and is satisfied that their activities were consistent with the instructions of the Receiver.
10. The Receiver’s and Reconstruct’s fees and disbursements for the period from and after February 7, 2023 and February 8, 2023, respectively, to the completion of all works relating to the Company’s receivership proceedings will be calculated and billed at the standard rates currently in effect. Barring any delays, disputes or unforeseen circumstances in connection with the matter and taking into account the remaining work to be done in connection with this matter, I estimate that those fees and disbursements will not exceed \$25,000 (excluding applicable taxes) (the “**Remaining Fees and Disbursements**”), as follows:
  - a) Richter - \$10,000; and
  - b) Reconstruct - \$15,000.
11. The above estimates take into consideration the reasonable professional and legal fees required to complete all work relating to the receivership proceedings up to the effective date of the Receiver’s discharge. If the actual Remaining Fees and Disbursements are less than the above estimates, no further Court approval of fees and disbursements is required. If the actual Remaining Fees and Disbursements exceed the estimates, the Receiver

is authorized to pay those excess fees with either (i) the consent of Ortho Studio Express, Inc., the Company's secured creditor, or (ii) pursuant to further Order of the Court.

12. To the best of my knowledge, the rates charged by Richter and Reconstruct are comparable to the rates charged by other accounting and law firms for the provision of similar restructuring services in downtown Toronto.
13. I verily believe that the fees and disbursements incurred by Richter and Reconstruct are fair and reasonable in the circumstances.
14. This Affidavit is sworn in connection with a motion for an Order of this Court to, among other things, approve the fees and disbursements of the Receiver and those of Reconstruct and for no improper purpose.

**SWORN BEFORE ME** over videoconference on this 9<sup>th</sup> day of February 2024. The affiant was located in the City of Toronto, in the Province of Ontario and the Commissioner was located in the City of Montreal, in the Province of Quebec.



no. 205380

\_\_\_\_\_  
Vicky Coupal

Commissioner of oaths and affidavits

in the Province of Quebec and outside of Quebec



\_\_\_\_\_  
**Jonathan Joffe**

This is Exhibit "A" referred to in the Affidavit of  
Jonathan Joffe, sworn on February 9, 2024



no. 205380

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Vicky Coupal  
Commissioner of oaths and affidavits  
in the Province of Quebec and outside of Quebec

**Richter Inc.**  
**in its capacity as Receiver and Manager of**  
**Digital Orthodontic Care Inc.**  
**Statement of Accounts**

**Exhibit A**

<b>Invoice No.</b>	<b>Period</b>	<b>Fees</b>	<b>Disbursements</b>	<b>Sub total</b>	<b>HST</b>	<b>Total</b>
20408940	July 10, 2023 to July 31, 2023	78,000.00	114.72	78,114.72	10,154.91	88,269.63
20409279	August 1, 2023 to October 19, 2023	78,000.00	2,408.08	80,408.08	10,453.05	90,861.13
20409583	October 19, 2023 to February 7, 2024	16,692.00	364.00	17,056.00	2,217.28	19,273.28
<b>Total</b>		<b>172,692.00</b>	<b>2,886.80</b>	<b>175,578.80</b>	<b>22,825.24</b>	<b>198,404.04</b>

This is Exhibit "B" referred to in the Affidavit of  
Jonathan Joffe, sworn on February 9, 2024



no. 205380

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Vicky Coupal  
Commissioner of oaths and affidavits  
in the Province of Quebec and outside of Quebec

# RICHTER

BUSINESS | FAMILY OFFICE

Ortho Studio Express, Inc.  
3524 Washington Avenue  
Sheboygan, WI 53081

Date: 08/21/2023  
Invoice No.: 20408940  
Engagement No.: 2023322  
Payment Terms: Due on Receipt

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Professional services rendered for the period up to July 31, 2023	\$ 87,008.25
Less: Courtesy discount	-9,008.25
	<hr/>
	78,000.00
Disbursements	114.72
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<b>Sub-Total</b>	78,114.72
GST/HST #885435842 RT0001	10,154.91
	<hr/>
<b>Total Due</b>	<b>CAD \$ 88,269.63</b>

TORONTO

Richter Inc.  
181 Bay St., #3510  
Bay Wellington Tower  
Toronto ON M5J 2T3  
416.488.2345

MONTRÉAL

1981 McGill College  
Montréal QC H3A 0G6  
514.934.3400

CHICAGO

200 South Wacker, #3100  
Chicago IL 60606  
312.828.0800



Invoice No.: 20408940  
Date: 08/21/2023

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**Fees**

<b>Name</b>	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>
Adam Sherman	0.70	\$ 795.00	\$ 556.50
Adam Zeldin	6.50	625.00	4,062.50
Carol O'Donnell	11.40	250.00	2,850.00
Jonathan Joffe	107.50	625.00	67,187.50
Karen Kimel	3.90	795.00	3,100.50
Owen Belavin	29.50	150.00	4,425.00
Shane Connolly	9.75	495.00	4,826.25
	<b>169.25</b>		<b>\$ 87,008.25</b>

**Disbursements**

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Karen Kimel			\$ 114.72
			<b>\$ 114.72</b>

Invoice No.: 20408940  
Date: 08/21/2023

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**Fee and Disbursement Details**

<b>Date</b>	<b>Name and Description</b>	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>
05/08/2023	Karen Kimel Review draft order and affidavit. Receivership planning.	1.00	\$ 795.00	\$ 795.00
05/09/2023	Shane Connolly Review court materials/fixed asset listing and communications with Richter team re same.	1.50	495.00	742.50
05/10/2023	Shane Connolly Prepare receivership checklist. Calls/emails with Richter team re upcoming appointment hearing and status of same.	1.75	495.00	866.25
05/11/2023	Shane Connolly Draft day one letters/notices and communications with Richter team re same. Calls/emails with locksmiths re attending on site on day one.	2.50	495.00	1,237.50
05/12/2023	Karen Kimel Court for receivership.	0.50	795.00	397.50
05/12/2023	Shane Connolly Prepare to attend on site on day one. Attend appointment hearing and discussions with Richter team re outcome of same.	2.25	495.00	1,113.75
06/29/2023	Adam Zeldin Review of email from McMillan re appointment matters. Call with K. Kimel. Review of receivership checklist. Review of other first-day documents.	1.20	625.00	750.00
07/04/2023	Karen Kimel Call with T. Weerasooriya, A. Sherman.	0.50	795.00	397.50
07/04/2023	Jonathan Joffe Reviewing receivership checklist. Reviewing notice to be posted at premises. Corresponding with locksmith. Attending at site and meeting with employees. Securing assets and premises. Preparing update email to the secured lender and McMillan.	8.25	625.00	5,156.25
07/05/2023	Carol O'Donnell Post documents to website, file with OSB. Prepare documents to open bank account. Open file in Ascend.	2.20	250.00	550.00
07/05/2023	Jonathan Joffe Call with J. Sheppard re: accounting records. Attending at site re Company's records. Download financial records. Corresponding with RBC. Corresponding with insurance provider. Sending update to secured lender. Corresponding with employees.	8.25	625.00	5,156.25
07/05/2023	Owen Belavin	5.00	150.00	750.00

Invoice No.: 20408940  
Date: 08/21/2023

Date	Name and Description	Hours	Rate	Amount
	Attend at site to deal with various matters, including taking inventory/photos of assets, meeting with Management, corresponding with employees, posting of notices, corresponding with employees/locksmith. Discussions with Richter Team.			
07/06/2023	Adam Sherman Emails/discussions with J. Joffe re various matters.	0.50	795.00	397.50
07/06/2023	Jonathan Joffe Attending at site and communicating with HR re same. Responding to employee inquiries. Employee termination letter. Corresponding with A. Sherman. Update email to secured lender. Corresponding with McMillan. Corresponding with the subtenant and landlord.	7.75	625.00	4,843.75
07/07/2023	Jonathan Joffe Attending a call with McMillan. Corresponding with Richter team. Corresponding with the Company's bookkeeper. Corresponding with employees.	6.50	625.00	4,062.50
07/10/2023	Carol O'Donnell Verify bank for wire transfer, update deposit.	0.30	250.00	75.00
07/10/2023	Jonathan Joffe Issuing termination letters. Corresponding with former employees, J. Sheppard, Platinum assets, subtenant, secured lender, payroll service provider, bookkeeper. Preparing Notice and Statement of the Receiver. Issuing a funding request.	7.75	625.00	4,843.75
07/11/2023	Carol O'Donnell File documents with the OSB. Set up website. Open file in Ascend. Prepare documents. Prepare wire transfer. Emails with OSB.	1.30	250.00	325.00
07/11/2023	Adam Sherman Approve wire re payroll. Emails with Richter team.	0.20	795.00	159.00
07/11/2023	Jonathan Joffe Funding payroll and corresponding internally regarding same. Corresponding with former employees. Corresponding with J. Sheppard. Corresponding with Platinum Assets. Corresponding with payroll service provider.	5.50	625.00	3,437.50
07/12/2023	Carol O'Donnell Open bank account in Ascend, update deposit and wire transfer.	0.30	250.00	75.00
07/12/2023	Jonathan Joffe	5.75	625.00	3,593.75

Invoice No.: 20408940  
 Date: 08/21/2023

Date	Name and Description	Hours	Rate	Amount
07/13/2023	Corresponding with landlord's counsel. Corresponding with former employees. Corresponding with payroll service provider. Reviewing accounting records. Carol O'Donnell Prepare creditors list and supplementary creditors list. Review form 87. Follow up with J. Joffe. File form 87 with OSB.	2.10	250.00	525.00
07/13/2023	Jonathan Joffe Attending at premises to meet with former employees and Platinum assets. Reviewing Company mail and summarizing cheques received for deposit. Finalizing notice and statement of receiver. Attending call with landlord's counsel.	5.25	625.00	3,281.25
07/13/2023	Owen Belavin Prepare cheque summary. Discussion with Richter team.	1.50	150.00	225.00
07/14/2023	Carol O'Donnell Post notice to website, follow up with OSB to obtain estate number. Prepare labels, postage form, photocopy form. Prepare mailing. Follow up with J. Joffe re missing addresses. Send emails. Miscellaneous administration.	2.90	250.00	725.00
07/14/2023	Karen Kimel Call with T. Weerasooriya re sales process planning.	0.50	795.00	397.50
07/14/2023	Jonathan Joffe Attending at premises to meet with former employees. Corresponding with Aird McBurney LLP, Company's IP legal counsel. Corresponding with Company's banking service provider. Preparing and sending an update email to the secured lender.	5.50	625.00	3,437.50
07/17/2023	Carol O'Donnell Follow up with OSB for estate number. Update US deposit. Sending notice to Creditor. Communicate with OSB for estate number.	0.90	250.00	225.00
07/17/2023	Jonathan Joffe Attending at premises, meeting with former employees. Corresponding with former employees. Corresponding with creditors.	4.25	625.00	2,656.25
07/18/2023	Jonathan Joffe Corresponding with O. Belavin regarding WEPPA. Corresponding with creditors. Arranging for ROEs and circulating same to former employees.	4.50	625.00	2,812.50
07/18/2023	Owen Belavin	4.50	150.00	675.00

Invoice No.: 20408940  
Date: 08/21/2023

Date	Name and Description	Hours	Rate	Amount
	Update WEPPA information for all employees of Company. Discussion with Richter team.			
07/19/2023	Carol O'Donnell Prepare remittance advice for registration fees and e-file to OSB.	0.20	250.00	50.00
07/19/2023	Jonathan Joffe Corresponding with former employees and creditors. Corresponding with J. Sheppard. Corresponding with landlord's counsel. Corresponding with Infinity Assets.	4.25	625.00	2,656.25
07/19/2023	Owen Belavin Deal with various WEPPA related matters, including updating hourly employee working hour schedule. Discussion with Richter team.	3.00	150.00	450.00
07/20/2023	Jonathan Joffe Corresponding with former employees and creditors, J. Sheppard, Infinity Assets, MNP. Reviewing cheques received in the mail. Corresponding with BDC, Lease direct, Aird McBurney. Preparing and circulating an update to secured lender.	5.50	625.00	3,437.50
07/20/2023	Owen Belavin Attending meeting and site tour with liquidator and fire consultant. Discussion with Richter team.	5.50	150.00	825.00
07/21/2023	Jonathan Joffe Attending call with MNP. Corresponding regarding additional ROE's to be issued. Corresponding with RBC. Corresponding with former employees. Corresponding with Landlord's counsel. Corresponding with subtenant.	5.00	625.00	3,125.00
07/24/2023	Carol O'Donnell Communication with OSB to change Receiver, update website.	0.20	250.00	50.00
07/24/2023	Karen Kimel Call with T. Weerasooriya and J. Joffe re suggested sales process approach. Review statement of receiver and creditors meeting agenda.	1.10	795.00	874.50
07/24/2023	Jonathan Joffe Corresponding with McMillan and attending call re liquidator's assessments. Corresponding with storage service provider. Corresponding with former employees and creditors.	3.50	625.00	2,187.50
07/24/2023	Owen Belavin	6.00	150.00	900.00

Invoice No.: 20408940  
Date: 08/21/2023

Date	Name and Description	Hours	Rate	Amount
	Attend at site. Meeting/discussions with fire consultant. Meetings/tour with third-party movers of subletted property. Discussion with Richter team.			
07/25/2023	Carol O'Donnell Update deposit. Prepare wire transfer.	0.40	250.00	100.00
07/25/2023	Jonathan Joffe Corresponding with former employees. Reviewing, submitting and funding payroll. Corresponding with subtenant.	3.25	625.00	2,031.25
07/25/2023	Owen Belavin Attend at site to facilitate fire consultant work. Discussions with third-party movers re relocation of their property. Discussion with Richter team.	2.00	150.00	300.00
07/26/2023	Carol O'Donnell Update wire transfer.	0.10	250.00	25.00
07/26/2023	Karen Kimel Call with T. Weerasooriya and J. Joffe on sales process.	0.30	795.00	238.50
07/26/2023	Jonathan Joffe Corresponding with former employees. Resubmitting payroll funding request and corresponding internally regarding same. Corresponding with subtenant. Responding to inquiries from creditors. Corresponding with multiple liquidators.	5.50	625.00	3,437.50
07/27/2023	Carol O'Donnell Update wire.	0.10	250.00	25.00
07/27/2023	Adam Zeldin Intro/update call with J. Joffe, review of email re next day attendance at facility. Review of Receivership Order and other court materials.	1.20	625.00	750.00
07/27/2023	Jonathan Joffe Corresponding with subtenant. Corresponding with landlord regarding fire equipment service provider access. Corresponding with former employees. Corresponding with landlord's counsel. Call with A. Zeldin.	4.00	625.00	2,500.00
07/28/2023	Adam Zeldin Attend at facility. Meet and tour with liquidators, fire consultants, third-party asset removal company. Calls/emails with Richter team.	2.50	625.00	1,562.50
07/28/2023	Jonathan Joffe	5.25	625.00	3,281.25

