

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

IN THE MATTER OF Section 101 of the Courts of Justice Act, R.S.O. 1990 c.C.43, as amended, and in the matter of Section 243(1) of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended

BETWEEN:

THE BANK OF NOVA SCOTIA

Applicant

- and -

**RAMZI HINDIEH DENTISTRY PROFESSIONAL CORPORATION
Carrying on business as LESLIEVILLE PROSTHODONTICS and RAMZI
HINDIEH and R. CAPITAL INC.**

Respondents

**FIRST AND FINAL REPORT OF BDO CANADA LIMITED
IN ITS CAPACITY AS COURT-APPOINTED RECEIVER OF
RAMZI HINDIEH DENTISTRY PROFESSIONAL CORPORATION
AND R. CAPITAL INC.**

JUNE 20, 2025

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INTRODUCTION AND BACKGROUND

1. Pursuant to the order of the Honourable Justice Osborn of the Ontario Superior Court of Justice (the "**Court**") dated November 21, 2024 (the "**Receivership Order**"), upon the application of the Bank of Nova Scotia ("**Scotia Bank**"), BDO Canada Limited ("**BDO**") was appointed as receiver (the "**Receiver**") of all assets, undertakings and properties of Ramzi Hindieh Dentistry Professional Corporation carrying on business as Leslieville Prosthodontics ("**RH Dentistry**") and R Capital Inc. ("**RC Inc.**" and collectively with RH Dentistry, the "**Debtors**") acquired for, or used in relation to a business carried on by the Debtors. A copy of the Receivership Order is appended hereto as **Appendix "A"**.
2. RH Dentistry is an Ontario corporation carrying on business as a dental practice specializing in reconstructive, cosmetic and implant dentistry located at 1003 Queen Street East, Unit 1, Toronto, Ontario (the "**RH Property**"). RH Dentistry's Property consists of predominately of equipment necessary for the operation of a dental practice.
3. RC Inc. is an Ontario corporation and is the owner of the Real Property (defined herein). The primary asset of R Inc. is the real property comprised of three units on Toronto Standard Condominium Plan 2569, located at 1003 Queen Street (the "**Real Property**" and together with the RH Property, the "**Debtors' Property**"). The Real Property is owned by RC Inc. and consists of two (2) condominium units comprising 1550 square feet on the ground floor of the condominium building and one indoor parking spot at the Queen Street location. The Real Property is more particularly described in **Schedule "A"** hereto.
4. Dr. Ramzi Hindieh ("**Ramzi**") is the sole officer of RH Dentistry and RC Inc.
5. On May 28, 2025, without notice to the Receiver, Ramzi, RH Dentistry and RC Inc. each filed assignments in bankruptcy. Harris & Partners Inc. is the licensed insolvency trustee in each of the bankruptcy proceedings. Copies of the notices issued by Harris & Partners Inc. for each of Ramzi, RH Dentistry and RC Inc. are appended hereto as **Appendix "B"**, "**C"** and "**D"**", respectively.
6. This First and Final Report (defined herein), and all other court materials and orders issued and filed in these receivership proceedings are or will be made available on the Receiver's case website at: <https://www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/leslievilleprosthodontics>, and will

remain available on the website for a period of six (6) months following the Receiver's discharge.

PURPOSE OF REPORT

7. The purpose of this First and Final Report of the Receiver (the "**First Report**") is to:
 - (a) Provide this Court with certain information pertaining to the receivership, including:
 - (i) the background to these proceeding, the Debtors' operations and certain facts leading to the appointment of the Receiver;
 - (ii) activities of the Receiver since November 21, 2024 (the "**Date of Appointment**");
 - (iii) the marketing process for the Debtors' Property and the terms of the proposed sale transaction;
 - (iv) the Receiver's interim statement of receipts and disbursements from the Date of Appointment to June 10, 2025 (the "**Interim R&D**"); and
 - (v) the fees and disbursements of the Receiver and its counsel.
 - (b) Request an Approval and Vesting Order of this Court:
 - (i) approving the agreement of purchase and sale between the Receiver, as vendor, and Monga Dentistry Professional Corporation (the "**RH Dentistry Purchaser**") dated June 13, 2025 (the "**RH Sale Agreement**") and authorizing the Receiver to complete the transaction contemplated therein (the "**RH Transaction**");
 - (ii) approving the agreement of purchase and sale between the Receiver, as vendor, and 1001045375 Ontario Inc. (the "**RC Purchaser**") dated June 13, 2025 (the "**RC Sale Agreement**") and authorizing the Receiver to complete the transaction contemplated therein (the "**RC Transaction**");
 - (iii) vesting RH Dentistry's right, title and interest in the RH Property in and to the RH Dentistry Purchaser free and clear of all encumbrances; and

