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

July 5, 2012

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

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

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

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

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

July 5, 2012

1.0 Introduction

Pursuant to an order ("Initial Order") of the Ontario Superior Court of Justice (Commercial List) ("Court") made on July 5, 2011, Unique Broadband Systems, Inc. ("UBS") and UBS Wireless Services Inc. ("Wireless") (UBS and Wireless are jointly referred to as the "Company") were granted protection under the *Companies' Creditors Arrangement Act* ("CCAA") and RSM Richter Inc. ("Richter") was appointed as the monitor ("Monitor"). Pursuant to a Court order made on December 12, 2011 (the "Substitution Order"), Duff & Phelps Canada Restructuring Inc. ("D&P"), as part of its acquisition of the Toronto restructuring practice of Richter, was substituted in place of Richter as Monitor¹.

Pursuant to an order of the Court made on April 13, 2012, the Company's stay of proceedings expires on July 30, 2012.

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

1.1 Purposes of this Report

The purposes of this report (“Report”) are to:

- a) Provide background information about the Company and these CCAA proceedings;
- b) Summarize a settlement between the Company, on the one hand, and DOL Technologies Inc. (“DOL”), Mr. Alex Dolgonos and companies controlled by him (collectively, “DOL Group”), on the other hand, with respect to all known claims that exist between them, subject to Court approval (“Settlement”); and
- c) Recommend that this Honourable Court make an order approving the Settlement.

1.2 Currency

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

2.0 Background

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

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

3.0 UBS and DOL Group

The Company commenced these CCAA proceedings in order to implement a process to have determined, on an expedited and cost effective basis, claims made against it principally by two creditor groups – the claims of DOL Group and Jolian Investments Limited and its principal, Mr. Gerald McGoey (together, “Jolian”). The claims arise from the replacement of the Company’s board of directors (“Board”) in July, 2010 at a special meeting of UBS’s shareholders (“Meeting”). Mr. Dolgonos was the Company’s Chief Technology Officer prior to the date of the Meeting.

Mr. Dolgonos controls 2064818 Ontario Inc. (“206”) and 6138241 Canada Inc., which together are the Company’s largest shareholders, owning in excess of 22% of UBS’s shares.

The Company's litigation with DOL Group has been at the center of this proceeding since it commenced. The issues between DOL Group and the Company have resulted in UBS incurring significant costs. A summary of the claims between DOL Group and the Company is provided below.

3.1 Claims of DOL Group against UBS

DOL Group filed claims against the Company pursuant to a Court order made August 4, 2011 ("Claims Bar Procedure Order"). The claims include the following:

- Over \$8 million for, among other things, a payment under a Technology Development and Strategic Marketing Agreement dated July 12, 2008 between DOL and UBS, unpaid bonuses awarded to DOL prior to the date of the Meeting, amounts owing in respect of the cancellation of a share appreciation rights plan, DOL's legal fees and other costs incurred prior to the date of the Initial Order, plus taxes and interest;
- Indemnification for legal fees and other expenses incurred by DOL and Mr. Dolgonos subsequent to the date of the Initial Order in amounts to be determined; and
- An action pursuant to the oppression remedy provisions of the *Business Corporations Act* (Ontario) against UBS and each of its directors ("Oppression Action") in amounts to be determined.

Copies of DOL Group's claims filed against the Company pursuant to the Claims Bar Procedure Order are provided in Appendix "A", without attachments.

3.2 Claims of UBS against DOL Group

Prior to the commencement of this proceeding, UBS had filed defences and counterclaims with respect to DOL Group's (and Jolian's) claims. UBS denied any amounts were owing to DOL Group and sought, among other things, a declaration that Mr. Dolgonos failed to act honestly and in good faith with a view to the best interests of UBS. UBS sought damages of \$8 million in the aggregate as against DOL Group and Jolian.