Invoice No.: 20408940  
Date: 08/21/2023

Date	Name and Description	Hours	Rate	Amount
	Corresponding with employees re transition to task & term. Issuing termination letters. Corresponding with liquidators. Reviewing investment info. Reviewing IP info summary from Aird McBurney. Attending call with K. Kimel. Calls/emails with A. Zeldin.			
07/31/2023	Carol O'Donnell Verify bank for incoming wire transfer, update. Follow up with J. Joffe regarding redirection of mail.	0.40	250.00	100.00
07/31/2023	Adam Zeldin Emails with J. Joffe re LL attendance at site. Emails with Richter corp. finance team re buyers list, review of same. Emails/calls with O. Belavin re status update, attendance coordination. Emails with liquidator.	1.60	625.00	1,000.00
07/31/2023	Shane Connolly Prepare interested party schedule/research potential interested parties and discussions with Richter team re same.	1.75	495.00	866.25
07/31/2023	Jonathan Joffe Corresponding with J. Sheppard. Responding to inquiries from former employees. Preparing and sending update email to secured lender.	2.00	625.00	1,250.00
07/31/2023	Owen Belavin Attend at site. Meetings with fire consultant re alarm system. Meeting/site tour with liquidator. Review/document receipts. Discussion with Richter team.	2.00	150.00	300.00
<b>Fees Total</b>		<b>169.25</b>		<b>\$ 87,008.25</b>
Date	Name and Description	Hours	Rate	Amount
07/14/2023	Karen Kimel 07/14/2023: 3 pages x 39 copies @ \$0.25; Notice of Statement of Receiver			\$ 29.25
07/14/2023	Karen Kimel 07/14/2023: Postage: Notice of Statement of Receiver			85.47
<b>Disbursements Total</b>				<b>\$ 114.72</b>

Invoice No.: 20408940  
Date: 08/21/2023

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**Remittance Form**

Ortho Studio Express, Inc.  
3524 Washington Avenue  
Sheboygan, WI 53081

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**Invoice Summary**

<b>Sub-Total</b>		<b>\$ 78,114.72</b>
GST/HST #885435842 RT0001		10,154.91
<b>Total Due</b>	<b>CAD</b>	<b>\$ 88,269.63</b>

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**Payment Options**

**At this time, we ask that payment not be made by cheque.  
Please use one of the payment options below. We appreciate your collaboration.**

**Wire Transfer** Toronto Dominion Bank  
Commercial Banking Center  
525 Av. Viger Ouest, Montréal (Qc) H2Z 0B2  
Bank Institute No.: 004  
CAD Account no.: 5300836 Transit no.: 41601 Swift code: TDOMCATTOR  
USD Account no.: 7332090 Transit no.: 41601 Swift code: TDOMCATTOR  
Email payment details, including invoice number and amount paid to:  
ClientService@richter.ca

**Credit Card** payments can be made by contacting us as indicated below.

**Inquiries: please call our general line 416.488.2345 or e-mail ClientService@richter.ca  
Please note the legal name change of this entity from Richter Advisory Group Inc. to Richter Inc.**

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**TORONTO**

Richter Inc.  
181 Bay St., #3510  
Bay Wellington Tower  
Toronto ON M5J 2T3  
416.488.2345

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**MONTRÉAL**

1981 McGill College  
Montréal QC H3A 0G6  
514.934.3400

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**CHICAGO**

200 South Wacker, #3100  
Chicago IL 60606  
312.828.0800



# RICHTER

BUSINESS | FAMILY OFFICE

Ortho Studio Express, Inc.  
3524 Washington Avenue  
Sheboygan, WI 53081

Date: 11/16/2023  
Invoice No.: 20409279  
Engagement No.: 2023322  
Payment Terms: Due on Receipt

Re: Receivership of Digital Orthodontic Care Inc.

Professional services rendered for the period up to October 19, 2023			\$ 86,064.00
Less: Courtesy discount			-8,064.00
	<b>Sub-Total</b>		<u>78,000.00</u>
Disbursements			2,408.08
	<b>Sub-Total</b>		<u>80,408.08</u>
	GST/HST #885435842 RT0001		10,453.05
	<b>Total Due</b>	CAD	<u><b>\$ 90,861.13</b></u>

TORONTO

Richter Inc.  
181 Bay St., #3510  
Bay Wellington Tower  
Toronto ON M5J 2T3  
416.488.2345

MONTRÉAL

1981 McGill College  
Montréal QC H3A 0G6  
514.934.3400

CHICAGO

200 South Wacker, #3100  
Chicago IL 60606  
312.828.0800

Invoice No.: 20409279  
Date: 11/16/2023

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**Fees**

<b>Name</b>	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>
Adam Sherman	1.00	\$ 795.00	\$ 795.00
Adam Zeldin	20.30	625.00	12,687.50
Carol O'Donnell	18.20	250.00	4,550.00
Jonathan Joffe	74.35	625.00	46,468.75
Karen Kimel	5.90	795.00	4,690.50
Owen Belavin	11.05	150.00	1,657.50
Pascale Lareau	6.90	320.00	2,208.00
Shane Connolly	26.25	495.00	12,993.75
Vicky Coupal	0.10	130.00	13.00
	<b>164.05</b>		<b>\$ 86,064.00</b>

**Disbursements**

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Kilometers	\$ 871.92
Meals	151.58
Postage/Courier	31.28
Taxi	1,200.75
Telephone	152.55
	<b>\$ 2,408.08</b>

Invoice No.: 20409279  
Date: 11/16/2023

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**Fee and Disbursement Details**

<b>Date</b>	<b>Name and Description</b>	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>
08/01/2023	Carol O'Donnell Update deposit. Review of Canada Post redirection of mail, email to J. Joffe.	0.30	\$ 250.00	\$ 75.00
08/01/2023	Adam Zeldin Review of liquidator proposals. Review summary of proposals, update same. Emails with Richter team re same.	1.80	625.00	1,125.00
08/01/2023	Shane Connolly Review offers received from liquidators and prepare schedule summarising same.	2.00	495.00	990.00
08/01/2023	Owen Belavin Met with fire department on-site to continue working on the fire panel system. Discussion with Richter Team.	0.20	150.00	30.00
08/02/2023	Adam Zeldin Review of liquidator proposals, review/update summary re same. Draft email to Richter team re proposal comparison. Emails with McMillan re proposals.	1.80	625.00	1,125.00
08/02/2023	Shane Connolly Review offers received from liquidators and prepare schedule comparing same. Communications with A. Zeldin re outcome of comparison schedule.	2.00	495.00	990.00
08/02/2023	Jonathan Joffe Reviewing offers from liquidators. Reviewing summary of same. Corresponding with A Zeldin regarding offers received. Reviewing correspondence from McMillan. Drafting report to Court. Corresponding with J Sheppard regarding final payroll and ROEs.	2.50	625.00	1,562.50
08/02/2023	Owen Belavin Met on site with fire department to continue working on equipment. Discussion with Richter Team.	0.20	150.00	30.00
08/03/2023	Karen Kimel Review and comments re sales procedures.	0.50	795.00	397.50
08/03/2023	Adam Zeldin Attend at site. Meet with fire consultants. Review/update liquidator proposal summary email/schedules, discussions with K. Kimel re same. Email to McMillan/M. Cassidy re same. Meeting with LL at site. Call with liquidator.	2.80	625.00	1,750.00
08/03/2023	Shane Connolly Communications with Richter team re interested party tracker and review/update same. Prepare advertisement re notice of SISP.	1.25	495.00	618.75

Invoice No.: 20409279  
 Date: 11/16/2023

Date	Name and Description	Hours	Rate	Amount
08/03/2023	Jonathan Joffe Drafting report to Court. Corresponding with S Salazar regarding cheques for deposit.	1.00	625.00	625.00
08/03/2023	Owen Belavin Updated strategic buyer tracker. Discussion with Richter team.	2.00	150.00	300.00
08/04/2023	Pascale Lareau Prepare bank reconciliation, pdf, update bank reconciliation file and follow-up for signature, filing document	0.40	320.00	128.00
08/04/2023	Karen Kimel Call re liquidation offers with A Zeldin; McMillan and M Cassidy.	0.50	795.00	397.50
08/04/2023	Adam Zeldin Call with McMillan/Reconstruct/M. Cassidy re liquidator proposals. Emails/call with landlord counsel. Discussions with Richter team re liquidator proposals/LL matters/Sale Process matters/other.	1.20	625.00	750.00
08/04/2023	Owen Belavin Updated strategic buyer tracker and cheque summary from mailed cheques. Discussion with Richter Team.	1.00	150.00	150.00
08/07/2023	Jonathan Joffe Corresponding with McMillan, Ortho Express, K Kimel and A Zeldin regarding the IP and Investments. Resending email sent July 31.	1.00	625.00	625.00
08/08/2023	Carol O'Donnell Prepare wire transfer and update. Follow up regarding redirection of mail.	0.50	250.00	125.00
08/08/2023	Karen Kimel Review of stalking horse purchase agreement and call with S Parsons Reconstruct re same.	1.50	795.00	1,192.50
08/08/2023	Adam Sherman Review/approve wire re final payroll. Emails with Richter team.	0.20	795.00	159.00
08/08/2023	Adam Zeldin Prepare teaser letter. Review of draft Sale Procedures, Stalking Horse Agreement, various financial/other information re same. Emails with LL counsel re post-filing occupancy matters. Discussions with Richter team.	2.50	625.00	1,562.50
08/08/2023	Jonathan Joffe	4.00	625.00	2,500.00

Invoice No.: 20409279  
Date: 11/16/2023

Date	Name and Description	Hours	Rate	Amount
	Draft report to Court. Reviewing Sale Process procedures. Reviewing Stalking Horse Asset Purchase Agreement. Reviewing draft order. Corresponding with McMillan regarding IP. Corresponding with former bookkeeper regarding related party transactions.			
08/08/2023	Owen Belavin Met on site with fire department to continue working on alarm system. Discussion with Richter team.	0.20	150.00	30.00
08/09/2023	Karen Kimel Call with C Fell; Review of court report, sales procedures etc.	2.00	795.00	1,590.00
08/09/2023	Adam Zeldin Emails with Danbury re proposal. Discussions with Richter team re LL matters, SISP, other. Review/update teaser.	0.50	625.00	312.50
08/09/2023	Jonathan Joffe Draft report. Reviewing revisions to Sale Process procedures and Stalking Horse Agreement. Corresponding with J Sheppard re IP, vendors and Sale Process. Corresponding with Landlord's counsel and updating Reconstruct, K Kimel and A Zeldin re same.	4.00	625.00	2,500.00
08/09/2023	Owen Belavin Met with fire department to continue working on alarm system. Discussion with Richter team.	0.20	150.00	30.00
08/10/2023	Karen Kimel Review court report, discussions with J. Joffe and email to Reconstruct re same.	0.50	795.00	397.50
08/10/2023	Adam Zeldin Attend at site. Meeting with fire consultants. Review of cheque summary, email from O. Belavin re same. Email to Danbury. Review of accounts, other post-filing expenses.	2.50	625.00	1,562.50
08/10/2023	Jonathan Joffe Corresponding with J. Sheppard. Corresponding with B. Lyle re: liquidation proposal. Corresponding with Reconstruct regarding lease agreement. Corresponding with former employees. Issuing payroll. Corresponding with RBC re: retrieving an e-transfer	2.00	625.00	1,250.00
08/10/2023	Owen Belavin Updated cheque summary. Discussion with Richter team.	0.50	150.00	75.00
08/11/2023	Adam Zeldin	0.30	625.00	187.50

Invoice No.: 20409279  
Date: 11/16/2023

Date	Name and Description	Hours	Rate	Amount
08/11/2023	Review of deposit slip re: AR collections. Discussions with Richter team. Jonathan Joffe Corresponding with Reconstruct regarding lease agreement. Corresponding with Ortho Express and McMillan regarding rent and patents	0.75	625.00	468.75
08/14/2023	Carol O'Donnell Post documents to website and file with OSB.	0.40	250.00	100.00
08/14/2023	Adam Zeldin Draft teaser, review of various company information re same. Emails with J. Joffe re teaser, NDA, other SISP and motion matters.	2.20	625.00	1,375.00
08/14/2023	Jonathan Joffe Corresponding with Infinity Asset Solutions regarding liquidation pending Court approval. Corresponding with former accountant regarding journal entries. Corresponding with secured creditor regarding prospective purchaser recommendations.	1.50	625.00	937.50
08/15/2023	Carol O'Donnell Follow up on minutes for FMOC. Post documents to website and EFile to OSB. Prepare wire transfer and update.	0.90	250.00	225.00
08/15/2023	Karen Kimel Review landlord agreement.	0.20	795.00	159.00
08/15/2023	Adam Sherman Review/approve wire re payroll expenses. Emails with Richter team.	0.20	795.00	159.00
08/15/2023	Adam Zeldin Review of management presentations, info on investments, patent summary, other company records. Review/update teaser. Calls with CRA re HST matters, trust exams, other matters. Discussions with Richter team.	2.80	625.00	1,750.00
08/15/2023	Jonathan Joffe Corresponding with A. Zeldin re: sale process materials. Corresponding with former employee re: WEPP. Reviewing rent agreement and corresponding with RECON re: same. Corresponding with landlord's counsel. Processing payroll and other vendor payments.	1.75	625.00	1,093.75
08/15/2023	Owen Belavin Met with Infinity Asset team to give tour of premises and give a set of keys. Discussion with Richter team.	0.25	150.00	37.50
08/16/2023	Adam Zeldin	0.50	625.00	312.50

Invoice No.: 20409279  
Date: 11/16/2023

Date	Name and Description	Hours	Rate	Amount
	Review of emails with Richter team re accounts. Call with CRA re need for HST/payroll audit, obtain post-filing HST number.			
08/16/2023	Jonathan Joffe Prepare WEPP summary and corresponding with C. O'Donnell regarding same. Corresponding with three former employees. Corresponding with RBC regarding recalled e-transfer. Preparing sale process data room.	1.50	625.00	937.50
08/17/2023	Carol O'Donnell Request extension from Service Canada for WEPP. Post documents to website and file with OSB.	0.40	250.00	100.00
08/17/2023	Karen Kimel Court hearing.	0.20	795.00	159.00
08/17/2023	Jonathan Joffe Corresponding with subtenant regarding access and rent payments. Reviewing teaser, drafting NDA and circulating both to RECON for review.	1.25	625.00	781.25
08/18/2023	Jonathan Joffe Discuss occupancy agreement with RECON. Corresponding with O. Belavin re: prospective purchasers. Corresponding with former accountant re: info for data room. Reviewing RECON's comments on teaser and NDA and corresponding with K. Kimel re: same.	2.00	625.00	1,250.00
08/18/2023	Owen Belavin Added American companies and updated contacts in interested party tracker. Finished adding secured creditor investment info/contacts. Discussion with Richter team.	2.50	150.00	375.00
08/21/2023	Carol O'Donnell Communications with Niwri regarding newspaper ad. Review proof, email to J. Joffe. Review HST, request information from J. Joffe to file prior bankruptcy HST.	0.90	250.00	225.00
08/21/2023	Adam Zeldin Calls with CRA re pre-filing claim. Review of notice from CRA re pre-filing claim, emails with Richter team re same. Discussions with prospective buyer, email teaser/NDA and arrange for DR access. Discussions with Richter team.	1.10	625.00	687.50
08/21/2023	Shane Connolly Discussions with Richter team re start of Sale Process. Finalise teaser and send same to various interested parties.	2.25	495.00	1,113.75
08/21/2023	Jonathan Joffe	1.50	625.00	937.50