- (iv) vesting RC Inc.'s right, title and interest in the Real Property in and to the RC Purchaser free and clear of all encumbrances, except for Permitted Encumbrances (defined below);
- (c) Request an Order of this Court:
- (i) approving this First Report and the activities of the Receiver set out herein;
 - (ii) approving the Receiver's Interim R&Ds;
 - (iii) approving the Receiver's professional fees and disbursements and those of its legal counsel, Harrison Pensa LLP ("**HP LLP**");
 - (iv) authorizing the Receiver to distribute the net proceeds of the RH Transaction and the RC Transaction to Scotia Bank in an amount not to exceed the amount of the Scotia Bank's indebtedness plus the applicable per diem interest to the date of payment;
 - (v) authorizing the Receiver to make such subsequent distributions from the net proceeds of the RH Transaction and the RC Transaction to Scotia Bank as the Receiver may determine appropriate, without further order of this Court, provided the Receiver maintains sufficient reserves to satisfy any remaining fees, costs and expenses to conclude the administration of the receivership;
 - (vi) sealing the Confidential Appendices to this First Report until the closing of the RH Transaction and the RC Transaction, or further order of this Court;
 - (vii) discharging BDO as Receiver of all of the assets, undertakings and properties of RH Dentistry and RC Inc. upon service by the Receiver on the Service List of a certificate, substantially in the form set out in Schedule "A" of the Distribution and Discharge Order (the "Receiver's Discharge Certificate"), with the filing of such certificate with the Court to follow as soon as practicable; and
 - (viii) releasing BDO from any and all liability that it now has or may have by reason of, or in any way arising out of, the acts or omissions of BDO while

acting in its capacity as Receiver herein, save and except for any gross negligence or willful misconduct on the Receiver's part, upon the service of the Receiver's Discharge Certificate.

QUALIFICATIONS

8. In preparing this First Report, the Receiver has relied upon the limited unaudited financial information, the Debtors' books and records, and other information provided to it (collectively, the "**Information**"). The Receiver has reviewed the Information for reasonableness, internal consistency, and use in the context in which it was provided, and in consideration of the nature of the evidence provided to this Court, in relation to the relief sought therein. The Receiver has not, however, audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards ("**CAS**") pursuant to the Chartered Professional Accountants of Canada Handbook and, as such, the Receiver expresses no opinion or other form of assurance contemplated under CAS in respect of the Information. An examination of the Debtors' financial forecasts in accordance with the Chartered Professional Accountants of Canada Handbook has not been performed. Future-oriented financial information reported on or relied upon in this First Report is based upon assumptions regarding future events; actual results achieved may vary from forecast and such variations may be material.
9. Unless otherwise noted, all monetary amounts contained in this First Report are expressed in Canadian dollars.

RECEIVER'S ACTIVITIES

10. On November 21, 2024, following the granting of the Receivership Order, the Receiver had a call with Ramzi and made arrangements to meet him at the Real Property the next day. On the November 21, 2024 call the Receiver requested that Ramzi make available various documents and information necessary to administer the receivership proceedings.
11. The Receiver attended the Real Property on November 22, 2024 and met with Ramzi. Ramzi advised that RH Dentistry had essentially stopped operating, but he had two (2) patients which required procedures and requested that the Receiver permit him to complete the procedures before the Receiver took possession. The Receiver

accommodated Ramzi's request. The Receiver arranged for the locks to be changed on November 28, 2024.

