

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985,  
c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF  
UNIQUE BROADBAND SYSTEMS INC.

**MOTION RECORD  
(returnable 31 October 2012)**

Date: 15 October 2012

**GOWLING LAFLEUR HENDERSON LLP**  
Barristers & Solicitors  
1 First Canadian Place, Suite 1600  
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Toronto, ON M5X 1G5

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Solicitors for the Applicant

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# **TAB 1**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985,  
c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF  
UNIQUE BROADBAND SYSTEMS INC.

**NOTICE OF MOTION**

**UNIQUE BROADBAND SYSTEMS INC. AND UBS WIRELESS SERVICES INC.**  
(together "UBS"), will make a motion to the Court on Wednesday, the 31<sup>st</sup> of October 2012, at  
10:00 a.m., or as soon after that time as the motion can be heard, at 330 University Avenue,  
Toronto, Ontario.

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

**THE MOTION IS FOR:**

1. An Order approving the process for the marketing for sale by Duff & Phelps Canada Restructuring Inc. (the "**Monitor**") of UBS's shares of LOOK Communications Inc. described in the Monitor's Report dated 15 October 2012;
2. An Order approving the process and timeline for the determination of the validity and quantum of the claims being asserted against UBS by Mr. Gerald McGoey and Jolian Investments Limited set forth in the attached **Schedule "A"**.
3. An Order extending the Stay Period as defined in the Initial Order dated 5 July 2011 to 1 February 2013.
4. An Order approving the actions and activities of the Monitor described in the Monitor's

Report dated 15 October 2012.

5. Such further order as may be required in the circumstances and this Honourable Court deems just.

**THE GROUNDS FOR THE MOTION ARE:**

1. The grounds set forth in the Report of the Monitor dated 15 October 2012.
2. The *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36.
3. Such further and other grounds as counsel may advise and this Honourable Court may accept.

**THE FOLLOWING DOCUMENTARY EVIDENCE** will be used at the hearing of the Motion:

1. The Report of the Monitor dated 15 October 2012.
2. Such further and other evidence as this Honourable Court may permit.

Date: 15 October 2012

**GOWLING LAFLEUR HENDERSON LLP**

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Solicitors for the Applicant

## SCHEDULE "A"

### Documentary Discovery

- Jolian shall be given access to a mirror of the Applicants' server which contains electronic documents of the Applicants up to and including July 5, 2010. 1 November 2012
- Jolian may make any other specific request for documents, including electronic documents from the Applicants, which request must include the basis for the relevance of such requested documents. By 15 November 2012
- Jolian shall produce to the Applicants copies of or access to all electronic and paper documents that are relevant to the Claims and/or Responses. In particular, Jolian shall produce all correspondence, emails and notes of any kind regarding the affairs of the Applicants up to and including July of 2010. By 15 November 2012
- Jolian and the Applicants shall exchange any expert reports. By 23 November 2012
- Jolian and the Applicants shall disclose witness lists and summaries of anticipated evidence or witness statements, where those exist. The witness statements shall provide specific details of what factual evidence is expected to be provided by the witness and any documentary evidence that will be relied upon by the witness. By 23 November 2012

### Oral Discovery

- Jolian may examine one representative of the Applicants for a maximum of seven hours. By 31 December 2012
- The Applicants may examine Mr. McGoey for a maximum of seven hours. By 31 December 2012
- Except for privilege, there shall be no refusals and Rule 34.12(2) of the Rules of Civil Procedure shall apply to all questions posed on the examinations of the representative of the Applicants and Mr. McGoey.

### Hearing Procedure

- Each party shall serve and file a detailed chronology of events proposed to be proved at trial with a document brief containing relevant documents to support the chronology. This document shall not be a copy of the claims filed or pleadings previously exchanges, but a detailed listing of specific facts and evidence. 11 January 2013
- Each party shall serve and file a written argument setting forth that party's position on the issues to be determined at the hearing and the anticipated evidence regarding such issues. This document shall not be a copy of the claims filed or the pleadings previously exchanges, but a detailed listing of specific facts, law and evidence. 11 January 2013
- Each party shall serve and file a summary of admitted facts. 25 January 2013

### Case Conference

- To the extent the parties cannot agree, a case conference shall be held to determine procedure to be followed at the hearing of the claims and with respect to the use of the answers to any questions to which Rule 31.12(2) of the Rules of Civil Procedure applies. February 2013 (to be scheduled 10 days prior to the commencement of the hearing)

### Hearing

- 7 days. February 2013

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c.C-36, AS AMENDED  
AND IN THE MATTER OF THE A PLAN OF COMPROMISE OR ARRANGEMENT OF UNIQUE BROADBAND SYSTEMS INC.