Invoice No.: 20409279  
Date: 11/16/2023

Date	Name and Description	Hours	Rate	Amount
	Corresponding with S. Connolly, A. Zeldin and O. Belavin regarding sale process preparations. Drafting cover letter for teaser. Attending at premises. Corresponding with S. Connolly regarding teaser circulation			
08/21/2023	Owen Belavin Add publication and forum section for both Canada and US to interested party tracker. Found missing emails for companies on tracker. Discussion with Richter team.	1.50	150.00	225.00
08/22/2023	Shane Connolly Send out teaser to potential interested parties and update interested party tracker re same. Communications with interested parties re NDAs and updates to same.	4.50	495.00	2,227.50
08/22/2023	Jonathan Joffe Call with J. Sheppard regarding outstanding expenses, investments and the sale process. Corresponding with C. O'Donnell regarding newspaper advertisement. Corresponding with S. Connolly regarding requested revisions to NDA.	1.00	625.00	625.00
08/22/2023	Owen Belavin Found alternative company contacts for emails that bounced back. Discussion with Richter team.	2.50	150.00	375.00
08/23/2023	Shane Connolly Calls/emails with potential interested parties re teaser/data/NDA and communications with Richter team re same.	3.00	495.00	1,485.00
08/23/2023	Jonathan Joffe Corresponding with K. Kimel re: status of sale process. Sending update email to M. Cassidy re: sale process. Corresponding with Infinity Asset Solutions re: liquidation. Processing payments for expenses. Updating the interested party tracker.	2.00	625.00	1,250.00
08/24/2023	Adam Sherman Review/approve bank rec for July 2023.	0.20	795.00	159.00
08/24/2023	Shane Connolly Send teasers to interested parties and communications with same re data room/revisions to NDAs.	1.75	495.00	866.25
08/24/2023	Jonathan Joffe Corresponding with C. O'Donnell re: WEPP. Corresponding with Infinity Asset Solutions and RECON re ASA. Corresponding with former employee re WEPP. Corresponding with subtenant. Corresponding with RBC. corresponding with RECON re: occupancy agreement.	2.25	625.00	1,406.25



Invoice No.: 20409279  
Date: 11/16/2023

Date	Name and Description	Hours	Rate	Amount
08/25/2023	Pascale Lareau Register employees.	1.90	320.00	608.00
08/25/2023	Carol O'Donnell Prepare WEPP and notices.	1.20	250.00	300.00
08/25/2023	Shane Connolly Update interested party tracker and calls with advertisers re notice of Sale Process.	1.50	495.00	742.50
08/25/2023	Jonathan Joffe Corresponding with K. Kimel regarding occupancy of premises. Reviewing WEPP letter and commenting on same. Corresponding with investment company. Corresponding with landlord representative regarding access to the premises.	1.50	625.00	937.50
08/28/2023	Pascale Lareau Working on WEPPA mailing.	1.40	320.00	448.00
08/28/2023	Carol O'Donnell Secure WEPP documents to send to employees. Prepare E-Mails to employees with WEPP. Filing of emails. Respond to questions from employees.	3.40	250.00	850.00
08/28/2023	Shane Connolly Calls/emails with interested parties re Sale Process/NDA/data room.	1.50	495.00	742.50
08/28/2023	Jonathan Joffe Corresponding with Investment co, corresponding with contracted IT employee re: o/s invoices, backups and monitoring. Corresponding with RECON re notice of default from investment co. Corresponding with C. O'Donnell and former employees re WEPP mailing.	2.75	625.00	1,718.75
08/29/2023	Carol O'Donnell Communications with employees regarding WEPP. Prepare cheque.	0.30	250.00	75.00
08/29/2023	Shane Connolly Calls/emails with interested parties re teaser/amendments to NDA. Communications with advertisers re advertising Sale Process.	3.00	495.00	1,485.00
08/29/2023	Jonathan Joffe Call with Recon re: company investments. Arranging access to premises for landlord's contractors and corresponding with landlord regarding same.	0.50	625.00	312.50
08/30/2023	Pascale Lareau Verify email and Proof of claim of employees	0.70	320.00	224.00
08/30/2023	Carol O'Donnell Communications with employees regarding WEPP.	0.40	250.00	100.00

Invoice No.: 20409279  
 Date: 11/16/2023

Date	Name and Description	Hours	Rate	Amount
08/30/2023	Jonathan Joffe Corresponding with former employee regarding WEPP. Corresponding with Infinity Asset Solutions regarding auction service agreement and liquidation progress. Corresponding with RECON re auction service agreement and regarding investments.	0.25	625.00	156.25
08/31/2023	Carol O'Donnell Respond to employees regarding WEPP.	0.40	250.00	100.00
08/31/2023	Jonathan Joffe Respond to creditor inquiry, corresponding with former employee regarding WEPP. Reviewing landlord's comments on occupation agreement and corresponding with RECON regarding same.	0.75	625.00	468.75
09/05/2023	Carol O'Donnell Communications with employees regarding WEPP.	0.20	250.00	50.00
09/05/2023	Jonathan Joffe Correspond with S. Power re: IT backups and WEPP. Correspond with prospective purchasers. Correspond with creditor. Correspond with Tert&Ross re: records on site. Correspond with counsel re landlord. Attend call with prospective purchaser	2.25	625.00	1,406.25
09/06/2023	Carol O'Donnell Convert US deposit and update deposits for August 3, 2023. Verify bank for wire transfer, update deposit.	1.60	250.00	400.00
09/06/2023	Jonathan Joffe Correspond with liquidator and confirming receipt of deposit funds. Correspond with counsel re: various matters.	1.25	625.00	781.25
09/07/2023	Carol O'Donnell Calculate and Update 2nd deposit for August 3, 23,	0.50	250.00	125.00
09/07/2023	Shane Connolly Communications with interested parties re NDA, data room and other queries. Calls/emails with advertisers re placing notice of Sale Process.	2.00	495.00	990.00
09/07/2023	Jonathan Joffe Meeting with Tert&Ross at premises to review data collection and document retention, corresponding with S. Power regarding data retention and IT backups.	1.50	625.00	937.50
09/08/2023	Pascale Lareau Registered employees at Service Canada	1.70	320.00	544.00
09/08/2023	Carol O'Donnell	1.40	250.00	350.00

Invoice No.: 20409279  
Date: 11/16/2023

Date	Name and Description	Hours	Rate	Amount
09/08/2023	Jonathan Joffe Convert deposit from US to CDN and enter 4 deposits for August. Correspond with Tert&Ross regarding data collection. Correspond with prospective purchaser.	1.00	625.00	625.00
09/11/2023	Jonathan Joffe Correspond with S. Connolly re sale process. Correspond with C. O'Donnell re mail redirection. Correspond with counsel. Correspond with Tert&Ross and with S. Power.	1.25	625.00	781.25
09/12/2023	Carol O'Donnell Prepare PO for Canada Post for redirection of mail. Verify bank for wire transfer, update deposit.	0.50	250.00	125.00
09/12/2023	Jonathan Joffe Correspond with secured creditor re liquidation and sale process. Correspond with liquidator and C. O'Donnell re NMG balance. Correspond with counsel re correspondence received from counsel to ARCAD. Following up with subtenant re rent.	1.00	625.00	625.00
09/13/2023	Jonathan Joffe Correspond with liquidator concerning lots with 3rd party claims. Correspond with former employee. Attend call with RECON and counsel to ARCAD re sale process and Company's shareholdings.	0.75	625.00	468.75
09/14/2023	Pascale Lareau Prepare bank reconciliation, pdf, update bank reconciliation file and follow-up for signature, filing document	0.40	320.00	128.00
09/14/2023	Carol O'Donnell E-mail Communications with employees regarding WEPP.	0.10	250.00	25.00
09/14/2023	Jonathan Joffe Correspond with prospective purchaser, corresponding with liquidator	0.50	625.00	312.50
09/15/2023	Carol O'Donnell Prepare redirection of mail online with Canada Post. Email communication with employee re WEPP.	0.50	250.00	125.00
09/15/2023	Jonathan Joffe Correspond with counsel to finalize occupancy agreement. Correspond with prospective purchaser.	0.30	625.00	187.50
09/18/2023	Carol O'Donnell Email with employee regarding WEPP.	0.10	250.00	25.00
09/18/2023	Jonathan Joffe	1.50	625.00	937.50

Invoice No.: 20409279  
Date: 11/16/2023

Date	Name and Description	Hours	Rate	Amount
	Correspond with secured creditor regarding liquidation, correspond with K. Kimel. Correspond with liquidator. Correspond with legal counsel. Follow up with subtenant regarding rent.			
09/19/2023	Adam Sherman Review/approve bank rec for August 2023.	0.20	795.00	159.00
09/19/2023	Jonathan Joffe Review and summarize cheques received in the mail. Correspond with former employee. Respond to creditor inquiry.	0.80	625.00	500.00
09/20/2023	Jonathan Joffe Correspond with former bookkeeper regarding required records. Correspond with S. Power regarding IT backups. Correspond with ArcadLabs and Recon.	1.00	625.00	625.00
09/21/2023	Shane Connolly Review NDA and communications with Richter team/interested party re data room.	0.50	495.00	247.50
09/21/2023	Jonathan Joffe Correspond with Tert&Ross and S Power regarding data preservation. Correspond with liquidator. Correspond with prospective purchaser and arrange data room access for same.	1.25	625.00	781.25
09/22/2023	Jonathan Joffe Attend call with McMillan regarding ArcadLabs investment. Correspond with Recon regarding disclaimer notice, finalize and issue same to landlord. Review records sent by former bookkeeper.	1.25	625.00	781.25
09/25/2023	Jonathan Joffe Correspond with secured creditor. Correspond with prospective purchaser. Respond to creditor inquiries. Correspond with IT service provider regarding backups of IT systems. Corresponding with former bookkeeper regarding requested data.	1.50	625.00	937.50
09/26/2023	Carol O'Donnell Communications with Earl Sheppard and Service Canada regarding WEPP claim.	0.30	250.00	75.00
09/26/2023	Jonathan Joffe Correspond with liquidator. Correspond with prospective purchaser. Correspond with K. Kimel, C. O'Donnell and former employee regarding WEPP. Correspond with counsel to ARCAD	2.00	625.00	1,250.00
09/27/2023	Carol O'Donnell Prepare US & CDN deposit	0.60	250.00	150.00
09/27/2023	Jonathan Joffe	1.25	625.00	781.25

Invoice No.: 20409279  
Date: 11/16/2023

Date	Name and Description	Hours	Rate	Amount
	Correspond with secured creditor. Correspond with liquidator. Review and confirm waste removal from premises. Correspond with Recon.			
09/28/2023	Carol O'Donnell Email with employee regarding WEPP.	0.10	250.00	25.00
09/28/2023	Adam Zeldin Review email from Infinity re Hydro One matters, call/emails with Richter team re same, sale process matters.	0.30	625.00	187.50
09/28/2023	Jonathan Joffe Attend call with counsel to ARCAD. Attend calls with RECON. Attending at and inspecting the premises. Correspond with liquidator. Correspond with Milton Hydro re: occupancy period at premises. Correspond with secured lender and McMillan.	2.75	625.00	1,718.75
09/29/2023	Carol O'Donnell Update returned cheque and advise J. Joffe. Post document to website	0.40	250.00	100.00
09/29/2023	Karen Kimel Call with T. Weerasooriya, M. Cassidy and J. Joffe re ArcadLabs, sale extension etc.	0.50	795.00	397.50
09/29/2023	Shane Connolly Review interested party tracker/prepare summary of parties in data room and communications with J. Joffe re same.	0.50	495.00	247.50
09/29/2023	Jonathan Joffe Attend call with K. Kimel, secured lender and McMillan. Attend call with Recon. Extend sale process deadline and draft notice to prospective purchasers providing notification of same. Arranging for extension notice to be posted on website.	2.75	625.00	1,718.75
10/02/2023	Carol O'Donnell Amend WEPP with Service Canada for unpaid vacation	0.20	250.00	50.00
10/02/2023	Jonathan Joffe Attending call with interested bidders. Correspond with ArcadLabs. Correspond with service provider. Correspond with RECON. Preparing payments for post-filing exp. Corresponding with C. O'Donnell re: WEPP.	3.25	625.00	2,031.25
10/03/2023	Carol O'Donnell Several Emails with employee regarding WEPP. Communications with Service Canada regarding WEPP for Priyank Mistry	0.40	250.00	100.00
10/03/2023	Carol O'Donnell	1.40	250.00	350.00

Invoice No.: 20409279  
Date: 11/16/2023

Date	Name and Description	Hours	Rate	Amount
	Prepare wire transfers, update and prepare cheque. Prepare mail affidavit and efile to OSB			
10/03/2023	Shane Connolly Review/update interested party tracker. Provide access to data room to interested parties and discussions with J. Joffe re same.	0.50	495.00	247.50
10/03/2023	Jonathan Joffe Send update to secured creditor and McMillan. Corresponding with ArcadLabs. Correspond with secured creditor and McMillan re: claim to Candid shares. Correspond with Candid. Arranging dataroom access. Correspond with S. Powers re: IT	2.00	625.00	1,250.00
10/04/2023	Carol O'Donnell Post document to website and file with OSB.	0.40	250.00	100.00
10/04/2023	Vicky Coupal Mail affidavit	0.10	130.00	13.00
10/05/2023	Pascale Lareau Prepare bank reconciliation, pdf, update bank reconciliation file and follow-up for signature, filing document	0.40	320.00	128.00
10/05/2023	Jonathan Joffe Follow up with Candid regarding requested information. Attend call with J. Sheppard re: claim on Candid shares. Correspond with counsel to ArcadLabs. Correspond with counsel to landlord. Corresponding with McMillan.	1.75	625.00	1,093.75
10/06/2023	Jonathan Joffe Correspond with landlord. Correspond with RECON re: offer. Correspond with secured creditor and McMillan re: offer deadline and offers received. Corresponding with counsel to ArcadLabs. Corresponding with waste removal service provider.	2.00	625.00	1,250.00
10/10/2023	Jonathan Joffe Circulate update to secured creditor and McMillan. Attend at premises to meet landlord representative and arrange for removal of waste materials. Correspond with Candid Care.	2.00	625.00	1,250.00
10/11/2023	Jonathan Joffe Attend call with bidder regarding terms of offer. Review company's mail including cheques received.	0.50	625.00	312.50
10/12/2023	Jonathan Joffe Correspond with bidder regarding terms of offer. Review company's mail including cheque received. Correspond with Candid regarding value of shares.	0.50	625.00	312.50

Invoice No.: 20409279  
Date: 11/16/2023

Date	Name and Description	Hours	Rate	Amount
10/13/2023	Jonathan Joffe Circulate update to secured creditor and McMillan. Attend call with M. Cassidy regarding status of proceedings and next steps.	0.75	625.00	468.75
10/16/2023	Carol O'Donnell Update deposit.	0.20	250.00	50.00
10/16/2023	Adam Sherman Review/approve bank rec for September 2023.	0.20	795.00	159.00
10/19/2023	Carol O'Donnell Prepare deposit.	0.20	250.00	50.00
<b>Fees Total</b>		<b>164.05</b>		<b>\$ 86,064.00</b>