12. Prior to the issuance of the Receivership Order, Ramzi had engaged Mr. Gerry Crandles ("**Crandles**") of Professional Practice Sales Ltd. ("**PPS**") to sell the dentistry practice and assets, including the Real Property. PPS specializes in dental practice valuations and sales. Based upon discussion with PPS, the Receiver was advised that while PPS had discussions with various potential purchasers it received an offer to purchase the Debtors' Property but ultimately this party was unable to arrange financing for the purchase of the Debtors' Property. Based upon PPS and Crandles' experience with selling dental practices and its familiarity with Debtors' Property, the Receiver entered into a listing agreement with PPS to sell Debtors' Property.
13. The Receiver also:
 - (a) arranged for insurance over the Debtors' Property and requested that the Receiver be added as an additional named insured and loss payee, under the insurance policies;
 - (b) obtained copies of available books and records of the Debtors from Ramzi;
 - (c) froze the Debtors' bank accounts with Scotia Bank, opened new bank accounts in the name of the Receiver and coordinated the transfer of funds from the Debtors' bank accounts to the Receiver's bank accounts;
 - (d) arranged for the continuation of all essential services, including utilities, for the Real Property;
 - (e) arranged for twice per week checks at the Real Property as required by the insurer;
 - (f) instructed counsel to register the Receivership Order to be registered on title to the Real Property;
 - (g) engaged in discussion with the condominium corporation and its counsel to discuss the condo fee arrears;
 - (h) engaged in various communications with the municipality to discuss the property tax arrears;

- (i) prepared and mailed the notice and statement of the Receiver pursuant to sections 245(1) and 246(1) of the *Bankruptcy and Insolvency Act (Canada)* (“**BIA**”) to the Office of the Superintendent of Bankruptcy and the Debtors’ known creditors;
- (j) contacted the Canada Revenue Agency (“**CRA**”) to obtain statements of accounts and set up sales tax accounts;
- (k) consulted with counsel regarding various matters related to these proceedings;
- (l) corresponded with Ramzi regarding various matters related to these proceedings;
- (m) corresponded with the Royal College of Dentists to discuss the preservation of patient files and requirements to delivery same to patients;
- (n) corresponded with various creditors, subcontractors and patients regarding these proceedings; and
- (o) prepared this First Report.

CREDITORS

Secured Creditors

14. The Receiver understands that Scotia Bank provided the following credit facilities to the RH Dentistry (the “**RH Dentistry Credit Facilities**”). The RH Dentistry Credit Facilities are secured by a general security agreement in all of RH Dentistry’s assets and an unlimited personal guarantee by Ramzi.
 - (a) a 60-month term loan to RH Dentistry in the principal amount of \$706,000;
 - (b) a business credit card with a limit of \$20,000; and
 - (c) a credit line in the amount of \$150,000.
15. The Receiver further understands that Scotia Bank provided to RC Inc. a 60-month term loan in the amount of \$1,235,000 (the “**RC Credit Facility**” and together with the RH Dentistry Credit Facilities, the “**Credit Facilities**”). The RC Credit Facility is secured by a first mortgage against the Real Property and an unlimited joint and several guarantee executed by Ramzi and RH Dentistry.

16. The defaults in respect of the Credit Facilities are detailed in the Affidavit of Judy Vielle dated September 25, 2024, filed in connection with the receivership application. The noted defaults include: a) late monthly loan payments, b) property tax arrears of approximately \$75,000, and c) repeated broken promises to pay loan arrears.

Priority Claims

17. The interest of secured creditors is subject to prior charges and security interests or claims in respect of the Debtor's Property.

Receiver's Charge and Borrowings Charge

18. Pursuant to the Receivership Order, the Receiver's Charge and the Receiver's Borrowings Charge (each as defined in the Receivership Order) form priority charges on the Debtor's Property and must be satisfied prior to any distributions to creditors. The fees of the Receiver and its counsel are discussed in detail below.
19. Pursuant to paragraph 22 of the Receivership Order, the Receiver is authorized to borrow up to \$200,000, as it considered necessary or desirable. As of the date of this First Report, the Receiver has not incurred borrowings.