As part of a Court order made April 13, 2012 ("Claims Determination Process Order"), and in order to advance the Claims Process, the Company limited its claims against DOL Group to:

- Reimbursement of approximately \$270,000 in improper or unsupported expenses;

-
- Damages associated with DOL Group's role in a transaction between the Company and UBS Ltd. in 2003 and events subsequent thereto, in amounts to be determined; and
 - The return of advances made by UBS to DOL Group's legal counsel in amounts to be determined.

4.0 Settlement

The Company, with the Monitor's assistance, has been exploring settlement options with DOL Group for several months. A key issue for DOL Group has been the composition of the Board and the election or replacement of the current directors. DOL Group has made clear during this proceeding that it wishes to change the Board composition and has taken steps to attempt to have the Board reconstituted.

The Court was scheduled to hear a motion by the Company on July 6, 2012 ("Hearing Date") seeking to postpone a meeting of shareholders that the Company scheduled for July 11, 2012 ("Shareholder Meeting"), but which the Company advised was subject to a potential postponement. One of the issues that was to be considered at the Shareholder Meeting was the appointment of a new board of directors sought by DOL Group.

Settlement discussions recently accelerated and led to the Settlement, which is summarized below:

- a) All litigation claims between DOL Group and UBS, including the Oppression Action, will be dismissed and the parties will deliver mutual releases. Mutual releases will prevent DOL Group from making any indemnification claims against UBS in respect of all matters currently known to DOL Group, but will not prevent UBS from taking proceedings against persons other than DOL Group.
- b) UBS will direct the Monitor to admit DOL's claim against UBS for \$500,000 pursuant to the Claims Bar Procedure Order, inclusive of all legal and professional expenses payable under any indemnities. This will include all claims by DOL, 206 and Mr. Dolgonos, including Mr. Dolgonos's indemnification claim.
- c) The UBS board will be reconstituted through to the conclusion of the CCAA proceedings with Messrs. Vic Wells, Ken Taylor (together, the "Proposed Directors") and one of the current UBS directors as directors. The UBS board may be reconstituted at an annual meeting of UBS shareholders ("AGM") or, to avoid the cost of an AGM, by way of a Court order under the CCAA².

² UBS intends to seek a Court order in this regard on July 6, 2012 to have the AGM stayed or suspended and to then proceed to reconstitute the Board through a series of sequential Board meetings.

-
- d) DOL Group agrees to support the reconstituted UBS board, including any decision made by the UBS board with respect to how it will resolve/determine the claims made against UBS by Jolian and Mr. McGoey in the CCAA proceedings, through to the conclusion of the CCAA proceedings and to not seek a Court order terminating the CCAA proceedings. UBS will continue defending claims and reorganizing itself in the Court-supervised CCAA proceeding.
 - e) Mr. Dolgonos will not seek to be a director or officer of UBS, or have any direct or indirect consulting arrangement with the Company, through to the completion of the CCAA proceedings.
 - f) A Court order would be made that, subject to further Court order, UBS will not be obliged to convene any shareholder meetings until the CCAA proceedings are terminated.

The Settlement is subject to Court approval.

4.1 Recommendation

The Monitor supports the Settlement and respectfully recommends that it be approved by the Court for the following reasons:

- a) The Settlement resolves DOL Group's claims (in excess of \$8 million) for a claim of \$500,000;
- b) The Board supports the Settlement;
- c) The Company has limited resources. Those resources have been used to fund litigation, and in all likelihood would continue to be depleted, in order to respond to motions brought by or in respect of DOL Group's claims and in having DOL Group's claims determined by the Court;
- d) The Settlement resolves one of the two largest claims against the Company and will allow the Company to concentrate its efforts on dealing with Jolian's claims;
- e) The Company and the Monitor have met, in person or by phone, with the Proposed Directors. The Proposed Directors have advised that they have no relationship with any party to this proceeding or a conflict of interest in this matter. There is no reason to believe that the Proposed Directors will not act in good faith and in the best interests of the Company. The Proposed Directors are experienced professionals. The Monitor and the Court will continue their supervisory roles;

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- f) The Proposed Directors will have the benefit of the remaining current director's experience and history of the CCAA proceedings, which should limit any costs and delays associated with a change in the Board composition; and
 - g) The Proposed Directors have agreed to compensation during the CCAA proceedings at the same rate as the existing directors - \$20,000 each per annum.