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(Commercial List)**

(PROCEEDING COMMENCED AT TORONTO)

**NOTICE OF MOTION**

**GOWLING LAFLEUR HENDERSON LLP**  
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SOLICITORS FOR THE APPLICANT

# **TAB 2**



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## DUFF & PHELPS

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**Eleventh Report to Court of  
Duff & Phelps Canada  
Restructuring Inc. as CCAA  
Monitor of Unique Broadband  
Systems, Inc. and UBS Wireless  
Services Inc.**

October 15, 2012

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# DUFF & PHELPS

Court File No.: CV-11-9283-00CL

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

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,  
R.S.C. 1985, C.C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT  
OF  
UNIQUE BROADBAND SYSTEMS, INC.**

**ELEVENTH REPORT OF DUFF & PHELPS CANADA RESTRUCTURING INC.  
AS CCAA MONITOR OF  
UNIQUE BROADBAND SYSTEMS, INC.  
AND UBS WIRELESS SERVICES INC.**

October 15, 2012

## 1.0 Introduction

Pursuant to an order ("Initial Order") of the Ontario Superior Court of Justice (Commercial List) ("Court") made on July 5, 2011, Unique Broadband Systems, Inc. ("UBS") and UBS Wireless Services Inc. ("Wireless") (UBS and Wireless are jointly referred to as the "Company") were granted protection under the *Companies' Creditors Arrangement Act* ("CCAA") and RSM Richter Inc. ("Richter") was appointed as the monitor ("Monitor"). Pursuant to a Court order made on December 12, 2011 (the "Substitution Order"), Duff & Phelps Canada Restructuring Inc. ("D&P") was substituted in place of Richter as Monitor<sup>1</sup>.

Pursuant to an order of the Court made on October 12, 2012, the Company's stay of proceedings expires on November 2, 2012.

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<sup>1</sup> On December 9, 2011, the assets used by Richter in its Toronto restructuring practice were acquired by D&P. Pursuant to the Substitution Order, D&P was substituted in place of Richter in certain ongoing mandates, including acting as Monitor in these proceedings. The licensed trustees/restructuring professionals overseeing this mandate prior to December 9, 2011 remain unchanged.

## 1.1 Purposes of this Report

The purposes of this report ("Report") are to:

- a) Provide background information about the Company and these CCAA proceedings;
- b) Summarize a process pursuant to which all or a portion of Wireless's interest in LOOK Communications Inc. ("Look") would be marketed for sale ("Sale Process");
- c) Summarize the Company's proposed next steps to have the claims of Jolian Investments Limited and its principal, Mr. Gerald McGoey (together, "Jolian"), determined in the claims process approved pursuant to a Court order made on August 4, 2011 ("Claims Process") ("Next Claims Procedures");
- d) Report on the Company's weekly cash flow projection for the period ending February 1, 2013 ("Cash Flow"); and
- e) Recommend that this Honourable Court make an order:
  - Granting the Company's request for an extension of the stay of proceedings from November 2, 2012, the date the current stay expires, to February 1, 2013;
  - Approving the Sale Process;
  - Approving the Next Claims Procedures; and
  - Approving the Monitor's actions and activities, as described in this Report.

## 1.2 Currency

Unless otherwise noted, all currency references in this Report are to Canadian dollars.

## 1.3 Restrictions

In preparing this Report, the Monitor has relied upon unaudited financial information prepared by the Company's representatives, the Company's books and records and discussions with its representatives. The Monitor has not performed an audit or other verification of such information. An examination of the Company's financial forecasts as outlined in the *Canadian Institute of Chartered Accountants Handbook* has not been performed. Future oriented financial information relied upon in this Report is based on the Company's representative's assumptions regarding future events; actual results achieved may vary from this information and these variations may be material. The Monitor expresses no opinion or other form of assurance with respect to the accuracy of any financial information presented in this Report, or relied upon by the Monitor.

