

**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.

**AFFIDAVIT OF VICTOR WELLS
(sworn 25 January 2013)**

I, VICTOR WELLS, of the Town of Oakville in the Province of Ontario **MAKE
OATH AND SAY:**

A. Preliminary Comments

1. I am a director of Unique Broadband Systems, Inc. ("**UBS**") and its wholly-owned subsidiary UBS Wireless Services Inc. ("**UBS Wireless**" and, together with UBS, the "**Applicants**"). I have personal knowledge of the matters herein deposed, save and except where I refer to matters based on information and belief, in which cases I identify the source(s) of that information and believe it/them to be true.
2. The Applicants' boards of directors consist of me, Ambassador Kenneth Taylor and Robert Ulicki. Ambassador Taylor and I were appointed as directors of the Applicants in July of 2012 as a result of a settlement (the "**Dolgonos Settlement**"), described further below, negotiated by the Applicants with Alex Dolgonos, DOL Technologies Inc. ("**DOL**"), 2064818 Ontario Inc. ("**206 Ontario**") and 6138241 Canada Inc. ("**613 Canada**" and, together with Mr. Dolgonos, DOL and 206 Ontario, the "**Dolgonos Parties**"). The Dolgonos Settlement settled disputed claims against UBS by the Dolgonos Parties and pursuant to which the Dolgonos Parties agreed to fully support

decisions made by the UBS board, including decisions with respect to the CCAA proceedings and how UBS will resolve claims made against UBS by Jolian Investments Inc. (“**Jolian**”) and Gerald McGoey (together, the “**Jolian Parties**”).

3. This Affidavit is filed in response to a Motion (the “**Niketo Plan Motion**”) being brought by Niketo Co. Ltd. (“**Niketo**”) seeking an Order permitting Niketo, in its capacity as a creditor of UBS only, to submit a plan of compromise or arrangement for the Applicants (the “**Niketo Plan**”) pursuant to s. 4 of the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the “**CCAA**”). In that regard, I have read the Affidavit of John Zorbas sworn 22 January 2013 and the Supplementary Affidavit of John Zorbas sworn 24 January 2013.
4. The essence of the Niketo Plan is: (a) the appointment of 3 Niketo nominees to the UBS board; (b) the approval of the settlement of two disputed claims pursuant to settlement agreements that have been negotiated by Niketo with the creditors without the involvement of the Applicants or the Monitor; (c) the payment of creditors through a \$4.5 million loan from Niketo to UBS that will be secured by a security interest in all of the Applicants’ assets, including shares of LOOK Communications Inc. (“**LOOK**”) owned by UBS Wireless (the “**LOOK Shares**”).
5. Niketo is seeking to have only the creditors of UBS vote on the Niketo Plan.
6. UBS opposes the Niketo Plan for the reasons and in the circumstances described below.

B. The Parties

7. UBS is a public company whose shares trade on the TSXV. UBS owns the shares of UBS Wireless. UBS Wireless owns the LOOK Shares, which represent a 39% interest in LOOK. The Applicants also have accumulated tax losses. The Applicant’s most-recent quarterly financial statements are attached as **Exhibit “A”**.

8. Niketo is incorporated in Cyprus and is a wholly owned subsidiary of NWT Uranium Corporation (“NWT”) a mining exploration and development company whose shares are traded on the TSX Venture Exchange (the “TSXV”) and the Frankfurt Exchange.
9. I understand from the materials delivered in support of the Niketo Plan Motion that Niketo is a 19.5 per cent shareholder of UBS. I further understand from previous discussions with Mr. Zorbas and a press release dated 8 January 2013 that Niketo acquired the shares of UBS it now owns in or about early January of 2013 from 206 Ontario and 613 Canada.
10. For the purpose of satisfying the technical requirements to bring the Niketo Plan Motion seeking approval to call a meeting to consider a plan under the CCAA, Niketo took an assignment of a \$6,000 claim against UBS from Heenan Blaikie LLP (“Heenan”) on or about mid-January of 2013. Heenan was previously UBS’ counsel.

C. The CCAA Proceedings - General

11. These CCAA proceedings were commenced pursuant to an Initial Order dated 5 July 2011, a true copy of which is attached as **Exhibit “B”**.
12. I was not a director of the Applicants at the time these proceeding were commenced for the reasons described in the Affidavit of Robert Ulicki sworn 4 July 2011, a true copy of which is attached, without Exhibits, as **Exhibit “C”**.
13. In paragraph 17 of his affidavit sworn 22 January 2013, Mr. Zorbas asserts that UBS has spent \$8 million since May of 2010 and implies that these amounts were spent in connection with the CCAA proceedings. Based on UBS’ financial statements at 23 January 2013, \$2.1 million has been spent on professional fees in the CCAA proceedings. That includes all of the legal fees of the monitor and its counsel, counsel retained by UBS and independent counsel retained to act for the UBS board. These amounts include the

legal fees to defend the claims asserted by the Jolian Parties as well as various motions and issues raised by the Jolian Parties and the Dolgonos Parties.

D. Claims Against the Applicants

14. Pursuant to an Order dated 4 August 2011, a true copy of which is attached as **Exhibit “D”**, the Court established a process for claims against the Applicants to be filed and determined (the “**Claims Process**”). The Claims Process was conducted by Duff & Phelps Canada Restructuring Inc. (the “**Monitor**”) in its capacity as monitor of the Applicants.
15. No claims were filed against UBS Wireless in the Claims Process.
16. The following claims were filed against UBS in the Claims Process:

Creditor	Claim	Status
Jolian Investments	\$10,122,688	Disputed. Proposed to be Settled by Niketo Plan.
Gerald McGoey	Contingent	Disputed. Proposed to be Settled by Niketo Plan.
Douglas Reeson	\$585,000	Disputed. Proposed to be Settled by Niketo Plan.
DOL Technologies	\$8,042,716	Settled by UBS
Alex Dolgonos	Contingent	Settled by UBS
2064818 Ontario	Contingent	Settled by UBS
Gorrison Federspiel	DKK177,146.58	Admitted
Goldman Sloan Nash & Haber	\$22,397.59	Admitted
Heenan Blaikie	\$6,149.48	Admitted. Assigned to Niketo

Stellarbridge Management	\$150,000	Admitted
Peter Minaki	\$92,861	Admitted
Henry Eaton	Contingent	Contingent
Robert Ulicki	Contingent	Contingent
Grant McCutcheon	Contingent	Contingent
LOOK Communications	Contingent	No longer has a claim ¹

E. The Dolgonos Claims and Settlement

17. DOL filed a claim against UBS for approximately \$8 million plus taxes, interest, professional fees and expenses. The details of DOL's claim are described in Mr. Ulicki's 4 July 2011 Affidavit. Mr. Dolgonos, the principal of DOL, filed a contingent claim in respect of UBS' obligations to indemnify him. 206 Ontario, a shareholder of UBS and a company related to Mr. Dolgonos and DOL, filed a claim in respect of an oppression remedy claim made against UBS, Mr. Ulicki and two former directors of UBS. UBS disputed the claims of DOL, Dolgonos and 206 Ontario (together, the "**Dolgonos Claims**") and, pursuant to the Claims Order, the parties agreed that the claims would be determined by a Judge.
18. In July of 2012, after detailed pleadings were exchanged, UBS negotiated a comprehensive settlement of the Dolgonos Claims. All of the claims were settled on the basis that UBS would admit a single claim of \$500,000 in the CCAA proceedings inclusive of all taxes and professional fees and expenses.
19. The terms of the Dolgonos Settlement are memorialized in Minutes of Settlement dated 5 July 2012, a true copy of which is attached as **Exhibit "E"**. The terms of the Dolgonos Settlement provide, *inter alia*:

¹ This claim was based on a pre-payment of a fee for services and was contingent on the services not being provided for the term of the contract. The services were provided.

- (a) UBS accepted the Dolgonos Parties' claims against UBS at an aggregate total amount of \$500,000, inclusive of all taxes;
 - (b) The Dolgonos Parties agree, until the termination of the CCAA proceedings by way of a plan of compromise or arrangement by UBS or otherwise, to:
 - i) fully support decisions made by the reconstituted UBS board consisting of Mr. Ulicki, Mr. Wells and Mr. Taylor, including, *inter alia*, any decision made by the reconstituted UBS board with respect to the CCAA proceedings and how UBS will resolve or determine claims made against UBS by, *inter alia*, Jolian Investments Limited ("Jolian") and Mr. Gerald McGoey, in accordance with the CCAA Claims Procedure;
 - ii) not oppose any extension of the Stay Period, as defined by the Initial Order, sought by UBS;
 - iii) not seek any Order terminating the CCAA proceedings, or support or assist any other person seeking such an Order; and
 - iv) not seek to be a director or officer of UBS, or have any direct or indirect consulting arrangement with UBS.
 - (c) Subject to the discretion of the UBS board, UBS will continue defending the disputed claims made against UBS by, *inter alia*, Jolian and Mr. McGoey, and reorganizing itself under the supervision of the Court.
20. The Dolgonos Settlement was approved by the Court pursuant to a Consent Order dated 6 July 2012, a true copy of which is attached as **Exhibit "F"**.

F. The Jolian Claims

21. Jolian is asserting a claim for approximately \$10 million plus taxes, interest, and professional fees and expenses. The details of Jolian's claim are described in Mr. Ulicki's 4 July 2011 Affidavit.

22. Mr. McGoey, the principal of Jolian, also filed a contingent claim in respect of UBS' obligations to indemnify him. UBS disputed the claims of Jolian and Mr. McGoey (together, the "**Jolian Claims**").
23. Under the Claims Order, any disputed Claims are to be determined by a Claims Officer or a Judge.
24. In accordance with a scheduled agreed to by the parties and Ordered by the Court, detailed pleadings have been exchanged and discoveries are currently underway. The Jolian Claims will be determined by the Court at a hearing that is scheduled to begin on 18 February 2013.

G. The Reeson Claim

25. Mr. Reeson's claim is for amounts alleged to be owing in connection with the cancellation of the UBS share appreciation rights plan ("**Reeson Claim**").

H. Other Creditors

26. Aside from the claims against UBS that will be subject to the Niketo Plan, there are post-July 2011 claims against UBS that will have to be paid by UBS. For example: (a) there is a \$200,000 owing to Mr. McCutcheon; and (b) Mr. Minaki and the former CFO of UBS have asserted post-July 2011 claims against UBS based on the unsuccessful Motion brought by the Jolian Parties seeking to bring third-party claims against them into the Claims Process.

I. The Sales Process

27. On 9 November 2012, the Court made an Endorsement approving a process by which the LOOK Shares would be marketed for sale in a process to be conducted by the Monitor (the “**Sales Process**”).
28. The Sales Process has resulted in a transaction being entered into by UBS Wireless for the sale of approximately 50% of the LOOK Shares (the “**Sale Transaction**”). The regulatory approval required to close the Sale Transaction has been obtained and a Motion seeking Court approval has been served, but has not been scheduled pending the determination of the Niketo Plan Motion.
29. Mr. Zorbas implies in paragraph 18 of the Zorbas 22 January Affidavit that the purpose of the Sales Process was to address liquidity concerns. This is not correct. A process to market the LOOK Shares was proposed by the Monitor prior to the Dolgonos Settlement, but in light of the Dolgonos Settlement, the marketing of the LOOK Shares for sale was put on hold to give Ambassador Taylor and I an opportunity to consider the matter. The Sales Process was put in place to address the fact that UBS was receiving unsolicited offers to purchase the LOOK Shares and the Monitor was concerned that a formal process should be put in place to solicit offers.
30. UBS has prepared cash flow projections for the period ending 31 May 2013.
31. Mr. Zorbas asserts in paragraph 20 of the Zorbas 22 January Affidavit, that I agreed with his assessment that after the sale of the LOOK Shares subject to the Sale Transaction the remaining LOOK Shares would have a “diminishing value, the detriment of all stakeholders.” Mr. Zorbas expressed his views as to these issues, but I did not confirm his views.
32. In paragraph 20 of the Zorbas 22 January Affidavit Mr. Zorbas asserts that I advised him that the Sale Transaction would only assist with the “alleged liquidity” issues for perhaps

six months and that any proceeds from the Sale Transaction would be used immediately to pay professional fees. I did not say this and it is not true.

J. Niketo Efforts to Acquire Interest in LOOK

33. Since at least December of 2012, Niketo has been making efforts to acquire shares of LOOK.
34. On or about December of 2012, Niketo submitted an offer in the Sales Process to acquire all of the LOOK Shares (the "**Niketo Offer**"). The Niketo Offer was considered by the Special Committee of the Applicants' boards struck in connection with the Sales Process and rejected on the basis that it was not as favourable as other offers submitted in the Sales Process, including the offer that ultimately resulted in the Sale Transaction.
35. On 8 January 2013, NWT announced that Niketo will make a partial take-over bid for LOOK (the "**Niketo Bid**"). A true copy of the press releases issued by NWT announcing the Niketo Bid and a press release from LOOK 11 January 2013 issued in connection with the Niketo Bid are attached as **Exhibit "G"**.

K. The Circumstances Leading up to the Niketo Plan

36. I am advised by Patrick Shea of Gowling Lafleur Henderson LLP, and verily believe, that counsel for Niketo appeared in Court in December of 2012 to advise that Niketo had purchased 50% of the Dolgonos Parties' shares of UBS and would be bringing a Motion seeking to have representation on the UBS board or to convene a meeting of UBS shareholders to replace the UBS board.
37. I am advised by Mr. Shea, and verily believe, that counsel for Niketo appeared in Court on 9 January 2013 and advised the Court that Niketo wished to file a plan of compromise

or arrangement in respect of UBS. At that attendance Niketo's counsel filed a summary of Niketo's proposed plan, a true copy of which is attached as **Exhibit "H"**.

38. Subsequent to 18 January 2013, I met with representatives of Niketo and NWT on two occasions and spoke to a representative of Niketo on the telephone on one occasion to discuss its business plans for UBS. At those meetings there was no written proposal presented to me and no substantive information was provided with respect to Niketo's plans for UBS beyond what is set forth in Exhibit H, aside from the fact that Niketo was content to have Ambassador Taylor and I remain on the UBS board going forward, together with Niketo's 3 nominees. Niketo did not seek any input from UBS or seek any information or documentation from UBS with respect to, *inter alia*, the Jolian Claims or the Reeson Claim.

L. The UBS Response to the Niketo Plan

39. The first time that UBS saw the Niketo Plan was on 23 January 2013. UBS was not involved in any aspects of the development of the Niketo Plan and UBS was not consulted with respect to the reasonableness of the settlements of the Jolian Claims and the Reeson Claim proposed by the Niketo Plan.
40. The Applicants' directors met on 25 January 2013 to consider the Niketo Plan. The UBS board has considered the Niketo Plan and determined that it is not in the best interests of UBS' stakeholder and has made the decision to not support the Niketo Plan and that the Jolian Claim should be determined based on the Claims Process and in the trial that is scheduled to being on 18 February 2013.
41. The decision of the UBS board in this regard was based on the following factors:
1. **No Requirement of Shareholder Approval:** Niketo Plan does not provide a vote for UBS shareholders notwithstanding that there is considerable value to the

equity in UBS based on the value of the LOOK Shares. This is expressly recognized by the Niketo Plan itself.

2. **Niketo Controls the UBS Board:** The Niketo Plan provides for the appointment of 3 directors to the UBS board without shareholder approval. The proposed new directors are 2 officers and directors of NWT, Mr. Zorbas and David Subotic, and David Tsubouchi, a member of the NWT advisory board who is a partner in Fogler Rubinoff LLP, Niketo's corporate counsel. This presents a risk that the UBS board will be not constituted in a manner that will protect shareholder interests, particularly in light of the secured loan that is proposed to be made by Niketo to UBS pursuant to the Niketo Plan.
3. **Settlement of Jolian Claims without Adequate or any Consideration of the Merits:**
 - (a) The Niketo Plan is not founded on any in depth or balanced investigation or consideration of the Jolian Claims. The Niketo Plan proposes a settlement of the Jolian Claims without regard to the merits and Mr. Zorbas suggests that the Jolian Settlement is reasonable. This is not based any objective, if any, assessment of the merits of the Jolian Claims. While I am not aware of what information or documentation Niketo reviewed, if any, I can state that no effort whatsoever was made to confer with me or any other representative of UBS to assess the merits of the Jolian Claims or to obtain information or documentation in that regard.
 - (b) Without waiving privilege, the UBS board is (and has been) unanimous in its position that the settlement of the Jolian Claim as proposed by the Niketo Plan is inappropriate.
4. **Niketo to have Control of UBS:** The Niketo Plan contemplates that UBS will, without UBS shareholder approval, borrow \$4.5 million from Niketo (the "**Niketo Loan**") pursuant to a Loan Agreement between Niketo and UBS (the "**Loan**

Agreement”). The Niketo Loan will be secured by a General Security Agreement against all of UBS’ current and after-acquired assets and property, including the LOOK Shares (the “**Niketo GSA**”) and a Pledge Agreement in respect of the LOOK Shares (the “**Niketo Pledge**”). The Loan Agreement, the GSA and the Pledge were negotiated without UBS or the Monitor’s involvement, and give Niketo *de facto* control over UBS and the LOOK Shares.

5. **No Going-forward Business Plan for UBS:** There has been no disclosure of a plan for a business to be placed into UBS that will create value for shareholders or that will generate cash flow to continue to carry on business or repay the Niketo Loan. The terms of the Niketo Loan provide for the repayment of the Niketo Loan, plus all accrued interest, fees, bonuses, costs, etc., in 2015. There is, however, no indication how UBS will be able to repay the Niketo Loan when it comes due. The Loan Agreement also contemplates that UBS will incur certain expenses such as TSXV listing fees, audit expenses, etc. going forward, but there is no indication as to how UBS will pay these expenses. It would be irresponsible and detrimental to shareholder interest for UBS to borrow \$4.5 million from Niketo without a plan in place to repay that loan. There is no practical difference between a sale of assets and a secured loan in circumstances where there is no ability to repay the loan.

6. **Niketo Loan Transaction is Flawed:** The Loan Agreement, the GSA and the Pledge were drafted on the basis that UBS negotiated the agreements with Niketo. This is not the case. The Applicants were never consulted with respect to the Loan Agreement, the GSA or the Pledge and they were first provided, in final form, attached to the Niketo Plan. There are representations being made by UBS that are not accurate: (a) aside from UBS board consent, Court and TSXV consent is required to approve the Loan Agreement, the GSA and the Pledge; and (b) UBS is not the owner of the LOOK Shares. There are also representations with respect to the accuracy and completeness of information being provided by UBS to Niketo, but UBS has provided no information to Niketo. It is not clear to me that

UBS will be able to comply with some of the covenants contained in the Loan Agreement.