Property Tax Arrears and Condo Fee Arrears

20. Based upon a tax statement dated June 20, 2025 (the "**Property Tax Arrears Statement**"), the Receiver understands that property tax arrears in respect of the Real Property totaled \$93,714.13. The City has additional bailiff fees owing for issuing and serving a warrant in the approximate amount of \$2,500 (the total amount of \$96,214.13 is referred to as the "**Property Tax Arrears**"). The Property Tax Arrears Statement shows property tax arrears dating back to 2022. A copy of the Property Tax Arrears and the bailiff statement is collectively appended hereto as **Appendix "E"**.
21. Toronto Standard Condominium Corporation No. 2569 ("**TSCC 2569**") registered a lien on title to the Real Property in the amount of \$8,181 on December 24, 2024 in respect of unpaid common expenses. A copy of the Condominium Lien (the "**Condo Lien**") registered as Instrument No. AT6725399 is attached as **Appendix "F"**. Attached as **Appendix "F-1"** is a Statement of Account prepared by Lash Condo Law LLP, solicitors for TSCC 2569, evidencing a total payable to TSCC 2569 as at June 30, 2025 of \$42,587.64 inclusive of chargebacks, interest, costs, common expense arrears and other

amounts detailed therein. The amount shown on Appendix "F-1" together with all future accruing and unpaid interest, costs, common expenses and other amounts properly payable and secured by the Condo Lien shall be herein referred to as the "**Condo Arrears**".

Source Deductions

22. The Debtors have no employees. The Receiver understands that none of the individuals providing services to the Debtors were employees instead, these individuals were subcontractors from whom source deductions were not deducted nor did they receive T4s. The Receiver is not aware of any amounts owing to employees that would have priority over Scotia Bank, pursuant to section 81.4 and/or 81.6 of the BIA.

HST

23. As noted above RH Dentistry and RC Inc. each filed an assignment in bankruptcy. Accordingly, HST, if any, is an unsecured claim and does not stand in priority to the secured creditors.

Unsecured Creditors

24. Ramzi advised that he was unaware of any unsecured creditors other than the Bank of Montreal in respect of CEBA loans in the amount of \$40,000 which were received by each of RH Dentistry and RC Inc.

SALE AND MARKETING ACTIVITIES

25. Prior to the Date of Appointment, the Debtors had engaged PPS to sell the Debtors Property. PPS advised it had been engaged as sales agent over the Debtors' Property since May 7, 2024 with their listing agreement scheduled to expire on December 31, 2024. PPS performed the following activities prior to the Date of Appointment:

- (a) Advertised the dentistry practice and the related real estate as available for sale on PPS's external webpage;
- (b) Prepared marketing materials for such property, including professional photographs and a digital information brochure;
- (c) Advertised the property as available for sale on social media forums including the University on Toronto website;

- (d) Contacted doctors known to PPS who were interested in purchasing dentistry assets and practices;
 - (e) Contacted potential interested parties via email to solicit interest in the Debtors Property. Of the 621 parties contacted, 60 opened the email and 35 made inquiries with PPS regarding the opportunity;
 - (f) PPS coordinated eight (8) site visits during the pre-receivership period; and
 - (g) Received one (1) purchase offer in relation to the Debtors Property, which did not close as the prospective purchaser was unable to arrange financing.
26. Subsequent to the Date of Appointment, the Receiver held discussions with PPS to understand their experience with the sale of dental industry and with the Debtors Property. Based upon PPS's knowledge, experience and contacts within the dental practice industry, the Receiver entered into listing agreements with PPS. Copies of PPS's listing agreements for RH Dentistry and RC Inc. are appended hereto as **Appendix "G"** and **Appendix "H"**, respectively.
27. Subsequent to the Receiver engaging PPS to sell the Debtors Property PPS performed the following activities:
- (a) Advertised the Debtors' Property as available for sale on PPS's external webpage;
 - (b) Updated the marketing materials;
 - (c) Advertised the Debtors' Property as available for sale on social media forums including the University of Toronto website;
 - (d) Contacted doctors known to PPS who were interested in purchasing dentistry assets and practices;
 - (e) Contacted potential interested parties via email to solicit interest in the Debtors' Property. Of the 497 parties contacted, 85 opened the email and 57 made inquiries with PPS regarding the opportunity;
 - (f) PPS again coordinated eight (8) site visits; and

- (g) Received three (3) purchase offers in relation to the Debtors' Property. Of the three (3) offers, two (2) were verbal offers and were well below expectations for the Debtors' Property. One (1) relates to the offer from the RH Dentistry Purchaser and the RC Inc. Purchaser.
28. PPS commissioned an appraisal for the Real Property from Avison & Young (the "**Appraisal**"). This was necessary to be able to assess any offers and to provide pricing guidance to potential purchasers. A copy of the Appraisal dated February 25, 2025 is appended hereto as **Confidential Appendix "A"**.