## 2.0 Background

Background information concerning the Company is detailed in the affidavit of Robert Ulicki (the "Ulicki Affidavit"), a director of the Company, sworn July 4, 2011 and filed with the Company's CCAA application materials. The Ulicki Affidavit details, *inter alia*, the Company's history, financial position, ownership interest in Look and litigation.

Additional information concerning the Company and these proceedings is provided in the proposed monitor's report and the Monitor's reports filed in these proceedings. Copies of these reports can be found on the Monitor's website at: [www.duffandphelps.com/restructuringcases](http://www.duffandphelps.com/restructuringcases).

## 3.0 Sale Process

### 3.1 Look Background

Look is a public company listed on the NEX under the symbols "LOK.H" for Multiple Voting Shares and "LOK.K" for Subordinate Voting Shares.

Wireless, UBS's wholly-owned subsidiary, is Look's largest shareholder – it owns 39.2% of Look's shares, being 24,864,000 voting and 29,921,000 non-voting shares ("Ownership Interest"). The Ownership Interest is the principal asset of Wireless.

### 3.2 Process

The Monitor understands that the Company has been in contact with or approached by several parties who have expressed an interest in acquiring some or all of the Company's interest in Look.

On September 4, 2012, the Company's Board of Directors ("Board") resolved to carry out a process to solicit offers for the Ownership Interest. The process is to be run by the Monitor and the Monitor is to make a recommendation to the Board with respect to the offers received.

The proposed Sale Process is summarized below. The timeline runs from the date that the Court makes an order approving the Sale Process.

- |    |  |             |
|----|--|-------------|
| 1. | Court decision   | Day 1       |
| 2. | Develop marketing materials, including:  | Days 2 to 7 |
|    | a. Teaser Letter   |             |
|    | b. Sale Package (short form Information Memorandum derived from public information)  |             |
|    | c. Notice to be placed in newspaper (national edition of <i>The Globe and Mail</i> ) |             |
|    | d. Data Room   |             |

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3.	Develop prospective purchaser list	Days 2 to 7
	a. Strategic	
	b. Financial	
4.	Commence process	Days 8/9
	a. File form with the Toronto Stock Exchange for sale of up to 100% of the Ownership Interest	
	b. Contact prospective purchasers	Days 8 to 15
5.	Arrange meetings between interested parties and UBS and Look management, as applicable (Monitor to attend meetings)	Days 10 to 25
6.	Offer deadline	Day 30
7.	Selection of final bidder, if any, (subject to Board approval), notification of acceptance, subject to Court approval	Day 35
8.	Finalize sale documents	Day 42
9.	Application for Court approval	Day 45
10.	Close transaction	Days 50 to 55

Attributes of the Sale Process would include the following:

- Any and all parties would be permitted to participate in the Sale Process, including parties who have expressed an interest previously, as well as any individual with whom the Company is presently litigating;
- As is customary in insolvency sale processes, the Company shall not be obligated to accept the highest and best offer, or any offer; and
- Acceptance of any offer by the Company is subject to Court approval.

The Monitor has advised the Company that it is prepared to conduct the Sale Process, subject to Court approval, and that the Monitor would:

- Report to the Company's Board periodically regarding the Sale Process;
- Review the offers and summarize their terms in a confidential report to the Board;
- Make a recommendation to the Board as to the recommended offer; and
- Negotiate with the bidders, as appropriate, and negotiate the transaction documents with the party submitting the recommended offer.

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### 3.3 Recommendation

The Monitor recommends the Sale Process for the following reasons:

- The Company and the Board consider it appropriate to expose the Ownership Interest to the market in order to consider offers for the Ownership Interest. The Company and the Board support the Sale Process outlined above;
- The Sale Process is substantially similar to processes for the sale of assets in insolvency matters; and
- In the Monitor's view, the duration of the Sale Process is sufficient to allow the Monitor to adequately canvass the market and for interested parties to respond and submit offers. Additionally, the Monitor anticipates that diligence requirements of prospective purchasers will be less extensive than is often the case given the availability of public information and Look's limited operations.