7. **Not Sufficient funds Available to Implement Niketo Plan:** The Niketo Loan, at \$4.5 million, does not appear to be sufficient to fund the Niketo Plan, pay UBS's post-July 2011 creditors and permit UBS to carry on business going forward.
8. **Distribution to Shareholders Restricted:** Under the Loan Agreement, UBS is prohibited from paying or making a distribution to shareholders without Niketo's consent. One of the objectives of UBS in the CCAA proceedings is to provide shareholders with a distribution. In July of 2010, when shareholders voted to replace the UBS board, one of the mandates provided to the new board was to make a distribution to shareholders.
9. **Unequal Treatment of Creditors:** The Niketo Plan appears to provide Jolian and Reeson with more favourable treatment than the other creditors of UBS:
 - (a) The Niketo Plan provides that Jolian Parties will receive interest to the date of payment, while other creditors receive only the basic amount of their claims.
 - (b) The Niketo Plan provides that the Jolian Parties and Reeson will receive going-forward indemnities from UBS and guarantees of those indemnities from Niketo that are not provided to other similarly-situated creditors such as Mr. Minaki, Mr. McCutcheon, Mr. Ulicki and Mr. Eaton.
 - (c) The Niketo Plan provides that the Jolian Parties' claim for professional fees of \$1.35 million will be admitted without assessment, but, based on paragraph 24(d) of Mr. Zorbas Affidavit sworn 22 January 2013, the claim by Mr. Minaki, another former director of UBS for professional fees of \$92,867 will be subject to assessment before it is paid in accordance with the Niketo Plan.

42. Attached as **Exhibit "I"** is a true copy of the letter that was sent to counsel to the Dolgonos Parties advising of the board's determination with respect to the Niketo Plan and the determination of the Jolian Claims.

M. Additional Comments

43. The TSXV has advised that the Secured Loan will require TSXV approval.
44. I have spoke to Mr. Robert Morrison, who holds 12% of the UBS shares and is, to my knowledge, the largest single shareholder of UBS aside from the Dolgonos Parties (now Niketo). He has advised and I verily believe that he supports the decision of the UBS board to pursue litigation to have the Jolian Claims determined by the Court absent a settlement that is acceptable to the UBS board.
45. I am advised by Mr. Ulicki, and verily believe, that when Mr. Dolgonos proposed to replace the UBS board to change the course of these proceedings at the 2012 annual general meeting², 20% of UBS' shareholders expressed support for course being taken by UBS, which included disputing the Jolian Claim.
46. In my conversations with Mr. Morrison, he indicated that he would not support a settlement of the Jolian Claims.
47. I have been informed by Mr. Ulicki, and verily believe, that he, Mr. McCutcheon and Mr. Eaton: (a) were not consulted by Niketo with respect to the Niketo Plan; and (b) do not support the Niketo Plan and will not cast their votes as creditors in favour of the Niketo Plan.

²

The 2012 AGM was never held as a result of the Dolgonos Settlement.

SWORN before me at the City of Toronto
in the Province of Ontario, this 25th day of
January 2013

Commissioner for Taking Affidavits or Notary

P SHEA


VICTOR WELLS

**THIS IS EXHIBIT "A" TO THE AFFIDAVIT OF
VICTOR WELLS, SWORN BEFORE ME ON
JANUARY 25, 2013**



A COMMISSIONER FOR TAKING OATHS

Unaudited Condensed Consolidated Interim Financial Statements of

UNIQUE BROADBAND SYSTEMS, INC.

For the three months ended November 30, 2012 and 2011

NOTICE OF NO AUDIT OR REVIEW OF INTERIM FINANCIAL STATEMENTS

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

UNIQUE BROADBAND SYSTEMS, INC.

Condensed Consolidated Interim Statements of Financial Position

(In thousands of Canadian dollars)

(Unaudited)

As at

	November 30, 2012	August 31, 2012
Assets		
Current assets		
Cash and cash equivalents (note 3)	\$ 1,350	\$ 1,635
Accounts receivable and other receivables (note 4)	234	203
Prepaid expenses and deposits (note 5)	587	675
	<u>2,171</u>	<u>2,513</u>
Restricted cash (note 3)	50	50
Investment in Look Communications Inc. (note 6)	6,889	7,011
	<u>\$ 9,110</u>	<u>\$ 9,574</u>

Liabilities and Shareholders' Equity

Current liabilities		
Accounts payable	\$ 894	\$ 601
Accrued liabilities (note 7)	1,008	981
Accrued restructuring liabilities due to related parties (note 8)	2,980	2,962
Provisions (note 14(a))	150	150
	<u>5,032</u>	<u>4,694</u>
Shareholders' equity		
Share capital (note 9)	58,139	58,139
Share option reserve	3,235	3,235
Deficit	(57,296)	(56,494)
	<u>4,078</u>	<u>4,880</u>
	<u>\$ 9,110</u>	<u>\$ 9,574</u>

The accompanying notes are an integral part of the unaudited condensed consolidated interim financial statements.

Approved by the Board of Directors:

(Signed) – Robert Ulicki _____

Director

(Signed) - Victor Wells _____

Director

UNIQUE BROADBAND SYSTEMS, INC.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

(In thousands of Canadian dollars, except per share amounts)

(Unaudited)

For the three months ended November 30,

	2012	2011
Revenue	\$ -	\$ 433
Expenses		
Compensation (note 10)	62	111
General and administrative	603	182
Restructuring charges (note 8)	18	30
	683	323
Income (loss) before the undernoted	(683)	110
Interest income	3	2
Equity interest in Look's losses (note 6)	(122)	(298)
Loss and comprehensive loss for the period	\$ (802)	\$ (186)
Loss per share:		
Basic and diluted loss per share	(0.008)	(0.002)
Weighted average number of shares outstanding		
Basic and diluted	102,748	102,748

The accompanying notes are an integral part of the unaudited condensed consolidated interim financial statements.

UNIQUE BROADBAND SYSTEMS, INC.

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity

(In thousands of Canadian dollars)

(Unaudited)

	Shares	Share Capital (note 9) Amount	Share Option Reserve	Deficit	Total Shareholders' Equity
Balance, September 1, 2011	102,748	\$ 58,139	\$ 3,235	\$(54,470)	\$ 6,904
Net loss and comprehensive loss for the period	-	-	-	(186)	(186)
Balance, November 30, 2011	102,748	\$ 58,139	\$ 3,235	\$ (54,656)	\$ 6,718
Balance, September 1, 2012	102,748	\$ 58,139	\$ 3,235	\$(56,494)	\$ 4,880
Net loss and comprehensive loss for the period	-	-	-	(802)	(802)
Balance, November 30, 2012	102,748	\$ 58,139	\$ 3,235	\$ (57,296)	\$ 4,078

The accompanying notes are an integral part of the unaudited condensed consolidated interim financial statements.

UNIQUE BROADBAND SYSTEMS, INC.

Consolidated Interim Statements of Cash Flows

(In thousands of Canadian dollars)

(Unaudited)

For the three months ended November 30,

	2012	2011
Cash flows from operating activities		
Net loss for the period	\$ (802)	\$ (186)
Items not affecting cash		
Equity interest in Look's losses	122	298
Change in non-cash operating assets and liabilities		
Accounts receivable and other receivables	(31)	158
Prepaid expenses and deposits	88	(4)
Accounts payable and accrued liabilities	320	140
Accrued restructuring liabilities due to related party	18	30
Deferred revenue	-	(433)
Increase (decrease) in cash and cash equivalents	(285)	3
Cash and cash equivalents, beginning of period	1,635	945
Cash and cash equivalents, end of period	\$ 1,350	\$ 948

The accompanying notes are an integral part of the unaudited condensed consolidated interim financial statements.

UNIQUE BROADBAND SYSTEMS, INC.

Notes to Condensed Consolidated Interim Financial Statements

(In thousands of Canadian dollars, except per share amounts)

For the three months ended November 30, 2012 and 2011

(Unaudited)

1. Nature of operation

Unique Broadband Systems, Inc. is a publicly listed Canadian company. In 2003, UBS transitioned from a technology company that designed, developed and manufactured broadband wireless equipment to a holding company, when it acquired a controlling interest in Look Communications Inc. ("Look"). Effective May 25, 2010, UBS has a 39.2% fully diluted equity interest in Look (note 6), and other financial assets. References to "UBS" and the "Company" include the legal entity Unique Broadband Systems, Inc. and its wholly owned subsidiary, UBS Wireless Services Inc. ("UBS Wireless").

These unaudited condensed consolidated interim financial statements were approved for issue by the Board of Directors on January 23, 2013.

2. Summary of significant accounting policies

(a) Statement of compliance

These unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"), using accounting policies consistent with International Financial Reporting Standards ("IFRS").

Accounting policies and methods of their application followed in the preparation of these unaudited condensed consolidated interim financial statements are consistent with those used in the annual audited financial statements for the year ended August 31, 2012.

(b) Basis of presentation

These unaudited condensed consolidated interim financial statements have been prepared on a historical cost basis and include the accounts of Unique Broadband Systems, Inc. and its wholly-owned subsidiary, UBS Wireless Services Inc. All inter-company transactions are eliminated on consolidation.

Going concern

The going concern basis of presentation assumes that UBS will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. There is significant doubt about UBS' use of the going concern assumption because, as at November 30, 2012, UBS has a working capital deficiency of \$2,861 (August 31, 2012 - \$2,181).

UNIQUE BROADBAND SYSTEMS, INC.

Notes to Condensed Consolidated Interim Financial Statements

(In thousands of Canadian dollars, except per share amounts)

For the three months ended November 30, 2012 and 2011

(Unaudited)

2. Summary of significant accounting policies (continued)

(b) Basis of presentation (continued)

Furthermore, there is uncertainty regarding the timing and the quantum of cash distributions by Look to its shareholders, including UBS, and the outcomes of certain litigation (note 14). UBS will need to raise cash and/or monetize assets, and/or receive further cash distributions from Look and/or reduce its outstanding commitments in order to meet the needs of its existing operations and commitments, giving rise to doubt about UBS' use of the going concern assumption.

Notwithstanding the above, these unaudited condensed consolidated interim financial statements have been prepared on a going concern basis and do not include any adjustments to the carrying values and classifications of assets and liabilities and reported revenue and expenses that would be necessary if the going concern basis was not appropriate. Such adjustments could be material.

Investment in Look

Effective May 25, 2010, UBS accounts for its 39.2% interest in Look using the equity method that reports UBS' equity participation in Look through the "equity interest in Look's losses" in the statement of loss and comprehensive loss.

The Company determines at each reporting date whether there is any objective evidence that the investment in Look is impaired and consequently whether it is necessary to recognize an additional impairment loss on the Company's investment in Look. If this is the case, the Company calculates the amount of impairment as the difference between the recoverable amount of Look and its carrying value and recognizes the amount in the consolidated statement of loss and comprehensive loss.

CCAA proceedings

On July 5, 2011, UBS and UBS Wireless commenced proceedings under the *Companies' Creditors Arrangement Act* (the "CCAA"). The court has made an order staying all proceedings against UBS and its directors until February 1, 2013, and Duff & Phelps Canada Limited (the "Monitor") has been appointed as the Monitor of UBS. Further information with respect to the CCAA proceedings can be found on the Monitor's website at www.duffandphelps.com.

UNIQUE BROADBAND SYSTEMS, INC.

Notes to Condensed Consolidated Interim Financial Statements

(In thousands of Canadian dollars, except per share amounts)

For the three months ended November 30, 2012 and 2011

(Unaudited)

2. Summary of significant accounting policies (continued)

(b) Basis of presentation (continued)

The CCAA proceeding was commenced to, among other things:

- (i) facilitate the determination and compromise or arrangement of creditor claims against UBS;
- (ii) permit UBS to propose a plan to realize value from its accumulated tax losses, public listing and other assets;
- (iii) avert an imminent liquidity crisis being caused by litigation-related expenses that will prevent UBS from continuing to carry on business for the benefit of its stakeholders and defending the proceedings brought by the Plaintiff Group;
- (iv) stay all payables owing by UBS; and
- (v) provide a process to determine the claims being asserted against UBS by the Plaintiff Group in a more cost effective and expeditious manner.

UBS has been successful in obtaining the reversal of approximately \$2,925 of awards granted by UBS' prior board in 2009, settling certain claims, and significantly reducing operating expenses. However, Jolian Investments Ltd. ("Jolian"), Mr. McGoey, and Mr. Reeson (the "Plaintiff Group") continue to pursue claims against UBS for approximately \$10,000 in termination and other payments. UBS views the CCAA claims process as the best course of action to preserve its assets.

On July 6, 2012, UBS and its directors reached a settlement agreement with Mr. Dolgonos, 2064818 Ontario Inc., 6138241 Canada Inc. and DOL Technologies Inc. (the "Dolgonos Parties") (note 14(b)(ii)).

While under protection from its creditors, UBS' board of directors will continue to manage UBS. Should the stay period in the CCAA proceedings and any subsequent extensions thereof not be sufficient in duration or scope to allow UBS to complete its tasks as outlined above under the CCAA, and should UBS lose the protection of the stay of proceedings, creditors may immediately enforce their rights and remedies against UBS and its assets which would in all likelihood lead to liquidation proceedings.

3. Cash and cash equivalents and restricted cash

(a) Cash and cash equivalents

As at November 30, 2012, the Company held \$1,350 of cash (August 31, 2012 - \$1,635) and no cash equivalents.

(b) Restricted cash

As at November 30, 2012 and August 31, 2012, UBS had restricted cash of \$50 which was held in interest-bearing certificates at 0.3%.

UNIQUE BROADBAND SYSTEMS, INC.

Notes to Condensed Consolidated Interim Financial Statements

(In thousands of Canadian dollars, except per share amounts)

For the three months ended November 30, 2012 and 2011

(Unaudited)

4. Accounts receivable and other receivables

Accounts receivable and other receivable balances, as at November 30, 2012 and August 31, 2012, are set out in the following table:

	November 30, 2012	August 31, 2012
GST/HST receivable	\$ 184	\$ 120
Legal retainer receivable ⁽¹⁾	-	37
Indemnity claims receivable ⁽²⁾	30	30
Other receivables	20	16
Total	\$ 234	\$ 203

⁽¹⁾ During the quarter ended February 28, 2011, as a result of a settlement agreement executed between the Company and a former director, a legal retainer totaling \$37 was reallocated from prepaid expenses and deposits (note 5) to accounts receivable. During the quarter ended November 30, 2012, this retainer was expensed to professional fees.

⁽²⁾ During the quarter ended May 31, 2012, the Company's insurance providers approved claims totaling \$30.

5. Prepaid expenses and deposits

The Company's prepaid expenses and deposits, as at November 30, 2012 and August 31, 2012, are summarized in the following table:

	November 30, 2012	August 31, 2012
2010 legal retainers ⁽¹⁾	\$ 316	\$ 316
Legal retainer ⁽²⁾	50	201
CCAA retainers ⁽³⁾	50	50
Other	171	108
Total	\$ 587	\$ 675

⁽¹⁾ During June and July, 2010, the former Board of Directors of the Company approved \$570 of advances to various professional firms as retainers for future services for the then directors, officers and consultants. As at November 30, 2012, UBS has been advised that the amounts on retainer had been drawn down by a total of approximately \$235. \$19 was returned to UBS as a result of a settlement agreement executed between UBS and the former CFO. As a result, it is estimated that approximately \$316 remains on retainer as at November 30, 2012.

⁽²⁾ Funds totaling \$330 were placed on retainer with a legal firm on February 24, 2011 for, among other things, legal advice with regard to ongoing litigation. As at November 30, 2012, approximately \$131 was expensed, \$149 was returned to UBS, and \$50 remained on retainer.

⁽³⁾ Funds totaling \$100 were placed on retainer with legal firms on June 27, 2011 for, among other things, legal advice with regard to the CCAA claims process. As at November 30, 2012, approximately \$50 was expensed and \$50 remained on retainer.

6. Look investment

(a) Investment in Look

As at November 30, 2012, UBS Wireless held 24,864 Multiple Voting Shares and 29,921 Subordinate Voting Shares in Look, representing a 39.2% economic interest and a 37.6% voting interest in Look. UBS acquired its shareholding in Look through a series of transactions and the receipt of shares in lieu of interest on its convertible debentures, which were redeemed by Look on May 25, 2010. Look is listed in the NEX, and the trading symbol for Look's multiple voting shares is LOK.H, and subordinate voting shares is LOK.K.

UNIQUE BROADBAND SYSTEMS, INC.

Notes to Condensed Consolidated Interim Financial Statements

(In thousands of Canadian dollars, except per share amounts)

For the three months ended November 30, 2012 and 2011

(Unaudited)

6. Look investment (continued)

(a) Investment in Look (continued)

UBS' 39.2% interest in Look's equity of \$17,578, as at November 30, 2012, amounted to \$6,889 (August 31, 2012 - \$17,890 and \$7,011 respectively), as set out in the table below:

Investment in Look as at September 1, 2011	\$ 11,405
Return of capital from Look	(2,739)
Cumulative equity interest in Look's losses for the year ended August 31, 2012	(1,655)
Investment in Look as at August 31, 2012	7,011
Cumulative equity interest in Look's losses for the quarter ended November 30, 2012	(122)
Investment in Look as at November 30, 2012	\$ 6,889

An analysis of UBS' interest in the post acquisition income and losses of Look is as follows:

Cumulative equity interest in Look's losses at September 1, 2011	\$ (524)
Equity interest in Look's losses for fiscal 2012	(1,655)
Equity interest in Look's losses for the first quarter of fiscal 2013	(122)
Cumulative equity interest in Look's losses as at November 30, 2012	\$ (2,301)

Look's consolidated balance sheets, as at November 30, 2012 and August 31, 2012, are set out below:

	November 30, 2012	August 31, 2012
ASSETS		
Total current assets	\$ 18,184	\$ 18,805
	\$ 18,184	\$ 18,805
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Total current liabilities	\$ 606	\$ 915
Shareholders' equity		
Share capital	27,499	27,499
Deficit	(9,921)	(9,609)
Total shareholders' equity	17,578	17,890
	\$ 18,184	\$ 18,805

Look's market capitalization, based on the closing share prices of its multiple and subordinate voting shares as at November 30, 2012 of \$0.090 and \$0.100 respectively, was \$13,309 (August 31, 2012 - \$0.120 and \$0.075 respectively - \$13,455).