Date	Name and Description	Hours	Rate	Amount
08/16/2023	Kilometers 08/16/2023: Kilometres			\$ 622.80
08/21/2023	Kilometers 08/21/2023: Driving to Milton location			249.12
08/01/2023	Meals 08/01/2023: Lunch expence on-site			25.05
08/01/2023	Meals 08/01/2023: Lunch expense on-site			29.98
08/01/2023	Meals 08/01/2023: Lunch expense on-site			34.75
08/01/2023	Meals 08/01/2023: Lunch expense on-site			31.17
08/01/2023	Meals 08/01/2023: Lunch expense on-site			30.63
08/28/2023	Postage/Courier 08/28/2023: Postage: Notice of Weppa			31.28
09/30/2023	Taxi 09/30/2023: Uber Charges August 2023			797.18
07/28/2023	Taxi 07/28/2023: Uber to Digital Ortho			72.70
07/28/2023	Taxi 07/28/2023: Uber home from Digital Ortho			53.66
08/03/2023	Taxi 08/03/2023: Uber to Digital Ortho			49.75
08/03/2023	Taxi 08/03/2023: Uber home from Digital Ortho			59.30
08/10/2023	Taxi 08/10/2023: Uber to Digital Ortho			85.72

Invoice No.: 20409279  
Date: 11/16/2023

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<b>Date</b>	<b>Name and Description</b>	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>
08/10/2023	Taxi 08/10/2023: Uber home from Digital Ortho			82.44
08/16/2023	Telephone 08/16/2023: Roam like home expenses from Ireland (9 days @ \$15/day+HST)			152.55
<b>Disbursements Total</b>				<hr/> <b>\$ 2,408.08</b>



Invoice No.: 20409279  
Date: 11/16/2023

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### Remittance Form

Ortho Studio Express, Inc.  
3524 Washington Avenue  
Sheboygan, WI 53081

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### Invoice Summary

<b>Sub-Total</b>		<b>\$ 80,408.08</b>
GST/HST #885435842 RT0001		10,453.05
<b>Total Due</b>	<b>CAD</b>	<b>\$ 90,861.13</b>

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### Payment Options

**At this time, we ask that payment not be made by cheque.  
Please use one of the payment options below. We appreciate your collaboration.**

**Wire Transfer** Toronto Dominion Bank  
Commercial Banking Center  
525 Av. Viger Ouest, Montréal (Qc) H2Z 0B2  
Bank Institute No.: 004  
CAD Account no.: 5300836 Transit no.: 41601 Swift code: TDOMCATTOR  
USD Account no.: 7332090 Transit no.: 41601 Swift code: TDOMCATTOR  
  
Email payment details, including invoice number and amount paid to:  
ClientService@richter.ca

**Credit Card** payments can be made by contacting us as indicated below.

**Inquiries: please call our general line 416.488.2345 or e-mail ClientService@richter.ca  
Please note the legal name change of this entity from Richter Advisory Group Inc. to Richter Inc.**

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#### TORONTO

Richter Inc.  
181 Bay St., #3510  
Bay Wellington Tower  
Toronto ON M5J 2T3  
416.488.2345

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#### MONTRÉAL

1981 McGill College  
Montréal QC H3A 0G6  
514.934.3400

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#### CHICAGO

200 South Wacker, #3100  
Chicago IL 60606  
312.828.0800

# RICHTER

BUSINESS | FAMILY OFFICE

Ortho Studio Express, Inc.  
3524 Washington Avenue  
Sheboygan, WI 53081

Date: 02/09/2024  
Invoice No.: 20409583  
Engagement No.: 2023322  
Payment Terms: Due on Receipt

Re: Receivership of Digital Orthodontic Care Inc.

Professional services rendered for the period ended January 31, 2024 \$ 16,692.00

Disbursements 364.00

**Sub-Total** 17,056.00

GST/HST #885435842 RT0001 2,217.28

**Total Due** CAD **\$ 19,273.28**

TORONTO

Richter Inc.  
181 Bay St., #3510  
Bay Wellington Tower  
Toronto ON M5J 2T3  
416.488.2345

MONTRÉAL

1981 McGill College  
Montréal QC H3A 0G6  
514.934.3400

CHICAGO

200 South Wacker, #3100  
Chicago IL 60606  
312.828.0800

Invoice No.: 20409583  
Date: 02/09/2024

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**Fees**

<b>Name</b>	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>
Adam Sherman	0.60	\$ 795.00	\$ 477.00
Adam Zeldin	0.30	625.00	187.50
Carol O'Donnell	2.30	250.00	575.00
Jonathan Joffe	23.70	625.00	14,812.50
Pascale Lareau	2.00	320.00	640.00
	<b>28.90</b>		<b>\$ 16,692.00</b>

**Disbursements**

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Postage/Courier			\$ 364.00
			<b>\$ 364.00</b>

Invoice No.: 20409583  
Date: 02/09/2024

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**Fee and Disbursement Details**

<b>Date</b>	<b>Name and Description</b>	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>
10/30/2023	Jonathan Joffe Responding to inquiry from landlord's counsel. Reviewing invoice from Hydro Milton. Corresponding with former employee. Corresponding with payroll service provider. Corresponding with creditor.	0.80	\$ 625.00	\$ 500.00
11/06/2023	Carol O'Donnell Send copy of Trustee Information form for WEPP to employee.	0.10	250.00	25.00
11/07/2023	Jonathan Joffe Corresponding with Reconstruct, counsel to ArcadLab and J. Sheppard.	0.50	625.00	312.50
11/08/2023	Pascale Lareau Prepare bank reconciliation. Update bank reconciliation file and follow-up for signature. Filing document.	0.40	320.00	128.00
11/09/2023	Jonathan Joffe Corresponding with Reconstruct and J. Sheppard.	0.40	625.00	250.00
11/10/2023	Jonathan Joffe Corresponding with Reconstruct, Tert&Ross, the Company's former accountant, the former subtenant and J. Sheppard.	1.80	625.00	1,125.00
11/14/2023	Carol O'Donnell Verify bank for incoming EFT, update deposit.	0.20	250.00	50.00
11/14/2023	Adam Zeldin Emails with J. Joffe re CRA trust exams. Review past records re same.	0.30	625.00	187.50
11/14/2023	Jonathan Joffe Reviewing payment remittance from subtenant. Corresponding with A. Zeldin re CRA trust audit.	0.20	625.00	125.00
11/15/2023	Jonathan Joffe Attending call with Dental SPV representative, Reconstruct and J. Sheppard. Follow up call with Reconstructstruct. Reviewing Dental SPV Shareholder agreement.	1.50	625.00	937.50
11/17/2023	Jonathan Joffe Drafting and sending update to McMillan.	0.30	625.00	187.50
11/21/2023	Jonathan Joffe Reviewing correspondence between McMillan and Reconstruct regarding extending the outside date. Corresponding with bidders regarding same.	0.40	625.00	250.00
11/22/2023	Jonathan Joffe Attending call with McMillan.	0.30	625.00	187.50

Invoice No.: 20409583  
 Date: 02/09/2024

Date	Name and Description	Hours	Rate	Amount
11/28/2023	Pascale Lareau Call Revenu Canada for HST number authorization and declaration.	0.80	320.00	256.00
11/28/2023	Jonathan Joffe Corresponding with CRA regarding HST returns. Corresponding with McMillan regarding Dental SPV.	1.00	625.00	625.00
11/30/2023	Adam Sherman Review/approve bank rec for October 2023.	0.20	795.00	159.00
12/08/2023	Pascale Lareau Prepare bank reconciliation. Update bank reconciliation file and follow-up for signature. Filing document.	0.40	320.00	128.00
12/11/2023	Jonathan Joffe Corresponding with counsel to Arcad re share documentation. Corresponding with creditor.	0.50	625.00	312.50
12/12/2023	Jonathan Joffe Preparing cheque requests. Corresponding with Reconstruct. Corresponding with creditors.	1.40	625.00	875.00
12/14/2023	Carol O'Donnell Prepare cheques. Prepare wire transfer.	1.00	250.00	250.00
12/14/2023	Jonathan Joffe Preparing cheque request.	0.20	625.00	125.00
12/15/2023	Carol O'Donnell Prepare wire transfer.	0.30	250.00	75.00
12/15/2023	Adam Sherman Review/approve bank rec for November 2023.	0.20	795.00	159.00
12/15/2023	Jonathan Joffe Attending call with Reconstruct regarding Dental SPV. Corresponding with Dental SPV bidder. Corresponding with Dental SPV representative.	1.60	625.00	1,000.00
12/18/2023	Jonathan Joffe Corresponding with Reconstruct regarding Dental SPV assets. Drafting email to M. Cassidy regarding same.	0.80	625.00	500.00
12/19/2023	Jonathan Joffe Revising and sending email to M. Cassidy. Corresponding with Reconstruct.	0.30	625.00	187.50
12/22/2023	Jonathan Joffe Corresponding with Reconstruct re communication to sale process bidder.	0.20	625.00	125.00
01/08/2024	Jonathan Joffe Call with representative from Superintendent of Bankruptcy.	0.20	625.00	125.00

Invoice No.: 20409583  
Date: 02/09/2024

<b>Date</b>	<b>Name and Description</b>	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>
01/10/2024	Pascale Lareau Prepare bank reconciliation. Update bank reconciliation file and follow-up for signature. Filing document.	0.40	320.00	128.00
01/18/2024	Jonathan Joffe Reviewing correspondence from McMillan.	0.20	625.00	125.00
01/19/2024	Adam Sherman Review/approve bank rec for December 2023.	0.20	795.00	159.00
01/23/2024	Jonathan Joffe Responding to creditor inquiry. Preparing report to Court.	3.50	625.00	2,187.50
01/25/2024	Carol O'Donnell Follow up with J. Joffe regarding of redirection of mail. Prepare GL's & claims register and email.	0.40	250.00	100.00
01/25/2024	Jonathan Joffe Preparing report to Court. Corresponding with C. O'Donnell re mail redirection.	2.60	625.00	1,625.00
01/26/2024	Jonathan Joffe Preparing report to Court.	1.80	625.00	1,125.00
01/29/2024	Jonathan Joffe Preparing report to Court. Reviewing general ledger and preparing interim statement of receipts and disbursements.	3.20	625.00	2,000.00
01/30/2024	Carol O'Donnell Mail redirection and cheque.	0.30	250.00	75.00
<b>Fees Total</b>		<b>28.90</b>		<b>\$ 16,692.00</b>
<b>Date</b>	<b>Name and Description</b>	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>
09/15/2023	Postage/Courier 09/15/2023: VI NFC Mail Redirection			\$ 364.00
<b>Disbursements Total</b>				<b>\$ 364.00</b>

Invoice No.: 20409583  
Date: 02/09/2024

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**Remittance Form**

Ortho Studio Express, Inc.  
3524 Washington Avenue  
Sheboygan, WI 53081

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**Invoice Summary**

<b>Sub-Total</b>		<b>\$ 17,056.00</b>
GST/HST #885435842 RT0001		2,217.28
<b>Total Due</b>	<b>CAD</b>	<b>\$ 19,273.28</b>

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**Payment Options**

**At this time, we ask that payment not be made by cheque.  
Please use one of the payment options below. We appreciate your collaboration.**

**Wire Transfer** Toronto Dominion Bank  
Commercial Banking Center  
525 Av. Viger Ouest, Montréal (Qc) H2Z 0B2  
Bank Institute No.: 004  
CAD Account no.: 5300836 Transit no.: 41601 Swift code: TDOMCATTOR  
USD Account no.: 7332090 Transit no.: 41601 Swift code: TDOMCATTOR  
Email payment details, including invoice number and amount paid to:  
ClientService@richter.ca

**Credit Card** payments can be made by contacting us as indicated below.

**Inquiries: please call our general line 416.488.2345 or e-mail ClientService@richter.ca  
Please note the legal name change of this entity from Richter Advisory Group Inc. to Richter Inc.**

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**TORONTO**

Richter Inc.  
181 Bay St., #3510  
Bay Wellington Tower  
Toronto ON M5J 2T3  
416.488.2345

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**MONTRÉAL**

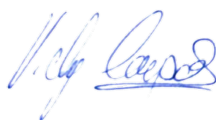
1981 McGill College  
Montréal QC H3A 0G6  
514.934.3400

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**CHICAGO**

200 South Wacker, #3100  
Chicago IL 60606  
312.828.0800

This is Exhibit "C" referred to in the Affidavit of  
Jonathan Joffe, sworn on February 9, 2024



no. 205380

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Vicky Coupal  
Commissioner of oaths and affidavits  
in the Province of Quebec and outside of Quebec



**Richter Inc.**  
**in its capacity as Receiver and Manager of**  
**Digital Orthodontic Care Inc.**  
**Statement of Accounts**

**Exhibit C**

<b>Staff Member</b>	<b>No. of hours</b>	<b>Hourly rate</b>	<b>Amount</b>
<b>Partner</b>			
A. Sherman	2.30	\$ 795.00	\$ 1,828.50
K. Kimel	9.80	\$ 795.00	\$ 7,791.00
<b>Vice President</b>			
J. Joffe	205.55	\$ 625.00	\$ 128,468.75
A. Zeldin	27.10	\$ 625.00	\$ 16,937.50
<b>Manager</b>			
S. Connolly	36.00	\$ 495.00	\$ 17,820.00
<b>Analyst</b>			
O. Belavin	40.55	\$ 150.00	\$ 6,082.50
<b>Administration</b>			
C. O'Donnell	31.90	\$ 250.00	\$ 7,975.00
P. Lareau	8.90	\$ 320.00	\$ 2,848.00
V. Coupal	0.10	\$ 130.00	\$ 13.00
<b>Total</b>	<b>362.20</b>		<b>\$ 189,764.25</b>
Discounts			\$ (17,072.25)
<b>Discounted Total</b>			<b>\$ 172,692.00</b>

**Blended average hourly rate:** \$ 476.79

**ORTHO STUDIO EXPRESS, INC.**

and

**DIGITAL ORTHODONTIC CARE INC.**

Applicant

Respondent

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

Proceedings commenced at Toronto

**FEE AFFIDAVIT OF JONATHAN JOFFE**

**RECONSTRUCT LLP**  
Royal Bank Plaza, South Tower  
200 Bay Street  
Suite 2305, P.O. Box 120  
Toronto, ON M5J 2J3

**Caitlin Fell** LSO No. 60091H  
cfell@reconllp.com  
Tel: 416.613.8282

Fax: 416.613.8290

**Lawyers for the Receiver**

# Appendix “H”

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

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

ORTHO STUDIO EXPRESS, INC.

Applicant

-and-

DIGITAL ORTHODONTIC CARE INC.

Respondent

FEE AFFIDAVIT

**AFFIDAVIT OF CAITLIN FELL**  
(sworn February 9th, 2024)

I, **CAITLIN FELL**, of the City of Milton, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am a Partner with the law firm Reconstruct LLP ("**Reconstruct**"), and as such, I have knowledge of the following matters. Where I have relied on information from others, I state the source of such information and verily believe it to be true.
2. On July 4, 2023, Richter Inc. ("**Richter**") was appointed as Court-appointed receiver and manager (the "**Receiver**") without security, of all of the assets, undertakings and properties of Digital Orthodontic Care Inc..
3. The Receiver retained Reconstruct as its counsel to advise regarding matters related to Richter's appointment and the performance of its duties and powers.
4. Reconstruct has prepared statements of account (the "**Accounts**") in connection with its mandate as counsel to the Receiver detailing its fees and disbursements incurred

for the period of July 10, 2023 to February 8, 2024 (the “Billing Period”). Attached hereto and marked as **Exhibit “A”** are copies of the Accounts.

5. The Accounts are a fair and accurate description of the services provided, the disbursements incurred, and the amounts charged by Reconstruct, and are based on its standard rate and charges.

6. As detailed in the Accounts, the total amount being claimed for the work performed by Reconstruct during the Billing Period is \$54,822.61 (including fees of \$47,801.00, disbursements of \$714.58, and HST of \$6,307.03).