Proposed Transaction Details

29. Since the date of its appointment the Receiver has received only one (1) offer for the Debtors' Property. That offer is contingent on both the RH Property and the Real Property being sold together to allow for a turnkey operation (the "**Sale Agreements**"). Copies of the redacted Sale Agreements for RH Dentistry and RC Inc. are attached hereto as **Appendix "I"** and **"J"**, respectively. The unredacted Sale Agreements are attached hereto as **Confidential Appendix "B"** and **"C"**.

RH Dentistry

30. The salient terms of the RH Dentistry Sale Agreement are as follows (all capitalized terms not otherwise defined shall have the meanings ascribed to them in the RH Sale Agreement):
- (a) As Is Where Is. The sale is strictly "as is, where is";
 - (b) Conditions. No assets are to be removed from the premises. The Receiver is to simultaneously close the RC Transaction to the RC Purchaser.
 - (c) Deposit. 15% of the RH Dentistry Purchase Price;
 - (d) Purchase Price. Balance payable on closing by wire transfer or certified cheque;
 - (e) Adjustments to Purchase Price. None;
 - (f) Closing Date. 10 business days following the date upon which the time to appeal the Approval and Vesting Order has expired;

- (g) Approval and Vesting Order. Conveyance of title to occur pursuant to Approval and Vesting Order, vesting title free and clear of all encumbrances, except Permitted Encumbrances;
- (h) Permitted Encumbrances. None;
- (i) Conditions. The issuance of the Approval and Vesting Order and no action, proceeding or shall be pending or threatened to restrain or prohibit the closing.

RC Inc.

31. The salient terms of the RC Sale Agreement are as follows (all capitalized terms not otherwise defined shall have the meanings ascribed to them in the RC Sale Agreement):
- (a) As Is Where Is. The sale is strictly “as is, where is”;
 - (b) Conditions: The Receiver is to simultaneously close the RH Dentistry Transaction to the RH Dentistry Purchaser.
 - (c) Real Property. 1003 Queen Street E.;
 - (d) Deposit. 15% of RC Inc. Purchase Price;
 - (e) Purchase Price. Balance payable on closing by wire transfer or certified cheque;
 - (f) Adjustments to Purchase Price. The Purchase Price shall be adjusted for operating costs, realty taxes, local improvement charges, water and assessment rates, and other adjustments established by the usual practice in the Province, including common expenses payable to TSCC 2569;
 - (g) Closing Date. 10 business days following the date upon which the time to appeal the Approval and Vesting Order has expired, unless the parties otherwise agree;
 - (h) Approval and Vesting Order. Conveyance of title to occur pursuant to Approval and Vesting Order, vesting title free and clear of all encumbrances, except Permitted Encumbrances;
 - (i) Permitted Encumbrances. Limited to the following Instrument Nos:
 - (i) AT1459462, being notice registered on May 31, 2007;

- (ii) TCP2569, being the standard condominium plan registered on February 2, 2017;
 - (iii) AT4478545, being the condominium declaration registered on February 2, 2017;
 - (iv) AT4501176, being a condominium bylaw registered on March 2, 2017; and
 - (v) AT4506425, being the Transfer registered on March 9, 2017.
- (j) Conditions. The issuance of the Approval and Vesting Order and no action, proceeding or shall be pending or threatened to restrain or prohibit the closing.