Depending on the response from prospective purchasers, the Monitor would reserve the right to amend, extend or terminate the Sale Process, with Court approval, if the Monitor considers it necessary.

### 3.4 Potential Conflicts of Interest

Mr. Ulicki has advised the Monitor that he may wish to submit an offer in the Sale Process. Accordingly, in order to preserve the integrity of the Sale Process, Mr. Ulicki has advised that he will recuse himself from all Board matters dealing with the Sale Process and, among other things, he will not receive the Monitor's reports to the Board nor will he participate in any Board meetings or discussions related to the Ownership Interest until the Sale Process is completed. This will also be the case for any party or individual who has a relationship with the Company and may also have an interest acquiring some or all of the shares through the Sale Process.

## 4.0 Claims Process

The Monitor provided an update on the status of the Claims Process in Section 3 of the Tenth Report to Court dated July 23, 2012 ("Tenth Report"). At the conclusion of that section, the Monitor advised that "the Company is awaiting the Court's decision regarding the Third Party Motion in order to formulate and schedule the remaining stages of the process to determine Jolian's claims (such as documentary discovery, oral discovery and trial procedures)".

On August 13, 2012, Justice Wilton-Siegel released his decision ("Decision") regarding the Indemnity Motion and the Third Party Motion (as defined in the Tenth Report). Accordingly, the Company has prepared the Next Claims Procedures, as set out below.

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### Documentary Discovery

- Jolian shall be given access to a mirror of the Company's server which contains electronic documents of the Company up to and including July 5, 2010. November 1, 2012
- Jolian may make any other specific request for documents, including electronic documents from the Company, which request must include the basis for the relevance of such requested documents. By November 15, 2012
- Jolian shall produce to the Company copies of or access to all electronic and paper documents that are relevant to the Claims and/or Responses. In particular, Jolian shall produce all correspondence, emails and notes of any kind regarding the affairs of the Company up to and including July, 2010. By November 15, 2012
- Jolian and the Company shall exchange any expert reports. By November 23, 2012
- Jolian and the Company shall disclose witness lists and summaries of anticipated evidence or witness statements, where those exist. The witness statements shall provide specific details of what factual evidence is expected to be provided by the witness and any documentary evidence that will be relied upon by the witness. By November 23, 2012

### Oral Discovery

- Jolian may examine one representative of the Company for a maximum of seven hours. By December 31, 2012
- The Company may examine Mr. McGoey for a maximum of seven hours. By December 31, 2012
- Except for privilege, there shall be no refusals and Rule 34.12(2) of the Rules of Civil Procedure shall apply to all questions posed on the examinations of the representative of the Company and Mr. McGoey.

### Hearing Procedure

- Each party shall serve and file a detailed chronology of events proposed to be proven at trial with a document brief containing relevant documents to support the chronology. This document shall not be a copy of the claims filed or the pleadings previously exchanged, but a detailed listing of the specific facts and evidence. January 11, 2013



- Each party shall serve and file a written argument setting forth that party's position on the issues to be determined at the hearing and the anticipated evidence regarding such issues. This document shall not be a copy of the claims filed or the pleadings previously exchanged, but a detailed listing of the specific facts, law and evidence January 11, 2013
- Each party shall serve and file a summary of admitted facts. January 25, 2013

#### **Case Conference**

- To the extent the parties cannot agree, a case conference shall be held to determine procedure to be followed at the hearing of the claims and with respect to the use of the answers to any questions to which Rule 31.12(2) of the Rules of Civil Procedure applies. February, 2013 (to be scheduled 10 days prior to the commencement of the hearing)

#### **Hearing**

- Seven days of hearing shall be set aside. February, 2013

The Monitor has reviewed the Next Claims Procedures, including the corresponding timetable, set out above and believes it to be reasonable. The Monitor respectfully recommends that it be approved by the Court.

### **5.0 Cash Flow**

#### **5.1 Receipts and Disbursements for the Period July 14, 2012 to September 28, 2012**

A comparison of the Company's budget to actual results for the period referenced above is provided in Appendix "A". The Company had \$1.6 million on hand as at September 28, 2012, an overall positive variance of \$50,000. Variances in the period principally relate to timing differences associated with HST recoveries, payment of directors' and officers' insurance and professional fees.