Look continues to pursue opportunities to realize the value of its tax attributes of approximately \$166,116.

UNIQUE BROADBAND SYSTEMS, INC.

Notes to Condensed Consolidated Interim Financial Statements

(In thousands of Canadian dollars, except per share amounts)

For the three months ended November 30, 2012 and 2011

(Unaudited)

6. Look investment (continued)

(b) Sale of Look shares

On January 11, 2013, UBS agreed to sell 12,430 multiple voting shares and 14,630 subordinate voting shares of Look to 2092390 Ontario Inc., a corporation controlled by Mr. Andrew Kim, subject to the approval of the Court. If approved, the transaction would be for approximately half of UBS' interest in Look.

(c) Return of capital from Look

On March 13, 2012, Look paid \$6,985 to the holders of its multiple voting shares and subordinate voting shares as a return of capital equivalent to \$0.05 for each outstanding multiple voting share and subordinate voting share. UBS received \$2,739 of Look's return of capital.

7. Accrued liabilities

The Company's accrued liabilities, as at November 30, 2012 and August 31, 2012, are summarized in the following table:

	November 30, 2012	August 31, 2012
Legal expenses ⁽¹⁾	\$ 676	\$ 619
Professional expenses ⁽²⁾	111	129
Board fees ⁽³⁾	21	21
Compensation accruals ⁽⁴⁾	200	200
Other	-	12
Total	\$1,008	\$ 981

⁽¹⁾ Includes, amongst others, an estimate of the costs relating to the claims of certain members of the Plaintiff Group for payments under certain management services agreements and are subject to determination in the CCAA claims process (note 14(b)).

⁽²⁾ Includes costs associated with the Company's audit, tax reporting and Annual General Meeting requirements.

⁽³⁾ Includes accrued board fees payable to certain members of the Plaintiff Group which are subject to determination in the CCAA claims process.

⁽⁴⁾ Refer to note 12(c).

UNIQUE BROADBAND SYSTEMS, INC.

Notes to Condensed Consolidated Interim Financial Statements

(In thousands of Canadian dollars, except per share amounts)

For the three months ended November 30, 2012 and 2011

(Unaudited)

8. Restructuring

On May 5, 2009, UBS announced the sale of its wireless spectrum and commenced the restructuring of its operations. UBS recorded contingent awards, approved and allocated by its directors in June 2009, as human resource restructuring costs and these are set out in the following table:

Accrued restructuring liabilities due to related parties ⁽¹⁾	Total restructuring amounts
Balance as at August 31, 2011	\$ 4,003
Expensed in fiscal 2012	114
Reversal of accrual in fiscal 2012	(1,155)
Balance as at August 31, 2012	\$2,962
Expensed in first quarter of fiscal 2013	18
Balance as at November 30, 2012	\$ 2,980

⁽¹⁾ See note 12(d).

During the three months ended November 30, 2012, UBS expensed \$18 in accrued interest on the awards due to related parties (November 30, 2011 - \$30).

On July 6, 2012, UBS settled the accrued restructuring award granted to DOL Technologies Inc. ("DOL"), which resulted in, among other things, a \$1,030 reversal of the restructuring award originally granted in June 2009 and \$125 in accrued interest, totalling \$1,155 to restructuring charges. The remaining balance of \$500 will be settled under the CCAA claims process (note 14(b)).

9. Share capital

(a) Authorized

Unlimited common shares
Unlimited Class A non-voting shares

(b) Issued and outstanding

As at November 30, 2012 and August 31, 2012, UBS had 102,748 common shares and no Class A non-voting shares issued and outstanding, totaling \$58,139.

UNIQUE BROADBAND SYSTEMS, INC.

Notes to Condensed Consolidated Interim Financial Statements

(In thousands of Canadian dollars, except per share amounts)

For the three months ended November 30, 2012 and 2011

(Unaudited)

9. Share capital (continued)

(c) Stock option incentive plan

UBS' stock option plan (the "Option Plan") provides for the granting of stock options to employees, directors and consultants of UBS. Under the Option Plan, up to 19,765 common shares may be issued from treasury. The exercise price of the options is determined by the Board of Directors at the time of the grant of an option, but cannot be lower than the closing market price of UBS' shares on the TSX Venture Exchange on the business day immediately preceding the day on which an option is granted, and not less than 10 cents per share. In the absence of terms specifying otherwise, options vest annually over a three-year period and are exercisable during a period not to exceed 10 years from such grant.

The following table reflects activity under the Option Plan:

	Number of options	Weighted average exercise price
Outstanding as at September 1, 2011	9,586	\$ 0.32
Expired during the year ended August 31, 2012	(2,300)	0.47
Balance as at August 31, 2012 and November 30, 2012	7,286	\$ 0.27

A summary of the status of the Option Plan, as at November 30, 2012, is as follows:

Exercise price	Options outstanding and exercisable as at November 30, 2012 (in thousands)	Weighted average remaining contractual life
\$ 0.44	86	0.65 years
\$ 0.16	100	0.97 years
\$ 0.16	100	0.97 years
\$ 0.15	1,000	6.75 years
\$ 0.32	1,000	1.45 years
\$ 0.44	1,000	0.65 years
\$ 0.15	2,000	6.75 years
\$ 0.34	2,000	1.45 years
	7,286	3.50 years

During the three months ended November 30, 2012 and 2011, no stock options were granted or expired.

UNIQUE BROADBAND SYSTEMS, INC.

Notes to Condensed Consolidated Interim Financial Statements

(In thousands of Canadian dollars, except per share amounts)

For the three months ended November 30, 2012 and 2011

(Unaudited)

10. Compensation

During the three months ended November 30, 2012, the Company expensed \$62 in compensation, which included \$39 in key management compensation (November 30, 2011 - \$111 and \$68 respectively).

11. Segment disclosure

The recorded revenues for the three months ended November 30, 2011 were pursuant to the Look Management Services Agreement (note 12(a)), which expired on May 19, 2012 and were drawn down from deferred.

All of the Company's revenue was generated in Canada and all of its assets are located in Canada.

12. Related party transactions

(a) Management Services Agreement with Look

Under the original terms of the Management Service Agreement entered into between Look and UBS on May 19, 2004 ("Look MSA"), Look had been required to pay an annual fee of \$2,400 to UBS and, in September 2007, Look advanced a prepaid annual fee of \$2,400. Effective January 1, 2011, UBS expensed the deferred revenue, at approximately \$145 per month, over the remaining term of the Look MSA, which expired on May 19, 2012.

The base fee pursuant to the Look MSA earned by UBS during the three months ended November 30, 2011 amounted to \$433 and was reported as revenue (note 11).

(b) Rent of Milton premises

During the three months ended November 30, 2012, UBS subleased a portion of Look's premises in Milton for \$2 (November 30, 2011 - \$6). The sublease was terminated on September 30, 2012.

(c) CEO termination clause

On January 3, 2012, 2064818 Ontario Inc., which is a corporation controlled by Mr. Dolgonos, acquired additional shares with the effect of increasing the indirect holdings of UBS over which Mr. Dolgonos exercises control and direction to greater than 20%. This triggered a "deemed" termination clause in the current CEO's employment agreement, triggering a lump sum payment of \$200 in lieu of notice of termination and has been recorded in accrued liabilities.

UNIQUE BROADBAND SYSTEMS, INC.

Notes to Condensed Consolidated Interim Financial Statements

(In thousands of Canadian dollars, except per share amounts)

For the three months ended November 30, 2012 and 2011

(Unaudited)

12. Related party transactions (continued)

(d) Related party accrued restructuring liabilities

UBS recorded related party transactions as follows:

Accrued Restructuring Liabilities						
	Balance as at August 31, 2011	Interest accrued fiscal 2012 ⁽³⁾	Awards and interest reversed fiscal 2012 ⁽²⁾	Balance as at August 31, 2012	Interest accrued fiscal 2013 ⁽³⁾	Balance as at November 30, 2012
Jolian Investments Ltd. /McGoey ⁽¹⁾	\$ 1,899	\$ 58	\$ -	\$ 1,957	\$ 14	\$ 1,971 ⁽⁴⁾
DOL Technologies Inc. /Dolgonos ⁽²⁾ - Settled	1,614	41	(1,155)	500	-	500 ⁽²⁾
Former UBS director – Douglas Reeson	490	15	-	505	4	509 ⁽⁴⁾
Total	\$ 4,003	\$ 114	\$ (1,155)	\$ 2,962	\$ 18	\$ 2,980

⁽¹⁾ Jolian is a company controlled by Mr. McGoey, the former Chairman of the Board of Directors and former CEO of UBS.

On July 5, 2010, the former Board of Directors, including Mr. McGoey, were removed by shareholders at a special meeting, which resulted in Jolian alleging a Company Default pursuant to the Jolian Management Services Agreement with UBS ("Jolian MSA") and a subsequent claim for, among other things, payment for termination of services and the outstanding accrued restructuring liability to Jolian (note 14(b)(i)).

⁽²⁾ DOL is a company controlled by Mr. Dolgonos, the former Chief Technology Consultant of UBS.

On July 6, 2012, UBS reached a settlement agreement with the Dolgonos Parties, which resulted in, among other things, a \$1,030 reversal of the restructuring award and \$125 in accrued interest, totalling \$1,155, to restructuring charges. The remaining balance of \$500 will be settled under the CCAA claims process.

⁽³⁾ The interest on accrued restructuring liabilities due to related parties is charged to restructuring charges.

⁽⁴⁾ These amounts were approved in 2009 by the directors and are currently the subject of dispute in the claims filed by the Plaintiff Group (note 14(b)(i)).

13. Income taxes

UBS has the following federal non-capital income tax losses, which may be carried forward to reduce future year's taxable income. These losses will expire in the fiscal years ending May 31 as follows:

2014	\$ 8,527
2015	1,001
2027	2,215
2028	423
2029	1,626
2030	1,656
2031	5,134
2032	1,620
	\$ 22,202

UNIQUE BROADBAND SYSTEMS, INC.

Notes to Condensed Consolidated Interim Financial Statements

(In thousands of Canadian dollars, except per share amounts)

For the three months ended November 30, 2012 and 2011

(Unaudited)

14. Provisions and contingencies

(a) Provisions

Leased premises

On May 24, 2011, UBS settled the action that was brought against UBS in respect of certain repairs to premises under a lease entered into by UBS in 1999. Under the terms of the settlement, UBS paid the plaintiff damages totaling \$450 and was awarded \$85 under a third party claim. \$150 remains payable, and is subject to the claims process to be determined under CCAA.

(b) Contingencies

(i) Jolian and Reeson claims

On July 12, 2010, Jolian served a statement of claim on UBS seeking approximately \$8,610 plus applicable taxes and interest in respect of the Jolian management services agreement with UBS and certain contingent payments approved by the previous directors in 2009 (the "Jolian Claims"). A former director, Mr. Reeson, also served a statement of claim on UBS seeking approximately \$465 plus interest in respect of the contingent award approved and allocated to him by the previous directors of UBS during fiscal 2009 (the "Reeson claim").

Subsequent to the commencement of the CCAA claims process, the Monitor received proofs of claims from Jolian, totaling \$10,112, and from Mr. Reeson, totaling \$585. The Jolian and Reeson claims are disputed and will be determined in the CCAA claims (note 14(b)(iii)).

(ii) Dolgonos Parties claims

On July 12, 2010, DOL served a statement of claim on UBS seeking approximately \$7,545 plus interest in respect of the DOL management services agreement with UBS and certain contingent payments approved by the previous directors in 2009.

On December 23, 2010, 2064818 Ontario Inc. served a statement of claim on UBS and its directors. These claims sought various relief, including the removal of the directors of UBS from its board of directors, the setting aside of the amendment to the Look MSA or, in lieu thereof, damages in the amount of \$900, and restrictions on dilutive financing.

On July 6, 2012, the Dolgonos Parties claims of approximately \$8,000 were settled for a claim of \$500, the payment of which will be determined under the CCAA proceedings. All other claims and actions were dismissed, withdrawn and fully released, and the \$100 advanced to counsel for DOL, in June, 2010, was expensed in the fourth quarter of fiscal 2012.

UNIQUE BROADBAND SYSTEMS, INC.

Notes to Condensed Consolidated Interim Financial Statements

(In thousands of Canadian dollars, except per share amounts)

For the three months ended November 30, 2012 and 2011

(Unaudited)

14. Provisions and contingencies (continued)

(b) Contingencies (continued)

(iii) CCAA

On July 5, 2011, the Ontario Superior Court made an Order under the CCAA and a subsequent Order on August 4, 2011, which amongst other things, provided for a comprehensive stay of proceedings against UBS and that all disputed claims are to be determined in the CCAA proceedings.

Reference is made to the website of the Court Appointed Monitor supervising the CCAA proceedings www.duffandphelps.com (see "restructuring cases").

(iv) In the normal course of its operations, the Company may be subject to other litigation and claims.

(v) The Company indemnifies its directors, officers, consultants, and employees against claims and costs reasonably incurred and resulting from the performance of their services to the Company, and maintains liability insurance for its directors and officers.

15. Management of capital

The Company determines capital to include shareholders' equity. The Company's overall strategy with respect to management of capital is to hold low-risk highly-liquid cash accounts.

The Company currently does not use other sources of financing that require fixed payments of interest and principal due to the lack of cash flow from current operations and is not subject to any externally imposed capital requirements.

16. Financial instruments and risk management

The Company's activities may expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign currency risk and commodity and equity price risk).

Risk management is carried out by the Company's management team with guidance from the Audit Committee, under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

UNIQUE BROADBAND SYSTEMS, INC.

Notes to Condensed Consolidated Interim Financial Statements

(In thousands of Canadian dollars, except per share amounts)

For the three months ended November 30, 2012 and 2011

(Unaudited)

16. Financial instruments and risk management (continued)

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its obligations. The Company's maximum exposure to credit risk, at the end of the reporting period under its financial instruments, is summarized as follows:

	November 30, 2012	August 31, 2012
<u>Accounts and other receivables</u>		
Currently due	\$ 124	\$ 33
Past due by 90 days or less and not impaired	47	19
Past due by greater than 90 days and not impaired	63	151
	<u>\$ 234</u>	<u>\$ 203</u>

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with financial liabilities. The Company has a planning and budgeting process in place by which it anticipates and determines the funds required to support normal operating requirements. The Company coordinates this planning and budgeting process with its financing activities through the capital management process described in note 15, in normal circumstances.

The Company's financial liabilities are comprised of its accounts payable, accrued liabilities, accrued restructuring liabilities, accrued restructuring liabilities due to related parties, and provisions, the contractual maturities of which are not determinable, because it depends on the outcome of the CCAA claims process.

Interest rate risk

The Company had no significant exposure, as at November 30, 2012 and August 31, 2012, to interest rate risk through its financial instruments.

17. Subsequent events

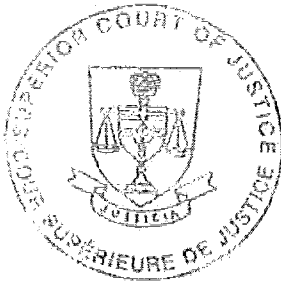
Sale of Look shares

On January 11, 2013, UBS agreed to sell 12,430 multiple voting shares and 14,630 subordinate voting shares of Look to 2092390 Ontario Inc., a corporation controlled by Mr. Andrew Kim, subject to the approval of the Court. If approved, the transaction would be for approximately half of UBS' interest in Look.

**THIS IS EXHIBIT "B" TO THE AFFIDAVIT OF
VICTOR WELLS, SWORN BEFORE ME ON
JANUARY 25, 2013**



A COMMISSIONER FOR TAKING OATHS



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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR

)

TUESDAY, THE 5TH DAY

JUSTICE WILTON-SIEGEL

)

OF JULY, 2011

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.

INITIAL ORDER

THIS APPLICATION, made by the Unique Broadband Systems, Inc. ("**UBS**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Robert Ulicki sworn 4 July 2011 and the Exhibits thereto, and on being advised that there are no secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Applicant, and on reading the consent of RSM Richter Inc. ("**Richter**" or, in its capacity as monitor, the "**Monitor**") to act as the monitor,

SERVICE

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

APPLICATION

2. **THIS COURT ORDERS AND DECLARES** that UBS and its wholly owned subsidiary UBS Wireless Services Inc. (together, the "**Applicant**") are companies to which the CCAA applies.

PLAN OF ARRANGEMENT

3. **THIS COURT ORDERS** that the Applicant shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "**Plan**").

POSSESSION OF PROPERTY AND OPERATIONS

4. **THIS COURT ORDERS** that the Applicant shall remain in possession and control of its current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"). Subject to further Order of this Court, the Applicant shall continue to carry on business in a manner consistent with the preservation of its business (the "**Business**") and Property. The Applicant shall be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively "**Assistants**") currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

5. **THIS COURT ORDERS** that the Applicant shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:
- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and
 - (b) the fees and disbursements of any Assistants retained or employed by the Applicant in respect of these proceedings, at their standard rates and charges.
6. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the Applicant shall be entitled but not required to pay all reasonable expenses incurred by the Applicant in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:
- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and
 - (b) payment for goods or services actually supplied to the Applicant following the date of this Order.
7. **THIS COURT ORDERS** that the Applicant shall remit, in accordance with legal requirements, or pay:
- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;

- (b) all goods and services or other applicable sales taxes (collectively, "Sales Taxes") required to be remitted by the Applicant in connection with the sale of goods and services by the Applicant, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and
 - (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicant.
8. **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the Applicant shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Applicant and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order, twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.
9. **THIS COURT ORDERS** that, except as specifically permitted herein, the Applicant is hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicant to any of its creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

10. **THIS COURT ORDERS** that the Applicant shall provide each of the relevant landlords with notice of the Applicant'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 Applicant'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 Applicant, or by further Order of this Court upon application by the Applicant on at least two (2) days notice to such landlord and any such secured creditors. If the Applicant disclaims the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the Applicant's claim to the fixtures in dispute.
11. **THIS COURT ORDERS** that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicant and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicant in respect of such lease or leased premises and such landlord shall be entitled to notify the Applicant of the basis on which it is taking possession and to gain possession of and re-lease such leased premises to any third party or parties on such terms as such landlord considers advisable, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE APPLICANT OR THE PROPERTY

12. **THIS COURT ORDERS** that until and including 4 August 2011, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Applicant or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicant and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicant or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

13. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the Applicant or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicant and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicant to carry on any business which the Applicant is not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (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 RIGHTS

14. **THIS COURT ORDERS** that during the Stay Period, 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 Applicant, except with the written consent of the Applicant and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

15. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Applicant 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 Business or the Applicant, 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 Applicant, and that the Applicant shall be entitled to the continued use of its current premises, 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 Applicant in accordance with normal payment practices of the Applicant or such other practices as may be agreed upon by the supplier or service provider and each of the Applicant and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

16. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicant. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

17. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicant with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicant whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicant, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicant or this Court.