Basis for Receiver's Recommendation

32. The Receiver is satisfied that the sale processes for RH Dentistry and RC Inc. were conducted in a commercially reasonable manner, which provided for a sufficient and fair opportunity for interested parties to participate in the process, and maximized recovery for the creditors as follows:
- (a) the assets and business of RH Dentistry and RC Inc. were exposed to the market for a significant time (approximately 13 months) which provided interested buyers and investors with an opportunity to participate in the process;
 - (b) PPS' marketing efforts for the assets and business of RH Dentistry and RC Inc. were sufficient and appropriate to attract the interest of appropriate buyers and investors, based on the nature of the Debtors Property;
 - (c) although the marketing efforts for the Debtors' Property commenced prior to the Date of Appointment, the process undertaken was consistent with a court-supervised marketing process and, after the Receiver's appointment, was undertaken under the Receiver's direction; and
 - (d) Scotia Bank, the senior secured creditor over the Debtors Property, was supportive of the continued marketing by PPS and the marketing process and has been consulted regarding offers submitted following the Date of Appointment.
33. The Receiver recommends the approval of the RH Transaction and RC Transaction as:

- (a) the Receiver is satisfied the RH Transaction and RC Transaction are commercially reasonable and on terms typical for a sale in a receivership;
 - (b) as described in the preceding section, the sale process for the Debtors' Property was conducted in a commercially reasonable manner and provided a sufficient and fair opportunity for interested parties to participate in the process;
 - (c) the Purchase Price for the Real Property is reasonable in these circumstances and is supportable by the appraisal commissioned over the Real Property, even though the price is below the appraised value for the Real Property;
 - (d) Scotia Bank is supportive of the RH Transaction and the RC Transaction; and
 - (e) there is no indication that further exposure to the market will result in an offer superior to the Purchaser's offer.
34. Scotia Bank, which supports the RH Transaction and the RC Transaction, is not expected to fully recover its indebtedness in either transaction. As such, there will be no funds available for unsecured or other creditors.

PROFESSIONAL FEES

35. The Receiver seeks approval of its fees and disbursements and those of its legal counsel, HP LLP. The Receiver has maintained separate accounts for each of RH Dentistry and RC Capital.
36. The Receiver's professional fees incurred for services rendered from November 21, 2024, to June 11, 2025, amount to \$36,193.70, inclusive of disbursements in the amount of \$294.00 (exclusive of applicable taxes) as summarized below:

Company Name	Invoice Date	Hours Expended	Fees & Disbursements	HST	Invoice Total
Ramzi Hindieh Professional Corporation	June 11, 2025	32.0	\$16,181.00	\$2,103.53	\$18,284.53
RC Capital Inc.	June 11, 2025	53.0	\$20,012.70	\$2,601.65	\$22,614.35
TOTAL		85.0	\$36,193.70	\$4,705.18	\$40,898.88

37. The time spent by the Receiver's professionals is detailed in the Affidavit of Josie Parisi, sworn June 20, 2025, attached hereto as **Appendix "K"**. The Receiver is requesting that the Court approve its total fees and disbursements in the amount of \$40,898.88 inclusive of HST in the amount of \$4,705.18.
38. HP LLP has acted as counsel to the Receiver since its appointment. HP LLP fees for the period from March 27, 2025 total \$20,173.33, plus disbursements in amount of \$299.70 and applicable HST.
39. The fees and disbursements of HP LLP are more particularly described in the Affidavit of Thomas Masterson, sworn June 18, 2025, attached hereto as **Appendix "L"**.
40. In the Receiver's view the professional fees are reasonable in the circumstances and have been validly incurred in accordance with the provisions of the Receivership Order.

RECEIVER'S INTERIM STATEMENTS OF RECEIPTS AND DISBURSEMENTS

41. The Receiver's Interim R&Ds for each of RH Dentistry and RC Capital for the period from the Date of Appointment to June 10, 2025 are set out below:

**Ramzi Hindieh Dentistry Professional Corporation and R Capital Inc.
For the Period November 21, 2024 to June 10, 2025**

	Ramzi Hindieh Dentistry Professional Corporation		R Capital Inc.	Combined Total
Receipts:				
Cash in bank	\$	-	\$ 25,848	\$ 25,848
Accounts receivable		7,885	-	7,885
Interest		56	226	283
Total Receipts		7,941	26,074	34,015
Disbursements:				
Insurance		-	4,410	4,410
Security		-	3,990	3,990
Utilities		-	1,149	1,149
HST on disbursements		-	676	676
Filing fees		80	80	161
Bank charges		-	17	17
Total Disbursements		80	10,322	10,402
Net Receipts over Disbursements	\$	7,861	\$ 15,752	\$ 23,613

42. As detailed in the table above, between the Date of Appointment and June 10, 2025, the Receiver collected total receipts of \$7,941 and \$26,074 for RH Dentistry and RC Inc.,

respectively. The majority of the receipts relate to the cash in the bank on the Date of Receivership and the collection of accounts receivable. Total disbursements over the same period amounted to \$80 and \$10,322 for RH Dentistry and RC Inc., respectively, the majority of which relate to insurance, security checks and utilities. The Interim R&Ds report net receipts over disbursements of \$7,861 and \$15,752 for RH Dentistry and RC Inc., respectively.