5.0 Conclusion and Recommendation

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

* * *

All of which is respectfully submitted,

Duff + Phelps Canada Restructuring Inc.

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

Appendix "A"



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").

1. PARTICULARS OF CREDITOR:

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

DOL Technologies Inc.

(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:

207 Arnold Avenue, Thornhill, Ontario
L4J 1C1

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

(c) Other Contact Information of the Creditor: (c/o Alex Dolgonos)

Telephone Number: (416) 567-9647

Email Address: adolgonos@ad2007.com

Facsimile Number: (905) 707-1639

Attention (Contact Person): Alex Dolgonos

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

Yes No

2. **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:

(c) Other Contact Information of the Assignee:

Telephone Number: _____

Email Address: _____

Facsimile Number: _____

Attention (Contact Person): _____

3. **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

Chief Technology Officer
(state position or title)

of

DOL Technologies Inc.
(name of Creditor)

- (b) That I have knowledge of all the circumstances connected with the Claim described and set out below; and
- (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 checked="" type="checkbox"/> UBS	See Schedule "A" (8,042,716)	CDN	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<input type="checkbox"/> UBSW			<input type="checkbox"/>	<input type="checkbox"/>

4. 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.)

**Schedule "A" to
Proof of Claim of DOL Technologies Inc.**

This Schedule "A" and the documents referenced herein and/or attached hereto form part of the Proof of Claim of DOL Technologies Inc. ("DOL" or the "Claimant") against Unique Broadband Systems, Inc. ("UBS" or the "Company").

Nature of the Claims

1. DOL is a private Ontario corporation of which 2064818 Ontario Inc. is a shareholder.
2. The Claimant claims against UBS the amount of \$8,042,716 (all amounts in Canadian Dollars unless otherwise indicated) plus other amounts as indicated herein, including without limitation, any applicable GST, HST or other taxes ("Tax"), or otherwise determined to be payable by UBS to DOL by the Court or the Claims Officer.
3. The \$8,042,716 consists of the following claims (all rounded to the nearest dollar), all as described in greater detail herein.

Claim	Amount
I. Deferred bonus award	\$1,256,677 plus Tax
II. SAR cancellation payouts	\$345,586 plus Tax
III. Indemnification for legal expenses	\$245,003 plus interest
IV. Default and breach by UBS under the Technology Development and Strategic Marketing Agreement entered into between UBS and DOL, dated July 12, 2088 (the "Technology Agreement") and/or "termination without Cause"	\$6,195,450 plus Tax

Particulars of Claims

I. Deferred Bonus Award

4. On or about August 28, 2009, the Board of Directors of UBS (the "UBS Board") granted to DOL a deferred bonus award ("DBA") for 2009 of \$1,200,000 plus Tax. Attached hereto as Appendix "1" is a memorandum, dated September 8, 2009, from the Chairman and Chief Executive Officer of UBS at the time, Gerald McGoey, to DOL confirming approval of the DBA by the UBS Board and stating that:

"The DBA will be payable on the earlier of the following conditions:

1. Adequate cash resources being received by the Company;

2. The termination of the Technology Agreement between DOL and the Company;
 3. A change of control of the Company; and
 4. At the discretion of the Board of Directors.”
5. Based upon the above language, only one of the above conditions needed to be met in order for the DBA to be payable. Despite the fact that at least one of the above conditions had been met prior to July 5, 2011 (the “**CCAA Filing Date**”), UBS failed to make the required DBA payment to DOL and such DBA payment remains outstanding as at the date of this Proof of Claim.
6. In addition to the amount of \$1,200,000 plus Tax, pursuant to the terms of the DBA as noted in the DBA memorandum, the DBA accrues compounded monthly interest at the prime rate of interest of Scotia Bank, and such interest is to be paid at the same time as the payment of the DBA. Based upon Scotia Bank’s published prime rates from September 1, 2009 to June 30, 2011 (i.e. the 21 full months between the declaration of the DBA on August 28, 2009 and the CCAA Filing Date), the weighted average prime interest rate applicable to the DBA is approximately 2.65% per annum, or 0.22% per month, resulting in the following claim:

Principal amount of DBA Claim	\$1,200,000
Interest (21 months compounded at 0.22%/month)	\$56,677
Total DBA Claim	\$1,256,677 plus Tax

7. Further particulars of the DBA claim are set out in: (i) the Statement of Claim of DOL filed against UBS in Ontario Court File No. CV-10-406609 and attached hereto as Appendix “2”; (ii) the Reply and Defense To Counterclaim of DOL and Mr. Alex Dolgonos (“**Dolgonos**”) filed in Ontario Court File No. CV-10-406609 and attached hereto as Appendix “3” (collectively, the “**DOL/Dolgonos Pleadings**”).

II. SAR Cancellation Payout

8. On August 28, 2009 the UBS Board also granted DOL a performance incentive of \$330,000 plus Tax, in exchange for the relinquishment by the Claimant of its Share Appreciation Rights Units as at May 31, 2009 (“**SAR Cancellation Payout**”). Attached hereto as Appendix “4” is a copy of a letter agreement (“**SAR Cancellation Agreement**”) from the Chairman and Chief Executive Officer of UBS at the time, Gerald McGoey, to DOL evidencing and setting out details of the SAR Cancellation Payout terms.
9. The SAR Cancellation Agreement states that payment of the SAR Cancellation Payout was conditional upon: receiving a full and final release from the Claimant in respect of

the cancellation of SAR Units; Look Communications Inc. (“**Look**”) receiving the remaining \$50 million consideration for the sale of its spectrum and broadcast licenses to Inukshuk Wireless Partnership; and UBS receiving adequate cash resources. A copy of the required full and final release was executed by the Claimant and is attached at the end of the SAR Cancellation Agreement attached hereto as Appendix “4” hereto. In addition, both of the other conditions to the payment of the SAR Cancellation Payout were met in that Look received the remaining consideration for the sales of its spectrum and broadcast licenses to Inukshuk in or about September 2009 according to the press release dated December 4, 2009 from Look attached hereto as Appendix “5” and UBS had, or would have had if UBS and its new board of directors appointed in July 2010 were acting in good faith in pursuing full payments and dividends which should have been paid by Look to UBS, adequate cash resources to make the \$330,000 payment plus Tax.

10. In addition to the amount of \$330,000.00 plus Tax, pursuant to the terms of the SAR Cancellation Agreement, the SAR Cancellation Payout accrues compounded monthly interest at the prime rate of interest of Scotia Bank, and such interest is to be paid at the same time as the payment of the SAR Cancellation Payout. As set out, in paragraph 6 above, the interest rate applicable to the SAR Cancellation Payout is 0.22% per month compounded monthly for 21 months (i.e. the full months between the date of the SAR Cancellation Agreement and the CCAA Filing Date) resulting in the following claim:

Principal amount of SAR Cancellation Payout:	\$330,000
Interest (21 months compounded at 0.22% per month):	\$15,586
Total SAR Cancellation Payout Claim:	\$345,586 plus Tax

11. Despite the conditions to the SAR Cancellation Payout having been met prior to the CCAA Filing Date, UBS has failed to pay the SAR Cancellation Payout to DOL and the full amount of the SAR Cancellation Payout remains outstanding as at the date of this Proof of Claim.