APPOINTMENT OF MONITOR

18. **THIS COURT ORDERS** that Richter is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicant with the powers and obligations set out in the CCAA or set forth herein and that the Applicant and its shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicant pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.
19. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:
- (a) monitor the Applicant's receipts and disbursements;
 - (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;

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- (c) advise the Applicant in its preparation of the Applicant's cash flow statements;
 - (d) advise the Applicant in its development of the Plan and any amendments to the Plan;
 - (e) assist the Applicant, to the extent required by the Applicant, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
 - (f) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicant, to the extent that is necessary to adequately assess the Applicant's business and financial affairs or to perform its duties arising under this Order;
 - (g) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
 - (h) perform such other duties as are required by this Order or by this Court from time to time.
20. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.
21. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor 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 Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor’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.

22. **THIS COURT ORDERS** that that the Monitor shall provide any creditor [or shareholder] of the Applicant with information provided by the Applicant in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicant is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicant may agree.
23. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.
24. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the Applicant shall be paid their reasonable fees and disbursements, in each

case at their standard rates and charges, by the Applicant as part of the costs of these proceedings. The Applicant is hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicant on a bi-weekly basis.

25. **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.
26. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, if any, and the Applicant's counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$750,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 28.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

27. **THIS COURT ORDERS** that the filing, registration or perfection of the Administration Charge shall not be required, and that the Administration Charge shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Administration Charge coming into existence, notwithstanding any such failure to file, register, record or perfect.
28. **THIS COURT ORDERS** that the Administration Charge shall constitute a charge on the Property and the Administration Charge shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person.

29. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicant shall not grant or cause to be granted any Encumbrances that rank in priority to, or *pari passu* with, the Administration Charge unless the Applicant also obtains the prior written consent of the Monitor, and the beneficiaries of the Administration Charge (the "Chargees"), or further Order of this Court.
30. **THIS COURT ORDERS** that the Administration Charge shall not be rendered invalid or unenforceable and the rights and remedies of the Chargees entitled to the benefit of the Administration Charge shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "Agreement") which binds the Applicant, and notwithstanding any provision to the contrary in any Agreement:
- (a) neither the creation of the Administration Charge shall create or be deemed to constitute a breach by the Applicant of any Agreement to which it is a party;
 - (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Administration Charge; and
 - (c) the payments made by the Applicant pursuant to this Order, and the granting of the Administration Charge, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive

conduct, or other challengeable or voidable transactions under any applicable law.

31. **THIS COURT ORDERS** that any Administration Charge created by this Order over leases of real property in Canada shall only be a Administration Charge in the Applicant's interest in such real property leases.

SERVICE AND NOTICE

32. **THIS COURT ORDERS** that the Monitor shall (a) without delay, publish in *The Globe & Mail* a notice containing the information prescribed under the CCAA, (b) within five days after the date of this Order, (i) make this Order publicly available in the manner prescribed under the CCAA, (ii) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicant of more than \$1,000, and (c) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.
33. **THIS COURT ORDERS** that the Applicant and the Monitor be at liberty to serve 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 electronic transmission to the Applicant's creditors or other interested parties at their respective addresses as last shown on the records of the Applicant and that any such service or notice by courier, personal delivery or electronic 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.
34. **THIS COURT ORDERS** that the Applicant, the Monitor, and any party who has filed a Notice of Appearance may serve any court materials in these proceedings by e-mailing a PDF or other electronic copy of such materials to counsels' email

addresses as recorded on the Service List from time to time, and the Monitor may post a copy of any or all such materials on its website at www.rsmrichter.com.

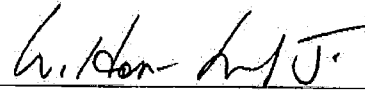
GENERAL

35. **THIS COURT ORDERS** that the Applicant or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
36. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicant, the Business or the Property.
37. **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 Applicant, the Monitor 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 to the Applicant and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicant and the Monitor and their respective agents in carrying out the terms of this Order.
38. **THIS COURT ORDERS** that each of the Applicant and the Monitor 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 Monitor 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.
39. **THIS COURT ORDERS** that any interested party (including the Applicant and the Monitor) may apply to this Court to vary or amend this Order on not less than

*(set aside,
AWJ)*

seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

40. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.



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ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

JUL 05 2011

PER/PAR:



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 THE A PLAN OF COMPROMISE OR ARRANGEMENT OF UNIQUE BROADBAND SYSTEMS INC.
(the "Applicant")

ONTARIO

SUPERIOR COURT OF JUSTICE
(Commercial List)

(PROCEEDING COMMENCED AT TORONTO)

ORDER

GOWLING LAFLEUR HENDERSON LLP
Barristers and Solicitors
1 First Canadian Place
100 King Street West, Suite 1600
Toronto ON M5X 1G5

E. Patrick Shea
LSUC No.: 39655K
Telephone: (416) 369-7399
Facsimile: (416) 862-7661

SOLICITORS FOR THE APPLICANT

**THIS IS EXHIBIT "C" TO THE AFFIDAVIT OF
VICTOR WELLS, SWORN BEFORE ME ON
JANUARY 25, 2013**



A COMMISSIONER FOR TAKING OATHS

**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.

**AFFIDAVIT OF ROBERT ULICKI
(Sworn 4 July 2011)**

I, ROBERT ULICKI of the City of Toronto in the Province of Ontario **MAKE
OATH AND SAY:**

1. I am a director of Unique Broadband Systems, Inc. ("UBS") and its wholly-owned subsidiary UBS Wireless Services Inc. ("UBS Wireless"). I have been a director of both of these companies since 2010 when, as described further below, I was appointed at a special meeting of UBS's shareholders to replace the existing directors of the company. I am also the portfolio manager and owner of Clareste Wealth Management Inc. ("CWM"). CWM manages Clareste LP, which owns approximately 1% of the issued and outstanding shares of UBS – 1.233 million shares¹.
2. I have personal knowledge of the matters herein deposed, save and except where I refer to matters based on information and belief, in which cases I identify the source(s) of that information and believe it to be true. I have also reviewed relevant records, press releases and public filings as necessary, and rely on the information contained in those records, press releases, etc. and believe that information to be true.

¹ The other members of UBS's Board of Directors, together, own or control a further approximately 200,000 UBS shares.

3. This affidavit is being sworn in support of a motion being brought by UBS seeking an Initial Order under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c.C-36 (the "CCAA"). UBS will be seeking an Initial Order under the CCAA that is substantially in the form of the draft Order attached as Schedule "C" to the Factum dated 4 July 2011.
4. UBS and UBS Wireless are both insolvent and are seeking to commence proceedings under the CCAA to, *inter alia*:
 - (a) facilitate the determination and compromise or arrangement of creditor claims against UBS to permit the company to propose a plan to realize value from the company's assets, including its shareholdings in LOOK Communications Inc. ("LOOK"), and its accumulated tax losses and public listing;
 - (b) avert an imminent liquidity crisis being caused by litigation-related expenses that will prevent UBS from: (i) continuing to carry on business for the benefit of its stakeholders; (ii) defending certain proceedings brought against the company; and (iii) prosecuting claims commenced by UBS; and
 - (c) provide a process to determine certain claims being asserted against UBS asserted by certain former directors and officers on their merits.
5. But for the commencement of proceeding under the CCAA, UBS will not be able to continue and will likely be forced into a liquidating proceeding. This will not be in the best interests of UBS's stakeholders.

I. UBS and UBS Wireless

6. UBS is a company incorporated pursuant to the *Business Corporation Act*, R.S.O. 1990, c. B.16 ("OBCA") and its registered head office is located in Milton,

Ontario. UBS's shares are listed on the TSX Venture Exchange under the symbol "UBS". A Company Profile from SEDAR and a Corporate Profile Report for UBS are attached and marked as **Exhibit "A"**.

7. UBS owns all of the issued and outstanding shares of UBS Wireless. UBS Wireless is a company incorporated pursuant to the OBCA and its registered office is in Milton, Ontario. A Corporate Profile Report for UBS Wireless is attached and marked as **Exhibit "B"**.
8. UBS was, until October of 2003, a designer, developer and manufacturer of high-speed mobile and fixed wireless solutions.
9. In October of 2003, UBS sold all of its engineering and manufacturing business and transformed itself into a holding company when, through UBS Wireless, it acquired a controlling interest in LOOK. UBS acquired its interest in LOOK through share transactions pursuant to which UBS purchased shares of LOOK and the acquisition by UBS Wireless of 7% secured convertible debentures issued by LOOK (the "**LOOK Debentures**") that gave UBS, through UBS Wireless, a 51.8% interest in LOOK.
10. UBS Wireless did not convert its outstanding LOOK Debentures by the final date for conversion following the announcement by LOOK that it intended to redeem all outstanding debentures. Accordingly, in May of 2010, the LOOK Debentures held by UBS Wireless were redeemed by LOOK. As a result of this conversion, from 25 May 2010, UBS Wireless has had a non-controlling 37.6% voting interest and a 39.2% economic interest in LOOK.
11. UBS Wireless is a single purpose entity that holds shares in LOOK.
12. In addition to me, the Board of Directors of UBS and UBS Wireless consists of Mr. Henry Eaton and Mr. Grant McCutcheon.

13. The offices of UBS and UBS Wireless are located at 8250 Lawson Road in Milton, Ontario ("**8250 Lawson**"). Until recently, LOOK owned 8250 Lawson. The property has, however, been sold. UBS and UBS Wireless will be vacating the 8250 Lawson in the near future.
14. UBS has two (2) full-time employees and retains two (2) people on a contract basis. UBS does not have any pension plans for its employees.
15. UBS is current with respect to all required employee source deductions and other remittances.
16. UBS Wireless has no employees and does not carry on any business that would require that it collect and remit taxes.

II. Change of UBS Management and Directors

17. On 5 July 2010, at a special meeting of shareholders requisitioned by a group of shareholders of UBS, including Clareste LP, Mr. Grant McCutcheon and Mr. Henry Eaton and I were elected to the Board of Directors of UBS to replace the existing directors of the company. True copies of the Management Information Circular and the Information Circular from the concerned shareholders in respect of the 5 July 2010 meeting are attached as **Exhibit "C"**.
18. The concerned shareholders sought to replace the UBS Board of Directors based on concerns with respect to the actions and conduct of the Board of Directors. The concerned shareholders sought to have a slate of directors appointed that would, *inter alia*, review non-arm's length transactions, recover improper compensation paid by UBS and maximize the value of UBS's remaining assets and property.

19. The replacement of the previous directors on 5 July 2010 has resulted in claims being commenced against UBS, Mr. McCutcheon, Mr. Eaton and I. This litigation, which is the reason underlying UBS's current financial difficulties, is described further below.
20. The current Board of Directors was re-elected at a meeting of UBS's shareholder held on 25 February 2011.

III. LOOK

21. LOOK is a company incorporated pursuant to the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44 and its shares trade on the TSX Venture Exchange. Mr. McCutcheon and Mr. Eaton are directors of LOOK².
22. Until 2009, LOOK was a provider of information, communications and entertainment services, including high-speed and dial-up internet access, digital television distribution and customer services through its wireless spectrum.
23. On 5 May 2009, LOOK announced the sale of its key wireless spectrum asset for \$80 million to Inukshuk, a partnership of Bell Canada ("Bell") and Rogers Communications. As a condition of the sale transaction, LOOK paid Bell \$16 million of the \$80 million to settle outstanding litigation. LOOK also incurred professional fees of approximately \$8 million. Accordingly, the net proceeds to LOOK from the sale of its key asset were \$56 million. Of this amount, LOOK paid approximately \$17.4 million – approximately 31% – to LOOK's senior management and directors as "restructuring awards". These "restructuring awards" are in addition to the "restructuring awards" awarded by UBS and described further below.

²

I was a director of LOOK, but resigned on 29 October 2010.

24. Since May of 2009 LOOK has been seeking to: (a) preserve its capital; (b) maximize value on its remaining assets; and (c) assess available options for maximizing returns to shareholders. LOOK has also undertaken an investigation into the facts and circumstances surrounding the restructuring awards paid from the net amounts realized on the transaction with Inukshuk. LOOK anticipates that proceedings will be commenced to recover these restructuring awards in or about the first week of July 2011.
25. Since 2009, LOOK has continued to pursue opportunities to realize the value of its remaining material non-cash assets. On 17 March 2011, LOOK announced that it had entered into an agreement to sell 8250 Lawson for aggregate consideration of \$3.050 million. That transaction has closed. LOOK is continuing to explore how it can realize value from LOOK's accumulated tax losses and the company's public listing.
26. UBS plays a key role in the management of LOOK. Pursuant to an Agreement between UBS and LOOK dated 19 May 2004 and amended pursuant to an Amending Agreement dated 3 December 2010 (the "MSA"), UBS provides certain services to LOOK. Those services include providing a person to perform the duties typically performed by, and assume the responsibilities typically assumed by, a chief executive officer (the "CEO Services") – essentially LOOK's management is provided to the company by UBS. A true copy of the MSA is attached as **Exhibit "D"**.
27. In 2007 UBS received a payment of \$2.4 million from LOOK as an advance. UBS applied its monthly fees under the MSA against this advance and LOOK "replenished" the prepayment until 2010. LOOK stopped replenishing the prepayment in December of 2010 because the MSA was amended and the \$2.4 million prepayment is sufficient to satisfy the amounts that will be owing by LOOK to UBS for the remaining term of the MSA. As a result, UBS has not received any cash payments from LOOK since January of 2011. UBS will "draw

down" on the \$2.4 million advance it received from LOOK and record this as income for accounting purposes.

28. The MSA currently expires on 19 May 2012.
29. During the course of the CCAA proceedings, UBS intends to continue to perform its obligations under the MSA. The services provided by UBS to LOOK are important to LOOK's going-forward strategy and, given UBS Wireless's interest in LOOK, maximizing the value of LOOK's remaining assets is also vitally important to UBS and its stakeholders.

IV. UBS Wireless's Creditors

30. UBS Wireless has no secured creditors. UBS Wireless owes UBS approximately \$13 million. An analysis of this inter-company account is attached as **Exhibit "E"**.

V. UBS's Creditors

A. Secured Creditors -- \$0

31. UBS has a corporate credit card with a \$50,000 limit. This credit card is secured with a \$50,000 cash deposit. The amount owing on the credit card fluctuates, but UBS typically pays the outstanding balance owing each month.
32. Aside from the issuer of the corporate credit card, UBS does not have any creditors with security over the company's assets and property, although a Personal Property Security Registry search conducted in respect of UBS indicates that a number of registrations have been made against UBS. Attached as **Exhibit "F"** is a PPSA Search report in respect of UBS.

33. The Toronto-Dominion Bank ("TD") registered a security interest against UBS on 12 January 2006. TD registered a second security interest against UBS on 20 May 2008. I am not aware of UBS owing any money or obligations to TD.
34. Business Development Bank of Canada ("BDC") also registered a security interest against UBS on 12 January 2006. I am not aware of UBS owing any money or other obligations to BDC.
35. On 28 May 2007, Lease-Win Limited ("Lease-Win") registered a security interest against UBS asserting a security interest in a 2004 GMC Savana 3500 van. That registration was renewed on 17 June 2011. UBS does not have possession of any vehicles and I am not aware of the company making any lease or other payments to Lease-Win or any other person in respect of a vehicle.

B. Unsecured Claims

36. The unsecured claims being asserted against UBS exceed \$5.0 million. UBS's consolidated financial statements for the periods ending 28 February 2011 reflect liabilities of approximately \$6.5 million.
37. There are also other claims against UBS that are not reflected in the consolidated financial statements. There are disputes with respect to the validity of some of these claims as detailed further below.

i. Former Landlord Claim – \$150,000

38. In 2005, UBS agreed to settle an action initiated by its former landlord with respect to certain repairs to premises under a lease entered into between the parties in 1999. Under the terms of the settlement, in exchange for a full and final release, UBS agreed to pay the plaintiff damages of \$600,000 in two installments with \$450,000 payable immediately and \$150,000 payable on 15 January 2012. A third party, against whom UBS had filed a third party claim for indemnification

of certain damages, is also a party to the settlement arrangements and paid \$85,000 to UBS.

ii. UBS Restructuring Awards – \$3.9 million³

39. Effective 31 May 2009, UBS awarded “restructuring awards” (the “**UBS Restructuring Awards**”) totaling \$5.71 million to all of the directors and the senior management of the company. The UBS Restructuring Awards are independent of the “restructuring awards” paid by LOOK and described above.
40. The UBS Restructuring Awards are reflected on UBS’s financial statements as obligations owing by the company. They are, however, payable by UBS only when the company has sufficient liquidity and UBS has never had cash available to pay the UBS Restructuring Awards.
41. UBS has reached agreements with certain officers and directors to “reverse” certain of the UBS Restructuring Awards “awarded” in their favour. In August of 2010, a former director waived his claim to any UBS Restructuring Award. In January of 2011, UBS reached a settlement with the former CFO of UBS pursuant to which he agreed to the substantial reversal of his UBS Restructuring Award. And in February of 2011 UBS reached a settlement with a former director of UBS that included the reversal of the UBS Restructuring Award granted to him.
42. As set forth further below, UBS is taking proceedings to reverse the remaining UBS Restructuring Awards.
43. Approximately \$3.9 million of UBS Restructuring Awards remain on UBS’s balance sheet.