PROPOSED DISTRIBUTION OF NET PROCEEDS

43. The Receiver's counsel has conducted a review of the security granted by the Debtors in favour of Scotia Bank and subject to customary qualifications, assumptions and limitations included therein, is of the opinion that the security granted by RH Dentistry and RC Inc. in favour of Scotia Bank under Ontario Law is valid and enforceable in accordance with its terms.

RH Dentistry Distribution

44. Pursuant to the offer and credit agreement for a term loan, operating loan and credit card facility secured by a general security agreement, dated February 3, 2022, March 27, 2020 and March 9, 2020, respectively (the "**RH Credit Agreements**"), Scotia Bank advanced the RH facility to RH Dentistry. Copies of the RH Dentistry Credit Agreements are attached hereto as **Appendix "M"**.
45. Subject to this Court's approval, the Receiver recommends that it make a distribution of the proceeds of the RH Transaction as follows in amounts as set out in Confidential **Appendix "D"**.
- (a) Brokerage Commission
 - (b) Legal Fees and Receiver's Fees
 - (c) The remainder to Scotia Bank in an amount not to exceed their indebtedness.
- (the "**RH Distribution**")
46. The amount due to Scotia Bank is \$787,148.31 and is set out in Scotia Bank's account statement in respect of the RH Dentistry, dated June 17, 2025, attached hereto as **Appendix "N"**. The Receiver has been advised by Scotia Bank that, in addition to the

amount outstanding as set out in its statement of account, it has incurred legal fees totaling \$52,064.06 in respect of the RH Dentistry and RC Inc. The proposed distribution to Scotia Bank will not repay the indebtedness owing by RH Dentistry in full.

47. The Receiver further recommends that it be permitted to make such subsequent distributions from the net proceeds of the RH Transaction and the RC Transaction to Scotia Bank as the Receiver may determine appropriate, without further order of this Court, provided the Receiver maintains sufficient reserves to satisfy any remaining fees, costs and expenses to conclude the administration of the receivership.
48. Other than the charges under the Receivership Order, the Receiver is not aware of any security interests, liens, charges, encumbrances or other rights of third parties that would have priority over Scotia Bank's, with respect to property of RH Dentistry or the proceeds therefrom.

RC Capital Inc. Distribution

49. A copy of the parcel register for each of the three condominium units comprising the Real Property, dated April 1, 2025 (collectively, the "**Parcel Register**"), are attached hereto as **Appendix "O"**.
50. Pursuant to the offer and credit agreement of a term loan secured by a hypothec/mortgage, dated March 9, 2020 (the "**RC Credit Agreement**"), Scotia Bank advanced the RC Facility to RC Inc. A copy of the RC Credit Agreement is attached hereto as **Appendix "P"**.
51. As noted above, on April 3, 2020, Scotia Bank registered the Scotia Bank Charge against title to the Real Property. A copy of the Scotia Bank Charge is attached hereto as **Appendix "Q"**.
52. The Parcel Register shows there are no mortgages/charges in priority to the Scotia Bank Charge.
53. Subject to this Court's approval, the Receiver recommends making the following distribution from the proceeds from the RC Transaction in amounts as set out in Confidential **Appendix "D"**.
 - (a) The Condo Arrears

- (b) Property Taxes Arrears
- (c) Brokerage Commission
- (d) Legal Fees and Receiver's Fees
- (e) The remainder to Scotia Bank in an amount not to exceed their indebtedness.

(the "**RC Distribution**").