#### **5.2 Cash Flow for the Period ending February 1, 2013**

The Cash Flow, together with Management's report on the cash-flow statement as required by Section 10(2)(b) of the CCAA, and the Monitor's report on the cash-flow statement as required by Section 23(1)(b) of the CCAA, are attached in Appendix "B". The Monitor has reviewed the Cash Flow and believes it to be reasonable.

The Cash Flow continues to reflect that the Company has limited receipts and disbursements, with the main disbursements relating to payroll, insurance and professional fees.

The Company is projecting a cash balance of \$800,000 as at February 1, 2013, before accrued expenses.

## 6.0 Company's Request for an Extension

The Company is seeking an extension of the stay of proceedings to February 1, 2013. The Monitor supports the Company's request for an extension of the stay of proceedings for the following reasons:

- The Company is acting in good faith and with due diligence;
- It should not prejudice any employee or creditor, as the Company is projected to have sufficient funds to pay post-filing services and supplies in the amounts contemplated by the Cash Flow;
- It would provide the Monitor an opportunity to carry out the Sale Process; and
- It would provide the Company and Jolian an opportunity to complete, or substantially complete, the process to determine Jolian's claims.

## 7.0 Overview of the Monitor's Activities

Since July 23, 2012, the date of the Tenth Report, the Monitor's activities have included, *inter alia*, the following:

- a) Monitoring the Company's receipts and disbursements pursuant to the terms of the Initial Order;
- b) Corresponding extensively with the Company and its counsel regarding the Claims Process;
- c) Discussing issues related to the Company's motion to extend the CCAA proceedings from July 30, 2012 to October 30, 2012 ("Extension") with representatives of the Company, Gowling Lafleur Henderson LLP ("Gowlings"), the Company's legal counsel, and Lax O'Sullivan Scott Lisus LLP ("Lax"), the Monitor's legal counsel;
- d) Reviewing correspondence among Gowlings, Lax and Groia & Company ("Groia"), counsel representing Jolian, regarding the Extension and matters related to a scheduling hearing at Court on August 1, 2012 ("Hearing");
- e) Attending at Court for the Hearing;
- f) Reviewing the Court's endorsement following the Hearing, including a timetable set for a motion heard on September 25, 2012 ("September 25th Motion");
- g) Reviewing correspondence from Groia to Lax dated August 10, 2012, including a list of 23 questions directed to the Monitor for response;
- h) Corresponding with Lax and preparing responses to the questions from Groia;

- 
- i) Reviewing the Decision;
  - j) Corresponding with the Board on August 17, 2012 regarding the Endorsement and scheduling next steps in the Claims Process, including next steps to determine the claims of Jolian;
  - k) Corresponding with the Company regarding the Ownership Interest and interest expressed by potential purchasers in it;
  - l) Reviewing facts prepared by Michael Cytrynbaum and First Fiscal Management Ltd. and by Look in respect of a motion heard by the Court on August 2 and 3, 2012 ("Advancement Motion");
  - m) Reviewing correspondence between Gowlings, Groia and Lax regarding the Sale Process and the Claims Process;
  - n) Reviewing cost submissions from certain of the Respondents in the Third Party Motion filed with the Court following the Decision;
  - o) Reviewing the Court's decision dated September 28, 2012, in respect of the Advancement Motion;
  - p) Attending conference calls with Board members;
  - q) Reviewing the Company's press releases; and
  - r) Drafting this Report.

## 8.0 Conclusion and Recommendation

Based on the foregoing, the Monitor respectfully recommends that this Honourable Court make an order granting the relief detailed in Section 1.1 (e) of this Report.