³ The UBS Restructuring Awards are more fully described in the companies’ consolidated financial statements. See, for example, page 15 of the consolidated financial statements for the periods ending 28 February 2011.

iii. **Litigation – \$16.1 million⁴**

44. UBS is currently involved in litigation commenced by former directors and senior management of UBS, and companies related to those persons (the “**Litigation**”). The total amount claimed against UBS in the Litigation is \$16.1 million. UBS is defending the Litigation and believes it has a good defence on the merits.
45. As mentioned above, at a special meeting of shareholders requisitioned by a group of UBS shareholders on 5 July 2010, Mr. McCutcheon, Mr. Eaton and I were elected to the Board of Directors of UBS to replace the slate of three directors put forward by UBS.
46. Following the 5 July 2010 meeting, counsel to Jolian Investments Limited (“**Jolian**”), a company controlled by Mr. Gerald McGoey, the former CEO and one of the former directors of UBS that was not elected at the meeting, wrote UBS on or about 5 July 2010 enclosing notice from Mr. McGoey and Jolian that, in their view, a “company default” and “termination without cause” of an agreement with Jolian had occurred thereby requiring payment of \$8.6 million from UBS and payment of the UBS Restructuring Award.
47. Pursuant to a Statement of Claim dated 12 July 2010, Jolian commenced an action (the “**Jolian Action**”) against UBS seeking \$8.6 million and payment of the UBS Restructuring Award. UBS has defended the Jolian Action.
48. After the conclusion of the special meeting of shareholders held on 5 July 2010, DOL Technologies Inc. (“**DOL**”), a company controlled by Mr. Alex Dolgonos, gave written notice to UBS that it was terminating an agreement with UBS for “good reason” as a result of an alleged change in control of UBS. The letter demanded payment of \$7.6 million from UBS and payment of the UBS

⁴ The Litigation is more fully described in the audited consolidated financial statements for the period ending 31 August 2010.

Restructuring Award. Mr. Dolgonos is the former head of technology for UBS and indirectly holds 19.9% of the issued and outstanding common shares of UBS.

49. Pursuant to a Statement of Claim issued 12 July 2010, DOL commenced an action (the "DOL Action" and, together with the Jolian Action, the "Litigation") against UBS seeking to recover approximately \$7.6 million from UBS and payment of the UBS Restructuring Award. UBS has defended the DOL Action.
50. As detailed further below, Mr. Dolgonos has indicated his intention to make a partial take-over bid for the shares of UBS and a company controlled by him has commenced the Oppression Action against UBS and the directors of UBS.
51. As part of the Litigation, UBS has initiated claims to reverse the UBS Restructuring Awards payable to former directors and senior management of UBS.
52. Now produced and shown to me are two bound volumes each entitled "Pleadings Brief" containing the pleadings from the Litigation. Pleadings in the Litigation have closed, but the parties have not yet delivered affidavits of documents.
53. The cost of the Litigation is, as set forth below, causing a serious strain on UBS's cash flow. The costs of the Litigation are such that UBS believes that it will not be able to fund the Litigation through to a determination on the merits. If UBS is not able to continue to fund the defence of the Litigation (and the prosecution of the counterclaims), the matter will not be determined on its merits and this will result in prejudice to UBS's other stakeholders. The amount being claimed against UBS in the Litigation is more than the total value of UBS's assets and will "swamp" the claims of UBS's other creditors.

iv. Oppression Action – > \$900,000

54. Pursuant to a Statement of Claim issued on 22 December 2010, 2064818 Ontario Inc. ("**2064 Ontario**"), a company controlled by Mr. Dolgonos, commenced an action against UBS, Mr. McCutcheon, Mr. Eaton and me (the "**Oppression Action**"). The Oppression Action seeks, *inter alia*, at least \$900,000 in damages against UBS and UBS's current directors.
55. A Statement of Defence in the Oppression Action was delivered on or about 8 February 2011.
56. Now produced and shown to me is a bound volume entitled "Oppression Remedy Pleadings" containing the pleadings in the Oppression Action.

v. Indemnification Claims – Unknown

57. On 27 April 2011, a motion was heard with respect to the obligation of UBS to pay the legal and other costs being incurred by the plaintiffs in the Litigation (the "**Plaintiffs**"). The Plaintiffs asserted rights to be indemnified by UBS arising under certain agreements with UBS and UBS's corporate by-laws.
58. Pursuant to a decision dated 30 May 2011, Mr. Justice Marrocco ordered that UBS had an obligation to pay the past and future legal costs of the Plaintiffs as well as the legal expenses in the Litigation on an ongoing basis. Based on information provided by counsel UBS estimates that, as of 27 April 2011, the legal expenses payable are not less than \$750,000, and are likely considerably more.
59. A true copy of Mr. Justice Marrocco's decision from 30 May 2011 as well as a true copy of His Honour's Order dated 27 April 2011 are attached as **Exhibit "G"**.

60. On 30 June 2011, UBS served a Notice of Appeal seeking to appeal the 27 April 2011 Order. A true copy of this Notice of Appeal is attached as **Exhibit "H"**.
61. UBS has, subject to certain conditions and limitations, certain contractual and bylaw-related obligations to indemnify other current and former directors, including Mr. Peter Minaki. Mr. Minaki has requested indemnification in respect of approximately \$92,000 in professional fees and expenses. The current directors may have a claim against UBS for the costs incurred in defending claims that have been commenced against them, as described further below.
62. Based on the company's current cash situation, UBS is not able to pay these indemnification obligations without causing UBS Wireless to sell shares of LOOK and pay the proceeds up to UBS.

vi. Other Claims – Unknown

63. In the event that UBS is forced to file for bankruptcy, certain claims will arise in favour of UBS's employees. For example, the employment agreement between Mr. McCutcheon and UBS provides that Mr. McCutcheon is entitled to receive a lump sum payment of \$150,000 in the event that he is terminated other than for cause.
64. Mr. Fraser Elliot, the chief financial officer of UBS, has an employment contract pursuant to which he is entitled to six (6) months' pay in the event that his employment is terminated without cause. UBS engages the services of two (2) consultants whose agreement with UBS provides that they are entitled to receive, respectively, six (6) months' and three (3) months' pay in that event that their agreements are terminated without cause.

VI. UBS Wireless's Assets

65. UBS Wireless's only significant assets are shares of LOOK⁵. The LOOK shares were reflected at \$11,757 on UBS's consolidated financial statements for the periods ending 28 February 2011. The realizable value of the UBS Wireless's interest in LOOK depends on various factors including the price at which LOOK shares are trading and the value of LOOK's assets and property⁶.
66. Until May of 2010, UBS Wireless also owned LOOK Debentures.
67. On 22 April 2010 LOOK announced that it would redeem all of the outstanding LOOK Debentures for cash on 25 May 2010. UBS Wireless did not elect to convert its LOOK Debentures and the LOOK Debentures held by UBS Wireless, were redeemed by LOOK. The redemption of the LOOK Debentures has meant that UBS Wireless has had no source of revenue to pay its obligations since May of 2010.

VII. UBS's Assets

68. UBS's assets consist of:
 - (a) cash on hand of approximately C\$265,758 and US\$15,942 (as at 30 June 2011);
 - (b) a short-term investment (cash equivalent) of \$800,000;
 - (c) inter-company receivable owing by UBS Wireless;

⁵ UBS Wireless has a small amount of accumulated tax losses, small shareholdings worth approximately \$11,000 and about \$11,000 in cash.

⁶ LOOK shares are thinly traded. As set forth above, UBS manages LOOK and is working to maximize the value of LOOK's remaining assets.

- (d) all of the issued and outstanding shares of UBS Wireless;
 - (e) accumulated tax losses; and
 - (f) the company's public listing.
69. UBS Wireless owes UBS approximately \$13 million. A summary of the intercompany account between UBS and UBS Wireless is attached as Exhibit E. As set forth above, UBS Wireless's only assets are shares of LOOK.
70. There is no market value for the shares of UBS Wireless, but UBS Wireless owns shares of LOOK.
71. UBS has approximately \$11.4 million in non-capital income tax losses and approximately \$22.55 million in capital tax losses⁷.
72. UBS is, with its legal advisors, at the initial stages of exploring options to realize value from the accumulated tax losses and the company's public listing. To realize value from the accumulated tax losses and the public listing, however, UBS will have to complete a transaction that will involve the shares of UBS. I am advised by Mr. Patrick Shea of Gowling Lafleur Henderson LLP ("Gowlings") that a party acquiring an interest in UBS for the purpose of realizing value from the company's tax losses and/or the public listing will likely require that UBS make a plan to its creditors or otherwise provide assurances with respect to the claims against UBS. A bankruptcy, receivership or winding-up in respect of UBS will make it more difficult for UBS to realize value from the tax losses and the company's public listing.

VIII. UBS Wireless Cannot Satisfy Inter-Company Debt

73. UBS Wireless is insolvent. The realizable value of its only major assets – the LOOK shares – is not sufficient to pay the inter-company obligation owing to UBS.
74. UBS Wireless is required to pay a \$20,000 monthly management fee to UBS, but UBS Wireless has, since LOOK redeemed UBS Wireless's LOOK Debentures in May of 2010, had no source of revenue and has stopped paying management fees to UBS.

IX. UBS's Liquidity

75. UBS's only notional revenue is derived from the MSA, but, as set forth above, UBS receives no cash from LOOK as a result of the fact that LOOK pre-paid UBS for the services now being provided pursuant to the MSA.
76. UBS's consolidated financial statements include the following caution:

UBS has incurred operating losses and negative cash flows from operations in recent years and, as at February 28, 2011, had a working capital deficiency of \$3.1 million. There is significant doubt about UBS' use of the going concern assumption because UBS has a working capital deficiency of \$3,986 as at August 31, 2010. Furthermore, there is uncertainty regarding the timing and the quantum of cash distributions by Look to its shareholders, including UBS, and the outcomes of certain recent litigation (note 18). UBS will need to raise cash and/or monetize assets, and/or receive cash distributions from Look and/or reduce its outstanding commitments in order to meet the needs of its existing operations and commitments giving rise to doubt about UBS' use of the going concern assumption....

77. UBS has developed a cash flow projection for the period to May of 2012. A true copy of that cash flow projection is attached as **Exhibit "I"**⁸.
78. Based on the attached cash flow projection, it is apparent that the litigation-related costs incurred and to be incurred by UBS are causing (and will continue to cause) a significant drain on UBS's cash resources – UBS does not, for example, have the cash resources to pay the indemnification-related obligations as per Mr. Justice Marrocco's Order of 27 April 2011 or its own professionals.
79. If a proceeding under the CCAA in respect of UBS and UBS Wireless is not commenced now; (a) UBS will rapidly run out of cash resources and the companies will be forced into an insolvency proceeding in a few months and, in the absence of cash, this is likely to be a liquidation; or (b) UBS Wireless will have to begin to sell large volumes of LOOK shares to fund the defence of the Litigation and the Oppression Action and the prosecution of UBS's counterclaims⁹.
80. UBS also believes that a CCAA claims process will facilitate the determination of the claims asserted against UBS in the Litigation and the Oppression Action in a more cost-effective and expedient manner for the benefit of UBS's stakeholders.
81. The cost of the CCAA proceedings will not be insignificant, but commencing the proceedings at this stage, while UBS still has cash resources to fund the process without having to immediately sell large volumes of LOOK shares, is in the best interests of UBS stakeholders. The fact that UBS still has cash on hand will reduce the need to sell LOOK shares to finance the process and the determination of the Litigation and the Oppression Action on their merits in a claims process adopted pursuant to the CCAA.

⁸ UBS and UBS Wireless have also prepared a cash flow for the purposes of the CCAA proceedings. That cash flow is being filed separately along with the report required by the CCAA.

⁹ UBS Wireless may still be required to sell LOOK shares to fund the CCAA process, but any such sale(s) will take place under the supervision of the Monitor and the Court – there will be transparency. A urgent sale of large volumes of LOOK shares will likely result in a adverse impact on price and, as a result, the value of UBS Wireless's holdings.

82. I note that:

- (a) if the Litigation and/or the Oppression Action results in a judgment against UBS in the amount being claimed, either because UBS's defence on the merits is not successful or UBS is forced to abandon its defence of the proceedings for financial reasons, UBS will be forced into an insolvency proceeding – the amounts being claimed against UBS, without regard to the other claims against UBS, are more than the realizable value of UBS's assets; and
- (b) if UBS's defence of the Litigation and the Oppression Action is successful, a proceeding under the CCAA will still likely be required in order for UBS to realize any value from the company's tax losses and/or public listing.

X. Plan of Compromise or Arrangement

- 83. The structure of the plan ultimately filed by UBS and UBS Wireless will depend, to a large degree, on the proven claims against the company.
- 84. If, for example, the Litigation is determined in UBS's favour, the plan filed by UBS and UBS Wireless will likely provide for an arrangement of the claims against the company – payment of the claim in full through a transaction or transactions involving the sale of UBS Wireless's interest in LOOK and/or the proceeds from a transaction to realize the value of the accumulated tax losses or the company's public listing.
- 85. Any CCAA plan of compromise or arrangement proposed by UBS will likely have to involve an arrangement or reorganization under the OBCA.

XI. Claims Against Directors

86. In the Oppression Action, 2064 Ontario alleges, *inter alia*, that: (a) Mr. McCutcheon, Mr. Eaton and I have exercised our powers as directors of UBS in a manner that is oppressive, unfairly prejudicial and unfairly disregards the interests of UBS shareholders; and (b) we have failed to act honestly and in good faith with a view to the best interests of UBS. As a remedy, 2064 Ontario seeks, *inter alia*, to have the current directors of UBS removed from office.
87. UBS is requesting that claims against the directors, including those made in the Oppression Action, be stayed while UBS develops a plan of compromise or arrangement under the CCAA. This will enable Mr. McCutcheon, Mr. Eaton and I to focus on the restructuring of UBS.

XII. Partial Take-Over Bid

88. On 3 June 2011, UBS received a letter from Wildeboer Dellelce LLP indicating that Mr. Dolgonos, or a corporation or corporations controlled by him, intended to make a partial take-over bid for the shares of UBS¹⁰. A true copy of this letter is attached as **Exhibit "J"**.
89. If this partial take-over bid is made, it may result in a change of control of UBS. This could result in Mr. Dolgonos, or a company or companies controlled by him, determining whether UBS continues to defend the Litigation and the Oppression Action.

¹⁰ Mr. McCutcheon's employment agreement with UBS provides that he is entitled to a lump sum payment of \$200,000 in the event of a change of control.

XIII. Monitor

90. RSM Richter Inc. (the "**Monitor**") has agreed to act as the monitor of UBS in these proceedings.

XIV. Administration Charge

91. UBS is seeking a first-ranking charge on the assets and property of UBS and UBS Wireless to secure the fees and expenses for its own counsel, the Monitor and the Monitor's counsel (the "**Administration Charge**"). The Administration Charge will rank ahead of any and all existing security interest, charges, trusts, etc. over UBS's and UBS Wireless's assets and property. As set forth above: (a) the companies do not have any secured creditors whose interests will be impacted by the Administration Charge; (b) there are no outstanding source deductions or tax remittances owing by the companies; and (c) neither of the companies UBS has any pensions plans for its employees.
92. The Administration Charge will provide UBS with some liquidity to fund these proceedings and will reduce the need to immediately sell LOOK shares. The Administration Charge allows the professionals to provide services on a secured basis without requiring immediate cash payments, which will assist UBS to address its litigation and restructuring efforts.
93. UBS has paid a \$50,000 retainer to Richter, a \$50,000 retainer to Richter's counsel and a \$100,000 retainer to UBS's counsel Gowlings.

XV. Claims Procedure

94. Assuming the Initial Order is made, UBS will be returning to Court to implement a claim procedure to identify and/or resolve claims against UBS. I believe that a claims process under the CCAA will allow the parties to more expediently and efficiently resolve the Litigation and the Oppression Action on their merits so as to permit UBS to file a plan of compromise or arrangement that will be in the best interest of all stakeholders.
95. UBS anticipates that this claims procedure, which will be developed in consultation with the Monitor, will facilitate the determination of the claims against UBS on their merits in more expeditious and less costly fashion. This will be for the benefit of all of UBS's stakeholders.

XVI. Financial Statements

96. Now produced and shown to me is a bound volume entitled "UBS Financial Statements" containing the following consolidated financial statements for UBS and UBS Wireless:
- (a) Interim Unaudited Financial Statements for the three and six months ended 28 February 2011 and 2010 and related Management Discussion and Analysis;
 - (b) Consolidated Financial Statements for the three months ended 30 November 2010 and 2009 and related Management Discussion and Analysis; and
 - (c) Consolidated Financial Statements for the years ending 31 August 2010 and 2009 and related Management Discussion and Analysis.

97. The financial statements in the UBS Financial Statements volume are the financial statements prepared by UBS for during the 12 month period prior to this Application.

SWORN before me at the City of Toronto
in the Province of Ontario,
this 4th day of July 2011

Commissioner for Taking Affidavits or Notary

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ROBERT ULICKI

**THIS IS EXHIBIT "D" TO THE AFFIDAVIT OF
VICTOR WELLS, SWORN BEFORE ME ON
JANUARY 25, 2013**



A COMMISSIONER FOR TAKING OATHS

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**THE HONOURABLE MR.
JUSTICE WILTON-SIEGEL**

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**THURSDAY, THE 4TH DAY
OF AUGUST, 2011**



**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.**

FIRST EXTENSION

AND

CLAIMS BAR PROCEDURE ORDER

THIS MOTION, made by Unique Broadband Systems, Inc. ("UBS") and UBS Wireless Services Inc. ("UBSW" and, together with UBS, the "Applicants"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Robert Ulicki sworn 22 July 2011 and the Exhibits thereto and the First Report of RSM Richter Inc. (the "Monitor") in its capacity as Monitor of UBS and UBSW,

SERVICE

- [1] **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

EXTENSION OF STAY

- [2] **THIS COURT ORDERS AND DECLARES** that the Stay Period (as defined in the Initial Order dated 5 July 2011) be and is hereby extended to 31 October 2011.

DEFINITIONS

- [3] **THIS COURT ORDERS** that the following terms in this Order shall, unless otherwise indicated, have the following meanings ascribed thereto:
- a) **"Business Day"** means a day, other than a Saturday, a Sunday, or a day when banks are not open for business in the Province of Ontario;
 - b) **"CCAA Proceedings"** means the proceedings in respect of the UBS and UBSW before the Court commenced pursuant to the CCAA;
 - c) **"Claim"** means any right or claim of any Person against any of the Applicants in connection with any indebtedness, liability or obligation of any kind whatsoever of any of the Applicants, owed to such Person and any interest accrued thereon or costs payable in respect thereof, whether reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, together with any other claims of any kind that, if unsecured, would have
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been claims provable in bankruptcy had the Applicants become bankrupt on the Determination Date;

- d) **"Claims Bar Date"** means 19 September 2011 at 1700 Eastern Time;
- e) **"Claims Officer"** means the individual(s) appointed as claims officer(s) pursuant to paragraph [11] of this Order;
- f) **"Claims Package"** means the document package which shall include the Notice to Creditors, the Proof of Claim Form and the Creditors' Instructions;
- g) **"Court"** means the Ontario Superior Court of Justice (Commercial List);
- h) **"Creditor"** means any Person having a Claim and may, where the context requires, include the assignee of a Claim or a trustee, interim receiver, receiver, receiver and manager, or other Person acting on behalf of such Person.
- i) **"Creditors' Instructions"** means an instruction letter substantially in the form attached hereto as **Schedule "A"** regarding the completion of a Proof of Claim Form;
- j) **"Creditors' List"** means the list of Creditors prepared in accordance with s. 23(1) of the CCAA;
- k) **"Determination Date"** means 5 July 2011;
- l) **"Dispute Package"** means, with respect to any Claim, a copy of the related Proof of Claim Form, Notice of Revision or Disallowance and Notice of Dispute;
- m) **"Disputed Claim"** means a Claim in respect of which a Notice of Dispute has been delivered.