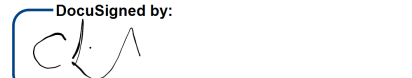
7. Attached hereto and marked as **Exhibit “B”** is a summary of the timekeepers whose services are reflected in the Accounts, including their title, hourly rate, and the fees and hours billed. Reconstruct incurred a total of 110.1 hours, at an average hourly rate of \$434.15 (exclusive of HST).

8. This affidavit is sworn in support of the Receiver’s motion for, *inter alia*, approval of the fees and disbursements of Reconstruct, as well as those of its legal representatives, and for no other improper purpose.

**SWORN REMOTELY** by **CAITLIN FELL** stated as being located in the City of Milton in the Province Ontario before me at the City of Toronto, in the Province of Ontario, this 9th day of February 2024, in accordance with O. Reg 431/20, *Administering Oath or Declaration Remotely.*

DocuSigned by:  


A Commissioner for taking Affidavits.  
Jessica Wuthmann

DocuSigned by:  


**CAITLIN FELL**

**EXHIBIT "A"**

This is **EXHIBIT "A"** referred to in the Affidavit of **Caitlin Fell** sworn remotely by **Caitlin Fell** stated as being located in the City of Milton in the Province Ontario before me at the City of Toronto, in the Province of Ontario, this 9th day of February 2024, in accordance with O. Reg 431/20, *Administering Oath or Declaration Remotely*.

DocuSigned by:

Jessica Wuthmann

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A COMMISSIONER FOR TAKING AFFIDAVITS  
JESSICA WUTHMANN

**INVOICE**

Invoice # 495580  
Date: 08/09/2023  
Due On: 09/08/2023

200 Bay Street, Suite 2305, P.O. Box 120  
Toronto, ON  
M5J 2J3  
T: 416.613.8280  
F: 416.613.8290

Richter Inc.  
181 Bay St. #3510  
Toronto, ON  
M5J 2T3

**00338-Richter Inc.****Receivership of Digital Orthodontic Care Inc.****Services**

Date	Description	Hours	Rate	Total	LP
07/11/2023	Review loan and security documentation with respect to security granted by Digital Orthodontic to Ortho Studio; attendant correspondence and searches.	4.20	\$485.00	\$2,037.00	JT
07/27/2023	Call with K. Kimel re: Digital orthodontic. Emails re: court time.	0.60	\$685.00	\$411.00	CF
<b>Quantity Subtotal</b>					<b>4.8</b>
<b>Services Subtotal</b>					<b>\$2,448.00</b>

**Expenses**

Date	Type	Description	Quantity	Rate	Total	Total
07/10/2023	Expense	Ecore (Corp searches, PPSAs, Parcel Searches etc.): PPSA search on Digital Orthodontic Care Inc.	1.00	\$42.51	\$42.51	\$48.04
07/12/2023	Expense	Ecore (Corp searches, PPSAs, Parcel Searches etc.): Corp profile and certificate of status on Digital Orthodontic Care Inc.	1.00	\$92.81	\$92.81	\$104.88
<b>Expenses Subtotal</b>						<b>\$135.32</b>

Time Keeper	Hours	Rate	Total
Caitlin Fell	0.6	\$685.00	\$411.00
Joel Turgeon	4.2	\$485.00	\$2,037.00
<b>Quantity Total</b>			<b>4.8</b>
<b>Subtotal</b>			<b>\$2,583.32</b>
<b>Tax (13.0%)</b>			<b>\$335.83</b>
<b>Total</b>			<b>\$2,919.15</b>
<b>Payment (10/05/2023)</b>			<b>-\$2,919.15</b>
<b>Balance Owing</b>			<b>\$0.00</b>

## Detailed Statement of Account

### Other Invoices

Invoice Number	Due On	Amount Due	Payments Received	Balance Due
495874	01/07/2024	\$3,400.17	\$0.00	\$3,400.17
495939	02/14/2024	\$1,868.74	\$0.00	\$1,868.74

### Current Invoice

Invoice Number	Due On	Amount Due	Payments Received	Balance Due
495580	09/08/2023	\$2,919.15	\$2,919.15	\$0.00
<b>Outstanding Balance</b>				<b>\$5,268.91</b>
<b>Total Amount Outstanding</b>				<b>\$5,268.91</b>

Please make all amounts payable to: Reconstruct LLP

Please pay within 30 days.

HST No.: 737783274 RT 0001



**INVOICE**

Invoice # 495644  
Date: 09/08/2023  
Due On: 10/08/2023

200 Bay Street, Suite 2305, P.O. Box 120  
Toronto, ON  
M5J 2J3  
T: 416.613.8280  
F: 416.613.8290

Richter Inc.  
181 Bay St. #3510  
Toronto, ON  
M5J 2T3

**00338-Richter Inc.****Receivership of Digital Orthodontic Care Inc.****Services**

Date	Description	Hours	Rate	Discount	Total	LP
08/02/2023	Review of draft sale procedures; Correspondence with C. Fell regarding liquidation; Review of Appointment order regarding same	1.80	\$405.00	-	\$729.00	SP
08/03/2023	Review of comments on sale procedures from K. Kimmel; integration of same into sale procedures; Correspondence with C. Fell regarding same	1.30	\$405.00	-	\$526.50	SP
08/03/2023	Review comments on sale procedures from S. Parsons. Add comments on same. Call with K. Kimel re: Richter comments.	0.90	\$685.00	-	\$616.50	CF
08/04/2023	Further update and consolidation of sale procedures; Correspondence with K. Kimmel regarding same; Circulation of comments on sale procedures with secured creditors	0.40	\$405.00	-	\$162.00	SP
08/04/2023	Discussion with T. Weerasooriya re: sale process including credit bid. Review stalking horse agreement.	0.60	\$685.00	-	\$411.00	CF
08/06/2023	Review and comment on stalking horse APA; Correspondence with C. Fell regarding transfer tax; Further comments on APA regarding transfer tax	2.00	\$405.00	-	\$810.00	SP

08/07/2023	Review sale process and stalking horse agreement. Review Order approving sale process; call with K. Kimel re: same.	0.80	\$685.00	-	\$548.00	CF
08/08/2023	Review of comments from S. Brown-Okruhlik on sale process; Further comments on Order; Review and comment on draft order; Further drafting order; Drafting motion materials regarding stalking horse sale approval; Page flip with K. Kimmel regarding stalking horse APA; Further updating same	4.60	\$405.00	-	\$1,863.00	SP
08/08/2023	Review and comment on asset purchase agreement; emails to S. Parsons re: comments. Various emails with T. Weerasooriya re: comments on apa.	1.70	\$685.00	-	\$1,164.50	CF
08/09/2023	Further drafting motion materials; Circulation of notice of motion to K. Kimmel and J. Joffe; Review of stalking horse purchaser's comments on APA; Comments on draft report; Correspondence regarding tax registration; Circulation of signature pages; Finalization of motion record and final review of same; Service of motion record on service list; Coordination of filing same	6.80	\$405.00	50.0%	\$1,377.00	SP
08/09/2023	Emails with T. Weerasooriya re order and various provisions of the Asset Purchase Agreement. Consider revised wording. Review and comment on draft order approving sale process, stalking horse agreement and approval and vesting language; consider issues re disclaimer of lease with Seven days notice.	2.30	\$685.00	-	\$1,575.50	CF
08/10/2023	Review of receiver's report and comments on same; Related research on approval of stalking horse concurrently with sale process; Drafting lease amending agreement; Correspondence regarding lease amending agreement; Review of security opinion; Review K. Kimmel's comments on draft report	5.00	\$405.00	50.0%	\$1,012.50	SP
08/10/2023	Review and comment on the report of the receiver. Emails with S. Parsons re same. Review lease amendment. Various correspondence re: service. Review and comment on lease amending agreement. Emails to McMillan re: report of the receiver. Review and finalize security opinion.	3.40	\$685.00	-	\$2,329.00	CF
08/11/2023	Circulation and finalization of comments on report; Service and finalization of receiver's report	1.60	\$405.00	-	\$648.00	SP
08/13/2023	Drafting standalone lease; Correspondence with J. Joffe and K. Kimmel regarding same	1.40	\$405.00	-	\$567.00	SP

08/14/2023	Drafting factum regarding concurrent stalking horse and sale process approval; Research regarding same; Review of comments from C. Fell on factum; Further drafting same	6.90	\$405.00	-	\$2,794.50	SP
08/15/2023	Review of further comments from C. Fell on factum; Further drafting factum; Related research regarding factum; Correspondence with D. Peat regarding lease; Service of factum	5.80	\$405.00	-	\$2,349.00	SP
08/15/2023	Review and revise factum re: stalking horse bid and dealing with law on approval of stalking horse agreement with no comeback. Further review and revisions to Factum.	1.60	\$685.00	-	\$1,096.00	CF
08/16/2023	Generation of book of authorities; Correspondence with D. Peat regarding lease	0.40	\$405.00	-	\$162.00	SP
08/16/2023	Drafted table of authorities for hearing	1.50	\$325.00	-	\$487.50	SJ
08/17/2023	Preparation and attendance at motion; Updating order regarding comments of Justice Conway; Discussion with C. Fell regarding updated order; Further updating same; Correspondence with Justice Conway; Comments on draft NDA and teaser letter	2.80	\$405.00	-	\$1,134.00	SP
08/17/2023	Prepare for motion to approve sale process; attend hearing. Call with J. Levine re: hearing; review revised order.	2.30	\$685.00	-	\$1,575.50	CF
08/17/2023	Read factum for ortho hearing; attended ortho hearing	0.50	\$325.00	-	\$162.50	SJ
08/18/2023	Following up on teaser and NDA; Comments on temporary use license; Research regarding temporary use license	1.50	\$405.00	-	\$607.50	SP
08/18/2023	Review and comment on NDA.	0.40	\$685.00	-	\$274.00	CF
08/19/2023	Review of J. Joffe comments on NDA; Further updating same	0.40	\$405.00	-	\$162.00	SP
08/22/2023	Correspondence with C. Fell regarding license	0.10	\$405.00	-	\$40.50	SP
08/24/2023	Comments on auction services agreement; Correspondence with D. Peat regarding comments on license; Correspondence with J. Joffe regarding matter status	0.50	\$405.00	-	\$202.50	SP
08/29/2023	Review of Arcad documents and letter; Conference with J. Joffe regarding Arcad investment; Follow up with D. Peat; Comments on Auction Liquidation Agreement; Correspondence to J. Joffe regarding same; Call with C. Fell regarding Arcad	1.20	\$405.00	-	\$486.00	SP
08/30/2023	Review and consideration of D. Peat comments	0.60	\$405.00	-	\$243.00	SP

on temporary use license; Attendance on file strategy with C. Fell regarding same

08/31/2023	Follow up and discussion with D. Peat regarding temporary use license; Review of stalking horse timelines; Review of investment materials regarding restriction on transfer; Drafting correspondence to T. Fenton regarding same	0.30	\$405.00	-	\$121.50	SP
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**Quantity Subtotal 61.4**

**Line Item Discount Subtotal -\$2,389.50**

**Services Subtotal \$26,237.50**

### Expenses

Date	Type	Description	Quantity	Rate	Total	Total
08/10/2023	Expense	Court Filing: Filing motion record dated August 9, 2023	1.00	\$339.00	\$339.00	\$383.07
08/16/2023	Expense	Ecore (Corp searches, PPSAs, Parcel Searches etc.): PPSA Search on DIGITAL ORTHODONTIC CARE INC.	1.00	\$42.51	\$42.51	\$48.04
<b>Expenses Subtotal</b>					<b>\$381.51</b>	

Time Keeper	Hours	Rate	Discount	Total
Caitlin Fell	14.0	\$685.00	-	\$9,590.00
Shaun Parsons	45.4	\$405.00	-\$2,389.50	\$15,997.50
Simran Joshi	2.0	\$325.00	-	\$650.00

**Quantity Total 61.4**

**Subtotal \$26,619.01**

**Tax (13.0%) \$3,460.47**

**Total \$30,079.48**

**Payment (10/05/2023) -\$30,079.48**

**Balance Owning \$0.00**

## Detailed Statement of Account

### Other Invoices

Invoice Number	Due On	Amount Due	Payments Received	Balance Due
495874	01/07/2024	\$3,400.17	\$0.00	\$3,400.17
495939	02/14/2024	\$1,868.74	\$0.00	\$1,868.74

### Current Invoice

Invoice Number	Due On	Amount Due	Payments Received	Balance Due
495644	10/08/2023	\$30,079.48	\$30,079.48	\$0.00
<b>Outstanding Balance</b>				<b>\$5,268.91</b>
<b>Total Amount Outstanding</b>				<b>\$5,268.91</b>

Please make all amounts payable to: Reconstruct LLP

Please pay within 30 days.

HST No.: 737783274 RT 0001

**INVOICE**

Invoice # 495687  
Date: 10/11/2023  
Due On: 11/10/2023

200 Bay Street, Suite 2305, P.O. Box 120  
Toronto, ON  
M5J 2J3  
T: 416.613.8280  
F: 416.613.8290

Richter Inc.  
181 Bay St. #3510  
Toronto, ON  
M5J 2T3

**00338-Richter Inc.****Receivership of Digital Orthodontic Care Inc.**

Date	Description	Hours	Rate	Total	LP
09/01/2023	Correspondence with Company counsel regarding limitations of transfer of investments; Correspondence with D. Peat regarding lease; Review of court materials regarding investments	0.40	\$405.00	\$162.00	SP
09/05/2023	Call with D. Peat regarding lease	0.60	\$405.00	\$243.00	SP
09/06/2023	Correspondence with J. Joffe regarding file status; Follow up with D. Peat	0.20	\$405.00	\$81.00	SP
09/07/2023	Follow up with D. Peat regarding status of license	0.10	\$405.00	\$40.50	SP
09/11/2023	Calls to D. Peat; Correspondence to D. Peat regarding status of license; Review of documents received from company; Update email to J. Joffe	1.50	\$405.00	\$607.50	SP
09/12/2023	Call with D. Peat regarding lease; Update to J. Joffe regarding same; Correspondence with Arcad counsel regarding call	0.20	\$405.00	\$81.00	SP
09/13/2023	Attendance at meeting with Arcad counsel; Follow up with J. Joffe; Correspondence to Arcad;s counsel regarding solicitor-client privilege information they mistakenly provided	1.30	\$405.00	\$526.50	SP
09/14/2023	Follow up with J. Joffe regarding temporary use license	0.10	\$405.00	\$40.50	SP
09/15/2023	Finalization, preparation of execution copy and distribution of temporary use license	0.70	\$405.00	\$283.50	SP
09/18/2023	Correspondence regarding lease; Review of sale process timelines	0.20	\$405.00	\$81.00	SP

09/19/2023	Review of correspondence from J. Harrington	0.20	\$405.00	\$81.00	SP
09/19/2023	Discussions with S. Parsons re: Arcad and whether we need sale approval. Review documents re: same	1.40	\$685.00	\$959.00	CF
09/20/2023	Drafting response to J. Harrington	1.40	\$405.00	\$567.00	SP
09/21/2023	Numerous correspondence regarding temporary use license and response to Arcad counsel	0.30	\$405.00	\$121.50	SP
09/21/2023	Various emails re ARCAD. Discussion with S. Parsons re: same.	0.80	\$685.00	\$548.00	CF
09/22/2023	Drafting termination of temporary use license; Correspondence to D. Pleat regarding same; Calls with J. Joffe regarding same; Correspondence to C. Fell regarding same	0.70	\$405.00	\$283.50	SP
09/27/2023	Teleconference with J. Joffe regarding file status, including Arcad investment; Review of correspondence to Arcad counsel; Review of sale process regarding ability to reject bid and extend sale process timelines; Correspondence to J. Joffe regarding same	0.70	\$405.00	\$283.50	SP
09/28/2023	Follow up correspondence with D. Peat; Review of Arcad offer; Consideration of file strategy and next steps; Teleconference with J. Joffe regarding next steps	1.40	\$405.00	\$567.00	SP
09/29/2023	Teleconferences with J. Joffe regarding file strategy, extension of sale process and Arcad offer; Email to D. Peat; Review of sale process	0.60	\$405.00	\$243.00	SP
				<b>Quantity Subtotal</b>	<b>12.8</b>

<b>Time Keeper</b>	<b>Hours</b>	<b>Rate</b>	<b>Total</b>
Caitlin Fell	2.2	\$685.00	\$1,507.00
Shaun Parsons	10.6	\$405.00	\$4,293.00
			<b>Quantity Total</b>
			<b>12.8</b>
			<b>Subtotal</b>
			<b>\$5,800.00</b>
			<b>Tax (13.0%)</b>
			<b>\$754.00</b>
			<b>Total</b>
			<b>\$6,554.00</b>
			<b>Payment (12/19/2023)</b>
			<b>-\$6,554.00</b>
			<b>Balance Owing</b>
			<b>\$0.00</b>

## Detailed Statement of Account

### Other Invoices

Invoice Number	Due On	Amount Due	Payments Received	Balance Due
495874	01/07/2024	\$3,400.17	\$0.00	\$3,400.17
495939	02/14/2024	\$1,868.74	\$0.00	\$1,868.74

### Current Invoice

Invoice Number	Due On	Amount Due	Payments Received	Balance Due
495687	11/10/2023	\$6,554.00	\$6,554.00	\$0.00
<b>Outstanding Balance</b>				<b>\$5,268.91</b>
<b>Total Amount Outstanding</b>				<b>\$5,268.91</b>

Please make all amounts payable to: Reconstruct LLP

Please pay within 30 days.