\* \* \*

All of which is respectfully submitted,

*Duff & Phelps Canada Restructuring Inc.*

DUFF & PHELPS CANADA RESTRUCTURING INC.  
 IN ITS CAPACITY AS COURT APPOINTED CCAA MONITOR OF  
 UNIQUE BROADBAND SYSTEMS, INC.  
 AND UBS WIRELESS SERVICES INC.  
 AND NOT IN ITS PERSONAL CAPACITY

## Appendix “A”

# Unique Broadband Systems, Inc. and UBS Wireless Services Inc. Variance Analysis

For the period July 14, 2012 to September 28, 2012

(\$; Unaudited)



	CUMULATIVE			
	BUDGET	ACTUAL	VARIANCE	VARIANCE (%)
<b>Receipts</b>				
HST recovery	118,529	24,481	(94,048)	-79%
Cash receipts	4,000	4,414	414	10%
<b>Total Receipts</b>	<b>122,529</b>	<b>28,895</b>	<b>(93,634)</b>	<b>-76%</b>
<b>Disbursements</b>				
Payroll expenses	41,283	63,906	(22,623)	-55%
Consulting	24,089	27,157	(3,068)	-13%
Automobile expenses	900	1,440	(540)	-60%
Group insurance	5,768	3,930	1,838	32%
Rent	3,579	5,650	(2,071)	-58%
Office and general	4,316	5,202	(886)	-21%
Postage and delivery	300	87	213	71%
Telephone	750	517	233	31%
Cellular	525	267	258	49%
Bank charges	300	1,095	(795)	-265%
Equity Transfer/TSX (shareholder administration)	2,550	3,694	(1,144)	-45%
Audit fees	11,865	-	11,865	100%
Director fees	15,743	15,751	(8)	0%
D&O Insurance	85,000	-	85,000	100%
Professional fees re restructuring proceedings	784,698	703,906	80,792	10%
Miscellaneous expenses	2,000	10,152	(8,152)	-408%
<b>Total Disbursements</b>	<b>983,666</b>	<b>842,754</b>	<b>140,911</b>	<b>14%</b>
Opening cash balance	2,393,069	2,393,069	-	
Net cash flows	(861,137)	(813,859)	47,278	-5%
<b>Cash Available for Disbursement</b>	<b>1,531,932</b>	<b>1,579,210</b>	<b>47,278</b>	

## Appendix “B”

Unique Broadband Systems, Inc. and UBS Wireless Services Inc.

Projected Statement of Cash Flows<sup>(1)</sup>

For the Period September 29, 2012 to February 1, 2013

(\$: Unaudited)