- n) **"Initial Order"** means the order of this Court made under the CCAA on 5 July 2011, as amended and/or restated from time to time thereafter;
- o) **"Known Creditor"** means the Creditors listed on the Creditors' List;
- p) **"Notice of Dispute"** means the notice that may be delivered by a Creditor who has received a Notice of Revision or Disallowance disputing such Notice of Revision or Disallowance, which notice shall be substantially in the form attached hereto as **Schedule "B"**;
- q) **"Notice of Revision or Disallowance"** means the notice advising a Creditor that the Monitor has revised or rejected all or part of such Creditor's Claim set out in its Proof of Claim Form and setting out the reasons for such revision or disallowance, which notice shall be substantially in the form attached hereto as **Schedule "C"**;
- r) **"Notice to Creditors"** means the notice substantially in the form attached hereto as **Schedule "D"**;
- s) **"Person"** means any individual, partnership, firm, joint venture, trust, entity, corporation, limited or unlimited liability company, body corporate, unincorporated association or organization, governmental body or agency, or similar entity, howsoever designated or constituted and any individual or other entity owned or controlled by or which is the agent of any of the foregoing;
- t) **"Plan"** means a plan of compromise or arrangement filed or to be filed by one or more of the Applicants pursuant to the CCAA, as such plan may be amended or supplemented from time to time;
- u) **"Proof of Claim Form"** means the form to be completed and filed by a Creditor setting forth its purported Claim, which Proof of Claim Form shall be substantially in the form attached hereto as **Schedule "E"**;

- v) **"Proven Claim"** means the amount of any Claim of any Creditor as of the Determination Date, filed and determined in accordance with the provisions of the CCAA and this Order;
- w) **"Publication Date"** means the date on which the publication of the Newspaper Notice in accordance with this Order has been completed.

NOTICE OF CLAIMS

- [4] **THIS COURT ORDERS** that the Monitor shall cause the Notice to Creditors to be placed in *The Globe & Mail* (National Edition) as soon as possible following the issuance of this Order, but in any event no later than 15 August 2011.
- [5] **ORDERS** that the Monitor shall send a copy of the Claims Package to each Known Creditor at the last known address for each Known Creditor by no later than 15 August 2011.
- [6] **THIS COURT ORDERS** that the Monitor shall cause a copy of the Claims Package to be sent to any Person requesting a Claims Package.
- [7] **THIS COURT ORDERS** that the publication of the Notice to Creditors, the posting of the Claims Package on the Monitor's website and the mailing of the Claims Package to the Known Creditors as well as to any other Person requesting such material in accordance with the requirements of this Order shall constitute good and sufficient service and delivery of notice of this Order and the Claims Bar Date on all Persons who may be entitled to receive notice and who may wish to assert Claims and that no other notice or service need be given or made and no other document or material need be sent to or served upon any Person in respect of this Order.

FILING OF PROOFS OF CLAIM

- [8] **THIS COURT ORDERS** that every Creditor asserting a Claim against the Applicants shall complete a Proof of Claim Form and deliver it to the Monitor so that it is actually received by the Monitor by no later than the Claims Bar Date.
- [9] **THIS COURT ORDERS** that, unless otherwise authorized by this Court, any Creditor who does not file a Proof of Claim Form in respect of a Claim in accordance with this Order by the Claims Bar Date shall be forever barred from asserting such Claim against any of the Applicants and such Claim shall be forever extinguished and any holder of such Claim shall not be entitled to participate as a Creditor in the CCAA Proceedings or receive any further notice in respect of those proceedings and shall not be entitled to vote on any matter in those proceedings, including any Plan, or from advancing a Claim against the Applicants or from receiving a distribution under any Plan or otherwise from the Applicants, or the Monitor on behalf of the Applicants, in respect of such Claim.

REVIEW AND DETERMINATION OF CLAIMS

- [10] **THIS COURT ORDERS** that the following procedure shall apply where a Creditor delivers a Proof of Claim Form to the Monitor on or before the Claims Bar Date:
- a) the Monitor, together with the Applicants, shall review the Proof of Claim Form and the terms set out therein;
 - b) where the Applicants advise the Monitor that they dispute a Claim or the quantum asserted as owing by a Creditor, the Monitor shall a Notice of Revision or Disallowance to that Creditor;
 - c) a Creditor who receives a Notice of Revision or Disallowance and wishes to dispute it shall, within twenty (20) Business Days of receipt by the Creditor of the Notice of Revision or Disallowance, send a Notice of Dispute to the Monitor setting out the basis for the dispute;

- d) unless otherwise authorized by this Court, if the Creditor does not provide a Notice of Dispute to the Monitor within the time period provided for above, such Creditor shall be deemed to have accepted the value of its Claim as set out in the Notice of Revision or Disallowance;
- e) within fifteen (15) Business Days of receipt of a Notice of Dispute, the Monitor shall, after consulting with the Applicants and the applicable Creditor as to whether the matters set out in the Notice of Revision or Disallowance and the Notice of Dispute are most appropriate for determination by a Claims Officer or a Judge of the Court, the Monitor shall:
 - (i) if the Applicant and the Creditor agree that the Disputed Claim should be determined by a Claims Officer: either (A) bring a motion to have a Claims Officer appointed to determine the Disputed Claim, or (B) assign the Disputed Claim to a Claims Officer already appointed by the Court to determine Disputed Claims;
 - (ii) if the Creditor and the Applicant agree that the Disputed Claim should be determined by a Judge of the Court, bring a motion seeking to have a Judge of the Court assigned to determine the Disputed Claim; or
 - (iii) if there is a dispute between the Creditor and the Applicant as to how the Disputed Claim should be determined, bring a motion to the Court to obtain advice and directions as to whether the Disputed Claim should be determined by a Claims Officer or a Judge of the Court;
- f) the Monitor shall deliver a Dispute Package to the Claims Officer or the Judge assigned to determine the Claim; and
- g) the Monitor shall not be required to send to any Creditor a confirmation of receipt by the Monitor of any document provided by a Creditor pursuant to this Order and each Creditor shall be responsible for obtaining proof of delivery, if they so require, through their choice of delivery method.

CLAIMS OFFICER

- [11] **THIS COURT ORDERS** that the Court may appoint a person or persons to act as Claims Officers for the purpose of resolving any Disputed Claims.
- [12] **THIS COURT ORDERS** that the Claims Officer shall incur no liability or obligation as a result of its appointment or the fulfilling of its duties in carrying out of the provisions of this Claims Order, save and except for any gross negligence or willful misconduct on its part. The Applicants shall indemnify and hold harmless the Claims Officer with respect to any liability or obligation as a result of its appointment or the fulfilling of its duties in carrying out the provisions of this Claims Order, save and except for any gross negligence or willful misconduct on its part. No action, application or other proceeding shall be commenced against the Claims Officer as a result of, or relating in any way to its appointment as the Claims Officer, the fulfillment of its duties as the Claims Officer or the carrying out of any Order of this Court except with leave of this Court being obtained, and notice of any such motion seeking leave of this Court shall be served upon the Applicants, the Monitor and the Claims Officer at least seven (7) days prior to the return date of any such motion for leave.
- [13] **THIS COURT ORDERS** that, subject to further Order of the Court, the parties to the Disputed Claim may offer evidence in support of or in opposition to the Disputed Claim, and the Claims Officer shall, after consultation with the Applicants and the Creditor, determine the manner in which any such evidence may be brought before him by the parties, as well as any other procedural or evidentiary matter that may arise in respect of the hearing of a Disputed Claim, including, without limitation, the production of documents by any of the parties involved in the hearing of a Disputed Claim; provided, for greater certainty, that the hearing of the Disputed Claim and all such determinations made therein and in connection therewith, including procedural or evidentiary matter, shall be made in accordance with applicable common law in the Province of Ontario.
- [14] **THIS COURT ORDERS** that the Claims Officer may, at any time, engage such advisors as it deems necessary or appropriate to inquire into and report on any question of fact, opinion or law relating to the hearing of a Disputed Claim.

- [15] **THIS COURT ORDERS** that the Claims Officer shall have the discretion to determine by whom and to what extent the costs of any hearing before the Claims Officer shall be paid.

APPEAL OF CLAIMS OFFICER DETERMINATION

- [16] **THIS COURT ORDERS** that the Applicants or the Creditor may, at his/her/its/their own expense, appeal the Claims Officer's determination of a Disputed Claim to this Court within twenty-one (21) calendar days of notification of the Claims Officer's determination of such Creditor's Claim by serving upon the Applicants or the Creditor, as applicable, and the Monitor and filing with this Court a notice of motion returnable on a date to be fixed by this Court as soon as practicable. If an appeal is not filed within such period in strict accordance with this Order, then the Claim Officer's determination shall, subject to further order of this Court, be final and binding in all respects, with no further right of appeal.
- [17] **THIS COURT ORDERS** that findings of fact made by a Claims Officer in respect of a Disputed Claim shall be final and binding and shall not be subject to review on appeal to this Court, unless the Court determines that said findings of fact made by the Claims Officer constitute a palpable and overriding error.

NOTICES AND COMMUNICATIONS

- [18] **THIS COURT ORDERS** that any notice or other communication to be given in connection with this Order by the Applicants or the Monitor to a Creditor, other than the Notice to Creditors to be published as provided by this Order, will be sufficiently given to a Creditor if given by registered mail, by courier, by delivery or by facsimile transmission or electronic mail to the Creditor to such address, facsimile number or e-mail address appearing in the books and records of the Applicants or in any Proof of Claim Form filed by the Creditor. Any such notice or other communication (a) if given by registered mail, shall be deemed received on the third (3rd) Business Day after mailing to a destination within Ontario, the fifth (5th) Business Day after mailing to a destination elsewhere within Canada or to the United States and the tenth (10th) Business Day after mailing to

any other destination; (b) if given by courier or delivery, shall be deemed received on the Business Day following dispatch; (c) if given by facsimile transmission or electronic mail before 1700, on a Business Day, shall be deemed received on such Business Day; and (d) if given by facsimile transmission or electronic mail after 1700 on a Business Day, shall be deemed received on the following Business Day.

[19] **THIS COURT ORDERS** that, in the event that the day on which any notice or communication required to be delivered pursuant to this Order is not a Business Day, then such notice or communication shall be required to be delivered on the next Business Day.

[20] **THIS COURT ORDERS** that, if during any period during which notices or other communication are being given pursuant to this Order, a postal strike or postal work stoppage of general application should occur, such notices or other communications then not received or deemed received shall not, absent further Order of this Court, be effective. Notices and other communications given hereunder during the course of any such postal strike or postal work stoppage of general application shall only be effective if given by electronic mail, courier, delivery or facsimile transmission in accordance with this Order.

GENERAL PROVISIONS

[21] **THIS COURT ORDERS** that for the purposes of this Order, all Claims that are denominated in a foreign currency shall be converted to Canadian dollars at the Bank of Canada noon spot rate of exchange for exchanging currency to Canadian dollars on the Determination Date.

[22] **THIS COURT ORDERS** that the Monitor shall use reasonable discretion as to the adequacy of completion and execution of any document completed and executed pursuant to this Order and, where the Monitor is satisfied that any matter to be proven under this Order has been adequately proven, the Monitor may waive strict compliance with the requirements of this Order as to the completion and execution of documents.

[23] **THIS COURT OREDERS** that the Monitor may apply to this Court for directions regarding its obligations in respect of the claims process provided for in this Claims Order.

W. Den - M.J.

TOR_LAW\7711199\2

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

AUG - 4 2011

PER/PAR:



SCHEDULE "A"

INSTRUCTION LETTER FOR THE CLAIMS PROCEDURE FOR

UNIQUE BROADBAND SYSTEMS, INC. ("UBS") AND UBS WIRELESS SERVICES
INC. ("UBSW" AND, TOGETHER WITH UBS, THE "APPLICANTS")

CLAIMS PROCESS

By Order dated 4 August 2011 (as may be amended from time to time, the "**Claims Order**") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the "**CCAA**"), RSM Richter Inc. in its capacity as Court-appointed Monitor of the Applicants, has been authorized to conduct a claims process (the "**Claims Process**"). A copy of the Claims Order can be obtained from the Monitor's website at www.rsmrichter.com

This letter provides general instructions for completing the Proof of Claim form. As of the date of this instruction letter, there have been no proposed plans of arrangement or compromise pursuant to the CCAA. Capitalized terms not defined within this instruction letter shall have the meaning set out in the Claims Order. You should review the Claims Order carefully for all terms defined therein.

The Claims Process is intended for any Person with a Claim of any kind or nature whatsoever, against any or all of the Applicants arising on or prior to 5 July 2011, whether unliquidated, contingent or otherwise.

All notices and inquiries with respect to the Claims Process should be directed to the Monitor at the address below:

RSM Richter Inc.
200 King Street West, Suite 1100
Toronto ON M5H 3T4

Attention: Lana Bezner
Telephone: 416-932-6009
Fax: 416-932-6200
Email: lbezner@rsmrichter.com

FOR CREDITORS SUBMITTING A PROOF OF CLAIM FORM

If you believe that you have a Claim against any or all of the Applicants you must file a Proof of Claim form with the Monitor. All Proofs of Claim for Claims arising prior to 5 July 2011 must be received by the Monitor **before 5:00 pm (Eastern Standard Time) on 19 September 2011 (the "Claims Bar Date")**, unless the Monitor and the Applicants agree in writing or the Court orders that the Proof of Claim be accepted after that date. If your claim is not received by the Claims Bar Date, it will be forever barred and extinguished and you will not be entitled to participate in any Plan.

Additional Proof of Claim forms can be obtained from the Monitor's website at www.rsmrichter.com or by contacting the Monitor at **416-932-6009** or **lbezner@rsmrichter.com** and by providing the particulars as to your name, address, facsimile number, email address and contact person. Once the Monitor has this information, you will receive, as soon as practicable, additional Proof of Claim forms.

DATED this _____ day of _____, 2011.

SCHEDULE "B"

NOTICE OF DISPUTE

**UNIQUE BROADBAND SYSTEMS, INC. ("UBS") AND UBS WIRELESS SERVICES
INC. ("UBSW" AND, TOGETHER WITH UBS, THE "APPLICANTS")**

Applicant(s) against which a Claim is asserted:

☐

USB

☐

USBW

1. Particulars of Creditor

(a) Full Legal Name of Creditor (include trade name, if different):

(the "Creditor").

(b) Full Mailing Address of the Creditor:

(c) Other Contact Information of the Creditor:

Telephone Number:

Email Address:

Facsimile Number:

Attention (Contact Person):

2. Particulars of original Creditor from whom you acquired the Claim, if applicable:

(a) Have you acquired this Claim by assignment? If yes, if not already provided, attach documents evidencing assignment.

☐ Yes☐ No

(b) Full Legal Name of original creditor(s):

3. Dispute of Revision or Disallowance of Claim for Voting and/or Distribution Purposes

The Creditor hereby disagrees with the value of its Claim as set out in the Notice of Revision or Disallowance and asserts a Claim as follows:

**Amount Allowed by Monitor
Amount Claimed by Creditor**

Secured Claim**Unsecured Claim**

If you are Disputing a Claim against more than one of the Applicants, please complete a Dispute Notice for each disputed Claim.

REASON(S) FOR THE DISPUTE (ATTACHED)

(You must include a list of reasons as to why you are disputing your Claim as set out in the Notice of Revision or Disallowance.)

SERVICE OF DISPUTE NOTICES

If you intend to dispute the Notice of Revision or Disallowance, you must deliver to the Monitor this Dispute Notice **by 5:00 p.m. (Eastern Standard Time) on the date that is twenty (20) Business Days after receipt of this Notice of Revision or Disallowance** to the following address.

RSM Richter Inc.
200 King Street West, Suite 1100
Toronto ON M5H 3T4

Attention: Lana Bezner
Telephone: 416-932-6009
Fax: 416-932-6200
Email: lbezner@rsmrichter.com

THE TIMING FOR THE DEEMED RECEIPT OF CORRESPONDENCE IS SET OUT IN THE CLAIMS ORDER.

[SEE NEXT PAGE FOR SIGNATURE]

DATED this _____ day of _____ 2011.

Name of Creditor:

(Name)

Witness

Per: Name:
Title:
(*please print*)

SCHEDULE "C"

NOTICE OF REVISION OR DISALLOWANCE

**UNIQUE BROADBAND SYSTEMS, INC. ("UBS") AND UBS WIRELESS SERVICES
INC. ("UBSW" AND, TOGETHER WITH UBS, THE "APPLICANTS")**

TO:

(Name of Creditor)

Capitalized terms not defined within this Notice of Revision or Disallowance shall have the meaning ascribed thereto in the order of the Ontario Superior Court of Justice (Commercial List) dated 4 August 2011 (the "**Claims Order**").

Pursuant to the Claims Order, RSM Richter Inc., in its capacity as Court-appointed Monitor of the Applicants, hereby gives you notice that the Applicants, with the assistance of the Monitor, has reviewed your Proof of Claim and has revised or disallowed your Claim. Subject to further dispute by you in accordance with the Claims Order, your Claim will be allowed or disallowed as follows:

(a) UBS

Amount Claimed by Creditor

Amount Allowed by Monitor

Secured Claim

Unsecured Claim

(b) UBSW

Amount Claimed by Creditor

Amount Allowed by Monitor

Secured Claim

Unsecured Claim

REASON(S) FOR THE REVISION OR DISALLOWANCE

SERVICE OF DISPUTE NOTICES

If you intend to dispute this Notice of Revision or Disallowance, you must deliver to the Monitor a Dispute Notice (in the form enclosed) **by 5:00 p.m. (Eastern Standard Time) on the date that is twenty (20) Business Days after receipt of this Notice of Revision or Disallowance** to the following address.

RSM Richter Inc.
200 King Street West, Suite 1100
Toronto ON M5H 3T4

Attention: Lana Bezner
Telephone: 416-932-6009
Fax: 416-932-6200
Email: lbezner@rsmrichter.com

THE TIMING FOR THE DEEMED RECEIPT OF CORRESPONDENCE IS SET OUT IN THE CLAIMS ORDER.