HST No.: 737783274 RT 0001



**INVOICE**

Invoice # 495785  
Date: 11/06/2023  
Due On: 12/06/2023

200 Bay Street, Suite 2305, P.O. Box 120  
Toronto, ON  
M5J 2J3  
T: 416.613.8280  
F: 416.613.8290

Richter Inc.  
181 Bay St. #3510  
Toronto, ON  
M5J 2T3

**00338-Richter Inc.****Receivership of Digital Orthodontic Care Inc.**

Date	Description	Hours	Rate	Total	LP
09/28/2023	Deal with court hearing and London jurisdiction. Call with B. Tannenbaum re: same.	0.40	\$685.00	\$274.00	CF
10/02/2023	Coordination of move out of premises; Status update call with J. Joffe	0.60	\$405.00	\$243.00	SP
10/06/2023	Review of term sheet regarding Dental SPV; Correspondence with C. Fell regarding same	0.90	\$405.00	\$364.50	SP
10/11/2023	Drafting share purchase agreement	1.10	\$405.00	\$445.50	SP
10/12/2023	Further drafting share purchase agreement; Correspondence with J. Joffe regarding same	0.50	\$405.00	\$202.50	SP
10/18/2023	Further drafting Share Purchase Agreement	1.00	\$405.00	\$405.00	SP
10/19/2023	Correspondence and discussion with L. Nguyen regarding non-resident tax implications	0.30	\$405.00	\$121.50	SP
10/20/2023	Call with L. Nguyen regarding share purchase agreement; Correspondence to J. Joffe regarding same	0.40	\$405.00	\$162.00	SP
10/23/2023	Review of file status; Correspondence with Court regarding scheduling; Attendance on file strategy with C. Fell	0.70	\$405.00	\$283.50	SP
10/23/2023	Review email from Shaun. Consider question regarding withhold tax and reply to Shaun. Review SPA and call with Shaun.	1.50	\$650.00	\$975.00	LN
10/23/2023	Emails re: extension of Outside Date.	0.40	\$685.00	\$274.00	CF

10/25/2023	Correspondence to J. Joffe	0.10	\$405.00	\$40.50	SP
10/26/2023	Review of comments on share purchase agreement; Correspondence with N. Greenfield regarding purchased assets	0.40	\$405.00	\$162.00	SP
				<b>Quantity Subtotal</b>	<b>8.3</b>

Time Keeper	Hours	Rate	Total	
Caitlin Fell	0.8	\$685.00	\$548.00	
Le Nguyen	1.5	\$650.00	\$975.00	
Shaun Parsons	6.0	\$405.00	\$2,430.00	
			<b>Quantity Total</b>	<b>8.3</b>
			<b>Subtotal</b>	<b>\$3,953.00</b>
			<b>Tax (13.0%)</b>	<b>\$513.89</b>
			<b>Total</b>	<b>\$4,466.89</b>
			<b>Payment (12/19/2023)</b>	<b>-\$4,466.89</b>
			<b>Balance Owing</b>	<b>\$0.00</b>

## Detailed Statement of Account

### Other Invoices

Invoice Number	Due On	Amount Due	Payments Received	Balance Due
495874	01/07/2024	\$3,400.17	\$0.00	\$3,400.17
495939	02/14/2024	\$1,868.74	\$0.00	\$1,868.74

### Current Invoice

Invoice Number	Due On	Amount Due	Payments Received	Balance Due
495785	12/06/2023	\$4,466.89	\$4,466.89	\$0.00
			<b>Outstanding Balance</b>	<b>\$5,268.91</b>
			<b>Total Amount Outstanding</b>	<b>\$5,268.91</b>

Please make all amounts payable to: Reconstruct LLP

Please pay within 30 days.

HST No.: 737783274 RT 0001

**INVOICE**

Invoice # 495874  
Date: 12/08/2023  
Due On: 01/07/2024

200 Bay Street, Suite 2305, P.O. Box 120  
Toronto, ON  
M5J 2J3  
T: 416.613.8280  
F: 416.613.8290

Richter Inc.  
181 Bay St. #3510  
Toronto, ON  
M5J 2T3

**00338-Richter Inc.****Receivership of Digital Orthodontic Care Inc.**

Date	Description	Hours	Rate	Total	LP
11/01/2023	Correspondence with N. Greenfield regarding shareholdings	0.10	\$405.00	\$40.50	SP
11/06/2023	Further revision of Share Purchase Agreement; Correspondence with J. Joffe regarding same	0.30	\$405.00	\$121.50	SP
11/07/2023	Further correspondence with Dental SPV regarding shares; Conference with C. Fell regarding same; Call with J. Joffe regarding same	0.70	\$405.00	\$283.50	SP
11/08/2023	Follow up regarding call with J. Joffe; Review and preparation for same; Attendance on file strategy	0.60	\$405.00	\$243.00	SP
11/09/2023	Call with Dental SPV; Consideration of next steps; Conference with C. Fell; Multiple correspondence with secured creditors	1.60	\$405.00	\$648.00	SP
11/09/2023	Discussion with S. Parsons regarding the strategy for the upcoming approval motion.	0.10	\$525.00	\$52.50	JW
11/10/2023	Correspondence with Dental SPV regarding shares; Correspondence with Court regarding scheduling; Attendant correspondence	0.30	\$405.00	\$121.50	SP
11/13/2023	Correspondence with J. Joffe regarding J. Sheppard email	0.10	\$405.00	\$40.50	SP
11/14/2023	Follow up correspondence	0.10	\$405.00	\$40.50	SP
11/15/2023	Call with Dental SPV, J. Sheppard and J. Joffe; Review of shareholder's agreement; Related correspondence with J. Joffe	1.30	\$405.00	\$526.50	SP

11/21/2023	Correspondence with secured creditors regarding outside date	0.20	\$405.00	\$81.00	SP
11/30/2023	Drafting approval and vesting orders; Drafting distribution and discharge order; Drafting factum	2.00	\$405.00	\$810.00	SP
				<b>Quantity Subtotal</b>	<b>7.4</b>

Time Keeper	Hours	Rate	Total	
Shaun Parsons	7.3	\$405.00	\$2,956.50	
Jessica Wuthmann	0.1	\$525.00	\$52.50	
			<b>Quantity Total</b>	<b>7.4</b>
			<b>Subtotal</b>	<b>\$3,009.00</b>
			<b>Tax (13.0%)</b>	<b>\$391.17</b>
			<b>Total</b>	<b>\$3,400.17</b>

## Detailed Statement of Account

### Other Invoices

Invoice Number	Due On	Amount Due	Payments Received	Balance Due
495939	02/14/2024	\$1,868.74	\$0.00	\$1,868.74

### Current Invoice

Invoice Number	Due On	Amount Due	Payments Received	Balance Due
495874	01/07/2024	\$3,400.17	\$0.00	\$3,400.17
			<b>Outstanding Balance</b>	<b>\$5,268.91</b>
			<b>Total Amount Outstanding</b>	<b>\$5,268.91</b>

Please make all amounts payable to: Reconstruct LLP

Please pay within 30 days.

HST No.: 737783274 RT 0001

## Remittance Advice

### Wire Transfer Information

**Bank Name/Address:** Royal Bank of Canada  
Main Branch - Toronto  
Royal Bank Plaza  
200 Bay Street  
Toronto, ON M5J 2J5

Account Number: 1570423  
Transit Number: 00002  
Bank Number: 003

**Name/Account #:** Reconstruct LLP

**SWIFT:** ROYCCAT2

Payment by e-transfer: [accountspayable@reconllp.com](mailto:accountspayable@reconllp.com)

Payment by Credit Card: Please call 416.613.8280 to make a payment.

Please include the invoice number 495874 as an additional reference so we may accurately identify and apply your payment.  
Please provide adequate payment to cover the wire fees assessed by your financial institution.

# RECON

R E C O N S T R U C T L L P

**INVOICE**Invoice # 495951  
Date: 02/08/2024  
Due On: 03/09/2024200 Bay Street, Suite 2305, P.O. Box 120  
Toronto, ON  
M5J 2J3  
T: 416.613.8280  
F: 416.613.8290Richter Inc.  
181 Bay St. #3510  
Toronto, ON  
M5J 2T3**00338-Richter Inc.****Receivership of Digital Orthodontic Care Inc.**

Date	Description	Hours	Rate	Discount	Total	LP
01/30/2024	Preparation of Notice of Motion; instructions to staff and S. Joshi to prepare motion materials.	0.50	\$525.00	-	\$262.50	JW
01/31/2024	Review and modification of the draft order prepared by the purchaser;	0.90	\$525.00	-	\$472.50	JW
01/31/2024	Updating discharge order; drafting notice of motion for AVO, distribution and discharge of receiver hearing on February 15, 2024	3.70	\$325.00	50.0%	\$601.25	SJ
02/01/2024	Modifying the draft orders.	0.20	\$525.00	-	\$105.00	JW
02/05/2024	Correspondence with the client regarding the trustee report; review of factum and instructions to S. Joshi to modify same.	0.30	\$525.00	-	\$157.50	JW
02/06/2024	Review and modification of the closing documents; drafting the Notice of Motion.	1.90	\$525.00	-	\$997.50	JW
02/07/2024	Review and providing comments on the receiver's draft report.	0.80	\$525.00	-	\$420.00	JW
02/07/2024	Reviewing and editing fee affidavit of C.Fell; reviewing second report of the receiver; drafting factum for approval of transactions and fee approval	2.50	\$325.00	30.0%	\$568.75	SJ
02/08/2024	Modifying of the notice of motion; strategy discussion with S. Joshi on the content of the factum; instructions to staff regarding preparing motion record; correspondence with the receiver	2.50	\$525.00	-	\$1,312.50	JW

regarding the second report and the upcoming motion; preparing an order for approval of the stalking horse bid.

**Quantity Subtotal 13.3**

**Line Item Discount Subtotal -\$845.00**

<b>Time Keeper</b>	<b>Hours</b>	<b>Rate</b>	<b>Discount</b>	<b>Total</b>
Jessica Wuthmann	7.1	\$525.00	-	\$3,727.50
Simran Joshi	6.2	\$325.00	-\$845.00	\$1,170.00
<b>Quantity Total</b>				<b>13.3</b>
<b>Subtotal</b>				<b>\$4,897.50</b>
<b>Tax (13.0%)</b>				<b>\$636.68</b>
<b>Total</b>				<b>\$5,534.18</b>

## Detailed Statement of Account

### Other Invoices

<b>Invoice Number</b>	<b>Due On</b>	<b>Amount Due</b>	<b>Payments Received</b>	<b>Balance Due</b>
495874	01/07/2024	\$3,400.17	\$0.00	\$3,400.17
495939	02/14/2024	\$1,868.74	\$0.00	\$1,868.74

### Current Invoice

<b>Invoice Number</b>	<b>Due On</b>	<b>Amount Due</b>	<b>Payments Received</b>	<b>Balance Due</b>
495951	03/09/2024	\$5,534.18	\$0.00	\$5,534.18
<b>Outstanding Balance</b>				<b>\$10,803.09</b>
<b>Total Amount Outstanding</b>				<b>\$10,803.09</b>

Please make all amounts payable to: Reconstruct LLP

Please pay within 30 days.

HST No.: 737783274 RT 0001



## Remittance Advice

### Wire Transfer Information

**Bank Name/Address:** Royal Bank of Canada  
Main Branch - Toronto  
Royal Bank Plaza  
200 Bay Street  
Toronto, ON M5J 2J5

Account Number: 1570423  
Transit Number: 00002  
Bank Number: 003

**Name/Account #:** Reconstruct LLP

**SWIFT:** ROYCCAT2

Payment by e-transfer: [accountspayable@reconllp.com](mailto:accountspayable@reconllp.com)

Payment by Credit Card: Please call 416.613.8280 to make a payment.

Please include the invoice number 495951 as an additional reference so we may accurately identify and apply your payment.  
Please provide adequate payment to cover the wire fees assessed by your financial institution.

**EXHIBIT "B"**

This is **EXHIBIT "B"** referred to in the Affidavit of **Caitlin Fell** sworn remotely by **Caitlin Fell** stated as being located in the City of Milton in the Province Ontario before me at the City of Toronto, in the Province of Ontario, this 9th day of February 2024, in accordance with O. Reg 431/20, *Administering Oath or Declaration Remotely*.

DocuSigned by:

*Jessica Wuthmann*

3A2B52A947404F3...