- 54. The amount due to Scotia Bank is \$1,358,313.81 and is set out in Scotia Bank's account statement in respect of the RC Inc., dated June 17, 2025, attached hereto as **Appendix "R"**. The Receiver has been advised by Scotia Bank that, in addition to the amount outstanding as set out in its statement of account, it has incurred legal fees totaling \$52,064.06 in respect of the RH Dentistry and RC Inc. The proposed distribution to Scotia Bank will not repay the indebtedness owing by RC Inc. in full.
- 55. Other than the claims described above (municipal taxes, lien for the outstanding condominium fees and charges under the Receivership Order), the Receiver is not aware of any security interests, liens, charges, encumbrances or other rights of third parties that would have priority over Scotia Bank's, with respect to property of RC Inc. or the proceeds therefrom.
- 56. Attached hereto as **Confidential Appendix "D"** is the calculation of the proposed distributions of the anticipated net sale proceeds of the RH Transaction and the RC Transaction.
- 57. The Receiver will maintain a reserve to satisfy the payment of a closing reserve, including the payment of accrued and unbilled expenses (including patient record storage) and professional fees. The Receiver proposes to hold \$45,000 as a reserve pending the completion of the administration of the receiverships, including arranging and paying for patient record retention and administration and discharge, as well as for the professional fees in relation to the same (the "**Receiver's Reserve**").
- 58. The Receiver respectfully requests that the Court authorize the proposed distributions and establishment of the Receiver's Reserve, as described above.

59. The Receiver is of the view that, in order to maximize efficiency, it recommends the Court approve subsequent distributions to Scotia Bank as the Receiver determines are appropriate, subject to the Receiver maintaining sufficient reserves to complete the administration of the receivership proceedings.

SEALING ORDER

60. The Confidential Appendices to this First Report contain commercially sensitive information, including the purchase price and deposit details set out in the RH Sale Agreement, the RC Sale Agreement, the appraised value of the Real Property and the proposed distribution. If this information is publicly disclosed, it could negatively affect the Receiver's ability to market the Debtors Property to other interested parties and obtain the highest and best price if the RH Transaction and RC Transaction do not close. Accordingly, the Receiver requests an order that the Confidential Appendices be sealed until the closing of transaction in respect of the RH Transaction and RC Transaction or further order of this Honourable Court.

DISCHARGE OF THE RECEIVER

61. To the best of the Receiver's knowledge, the Receiver has completed the realization of substantially all of the Debtors' Property. Accordingly, all of the Receiver's duties (the "**Remaining Duties**") as set out in the Receivership Order will be completed upon:
- (a) filing the final HST returns;
 - (b) making the distributions as set out in this First Report;
 - (c) paying the unpaid accounts of the Receiver, HP LLP;
 - (d) finalizing arrangements for the storage and retrieval of patient records with a third party provider;
 - (e) filing the Receiver's final report pursuant to S.246(3) of the *Bankruptcy and Insolvency Act* with the Office of the Superintendent of Bankruptcy; and
 - (f) such further and other administrative and ancillary matters as may be necessary to complete the administration of the Receivership estate.

62. Once the Receiver has completed these aforementioned activities, the Receiver proposes to file the Receiver's Discharge Certificate with the Court certifying same to obtain a discharge and release over the undertaking, property and assets of RH Dentistry and RC Inc.

RECOMMENDATIONS

63. Accordingly, the Receiver recommends that this Honourable Court approve the RH Sale Agreement, the RH Transaction, the RC Sale Agreement and the RC Transaction and grant the relief sought in its Notice of Motion, dated June 25, 2025.

All of which is respectfully submitted on the 20 day of June, 2025.

BDO Canada Limited
in its capacity as Court-Appointed Receiver of
Ramzi Hindieh Dentistry Professional Corporation and R. Capital Inc.
and not in its personal or corporate capacity



Josie Parisi, CPA, CA, CBV, CIRP, LIT
Senior Vice President

Schedule A
Legal Description of Premises

1. Unit 1, Level 1, Toronto Standard Condominium Plan No. 2569 and its Appurtenant Interest; City of Toronto;
2. Unit 2, Level 1, Toronto Standard Condominium Plan No. 2569 and its Appurtenant Interest; City of Toronto;
3. Unit 9, Level A, Toronto Standard Condominium Plan No. 2569 and its Appurtenant Interest; City of Toronto;