IF YOU FAIL TO FILE YOUR DISPUTE NOTICE BY 5:00 P.M. (EASTERN STANDARD TIME) ON THE DATE THAT IS TWENTY (20) BUSINESS DAYS AFTER RECEIPT OF THIS NOTICE OF REVISION OR DISALLOWANCE THE VALUE OF YOUR CLAIM WILL BE DEEMED TO BE ACCEPTED AS FINAL AND BINDING AS SET OUT IN THIS NOTICE OF REVISION OR DISALLOWANCE.

DATED this _____ day of _____, 2011.

SCHEDULE "D"

NOTICE TO CREDITORS AND OTHERS OF FILING CLAIMS AS AGAINST

**UNIQUE BROADBAND SYSTEMS, INC. ("UBS") AND UBS WIRELESS SERVICES
INC. ("UBSW" AND, TOGETHER WITH UBS, THE "APPLICANTS")**

RE: NOTICE OF CLAIMS PROCESS AND CLAIMS BAR DATE

PLEASE TAKE NOTICE that this notice is being published pursuant to an Order of the Superior Court of Justice of Ontario made 4 August 2011 (the "**Claims Order**"). The Court has ordered that the Court-appointed Monitor of the Applicants, RSM Richter Inc. (the "**Monitor**"), send Proof of Claim Document Packages to the Known Creditors of the CCAA Parties as part of the Court-approved claims process (the "**Claims Process**"). All capitalized terms shall have the meaning given to those terms in the Claims Order.

The Claims Order, the Proof of Claim Document Package, additional Proofs of Claim and related materials may be accessed from the Monitor's website at www.rsmrichter.com.

Please take notice that any person who believes that they have a Claim against Applicants that existed as at the date of the 5 July 2011 must send a Proof of Claim to the Monitor to be received **before 5:00 p.m. (Eastern Standard Time) on 19 September 2011 (the "Claims Bar Date")**.

PROOFS OF CLAIM MUST BE RECEIVED BY THE MONITOR BY THE CLAIMS BAR DATE OR THE APPLICABLE CLAIM WILL BE FOREVER BARRED AND EXTINGUISHED.

Reference should be made to the Claims Order for the complete definition of "Claim" to which the Claims Process applies.

The Monitor can be contacted at the following address to request a Proof of Claim Document Package for any other notices or enquiries with respect to the Claims Process:

RSM Richter Inc.
200 King Street West, Suite 1100
Toronto ON M5H 3T4

Attention: Lana Bezner
Telephone: 416-932-6009
Fax: 416-932-6200
Email: lbezner@rsmrichter.com

SCHEDULE "E"

PROOF OF CLAIM

**FOR CREDITORS OF UNIQUE BROADBAND SYSTEMS, INC. ("UBS") AND UBS
WIRELESS SERVICES INC. ("UBSW" AND, TOGETHER WITH UBS, THE
"APPLICANTS")**

Please read carefully the enclosed Instruction Letter for completing this Proof of Claim form. Capitalized terms not defined within this Proof of Claim form shall have the meaning ascribed thereto in the Order of the Ontario Superior Court of Justice (Commercial List) dated 4 August 2011, as may be amended from time to time (the "**Claims Order**").

4. PARTICULARS OF CREDITOR:

- (a) Full Legal Name of Creditor (include trade name, if different):

(the "**Creditor**"). The full legal name should be the name of the Creditor of the Applicant(s), notwithstanding whether an assignment of a Claim, or a portion thereof, has occurred prior to or following 5 July 2011.

- (b) Full Mailing Address of the Creditor:

The mailing address should be the mailing address of the Creditor and not any assignee.

- (c) Other Contact Information of the Creditor:

Telephone Number: _____

Email Address: _____

Facsimile Number: _____

Attention (Contact Person): _____

- (d) Has the claim set out herein been sold, transferred or assigned by the Creditor to another party?

☐ Yes

☐ No

5. **PARTICULARS OF ASSIGNEE(S) (IF APPLICABLE)**

If the Claim set out herein has been sold, transferred or assigned, complete the required information set out below. If there is more than one assignee, please attach a separate sheet that contains all of the required information set out below for each assignee.

- (a) Full Legal Name of Assignee:

- (b) Full Mailing Address of the Assignee:

Other Contact Information of the Assignee:

Telephone Number: _____

Email Address: _____

Facsimile Number: _____

Attention (Contact Person): _____

6. **PROOF OF CLAIM – CLAIM AGAINST THE APPLICANT(S)**

THE UNDERSIGNED HEREBY CERTIFIES AS FOLLOWS:

- (a) That I:

☐ am a Creditor of one or more of the Applicants; **OR**

☐ Am

(state position or title)

Of

(name of Creditor)

- (b) That I have knowledge of all the circumstances connected with the Claim described and set out below;
- (c) The Applicant(s) was and still is indebted to the Creditor as follows (include all Claims that you assert against the Applicant(s). Claims should be filed in the currency of the transactions, with reference to the contractual rate of interest, if any, and such currency should be indicated as provided below in respect of the following Claim(s):

(complete using original currency and amount)

	Amount of Claim	Currency	Secured	Unsecured
<input type="checkbox"/> USB			<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> USBW			<input type="checkbox"/>	<input type="checkbox"/>

7. **NATURE OF CLAIM – Complete ONLY if you are asserting a Secured Claim**

Applicant: _____

☐ Secured Claim of \$ _____
(Original Currency and amount)

In respect of this debt, I hold security over the assets of the Applicant(s) valued at

\$ _____
(Original Currency and amount)

the particulars of which security and value are attached to this Proof of Claim form.

(Give full particulars of the security, including the date on which the security was given, the value which you ascribe to the assets charged by your security, the basis for such valuation and attach a copy of the security documents evidencing the security.)

(If you are asserting multiple secured claims, against one or more of the Applicants, please provide full details of your security against each of the Applicants)

8. PARTICULARS OF CLAIM

Other than as already set out herein, the particulars of the undersigned's total Claim against the Applicant(s) are attached on a separate sheet.

Provide all particulars of the Claim and supporting documentation that you feel will assist in the determination of your claim. at a minimum, you are required to provide (if applicable) the invoice date, invoice number, the amount of each outstanding invoice and the related purchase order number. Further particulars may include the following if applicable: a description of the transaction(s) or agreement(s) giving rise to the Claim; contractual rate of interest (if applicable); name of any guarantor which has guaranteed the Claim; details of all credits, discounts, etc. claimed; and description of the security if any, granted by the affected Applicant(s) to the Creditor and, the estimated value of such security and the basis for such valuation.

9. FILING OF CLAIM

This Proof of Claim form must be received by the Monitor by no later than **5:00 p.m. (Eastern Standard Time) on 19 September 2011**, to the following address:

RSM Richter Inc.
200 King Street West, Suite 1100
Toronto ON M5H 3T4

Attention: Lana Bezner
Telephone: 416-932-6009
Fax: 416-932-6200
Email: lbezner@rsmrichter.com

THE TIMING FOR THE DEEMED DELIVERY OF CORRESPONDENCE IS SET OUT IN THE CLAIMS ORDER.

DATED this _____ day of _____, 2011.

Name of Creditor: _____

(Name)

Per: _____

Name:

Title:

(please print)

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.
(the "Applicant")

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

(PROCEEDING COMMENCED AT TORONTO)

ORDER

GOWLING LAFLEUR HENDERSON LLP
Barristers and Solicitors
1 First Canadian Place
100 King Street West, Suite 1600
Toronto ON M5X 1G5

E. Patrick Shea
LSUC No.: 39655K
Telephone: (416) 369-7399
Facsimile: (416) 862-7661

SOLICITORS FOR THE APPLICANT

**THIS IS EXHIBIT "E" TO THE AFFIDAVIT OF
VICTOR WELLS, SWORN BEFORE ME ON
JANUARY 25, 2013**



A COMMISSIONER FOR TAKING OATHS

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF *COMPANIES' CREDITORS ARRANGMENT 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.

MINUTES OF SETTLEMENT

RECITALS

1. Proceedings under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the "CCAA") were commenced in respect of Unique Broadband Systems Inc. ("UBS") and a wholly owned subsidiary pursuant to an Initial Order made on 5 July 2011 (the "Initial Order"). The Initial Order appointed Duff & Phelps Canada Restructuring Inc. (the "Monitor") as monitor.
2. The UBS board of directors is currently compromised of Messrs Robert Ulicki, Grant McCutcheon and Henry Eaton.
3. DOL Technologies Inc. ("DOL"), 2064818 Ontario Inc. ("206 Ontario") and 6138241 Canada Inc. ("613 Canada" and together with 206 Ontario and Mr. Alex Dolgonos, the "Dolgonos Parties") are companies owned by trust of the family of Mr. Dolgonos. Mr. Dolgonos has the authority to bind 206 Ontario, 613 Canada and the family trusts that control 206 Ontario and 613 Canada. Except for the interests held by 206 Ontario and 613 Canada, Mr. Dolgonos and his family do not, directly or indirectly, own any shares of UBS and, aside from the interests in UBS held through 206 Ontario and 613 Canada, Mr. Dolgonos and the members of his family do not own, control or have an interest, direct or indirect, in any other entity that owns, directly or indirectly, shares of UBS.
4. The DOL, 206 Ontario and Mr. Dolgonos filed proofs of claim against UBS in accordance with the First Extension and Claims Order dated 4 August 2011 (the "Disputed Dolgonos Claims"). The Disputed Dolgonos Claims were disallowed by the Monitor by way of Notices of Disallowance. Pursuant to the Notices of Disallowance, DOL 206 Ontario and Mr. Dolgonos have filed Notices of Dispute in respect of the Disputed Dolgonos Claims.
5. Pursuant to a Statement of Claim dated 22 December 2010, 206 Ontario commenced an Action known as Ontario Superior Court of Justice File No: CV-10-9036-00CL (the "Oppression Action") against UBS, and Messrs Ulicki, Eaton and McCutcheon seeking, *inter alia*, damages and the removal of Messrs Ulicki, Eaton and McCutcheon from the

UBS Board. Pursuant to an Endorsement made on 25 January 2012, the stay imposed by the Initial Order was extended to the Oppression Action and the claims against Messrs Ulicki, Eaton and McCutcheon in the Oppression Action are to be determined in the CCAA proceedings.

6. Pursuant to the First Extension and Claims Order dated 4 August 2011 and the Fourth Extension and Claims Procedure Order dated 13 April 2012, the Court has established a procedure for the determination of certain disputed claims made against UBS, including the Disputed Dolgonos Claims. It is anticipated that UBS will seek further Order(s) to establish a procedure to determine all of the disputed claims made against UBS (the "**CCAA Claims Procedure**")
7. On 8 March 2012, 206 Ontario and 613 Canada requisitioned a special meeting of UBS shareholder to consider a resolution to replace the current UBS board (the "**Special Meeting**"). UBS agreed to hold the Special Meeting concurrent with UBS' annual general meeting for 2012 (the "**2012 AGM**"), which is scheduled for 11 July 2012.
8. On 13 June 2012, DOL and Mr. Dolgonos brought Motions (the "**Dolgonos Motions**") seeking to; (a) add third party claims to the Claims Procedure; and (b) to lift the stay imposed by the Initial Order to permit the enforcement of a Judgment that required UBS to make advances in respect of certain professional fees. The Dolgonos Motion is currently under reserve.

UBS, THE DOLGONOS PARTIES, ROBERT ULICKI, HENRY EATON AND GRANT MCCUTCHEON (collectively the "**Parties**") **HEREBY AGREE** to (and acknowledge that that they shall each be bound by) all terms of these Minutes of Settlement, which have been made for good and valid consideration (the sufficiency of which is hereby acknowledged). Further, the Parties hereby agree that:

1. The Recitals set forth above are true and correct.
2. UBS will accept the Disputed Dolgonos Claims at an aggregate total amount of \$500,000, inclusive of exigible taxes, if any. The Dolgonos Parties agree to accept this valuation of the Disputed Dolgonos Claims and not to appeal an Amended Notice of Disallowance issued by the Monitor pursuant to the First Extension and Claims Order allowing the Disputed Dolgonos Claims at an aggregate total amount of \$500,000. The proceedings to determine the Dolgonos Claims pursuant to the CCAA Claims Procedure will be dismissed without costs.
3. The Oppression Action will be dismissed without costs.
4. The Dolgonos Motions will be withdrawn without costs.
5. The Dolgonos Parties, UBS, and Messrs Ulicki, Eaton and McCutcheon will exchange mutual releases pursuant to which each will release the other from any and all accounts, liabilities, chose in action, claims, rights, actions, causes of action, claims, judgments, orders, debts, damages, obligations, demands for damages or losses and rights of any kind or nature whatsoever, including rights of indemnification, known to the Parties as of 5 July 2012 (the "**Releases**"). The Parties understand and agree that the Releases will not

- prevent: (a) UBS from taking or continuing proceedings against any person other than the Dolgonos Parties notwithstanding that such parties may assert third party or other claims against the Dolgonos Parties; and (b) the Dolgonos Parties from asserting claims for indemnification against UBS, in accordance with the Dolgonos Parties' current entitlement, based on proceedings commenced by UBS in the future asserting claims against any persons or persons where such claims are not known to the Dolgonos Parties, or any one of them, as at 5 July 2012.
6. The Dolgonos Parties consent to an Order that, subject to further Order of the Court, UBS will not be obliged or required to call or hold a meeting of its shareholders until the termination of the CCAA proceedings by way of a plan of compromise or arrangement by UBS or otherwise.
 7. A meeting of UBS' board of directors will be convened for 12 July 2012 (the "**Board Meeting**") at which the Messrs Eaton, McCutcheon, Ulicki, Victor Wells and Kenneth D. Taylor will be present. Mr. Bryce Kraeker of Gowling Lafleur Henderson LLP will act as Secretary and record the Minutes. At the Board Meeting the following will take place in the sequence listed:
 1. Mr. McCutcheon will tender his resignation as a director in writing, to be effective upon acceptance by the Board.
 2. Mr. Eaton and Mr. Ulicki, as the remaining two UBS directors, will accept Mr. McCutcheon's resignation and fill the vacancy created by that resignation by appointing Mr. Wells as a director of UBS.
 3. Mr. Eaton will tender his resignation as a director of UBS in writing, to be effective upon acceptance by the board.
 4. Mr. Ulicki and Mr. Wells, as the two remaining UBS directors, will accept Mr. Eaton's resignation and fill the vacancy created by that resignation by appointing Mr. Taylor as a director of UBS.
 8. The Dolgonos Parties agree, until the termination of the CCAA proceedings by way of a plan of compromise or arrangement by UBS or otherwise, to:
 - (a) fully support decisions made by the reconstituted UBS board consisting of Mr. Ulicki, Mr. Wells and Mr. Taylor, including, *inter alia*, any decision made by the reconstituted UBS board with respect to the CCAA proceedings and how UBS will resolve or determine claims made against UBS by, *inter alia*, Jolian Investments Limited ("**Jolian**") and Mr. Gerald McGoe, in accordance with the CCAA Claims Procedure;
 - (b) not oppose any extension of the Stay Period, as defined by the Initial Order, sought by UBS;
 - (c) not seek any Order terminating the CCAA proceedings, or support or assist any other person seeking such an Order; and

- (d) not seek to be a director or officer of UBS, or have any direct or indirect consulting arrangement with UBS.
9. Subject to the discretion of the UBS board, UBS will continue defending the disputed claims made against UBS by, *inter alia*, Jolian and Mr. McGoe, and reorganizing itself under the supervision of the Court.
 10. The express terms of these Minutes of Settlement and the Releases to be executed in accordance with paragraph 5 above constitute the entire agreement between the Parties. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express or implied, between the Parties other than as expressly set forth in these Minutes of Settlement, which terms cannot be varied, amended or waived except in writing duly executed by the Parties.
 11. The Parties shall from time to time execute and deliver all such further documents and instruments and do all acts and things as another Party may reasonably require to effectively carry out or to better evidence, complete or perfect the full intent and meaning of these Minutes of Settlement.
 12. The Parties acknowledge that before signing these Minutes of Settlement, they have each obtained legal advice on the terms set out herein from their respective counsel.
 13. The interpretation and enforceability of the terms of these Minutes of Settlement shall be governed by, and construed in accordance with, the laws of the Province of Ontario.
 14. The terms of these Minutes of Settlement shall be binding upon and shall enure to the benefit of each of the Parties, and each of their heirs or executors, or their predecessors, successors and assigns.
 15. For the convenience of the Parties hereto, these Minutes of Settlement may be executed in any number of counterparts and all of these counterparts shall for all purposes constitute one agreement, binding on the Parties, notwithstanding that all Parties are not signatory to the same counterpart.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY BLANK]

DATED THIS 5th day of July 2012

UNIQUE BROADBAND SYSTEMS, INC.



Name: *Gerald McHugh*

Title: *CEO*

I have authority to bind the corporation.

DOL TECHNOLOGIES INC.

Name:

Title:

I have authority to bind the corporation.

2064818 ONTARIO INC.

Name:

Title:

I have authority to bind the corporation.

6138241 CANADA INC.

Name:

Title:

I have authority to bind the corporation.

DATED THIS 5th day of July 2012

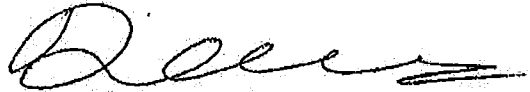
UNIQUE BROADBAND SYSTEMS, INC.

Name:

Title:

I have authority to bind the corporation.

DOL TECHNOLOGIES INC.

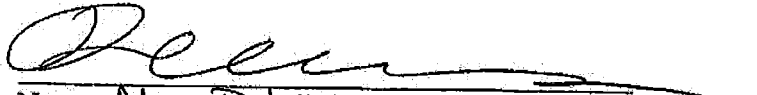


Name: Alex Dolgonos.

Title: President

I have authority to bind the corporation.

2064818 ONTARIO INC.

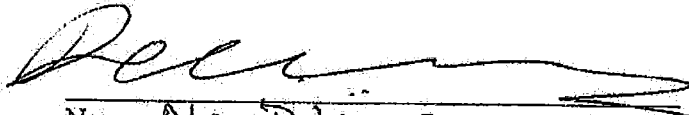


Name: Alex Dolgonos

Title: President.

I have authority to bind the corporation.

6138241 CANADA INC.



Name: Alex Dolgonos.