III. Indemnification for Legal Expenses

12. Pursuant to Section 3.3.5 of the Technology Agreement, attached hereto as Appendix “6”, UBS agreed to reimburse DOL for all reasonable legal expenses incurred in respect of the Technology Agreement, DOL’s performance of the services under Technology Agreement and any other matter relating to the Company including the defence against actions commenced by regulatory authorities. UBS also agreed to make all reimbursements to DOL on a monthly basis.
13. In addition to its indemnification obligations under the Technology Agreement, UBS also has an obligation to indemnify DOL pursuant to an Indemnification Agreement dated January 25, 2007 between UBS and AD Enterprises (the “**DOL Indemnification Agreement**”), attached hereto as Appendix “7”. AD Enterprises was a proprietorship

owned by Dolgonos. As indicated in the Marrocco Judgment (as defined below), when Dolgonos incorporated DOL, AD Enterprises transferred its business and assets to DOL, including its rights under the DOL Indemnification Agreement. There is also a separate indemnification agreement dated January 25, 2007 between UBS and Dolgonos personally (the "**Dolgonos Indemnification Agreement**"), attached hereto as Appendix "8".

14. DOL brought a motion before the Ontario Superior Court of Justice (Commercial List) (the "**Court**"), heard on or about April 27, 2011, seeking indemnification from UBS of the legal and other expenses incurred by the Claimant. By a Judgment of the Court dated April 27, 2011, the Honourable Mr. Justice Marrocco ordered that UBS has an obligation to indemnify DOL and Dolgonos for their existing and ongoing legal and other expenses, all as more particularly set out in the Judgment of the Court attached hereto as Appendix "9" and the reasons of Mr. Justice Marrocco issued in connection therewith and attached hereto as Appendix "10" (together, the "**Marrocco Judgment**").
15. Despite the Marrocco Judgment, UBS has failed, since the time of the appointment of its new Board on July 5, 2010 up to and including the date of this Proof of Claim, to pay any expenses incurred by the Claimant for which the Claimant has demanded indemnification and reimbursement. UBS had adequate resources during this time period to reimburse DOL for its legal and other expenses and DOL understands that UBS has in fact selectively been reimbursing other directors and officers, including payment of a retainer to Lax O'Sullivan Scott Lisus LLP for payment of the legal expenses of the current directors relating to an oppression action filed against them, while failing to reimburse the Claimant.
16. As at the CCAA Filing Date, the Claimant had incurred \$245,003 (inclusive of applicable Tax) plus interest of legal fees and expenses for which it is entitled to indemnification and reimbursement from UBS and from which UBS has not reimbursed the Claimant. Attached are copies of legal bills from the Claimant's lawyers Roy Elliott O'Connor LLP (attached hereto as Appendix "11"), Bennett Jones LLP (attached hereto as Appendix "12") in the aggregate amount of \$245,003. Pursuant to the Marrocco Judgment, the Claimant is entitled to and claims payment of this amount plus interest at 3% per annum from the date of the Marrocco Judgment (being April 27, 2011). In addition, the Claimant has continued to incur additional legal and other expenses since the CCAA Filing Date, for which it is entitled to ongoing indemnification and reimbursement as set out above.

IV. Breach by UBS of the Technology Agreement

17. Under the Technology Agreement, DOL agreed to cause Dolgonos to perform the services of Chief Technology Consultant of UBS.
18. Under Section 5.3.1 of the Technology Agreement, in the event of a Good Reason following a Change-of-Control, DOL is entitled to terminate the Technology Agreement. If the Technology Agreement is terminated by DOL on that basis, or in the event of a "termination without Cause" by UBS, DOL is then entitled to 300% of the aggregate of:

- (a) DOL's Core Compensation (\$475,000.000);
 - (b) a bonus equal to the greater of:
 - (i) the bonus paid in the immediately preceding fiscal year;
 - (ii) the bonus paid in the immediately preceding calendar year;
 - (iii) the average of the bonuses paid in the two immediately preceding fiscal years;
 - (iv) or the average of the bonuses paid in the two immediately preceding calendar years; and
 - (c) amounts due and owing pursuant to Section 3.3 [Benefits] and Section 3.6 [Tax Effective Payments] at the time of termination.
19. Pursuant to the Technology Agreement "Good Reason" means "that the Consultant's business relationship with the company has been substantially altered by the Board."
20. Pursuant to the Technology Agreement, "Change-in-Control" means "that control (control includes a Person or group of Persons acting in concert holding more than 20% of the voting shares of the Company) of the Company has transferred to another Person or Persons acting in concert.
21. At the special meeting of the shareholders of UBS on July 5, 2010, the shareholders voted to remove the incumbent Board of Directors, from the UBS Board and replaced them with a new slate of directors, being Messrs. Robert Ulicki, Grant McCutcheon, and Henry Eaton.
22. As set out in greater detail in the DOL/Dolgonos Pleadings attached as Appendices 2 and 3 hereto, the above actions resulted in a "Good Reason following a Change of Control" and a "termination without Cause" entitling DOL to terminate the Technology Agreement and entitling DOL to payment therefor pursuant to section 5.3.1 thereof.
23. UBS's Management Circular dated May 30, 2010, which was approved by the independent directors (i.e. not including Dolgonos) of the UBS Board, and filed with the regulatory authorities, recognized and noted that the removal of Dolgonos from the UBS Board would result in this a payment of an estimated \$7.2 million becoming due and payable to the Claimant:

In the event that new Board of Directors terminates the Technology Development and Strategic Marketing Agreement without "Cause", the payment that would be due to DOL is estimated by UBS to be \$7.2 Million, taking into account performance incentives aid or awarded only by UBS. See 'Part 3 - Compensation'. Any such payments due to DOL under the Technology Development and Strategic Marketing Agreement are payable to DOL in a lump-sum payment within 5 business days of its termination and, in the case of a

portion of a contingent restructuring award granted by UBS to DOL in 2009, immediately upon such termination. The portion of the contingent restructuring award is also immediately payable upon a change of control of UBS.

24. As set out in greater detail in the DOL/Dolgonos Pleadings attached as Appendices 2 and 3 hereto, the Claimant is entitled to payment of and claims \$6,015,000 plus applicable Tax from UBS pursuant to section 5.3.1 of the Technology Agreement, consisting of the following:

Base Fee per Technology Agreement	\$475,000
Performance incentive	\$1,530,000
Total termination value (sum of above items)	\$2,005,000
Total termination claim (\$2,005,000 x 300%) before interest plus Tax	\$6,015,000

25. In breach of its contractual duties to the Claimant under the Technology Agreement, UBS had failed by the CCAA Filing Date and continues to fail to pay the Claimant the above amount notwithstanding that such payments are determinable and/or have been determined by the independent directors of UBS, and were thus due immediately or at the latest within 5 business days of the termination of the Technology Agreement pursuant to the terms thereof. Accordingly, the Claimant also claims interest from July 5, 2010 to the CCAA Filing Date at the pre-judgment interest rate of 3% per annum pursuant to section 128 of the *Courts of Justice Act* (Ontario), for a claim of \$6,195,450 (\$6,015,000 plus \$180,450 interest) plus Tax.

Non-Waivers of Post-Filing Claims and Other Rights

26. In addition to any and all amounts claimed above, the Claimant also maintains a claim in relation to all amounts payable by UBS to the Claimant for the period after the CCAA Filing Date ("**Post Filing Claims**"), including but not limited to, any and all amounts for indemnification of legal and other expenses to which the Claimant may be entitled pursuant to the Marrocco Judgment, the Technology Agreement, the DOL Indemnification Agreement, and the Dolgonos Indemnification Agreement, whether in relation to UBS or otherwise, and for any interest payable after the CCAA Filing Date.
27. The Claimant does not waive, and expressly reserves, any and all rights, remedies, arguments, causes of actions and defences it may have in respect of the claims asserted herein or otherwise in relation to UBS or any other person or entity.
28. The Claimant reserves the right to amend or supplement this Proof of Claim and to provide any additional information, documentation or evidence as may be required or desired by the Claimant to establish or support its claims, arguments and defences.

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").