	5-Oct-12	12-Oct-12	19-Oct-12	26-Oct-12	2-Nov-12	9-Nov-12	16-Nov-12	23-Nov-12	30-Nov-12	7-Dec-12	14-Dec-12	21-Dec-12	28-Dec-12	4-Jan-13	11-Jan-13	18-Jan-13	25-Jan-13	1-Feb-13	TOTAL
<b>Receipts:</b>																			
HST recovery <sup>(2)</sup>	-	-	-	-	-	-	-	-	-	33,910	-	-	-	-	24,848	-	-	-	100,577
Miscellaneous cash receipts	466	-	1,735	-	468	-	-	-	959	-	-	-	-	839	-	-	-	686	5,132
<b>Total Receipts</b>	<b>466</b>	<b>-</b>	<b>1,735</b>	<b>468</b>	<b>468</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34,869</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,687</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>686</b>	<b>105,709</b>
<b>Disbursements:</b>																			
Payroll expenses <sup>(3)</sup>	5,962	-	5,962	-	5,962	-	5,962	-	5,962	-	5,962	-	5,962	-	6,414	-	6,414	-	54,562
Consulting <sup>(4)</sup>	-	-	2,825	-	-	-	2,825	-	2,825	-	2,825	-	2,825	-	2,825	-	2,825	-	19,775
Automobile expenses	473	-	-	-	-	200	-	-	-	200	-	-	-	200	-	-	-	200	1,273
Group insurance	1,838	-	1,838	-	-	-	-	1,838	-	-	1,838	-	-	-	1,838	-	-	-	9,190
Rent	1,537	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,437
Office and general	972	-	-	-	475	-	-	-	475	-	-	-	-	475	-	-	-	475	9,190
Postage and delivery	207	-	184	-	184	250	184	250	184	250	184	250	184	250	184	250	184	250	4,194
Telephone	320	-	-	-	100	-	-	-	200	-	-	-	-	100	-	-	-	-	607
Cellular	-	-	-	320	-	-	320	-	-	-	320	-	-	-	-	320	-	-	1,600
Bank charges	216	-	-	-	175	-	-	-	-	175	-	-	-	-	175	-	-	-	741
Equity Transfer/TSX (shareholder administration)	70	-	-	-	150	-	-	-	-	150	-	-	-	-	150	-	-	-	670
Audit fees <sup>(5)</sup>	2,294	-	-	850	-	-	850	-	-	-	850	-	-	-	850	-	-	-	5,694
Corporate tax return preparation / advice	-	-	5,933	-	-	-	11,865	-	-	-	11,865	-	-	-	11,865	-	-	-	41,528
Director fees <sup>(6)</sup>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	17,798	-	-	17,798
D&O Insurance	-	85,000	-	-	-	-	-	-	15,699	-	-	-	-	-	-	-	-	-	15,699
Professional fees re restructuring proceedings <sup>(7)</sup>	12,515	-	75,000	100,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	85,000
Miscellaneous expenses	529	500	125	-	125	1,000	125	-	75,000	100,000	125	-	-	75,000	100,000	-	-	75,000	612,515
<b>Total Disbursements</b>	<b>26,993</b>	<b>85,500</b>	<b>91,867</b>	<b>101,170</b>	<b>7,171</b>	<b>1,450</b>	<b>20,961</b>	<b>78,258</b>	<b>124,945</b>	<b>2,300</b>	<b>23,969</b>	<b>250</b>	<b>9,096</b>	<b>76,350</b>	<b>125,521</b>	<b>17,948</b>	<b>6,723</b>	<b>78,900</b>	<b>879,312</b>
Opening cash balance <sup>(8)</sup>	1,579,210	1,552,743	1,467,243	1,377,111	1,317,759	1,311,036	1,309,586	1,288,625	1,210,367	1,120,291	1,117,991	1,094,022	1,093,772	1,084,676	1,034,013	908,493	880,545	883,822	1,579,210
Net cash flows	(26,467)	(85,500)	(90,132)	(59,352)	(6,723)	(1,450)	(20,961)	(78,258)	(90,076)	(2,300)	(23,969)	(250)	(9,096)	(50,663)	(125,521)	(17,948)	(6,723)	(78,214)	(773,603)
<b>Cash Available for Disbursement</b>	<b>1,552,743</b>	<b>1,467,243</b>	<b>1,377,111</b>	<b>1,317,759</b>	<b>1,311,036</b>	<b>1,309,586</b>	<b>1,288,625</b>	<b>1,210,367</b>	<b>1,120,291</b>	<b>1,117,991</b>	<b>1,094,022</b>	<b>1,093,772</b>	<b>1,084,676</b>	<b>1,034,013</b>	<b>908,493</b>	<b>890,545</b>	<b>883,822</b>	<b>895,607</b>	<b>805,607</b>

Unique Broadband Systems, Inc. and UBS Wireless Services Inc.  
**Notes to Projected Statement of Cash Flows**  
For the Period September 29, 2012 to February 1, 2013  
(Unaudited)

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### **Purpose and General Assumptions**

1. The purpose of the projection is to present the forecast of the cash flow of Unique Broadband Systems, Inc. ("UBS") and UBS Wireless Services Inc. ("UBS Wireless") (UBS and UBS Wireless are jointly referred to as the "Company") for the period September 29, 2012 to February 1, 2013 ("Period") in respect of its proceedings pursuant to the *Companies' Creditors Arrangement Act*.

The projected cash flow statement has been prepared based on hypothetical and most probable assumptions developed and prepared by the Company.

### **Specific Assumptions**

2. Relates to Harmonized Sales Tax refunds that the Company anticipates receiving from Canada Revenue Agency during the Period.
3. Includes gross salaries, benefits and government remittances for two employees.
4. Includes payments for contract employees.
5. Payment to the Company's auditors for public company purposes.
6. Fees are paid once per quarter to the Company's three directors.
7. Professional fees related to the restructuring proceedings, including the fees of the Monitor and its legal counsel, Lax O'Sullivan Scott Lisus LLP and Davies Ward Phillips & Vineberg LLP, legal counsel for the Company's Board of Directors, Wardle Daley Bernstein LLP, and for the Company's legal counsel, Gowling Lafleur Henderson LLP.
8. The opening cash balance includes cash-on-hand and cash equivalents as at September 29, 2012, and excludes a \$50,000 cash deposit held as security in respect of the Company's corporate credit card.