Title:

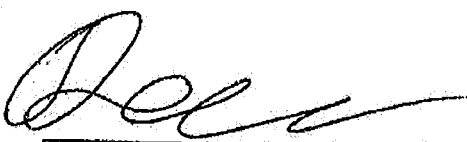
I have authority to bind the corporation.

SIGNED, SEALED AND DELIVERED)

In the presence of:)



Witness



Alex Dolgonos

SIGNED, SEALED AND DELIVERED)

In the presence of:)

Witness

Robert Ulicki

SIGNED, SEALED AND DELIVERED)

In the presence of:)

Witness

Henry Eaton

SIGNED, SEALED AND DELIVERED)

In the presence of:)

Witness

Grant McCutcheon

SIGNED, SEALED AND DELIVERED)

In the presence of:)

)

)

Witness

Alex Dolgonos

SIGNED, SEALED AND DELIVERED)

In the presence of:)

)

)

Witness

Robert Ulicki

SIGNED, SEALED AND DELIVERED)

In the presence of:)

)

)



Witness



Henry Eaton

SIGNED, SEALED AND DELIVERED)

In the presence of:)

)

)



Witness



Grant McCutcheon

SIGNED, SEALED AND DELIVERED

In the presence of:

Witness

Alex Dolgonos

SIGNED, SEALED AND DELIVERED

In the presence of:

Witness

Robert Ulicki

SIGNED, SEALED AND DELIVERED

In the presence of:

Witness

Henry Eaton

SIGNED, SEALED AND DELIVERED

In the presence of:

Witness

Grant McCutcheon

SIGNED, SEALED AND DELIVERED)

In the presence of:)

)

)

Witness

Alex Dolgonos

SIGNED, SEALED AND DELIVERED)

In the presence of:)

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Witness

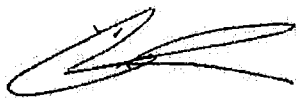
Robert Ulicki

SIGNED, SEALED AND DELIVERED)

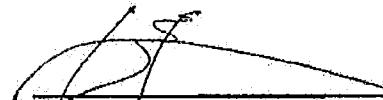
In the presence of:)

)

)



Witness



Henry Eaton

SIGNED, SEALED AND DELIVERED)

In the presence of:)

)

)

Witness

Grant McCutcheon

**THIS IS EXHIBIT "F" TO THE AFFIDAVIT OF
VICTOR WELLS, SWORN BEFORE ME ON
JANUARY 25, 2013.**



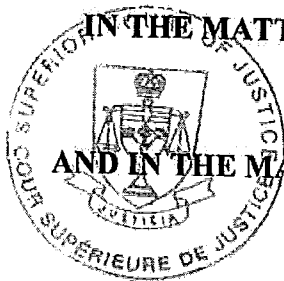
A COMMISSIONER FOR TAKING OATHS

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR
JUSTICE CAMPBELL

)
)
)

FRIDAY, THE
6TH DAY OF JULY, 2012



**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.**

CONSENT ORDER

THIS MOTION, made by Unique Broadband Systems, Inc. ("UBS") and UBS Wireless Services Inc. (together with UBS, the "**Applicants**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended was heard this day at 330 University Avenue, Toronto, Ontario.

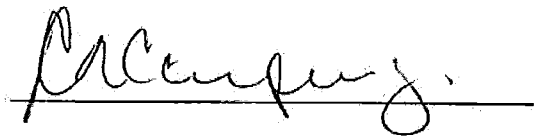
ON READING the Minutes of Settlement dated 5 July 2012 (the "**Minutes of Settlement**") and the Ninth Report of the Monitor, Duff & Phelps Canada Restructuring Inc. in its capacity as Monitor of the Applicants dated 5 July 2012, and on hearing the submissions of counsel;

1. **THIS COURT ORDERS** that, subject to further Order of the Court, the Applicants shall not be required to convene or hold any meetings of their shareholders until the termination of these proceedings as a result of a plan of compromise or arrangement or otherwise.
2. **THIS COURT ORDERS** that the Minutes of Settlement be and are hereby approved.

ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:



JUL 6 2012



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)

CONSENT ORDER

GOWLING LAFLEUR HENDERSON LLP
Barristers and Solicitors
1 First Canadian Place
100 King Street West, Suite 1600
Toronto ON M5X 1G5

E. Patrick Shea
LSUC No.: 39655K
Telephone: (416) 369-7399
Facsimile: (416) 862-7661

SOLICITORS FOR THE APPLICANTS

**THIS IS EXHIBIT "G" TO THE AFFIDAVIT OF
VICTOR WELLS, SWORN BEFORE ME ON
JANUARY 25, 2013**



A COMMISSIONER FOR TAKING OATHS

NWT URANIUM CORP.

FOR IMMEDIATE RELEASE

NWT URANIUM CORP. ANNOUNCES NIKETO LTD., ITS WHOLLY OWNED SUBSIDIARY, WILL MAKE AN OFFER TO ACQUIRE SHARES OF LOOK COMMUNICATIONS INC.

TORONTO – January 8, 2013 - NWT Uranium Corp. (the "Corporation") (TSX VENTURE: NWT) (FRANKFURT: NMV) today announced that the board of directors of its wholly owned subsidiary, Niketo Ltd. ("Niketo"), has resolved to make an all cash offer to acquire 33,260,968 multiple voting shares (or such number that will result in Niketo acquiring a voting interest of 49.9%) of Look Communications Inc. ("Look") at a price of \$0.125 per share, which represents a premium of 14% over the closing price of the multiple voting shares of Look on the NEX.

Look's outstanding capital currently consists of multiple voting shares and subordinate voting shares. The offer will be made solely for the multiple voting shares but the holders of the subordinate voting shares will be able to convert their subordinate voting shares into multiple voting shares solely for the purpose of tendering such multiple voting shares, in accordance with, and subject to the terms and conditions of the subordinate voting shares. In the event that such multiple voting shares are withdrawn from the offer or are not acquired pursuant to the offer for any other reason, such multiple voting shares will automatically convert back into subordinate voting shares in accordance with their terms. The full terms of the subordinate voting shares are set forth in Look's articles, which are publicly available under Look's profile at www.sedar.com.

Currently, Niketo does not own any securities in the capital of Look but it did purchase an aggregate of 11,305,332 common shares in the capital of Unique Broadband Systems Inc. ("Unique") (or approximately 11% of the issued and outstanding common shares of Unique) and entered into a purchase agreement to acquire an additional 8,500,000 common shares in the capital of Unique. If Niketo acquires these additional common shares, it will own an aggregate of 19,805,332 common shares of Unique, representing approximately 19.3% of the issued and outstanding shares of Unique.

Unique is the registered and beneficial owner of an aggregate of 24,864,478 multiple voting shares and 29,921,308 subordinate voting shares (collectively, the "Unique Shares"), which represent a 37.6% voting interest in Look. Niketo's ownership of the common shares in the capital of Unique may cause it to exercise indirect control over the Unique Shares and may result in a lower number of multiple voting shares being acquired under the offer.

On December 18, 2012, Look announced that it entered into a support agreement with Messieurs Robert Ulicki and Jeffery Gavarkovs (collectively, the "Bidders") whereby the Bidders have agreed to make an all cash offer to acquire multiple voting shares of Look at a price of \$0.11 per share. The support agreement provides that the directors of Look will not make a recommendation with respect to the Bidder's offer and provides for a termination fee of \$225,000 in the event that the directors of Look determine that an alternative bid is more favourable than that of the Bidder's.

It is anticipated that Niketo's bid will commence within the next few weeks and the completion of the offer will be subject to certain conditions, including a minimum tender condition and the absence of a material adverse change in respect of the affairs of Look. The full details of Niketo's offer will be set forth in an offer and circular to be mailed to the shareholders of Look, a copy of which will be available on SEDAR.

There can be no assurance that the conditions of Niketo's offer will be satisfied prior to the expiry time of the offer, or that the offer will be completed as proposed or at all.

-30-

NWT Uranium Corp. (TSXV: NWT; OTCBB: NWURF)

NWT Uranium is an emerging international exploration company with an experienced management team. The company is focused on exploration and has a highly prospective portfolio of properties around the world.

Contact Information

NWT Uranium Corp.
(416) 504-3978
www.nwturanium.com

Look Communications Inc. Responds to NWT Uranium Corp. Announcement that it Will Make an Offer to Acquire Shares of Look Communications

TORONTO, Jan. 11, 2013 /CNW/ - Look Communications Inc. ("Look") (NEX: LOK.H and LOK.K) today responded to the announcement on January 8, 2013 by NWT Uranium Corp. ("NWT") that the board of directors of its wholly owned subsidiary, Niketo Ltd. ("Niketo"), has resolved to make an all cash offer (the "NWT Offer") to acquire 33,260,968 multiple voting shares (or such number that will result in Niketo acquiring a voting interest of 49.9%) of Look at a price of \$0.125 per share. The offer has not yet been received by Look and Look's shareholders are advised to take no action at this time. Look's board of directors, in accordance with its fiduciary duties and with counsel from its legal advisers, will fulfill its legal responsibility and will evaluate any formal offer and will recommend a course of action that is in the best interests of Look and its stakeholders.

As a result of the NWT Offer, as well as certain other unsolicited non-binding acquisition proposals that Look has received following the announcement by Look on December 18, 2012 that it entered into a support agreement (the "Support Agreement") with Messrs. Robert Ulicki and Jeffrey Gavarkovs (collectively, the "Bidders") whereby the Bidders have agreed to make an all cash offer (the "Ulicki Offer") to acquire multiple voting shares of Look at a price of \$0.11 per share, Look has agreed with the Bidders to extend the deadline for commencing the Ulicki Offer to a date following January 21, 2013 to be determined by the Bidders and/or Look. The Support Agreement otherwise remains in full force and effect, unamended.

The board of directors of Look is not making any recommendation to shareholders with respect to the Ulicki Offer, the NWT Offer or any other acquisition proposal at this time. However, as previously announced, the board of directors, based on the recommendation of a special committee of independent directors of Look, has determined that the Support Agreement is in the best interests of Look and that the board will not make a negative recommendation to shareholders in relation to the Ulicki Offer. The board of directors will continue to evaluate the Ulicki Offer, the NWT Offer and any other acquisition proposal that Look receives in light of all available alternatives. There can be no assurance that the Ulicki Offer, the NWT Offer or any other transaction involving Look will be completed as proposed, or at all.

About Look Communications Inc.

Look's shares are listed on the NEX under the symbols "LOK.H" for Multiple Voting Shares and "LOK.K" for Subordinate Voting Shares. Look's website may be found at www.look.ca.

The information contained in this release includes forward-looking statements regarding future events and the future performance of Look that involve risks and uncertainties that could cause actual results to differ materially. Assumptions used in the preparation of such information, although considered reasonable by Look at the time of preparation, may prove to be incorrect. The actual results achieved may vary from the information provided herein and the variations may be material. Consequently, there is no representation by Look that actual results achieved will be the same in whole or in part as those forecast.

Neither the NEX nor its Regulation Services Provider (as that term is defined in the policies of the NEX) accepts responsibility for the adequacy or accuracy of this release.

SOURCE: Look Communications Inc.

%SEDAR: 00013414E

CO: Look Communications Inc.

CNW 17:30e 11-JAN-13

**THIS IS EXHIBIT "H" TO THE AFFIDAVIT OF
VICTOR WELLS, SWORN BEFORE ME ON
JANUARY 25, 2013**



A COMMISSIONER FOR TAKING OATHS

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

BETWEEN:

**IN THE MATTER OF 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. ("UBS")**

**PROPOSED AGENDA AND BASIS FOR THE REQUEST TO SCHEDULE
A MOTION TO HOLD A CREDITORS' MEETING TO APPROVE A
PLAN OF ARRANGEMENT**

1. The shareholder of UBS (acquired from Alex Dolgonos' corporations), NWT Uranium and its wholly owned subsidiary Niketo Co. Inc., which is also a creditor of UBS, ("Plan Sponsor") and which also is obtaining an assignment from certain creditors of UBS of their right to submit a Plan of Arrangement for UBS on behalf of the creditors of UBS.
2. The Plan Sponsor has entered into settlement agreements, on behalf of UBS, with the two creditors that have significant claims against UBS that are the subject of extensive litigation in the claims process, namely, Jolian Investments Limited (Gerald McGoey) ("Jolian") and Douglas Reeson ("Reeson"). The settlement agreements have been made and are in the midst of being documented. As stated by The Honourable Mr. Justice Wilton-Siegel "There can be no restructuring plan until the principal claims in the claims process are resolved."
3. A Plan of Arrangement has been drafted in draft form and is being completed along with the documentation to carry out the settlements, including releases (including releases of the directors Mrrs. McCutcheon, Ulicki, and Eaton related to any claims as a result of their conduct as directors of UBS), assignments of the right to bring the motions for a meeting of creditors and approval of the proposed plan.
4. As part of the Plan the creditors with approved proofs of claim are to be paid their claims.

5. The Plan Sponsor has also agreed to provide a loan to UBS, secured by the LOOK shares owned by UBS, to pay all the creditors and \$4,000,000 is in the midst of being transferred to Solmon Rothbart Goodman trust account and those funds are to be dealt with under the direction of the monitor if the plan is approved.
6. As well a further condition of the Plan of Arrangement is the replacement of the board of directors of UBS with the principals of the Plan Sponsor (David Subotic and John Zorbas) and David Tsubouchi, an independent director and a former Attorney General of Ontario.
7. The present directors of UBS have not been able to settle the litigation nor have they submitted a Plan of Arrangement to satisfy creditors' claims.
8. The settlements, guarantees to be provided by the Plan Sponsor, and payment of creditors are subject to the approval of the court of the Plan of Arrangement. The monitor shall be the Plan administrator.
9. After agreements were reached, funding was confirmed and draft documents prepared that set out the agreements, counsel met yesterday with the monitor to advise of the intended program and thereafter, attempted to speak to counsel for UBS.
10. The settlement with Jolian calls for payment of \$1,200,000 for the deferred bonus award and \$600,000 for the share appreciation rights cancellation payment and \$200,000 for the damages claim, plus appropriate HST, interest, as well as indemnification for legal and accounting fees. Also the indemnification obligation of UBS, as determined by the Honourable Mr. Justice Marrocco, is continued under the settlement.
11. The settlement with Reeson is for payment of \$75,000 plus a full and unconditional release of the \$120,000 initial indemnification draw paid by UBS plus appropriate HST, and interest, as well as indemnification for any further legal and accounting fees.
12. The Plan Sponsor wishes to schedule a motion as soon as conveniently possible, subject to the completion of the documentation, to set a schedule for a creditors' meeting and if approved by the creditors, a motion for court sanction of the Plan of Arrangement.
13. The sale process should be extended and put on hold until after the creditors' meeting.
14. The stay order should be extended accordingly.

Respectfully submitted by

Solmon Rothbart Goodman on behalf of the Plan Sponsor

Confidential and not for distribution UBS POA in Process

**THIS IS EXHIBIT "I" TO THE AFFIDAVIT OF
VICTOR WELLS, SWORN BEFORE ME ON
JANUARY 25, 2013**



A COMMISSIONER FOR TAKING OATHS



montréal • ottawa • toronto • hamilton • waterloo region • calgary • vancouver • moscow • london

25 January, 2013

Via Facsimile

E. Patrick Shea
Direct (416) 369-7399
patrick.shea@gowlings.com

Roy Elliott O'Connor LLP
200 Front Street West, 23rd Floor
P.O. Box #45
Toronto, ON M5V 3K2

Attention: Peter L. Roy

Dear Mr. Roy:

Re: Unique Broadband Systems Inc. ("UBS")
Court File No. CV-11-9283-00CL

Pursuant to Minutes of Settlement made in July of 2012 (the "**Minutes of Settlement**") and approved by the Court pursuant to an Order dated 6 July 2012, your clients are obliged to, *inter alia*:

1. fully support decisions made by the reconstituted UBS board consisting of Robert Ulicki, Victor Wells and Kenneth Taylor, including, *inter alia*, any decision made by the reconstituted UBS board with respect to the *Companies' Creditors Arrangement Act* (the "**CCAA**") proceedings and how UBS will resolve or determine claims made against UBS by, *inter alia*, Jolian Investments Limited and Gerald McGoey (the "**Jolian Claims**"); and
2. not seek any order terminating the CCAA proceedings, or support or assist any other person seeking such an order.

As you know, Niketo Co. Ltd. ("**Niketo**") has acquired the claims of Heenan Blaikie LLP against UBS and has brought a motion seeking an order for a meeting of UBS' creditors to be called to consider a plan of compromise or arrangement proposed by Niketo (the "**Niketo Plan**"). The Niketo Plan contemplates the settlement of the Jolian Claims and the claim of Douglas Reeson on terms negotiated by Niketo without the involvement or consent of UBS, and also contemplates the making of a \$4.5 million secured loan by Niketo to UBS.

On 25 January 2013, the UBS board met to consider the Niketo Plan and unanimously passed the following resolutions:

1. UBS not accept, acquiesce to or agree with the Niketo Plan including without limitation

- (a) the settlement of the Jolian Claims or the Reeson Claim as proposed by the Niketo Plan; and
 - (b) the Niketo Loan.
- 2. UBS oppose the Niketo Motion.
 - 3. UBS proceed with the determination of the Jolian Claim in accordance with the Orders of the Court, including the Order dated 4 August 2011, at a trial to begin on 18 February 2013.
 - 4. UBS proceed to seek Court approval for the transaction for the sale of the shares of LOOK Communications Inc. owned by UBS Wireless as contemplated by the agreement between UBS Wireless and 2092390 Ontario Inc.

We note that in his affidavit sworn 22 January 2013 in support of the Niketo Motion, John Zorbas asserts that your clients have agreed to support the Niketo Plan. However, pursuant to the Minutes of Settlement, your clients are obliged to fully support the UBS board and its decisions *vis-a-vis* the Niketo Plan and the determination of the Jolian Claims.

UBS requires that your clients comply with their obligations under the Minutes of Settlement and will fully support UBS in opposing the Niketo Motion and the Niketo Plan, and the determination of the Jolian Claims as per the above-noted resolution.

We would appreciate confirmation from your office that your clients will in fact comply with their obligations under the Minutes of Settlement and will fully support UBS. If that is not the case, then we would appreciate being so advised and the basis on which your clients contend that they are not obliged to support UBS.

You immediate response is requested.

Thank you.

Sincerely,

GOWLING LAFLEUR HENDERSON LLP

COPY

E. Patrick Shea

EPS:fs

cc: Matthew Gottlieb (*Lax O'Sullivan Scott Lisus*)
client

TOR_LAW\8088348\1