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A COMMISSIONER FOR TAKING AFFIDAVITS  
JESSICA WUTHMANN

**RECONSTRUCT LLP – Timekeeper Summary**

<b>TIMEKEEPER</b>	<b>TITLE</b>	<b>RATE</b>	<b>HOURS</b>	<b>FEES</b>	<b>DISCOUNT TO FEES</b>	<b>TOTAL FEES BILLED</b>
Caitlin Fell	Partner	\$685	18.60	\$ 12,946.50	\$0.00	\$12,946.50
Shaun Parsons	Associate	\$405	69.40	\$25,717.50	\$2,389.50	\$ 25,717.50
Jessica Wuthmann	Counsel	\$525	8.2	\$4,305.00	\$0.00	\$4,305.00
Joel Turgeon	Associate	\$485	4.20	\$2,037.00	\$0.00	\$2,037.00
Le Nguyen	Counsel	\$650	1.50	\$975.00	\$0.00	\$975.00
Simran Joshi	Student	\$325	8.2	\$1,820.00	\$845.00	\$1,820.00
<b>TOTALS</b>			<b>110.10</b>	<b>\$47,801.00</b>	<b>\$3,234.50</b>	<b>\$47,801.00</b>
					<b>Disb.</b>	<b>\$714.58</b>
					<b>HST</b>	<b>\$6,307.03</b>
					<b>TOTAL</b>	<b>\$54,822.61</b>
<b>Average Hourly Rate: \$434.15</b>						

**ORTHO STUDIO EXPRESS, INC.**

and

**DIGITAL ORTHODONTIC CARE INC.**

Applicant

Respondent

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

Proceedings commenced at Toronto

**FEE AFFIDAVIT**

**RECONSTRUCT LLP**

Royal Bank Plaza, South Tower  
200 Bay Street  
Suite 2305, P.O. Box 120  
Toronto, ON M5J 2J3

**Caitlin Fell** LSO No. 60091H

cfell@reconllp.com  
Tel: 416.613.8282

Fax: 416.613.8290

**Lawyers for the Receiver**

**ORTHO STUDIO EXPRESS, INC.**

and

**DIGITAL ORTHODONTIC CARE INC.**

Applicant

Respondent

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

Proceedings commenced at Toronto

**SECOND REPORT OF THE RECEIVER**

**RECONSTRUCT LLP**  
Royal Bank Plaza, South Tower  
200 Bay Street  
Suite 2305, P.O. Box 120  
Toronto, ON M5J 2J3

**Caitlin Fell** LSO No. 60091H  
cfell@reconllp.com  
Tel: 416.613.8282

Fax: 416.613.8290

**Lawyers for the Receiver**

# TAB 3

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

**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.

Respondent

**APPROVAL AND VESTING ORDER  
(Arcadlab Purchase Agreement)**

**THIS MOTION**, made by Richter Inc. in its capacity as the Court-appointed receiver (the “**Receiver**”) of the undertaking, property and assets of Digital Orthodontic Care Inc. (the “**Debtor**”) for an order, among other things,

- (i) the sale transaction (the “**Transaction**”) contemplated by the purchase agreement (the “**Arcadlab Purchase Agreement**”) between the Receiver and Ortho Studio Express, Inc. (the “**Purchaser**”) dated October 6, 2023, and
- (ii) vesting in favour of the Purchaser all of the Debtor’s right, title and interest in and to the assets described in the Arcadlab Purchase Agreement (the “**Purchased Assets**”),

was heard this day by judicial videoconference via Zoom at Toronto, Ontario.

**ON READING** the Motion Record of the Receiver dated February 9, 2024, including the Second Report of the Receiver dated February 9, 2024 (the “**Second Report**”), and on hearing the submissions of counsel for the Receiver and for the Applicant, and no one appearing for any

other parties, although duly served as appears from the affidavit of service of ● dated February ●, 2024,

### **SERVICE**

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion, the Motion Record of the Receiver and the Second Report is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

### **ARCADLAB PURCHASE AGREEMENT**

2. **THIS COURT ORDERS** that the Transaction is hereby approved and that the execution by the Receiver of the Arcadlab Purchase Agreement attached as Appendix “F” of the Second Report is hereby authorized and approved, *nunc pro tunc*. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

3. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as **Schedule “A”** hereto (the **"Receiver's Certificate"**), all of the Debtor's right, title, benefit, and interest in and to the Purchased Assets described in the Arcadlab Purchase Agreement shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Osborne dated July 4, 2023; (ii) all charges, security interests or claims evidenced by registrations pursuant to the Personal Property Security Act (Ontario) or any other personal property registry system; and (iii) those Claims listed on **Schedule “B”** hereto (all of which are collectively referred to as the "Encumbrances", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on **Schedule “C”**) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

4. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead



of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

5. **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

6. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Company's records pertaining to the Debtor's past and current employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.

7. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the Bankruptcy and Insolvency Act (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtor;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

**GENERAL**

8. **THIS COURT ORDERS** that the Receiver shall be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

9. **THIS COURT HEREBY REQUESTS** the aid and recognition of any other Canadian and foreign court, tribunal, regulatory or administrative body ("**Judicial Body**") to give effect to this Order and to assist the Receiver and its respective agents in carrying out the terms of this Order. All Judicial Bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Receiver in any foreign proceeding, or to assist the Receiver and its respective agents in carrying out the terms of this Order.

10. **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.

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**SCHEDULE “A” –  
Form of Receiver’s Certificate**

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

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

**BETWEEN**

**ORTHO STUDIO EXPRESS, INC.**

**Applicant**

**-and-**

**DIGITAL ORTHODONTIC CARE INC.**

**Respondent**

**RECEIVER’S CERTIFICATE  
(Arcadlab Purchase Agreement)**

**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 August 17, 2023, the Court approved certain sale procedures in respect of certain of the Debtor’s assets (the “**Sale Procedures**”).

C. Pursuant to an Order of the Court dated February 15, 2024, the Court approved the Agreement of Purchase and Sale made as of October 6, 2023 (the “**Arcadlab Purchase Agreement**”) between the Receiver and Ortho Studio Express, Inc. (the “**Purchaser**”) and provided for the vesting in the Purchaser of the Debtor’s right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as setout in Article 5 of the Arcadlab Purchase Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iv) the transaction has been completed to the satisfaction of the Receiver.

D. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Arcadlab Purchase Agreement.

**THE RECEIVER CERTIFIES** the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Purchase Agreement;
2. The conditions to Closing as set out in the Purchase Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at \_\_\_\_\_ [TIME] on \_\_\_\_\_ [DATE].

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

Per: \_\_\_\_\_  
Name:  
Title:

**SCHEDULE "B"**  
**Claims**

Nil.

**SCHEDULE "C"**  
**Permitted Encumbrances**

Nil.

**ORTHO STUDIO EXPRESS, INC.** and **DIGITAL ORTHODONTIC CARE INC.**

Applicant

Respondent

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

Proceeding commenced at Toronto

**APPROVAL AND VESTING ORDER  
(Arcadlab Purchase Agreement)**

**RECONSTRUCT LLP**

Royal Bank Plaza, South Tower  
200 Bay Street  
Suite 2305, P.O. Box 120  
Toronto, ON M5J 2J3

**Caitlin Fell** LSO No. 60091H

cfell@reconllp.com  
Tel: 416.613.8282  
Fax: 416.613.8290

Lawyers for the Receiver,  
Richter Inc.

# TAB 4



Court File No. ~~—~~: CV-23-00699238-00CL

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

THE HONOURABLE ~~—~~ ) ~~WEEKDAY~~ THURSDAY, THE # 15TH  
 )  
 JUSTICE ~~—~~ BLACK ) DAY OF ~~MONTH~~ FEBRURY, ~~20~~ YR 2024

~~BETWEEN~~ BETWEEN:ORTHO STUDIO EXPRESS, INC.~~PLAINTIFF~~ Applicant~~Plaintiff~~

- and -

DIGITAL ORTHODONTIC CARE INC.Respondent~~DEFENDANT~~~~Defendant~~

**APPROVAL AND VESTING ORDER  
(Arcadlab Purchase Agreement)**

**THIS MOTION**, made by ~~[RECEIVER'S NAME]~~ Richter Inc. in its capacity as the Court-appointed receiver (the "Receiver") of the undertaking, property and assets of ~~[DEBTOR]~~ (the "Debtor" Digital Orthodontic Care Inc. (the "Debtor")) for an order ~~approving~~, among other things,

- (i) the sale transaction (the "**Transaction**") contemplated by ~~an~~ the purchase agreement ~~of purchase and sale (the "Sale~~ (the "Arcadlab Purchase Agreement") between the Receiver and ~~[NAME OF PURCHASER]~~ (the "Ortho Studio Express, Inc. (the "Purchaser") dated ~~[DATE]~~ and appended to the Report of the Receiver dated ~~[DATE]~~ October 6, 2023, and

- (ii) ~~(the "Report"), and~~ vesting in favour of the Purchaser all of the Debtor's right, title and interest in and to the assets described in the Sale Arcadlab Purchase Agreement (the "Purchased Assets"), ~~was heard this day at 330 University Avenue, Toronto, Ontario.~~

was heard this day by judicial videoconference via Zoom at Toronto, Ontario.

**ON READING** the ~~Report~~ Motion Record of the Receiver dated February 9, 2024, including the Second Report of the Receiver dated February 9, 2024 (the "Second Report"), and on hearing the submissions of counsel for the Receiver, ~~[NAMES OF OTHER PARTIES APPEARING]~~, and for the Applicant, and no one appearing for any other ~~person on the service list~~ parties, although properly ~~duly~~ served as appears from the affidavit of ~~[NAME]~~ sworn [DATE] filed<sup>1</sup>: service of ● dated February ●, 2024.

## SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion, the Motion Record of the Receiver and the Second Report is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

## ARCADLAB PURCHASE AGREEMENT

2. ~~1. THIS COURT ORDERS AND DECLARES~~ that the Transaction is hereby approved,<sup>2</sup> and that the execution ~~of the Sale Agreement~~ by the Receiver<sup>3</sup> of the Arcadlab Purchase Agreement attached as Appendix "F" of the Second Report is hereby authorized and approved, ~~with such minor amendments as the Receiver may deem necessary~~ nunc pro tunc. The Receiver

<sup>1</sup> This model order assumes that the time for service does not need to be abridged. The motion seeking a vesting order should be served on all persons having an economic interest in the Purchased Assets, unless circumstances warrant a different approach. Counsel should consider attaching the affidavit of service to this Order.

<sup>2</sup> In some cases, notably where this Order may be relied upon for proceedings in the United States, a finding that the Transaction is commercially reasonable and in the best interests of the Debtor and its stakeholders may be necessary. Evidence should be filed to support such a finding, which finding may then be included in the Court's endorsement.

<sup>3</sup> In some cases, the Debtor will be the vendor under the Sale Agreement, or otherwise actively involved in the Transaction. In those cases, care should be taken to ensure that this Order authorizes either or both of the Debtor and the Receiver to execute and deliver documents, and take other steps.

is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

3. ~~2.~~ **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as **Schedule "A"** hereto (the "**Receiver's Certificate**"), all of the Debtor's right, title, benefit, and interest in and to the Purchased Assets described in the Sale Arcadlab Purchase Agreement ~~[and listed on Schedule B hereto]~~<sup>4</sup> shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims"<sup>5</sup>) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice [NAME] Osborne dated [DATE] July 4, 2023; (ii) all charges, security interests or claims evidenced by registrations pursuant to the Personal Property Security Act (Ontario) or any other personal property registry system; and (iii) those Claims listed on **Schedule "B"** hereto (all of which are collectively referred to as the "Encumbrances", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on **Schedule D "C"**) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

~~3. THIS COURT ORDERS that upon the registration in the Land Registry Office for the [Registry Division of {LOCATION}] of a Transfer/Deed of Land in the form prescribed by the Land Registration Reform Act duly executed by the Receiver][Land Titles Division of {LOCATION}] of an Application for Vesting Order in the form prescribed by the Land Titles Act~~

<sup>4</sup>~~To allow this Order to be free standing (and not require reference to the Court record and/or the Sale Agreement), it may be preferable that the Purchased Assets be specifically described in a Schedule.~~

<sup>5</sup>~~The "Claims" being vested out may, in some cases, include ownership claims, where ownership is disputed and the dispute is brought to the attention of the Court. Such ownership claims would, in that case, still continue as against the net proceeds from the sale of the claimed asset. Similarly, other rights, titles or interests could also be vested out, if the Court is advised what rights are being affected, and the appropriate persons are served. It is the Subcommittee's view that a non-specific vesting out of "rights, titles and interests" is vague and therefore undesirable.~~

~~and/or the Land Registration Reform Act]<sup>6</sup>, the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in Schedule B hereto (the "Real Property") in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule C hereto.~~

4. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds<sup>7</sup> from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale<sup>8</sup>, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

5. **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the ~~Receiver's~~Receiver's Certificate, forthwith after delivery thereof.

6. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Company's records pertaining to the Debtor's past and current employees, ~~including personal information of those employees listed on Schedule "●" to the Sale Agreement~~. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.

7. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;

<sup>6</sup>~~Elect the language appropriate to the land registry system (Registry vs. Land Titles).~~

<sup>7</sup>~~The Report should identify the disposition costs and any other costs which should be paid from the gross sale proceeds, to arrive at "net proceeds".~~

<sup>8</sup>~~This provision crystallizes the date as of which the Claims will be determined. If a sale occurs early in the insolvency process, or potentially secured claimants may not have had the time or the ability to register or perfect proper claims prior to the sale, this provision may not be appropriate, and should be amended to remove this crystallization concept.~~

- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the Bankruptcy and Insolvency Act (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtor;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

## GENERAL

8. **THIS COURT ORDERS** ~~AND DECLARES that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).~~ that the Receiver shall be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

9. **THIS COURT HEREBY REQUESTS** the aid and recognition of any other Canadian and foreign court, tribunal, regulatory or administrative body ~~having jurisdiction in Canada or in the United States~~ (“Judicial Body”) to give effect to this Order and to assist the Receiver and its respective agents in carrying out the terms of this Order. All ~~courts, tribunals, regulatory and administrative bodies~~ Judicial Bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, ~~as an officer of this Court, as may be necessary or desirable to give effect to this Order,~~ to grant representative status to the Receiver in any foreign proceeding, or to assist the Receiver and its respective agents in carrying out the terms of this Order.

10. **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.

\_\_\_\_\_

\_\_\_\_\_

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~~-2-~~

SCHEDULE "A" –  
~~Schedule A~~ Form of Receiver's Certificate

Court File No. \_\_\_\_\_: CV-23-00699238-00CL

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

~~BETWEEN:~~

BETWEEN  
~~PLAINTIFF~~

ORTHO STUDIO EXPRESS, INC.

~~Plaintiff~~ Applicant

-and-

~~DEFENDANT~~

DIGITAL ORTHODONTIC CARE INC.

Respondent

~~Defendant~~

**RECEIVER'S CERTIFICATE**  
**(Arcadlab Purchase Agreement)**

**RECITALS**

A. ~~A.~~ Pursuant to an Order of the Honourable ~~[NAME OF JUDGE]~~ Justice Osborne of the Ontario Superior Court of Justice (the "Court") dated ~~[DATE OF ORDER]~~, ~~[NAME OF RECEIVER]~~ July 4, 2023, Richter Inc. was appointed as the receiver (the "Receiver") of the undertaking, property, and assets of ~~[DEBTOR]~~ Digital Orthodontic Care Inc. (the "Debtor").

B. Pursuant to an Order of the Court dated August 17, 2023, the Court approved certain sale procedures in respect of certain of the Debtor's assets (the "Sale Procedures").

C. ~~B.~~ Pursuant to an Order of the Court dated ~~[DATE]~~ February 15, 2024, the Court approved the ~~agreement of purchase and sale made as of [DATE OF AGREEMENT]~~ (the "Sale Agreement") Agreement of Purchase and Sale made as of October 6, 2023 (the "Arcadlab Purchase Agreement") between the Receiver ~~[Debtor] and [NAME OF PURCHASER]~~ (the "and Ortho Studio Express, Inc. (the "Purchaser"") and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for

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*[Different first page setting changed from on in original to off in modified.]*

~~-2-~~

the Purchased Assets; (ii) that the conditions to Closing as ~~set out~~setout in ~~section~~ Article 5 of the SaleArcadlab Purchase Agreement have been satisfied or waived by the Receiver and the Purchaser; and (~~iii~~iv) the ~~Transaction~~transaction has been completed to the satisfaction of the Receiver.