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

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,  
R.S.C. 1985, c.C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF  
UNIQUE BROADBAND SYSTEMS, INC. AND  
UBS WIRELESS SERVICES INC.**

**MANAGEMENT'S REPORT ON CASH FLOW STATEMENT  
(paragraph 10(2)(b) of the CCAA)**

The management of Unique Broadband Systems, Inc. and UBS Wireless Services Inc. (jointly the "Company") has developed the assumptions and prepared the attached statement of projected cash flow as of the 5<sup>th</sup> day of October, 2012 for the period September 29, 2012 to February 1, 2013 ("Cash Flow").

The hypothetical assumptions are reasonable and consistent with the purpose of the Cash Flow as described in Note 1 to the Cash Flow, and the probable assumptions are suitably supported and consistent with the plans of the Company and provide a reasonable basis for the Cash Flow. All such assumptions are disclosed in Notes 2 to 8.

Since the Cash Flow is based on assumptions regarding future events, actual results will vary from the information presented and the variations may be material.

The Cash Flow has been prepared solely for the purpose outlined in Note 1, using a set of hypothetical and probable assumptions set out in Notes 2 to 8. Consequently, readers are cautioned that the Cash Flow may not be appropriate for other purposes.

Dated at Toronto, Ontario this 12<sup>th</sup> day of October, 2012.

A handwritten signature in black ink, appearing to read 'Fraser Elliott', is written over a horizontal line.

Fraser Elliott, Chief Financial Officer  
Unique Broadband Systems, Inc. and UBS Wireless Services Inc.

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, c.C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF  
UNIQUE BROADBAND SYSTEMS, INC.  
AND UBS WIRELESS SERVICES INC.

MONITORS' REPORT ON CASH FLOW STATEMENT  
(paragraph 23(1)(b) of the CCAA)

The attached statement of projected cash-flow of Unique Broadband Systems Inc. and UBS Wireless Services Inc. (jointly "Company"), as of the 5<sup>th</sup> day October, 2012, consisting of a weekly projected cash flow statement for the period September 29, 2012, to February 1, 2013 ("Cash Flow") has been prepared by the management of the Company for the purpose described in Note 1, using the probable and hypothetical assumptions set out in Notes 2 to 8.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied by the management and employees of the Company. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Cash Flow. We have also reviewed the support provided by management for the probable assumptions and the preparation and presentation of the Cash Flow.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects:

- a) the hypothetical assumptions are not consistent with the purpose of the Cash Flow;
- b) as at the date of this report, the probable assumptions developed by management are not suitably supported and consistent with the plans of the Company or do not provide a reasonable basis for the Cash Flow, given the hypothetical assumptions; or
- c) the Cash Flow does not reflect the probable and hypothetical assumptions.

Since the Cash Flow is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the Cash Flow will be achieved. We express no opinion or other form of assurance with respect to the accuracy of any financial information presented in this report, or relied upon in preparing this report.

The Cash Flow has been prepared solely for the purpose described in Note 1 and readers are cautioned that it may not be appropriate for other purposes.

Dated at Toronto this 12<sup>th</sup> day of October, 2012.

*Duff + Phelps Canada Restructuring Inc.*

**DUFF & PHELPS CANADA RESTRUCTURING INC.  
IN ITS CAPACITY AS COURT-APPOINTED CCAA MONITOR OF  
UNIQUE BROADBAND SERVICES, INC. AND UBS WIRELESS SERVICES INC.  
AND NOT IN ITS PERSONAL CAPACITY**

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c.C-36, AS AMENDED  
AND IN THE MATTER OF THE A PLAN OF COMPROMISE OR ARRANGEMENT OF UNIQUE BROADBAND SYSTEMS INC.

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
(Commercial List)  
(PROCEEDING COMMENCED AT TORONTO)

**REPORT OF THE MONITOR**

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SOLICITORS FOR THE APPLICANT

**Court File No.:** CV-11-9283-00CL

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED  
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF UNIQUE BROADBAND SYSTEMS INC.

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

(PROCEEDING COMMENCED AT TORONTO)

**MOTION RECORD  
(RETURNABLE 31 OCTOBER 2012)**

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