D. ~~C.~~ Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the SaleArcadlab Purchase Agreement.

**THE RECEIVER CERTIFIES** the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the SalePurchase Agreement;
2. The conditions to Closing as set out in ~~section~~ of the SalePurchase Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at \_\_\_\_\_ [TIME] on \_\_\_\_\_ [DATE].

~~{NAME OF RECEIVER}~~, Richter Inc., solely  
in its capacity as Receiver of the  
~~undertaking, property and assets of~~  
~~{DEBTOR}~~Property, and not in its personal  
capacity

Per: \_\_\_\_\_

Name:

Title:

*[Different first page setting changed from on in original to off in modified.]*



~~Schedule~~ SCHEDULE "B—Purchased Assets"  
Claims

Nil.

~~Schedule C—Claims to be deleted and expunged from title to Real Property~~

~~Schedule D—Permitted Encumbrances, Easements and Restrictive Covenants  
related to the Real Property~~

~~(unaffected by the Vesting Order)~~

**SCHEDULE "C"**  
**Permitted Encumbrances**

Nil.

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*[Link-to-previous setting changed from on in original to off in modified.]*

ORTHO STUDIO EXPRESS, INC.

Applicant

and

DIGITAL ORTHODONTIC CARE INC.

Respondent

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

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

Proceeding commenced at Toronto

APPROVAL AND VESTING ORDER  
(Arcadlab Purchase Agreement)

RECONSTRUCT LLP

Royal Bank Plaza, South Tower  
200 Bay Street  
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Toronto, ON M5J 2J3

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Lawyers for the Receiver,  
Richter Inc.

*[Different first page setting changed from on in original to off in modified.]*

# TAB 5

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

**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.**

**Respondent**

**APPROVAL AND VESTING ORDER  
(Stalking Horse Agreement)**

**THIS MOTION**, made by Richter Inc., in its capacity as the Court-appointed receiver (the “**Receiver**”) without security, of the undertaking, property and assets of the Digital Orthodontic Care Inc. (the “**Debtor**”) for an order, *inter alia*,: (i) approving the sale transaction (the “**Transaction**”) contemplated by an agreement of purchase and sale (the “**Stalking Horse Agreement**”) dated August 9, 2023 between the Receiver and Ortho Studio Express, Inc. (the “**Purchaser**”) and appended as Appendix “E” to the Second Report of the Receiver dated February 9, 2024 (the “**Second Report**”); and (ii) vesting in the Purchaser, the Debtor’s right, title and interest in and to the assets and property described in the Stalking Horse Agreement (the “**Purchased Assets**”), was heard today by video conference.

**ON READING** the Motion Record of the Receiver dated February 9, 2024, including the Second Report of the Receiver, and on hearing the submissions of counsel for the Receiver and

for the Applicant, and no one appearing for any other parties, although duly served as appears from the affidavit of service of ● dated February ●, 2024,

## SERVICE

1. **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 thereof.

## APPROVAL OF SALE TRANSACTION

2. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved and the execution of the Stalking Horse Agreement by the Receiver is hereby authorized and approved,, *nunc pro tunc*. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

3. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as **Schedule "A"** hereto (the "**Receiver's Certificate**"), all of the Debtor's right, title and interest in and to the Purchased Assets described in the Stalking Horse Agreement shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Osborne dated July 4, 2023; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system (all of which are collectively referred to as "Encumbrances"), and, for greater certainty, this Court orders that all the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

4. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets (the "**Net Proceeds**") shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the Net Proceeds from the



sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

5. **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

6. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Company's records pertaining to the Debtor's past and current employees. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.

7. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtor;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

## **GENERAL**

8. **THIS COURT ORDERS** that the Receiver shall be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

9. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States or in any other foreign jurisdiction to give effect to this Order and to assist the Purchaser, the Receiver and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance the Debtor, the Purchaser, and the Receiver, as an officer of this Court, as may be necessary or desirable to recognize and give effect to this Order and to assist the Purchaser, the Receiver and their respective agents in carrying out the terms of this Order.

10. **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.

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## Schedule "A" – Form of Receiver's Certificate

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

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

B E T W E E N:

**ORTHO STUDIO EXPRESS, INC.****Applicant****-and-****DIGITAL ORTHODONTIC CARE INC.****Respondent****RECEIVER'S CERTIFICATE  
(Stalking Horse Agreement)****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 and receiver and manager (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 agreement of purchase and sale attached dated August 9, 2023 (the "**Stalking Horse Agreement**") between the Receiver and Ortho Studio Express, Inc. (the "**Purchaser**") and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in the Stalking Horse Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Stalking Horse Agreement.

**THE RECEIVER CERTIFIES** the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Stalking Horse Agreement;
2. The conditions to Closing as set out in the Stalking Horse Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at \_\_\_\_\_ [TIME] on \_\_\_\_\_ [DATE].

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

Per: \_\_\_\_\_  
Name:  
Title:

**ORTHO STUDIO EXPRESS, INC.**

Applicant

**DIGITAL ORTHODONTIC CARE INC.**

Respondent

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

Proceedings commenced at Toronto

**APPROVAL AND VESTING ORDER  
(Stalking Horse Agreement)**

**RECONSTRUCT LLP**

Royal Bank Plaza, South Tower  
200 Bay Street, Suite 2305, P.O. Box 120  
Toronto, ON M5J 2J3

**Caitlin Fell** LSO No. 60091H

cfell@reconllp.com

Tel: 416.613.8282

Fax: 416.613.8290

**Lawyers for the Receiver.**

# TAB 6

Court File No. — CV-23-00699238-00CL

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

THE HONOURABLE — ) ~~WEEKDAY~~ THURSDAY, THE # 15TH  
JUSTICE — BLACK ) DAY OF ~~MONTH~~ FEBRUARY, ~~20YR~~ 2024

~~BETWEEN~~ BETWEEN:**PLAINTIFF**ORTHO STUDIO EXPRESS, INC.~~Plaintiff~~ Applicant

-and-

**DEFENDANT**DIGITAL ORTHODONTIC CARE INC.Respondent~~Defendant~~

**APPROVAL AND VESTING ORDER  
(Stalking Horse Agreement)**

**THIS MOTION**, made by ~~[RECEIVER'S NAME]~~ Richter Inc., in its capacity as the Court-appointed receiver (the "Receiver") without security, of the undertaking, property and assets of ~~[DEBTOR]~~ (the "~~Debtor~~" the Digital Orthodontic Care Inc. (the "Debtor")) for an order, inter alia: (i) approving the sale transaction (the "Transaction") contemplated by an agreement of purchase and sale (the "~~Sale~~" Stalking Horse Agreement") dated August 9, 2023 between the Receiver and ~~[NAME OF PURCHASER]~~ (the "Ortho Studio Express, Inc. (the "Purchaser")") dated ~~[DATE]~~ and appended as Appendix "E" to the Second Report of the Receiver dated ~~[DATE]~~ February 9, 2024 (the "Second Report"); and (ii) vesting in the Purchaser, the Debtor's right, title and interest in and to the assets and property described in

the Sale Stalking Horse Agreement (the "Purchased Assets"), was heard ~~this day at 330 University Avenue, Toronto, Ontario~~ today by video conference.

**ON READING** the Motion Record of the Receiver dated February 9, 2024, including the Second Report of the Receiver, and on hearing the submissions of counsel for the Receiver, ~~[NAMES OF OTHER PARTIES APPEARING]~~, and for the Applicant, and no one appearing for any other ~~person on the service list~~ parties, although ~~properly~~ duly served as appears from the affidavit of ~~[NAME] sworn [DATE] filed~~<sup>1</sup>: service of ● dated February ●, 2024,

### SERVICE

1. 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 thereof.

### APPROVAL OF SALE TRANSACTION

2. 1. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved,<sup>2</sup> and the execution of the Sale Stalking Horse Agreement by the Receiver<sup>3</sup> is hereby authorized and approved, ~~with such minor amendments as the Receiver may deem necessary~~, nunc pro tunc. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

3. 2. THIS COURT ORDERS AND DECLARES that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as **Schedule "A"** hereto (the "~~Receiver's~~ Receiver's Certificate"), all of the ~~Debtor's~~ Debtor's right, title and interest in and

<sup>1</sup> This model order assumes that the time for service does not need to be abridged. The motion seeking a vesting order should be served on all persons having an economic interest in the Purchased Assets, unless circumstances warrant a different approach. Counsel should consider attaching the affidavit of service to this Order.

<sup>2</sup> In some cases, notably where this Order may be relied upon for proceedings in the United States, a finding that the Transaction is commercially reasonable and in the best interests of the Debtor and its stakeholders may be necessary. Evidence should be filed to support such a finding, which finding may then be included in the Court's endorsement.

<sup>3</sup> In some cases, the Debtor will be the vendor under the Sale Agreement, or otherwise actively involved in the Transaction. In those cases, care should be taken to ensure that this Order authorizes either or both of the Debtor and the Receiver to execute and deliver documents, and take other steps.



to the Purchased Assets described in the Sale Stalking Horse Agreement ~~[and listed on Schedule B hereto]~~<sup>4</sup> shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims"<sup>5</sup>) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice [NAME] Osborne dated [DATE] July 4, 2023; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; ~~and (iii) those Claims listed on Schedule C hereto~~ (all of which are collectively referred to as the "Encumbrances", ~~which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule D~~), and, for greater certainty, this Court orders that all ~~of~~ the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

~~3. THIS COURT ORDERS that upon the registration in the Land Registry Office for the [Registry Division of {LOCATION}] of a Transfer/Deed of Land in the form prescribed by the Land Registration Reform Act duly executed by the Receiver][Land Titles Division of {LOCATION}] of an Application for Vesting Order in the form prescribed by the Land Titles Act and/or the Land Registration Reform Act~~<sup>6</sup>, the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in Schedule B hereto (the "Real Property") in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule C hereto.

<sup>4</sup>To allow this Order to be free standing (and not require reference to the Court record and/or the Sale Agreement), it may be preferable that the Purchased Assets be specifically described in a Schedule.

<sup>5</sup>The "Claims" being vested out may, in some cases, include ownership claims, where ownership is disputed and the dispute is brought to the attention of the Court. Such ownership claims would, in that case, still continue as against the net proceeds from the sale of the claimed asset. Similarly, other rights, titles or interests could also be vested out, if the Court is advised what rights are being affected, and the appropriate persons are served. It is the Subcommittee's view that a non-specific vesting out of "rights, titles and interests" is vague and therefore undesirable.

<sup>6</sup>Elect the language appropriate to the land registry system (Registry vs. Land Titles).

4. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds<sup>7</sup> from the sale of the Purchased Assets (the "Net Proceeds") shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the ~~Receiver's~~Receiver's Certificate all Claims and Encumbrances shall attach to the ~~net proceeds~~Net Proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale<sup>8</sup>, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

5. **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the ~~Receiver's~~Receiver's Certificate, forthwith after delivery thereof.

6. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Company's records pertaining to the Debtor's past and current employees, ~~including personal information of those employees listed on Schedule "●" to the Sale Agreement~~. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.

7. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and

---

<sup>7</sup>~~The Report should identify the disposition costs and any other costs which should be paid from the gross sale proceeds, to arrive at "net proceeds".~~

<sup>8</sup>~~This provision crystallizes the date as of which the Claims will be determined. If a sale occurs early in the insolvency process, or potentially secured claimants may not have had the time or the ability to register or perfect proper claims prior to the sale, this provision may not be appropriate, and should be amended to remove this crystallization concept.~~

- (c) any assignment in bankruptcy made in respect of the Debtor;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

### GENERAL

8. **THIS COURT ORDERS** ~~AND DECLARES that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).~~ that the Receiver shall be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

9. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada ~~or in~~ the United States or in any other foreign jurisdiction to give effect to this Order and to assist the Purchaser, the Receiver and ~~its~~ their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance ~~to~~ the Debtor, the Purchaser, and the Receiver, as an officer of this Court, as may be necessary or desirable to recognize and give effect to this Order ~~or~~ and to assist the Purchaser, the Receiver and ~~its~~ their respective agents in carrying out the terms of this Order.

10. **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.

Schedule "A" – Form of Receiver's Certificate

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

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

~~BETWEEN~~ BETWEEN:

ORTHO STUDIO EXPRESS, INC.

~~PLAINTIFF~~ Applicant

~~Plaintiff~~

-and-

~~DEFENDANT~~

DIGITAL ORTHODONTIC CARE INC.

~~Defendant~~ Respondent

RECEIVER'S CERTIFICATE  
(Stalking Horse Agreement)

RECITALS

A. Pursuant to an Order of the Honourable ~~[NAME OF JUDGE]~~ Justice Osborne of the Ontario Superior Court of Justice (the "Court") dated ~~[DATE OF ORDER]~~, ~~[NAME OF RECEIVER]~~ July 4, 2023, Richter Inc. was appointed as the receiver and receiver and manager (the "Receiver") of the undertaking, property and assets of ~~[DEBTOR]~~ Digital Orthodontic Care Inc. (the "Debtor").

B. Pursuant to an Order of the Court dated ~~[DATE]~~ February 15, 2024, the Court approved the agreement of purchase and sale ~~made as of [DATE OF AGREEMENT]~~ (the "Sale attached dated August 9, 2023 (the "Stalking Horse Agreement")") between the Receiver ~~[Debtor]~~ and [NAME OF PURCHASER] (the "and Ortho Studio Express, Inc. (the "Purchaser")") and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the

Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in ~~section 1.1~~ of the Sale Stalking Horse Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the ~~Transaction~~transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Stalking Horse Agreement.

**THE RECEIVER CERTIFIES** the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Stalking Horse Agreement;
2. The conditions to Closing as set out in ~~section 1.1~~ of the Sale Stalking Horse Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at \_\_\_\_\_ [TIME] on \_\_\_\_\_ [DATE].

~~[NAME OF RECEIVER]~~Richter Inc., solely  
in its capacity as Receiver of the  
~~undertaking, property and assets of~~  
~~[DEBTOR]~~Property, and not in its personal  
capacity

Per: \_\_\_\_\_  
Name:  
Title:

ORTHO STUDIO EXPRESS, INC.

and

DIGITAL O

Applicant

ONTAR  
SUPERIOR COURT  
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APPROVAL AND VE  
(Stalking Horse A

RECONSTRUCT L  
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Toronto, ON M5J 2

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Lawyers for the R

**Schedule B—Purchased Assets**

~~Schedule C—Claims to be deleted and expunged from title to Real Property~~

**Schedule D—Permitted Encumbrances, Easements and Restrictive Covenants  
related to the Real Property  
(unaffected by the Vesting Order)**



# TAB 7

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

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

THE HONOURABLE	)	THURSDAY, THE 15 <sup>th</sup>
	)	
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 ● sworn February ●, 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.

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**Schedule "A" – Form of Receiver's Certificate**

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

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

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

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

*Proceedings commenced at Toronto*

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**ORDER  
(Distribution and Discharge)**

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**Lawyer for the Receiver**



**ORTHO STUDIO EXPRESS, INC.**

and

**DIGITAL ORTHODONTIC CARE INC.**

Applicant

Respondent

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

Proceedings commenced at Toronto

**MOTION RECORD**  
(Returnable February 15, 2024)  
(RE: Approval of Sale Agreements, Fee  
Approval and Discharge)

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**Lawyer for the Receiver**