1. PARTICULARS OF CREDITOR:

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

ALEX DOLGONOS

(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:

207 Arnold Avenue, Thornhill, Ontario
L4J 1C1

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

(c) Other Contact Information of the Creditor:

Telephone Number:

(416) 567-9647

Email Address:

adolgonos@ad2007.com

Facsimile Number:

(905) 707-1639

Attention (Contact Person):

Alex Dolgonos

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

Yes No

2. **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:

(c) Other Contact Information of the Assignee:

Telephone Number: _____
Email Address: _____
Facsimile Number: _____
Attention (Contact Person): _____

3. **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; and
- (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 checked="" type="checkbox"/> UBS	<i>To be determined.</i>	<i>CDN</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<input type="checkbox"/> UBSW			<input type="checkbox"/>	<input type="checkbox"/>

4. 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.)

5. 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.

See schedule "A" and attached Appendices.

6. FILING OF CLAIM

This Proof of Claim form must be received by the Monitor by no later than **5:00 p.m. (Eastern Daylight 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 16th day of September, 2011.

Name of Creditor: Alex Dolgonos
(Name)

Per: 
Name: Alex Dolgonos
Title:
(please print)

**Schedule "A" to
Proof of Claim of Alex Dolgonos**

This Schedule "A" and the documents referenced herein and/or attached hereto form part of the Proof of Claim of Alex Dolgonos ("**Dolgonos**" or the "**Claimant**") against Unique Broadband Systems, Inc. ("**UBS**" or the "**Company**").

Nature of the Claims

1. The Claimant claims indemnification and reimbursement against UBS, in an amount to be determined, plus other amounts as may be determined to be payable by UBS to the Claimant by the Court or the Claims Officer.

Particulars of Claims

Entitlement to Indemnification and Reimbursement of Legal Fees and Expenses

2. As indicated in the Proof of Claim (the "**DOL Proof of Claim**") filed by DOL Technologies Inc. ("**DOL**"), there is a indemnification agreement dated January 25, 2007 between UBS and Dolgonos (the "**Dolgonos Indemnification Agreement**"), attached hereto as Appendix "1".
3. Also as indicated in the DOL Proof of Claim, a Judgment of the Ontario Superior Court of Justice (Commercial List), dated April 27, 2011, by the Honourable Mr. Justice Marrocco ordered that UBS has an obligation to indemnify each of DOL and Dolgonos for their existing and ongoing legal and other expenses, all as more particularly set out in the Judgment of the Court attached hereto as Appendix "2" and the reasons of Mr. Justice Marrocco issued in connection therewith and attached hereto as Appendix "3" (together, the "**Marrocco Judgment**"). In additional, pursuant to the Marrocco Judgment, if a court decides that Dolgonos was an officer of UBS and that he acted honestly and in good faith with a view to the best interests of UBS, then UBS has an obligation to indemnify Dolgonos pursuant to Article 7 of UBS' bylaws.
4. Dolgonos submits this proof of claim, in an amount to be determined, to preserve all of his rights to indemnification and reimbursement from UBS in accordance with the Dolgonos Indemnification Agreement and the Marrocco Judgment.

Non-Waivers of Post-Filing Claims and Other Rights

5. In addition to any and all claims asserted above, the Claimant also maintains a claim in relation to all amounts payable by UBS to the Claimant for the period after the CCAA Filing Date ("**Post Filing Claims**"), including but not limited to, any and all amounts for indemnification of legal and other expenses to which the Claimant may be entitled pursuant to the Dolgonos Indemnification Agreement and the Marrocco Judgment, whether in relation to UBS or otherwise, and for any interest payable on such amounts.

6. The Claimant does not waive, and expressly reserves, any and all rights, arguments, causes of actions and defences it may have in respect of the claims asserted herein or otherwise in relation to UBS or any other person or entity.
7. The Claimant reserves the right to amend or supplement this Proof of Claim and to provide any additional information, documentation or evidence as may be required or desired by the Claimant to establish or support its claims, arguments and defences.



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").

1. PARTICULARS OF CREDITOR:

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

206 4818 Ontario Inc.

(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:

207 Arnold Avenue, Thornhill, Ontario
L4J 1G1

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

(c) Other Contact Information of the Creditor: *(c/o Alex Dolgonos)*

Telephone Number:

(416) 567-9647

Email Address:

adolgonos@ad2007.com

Facsimile Number:

(905) 707-1639

Attention (Contact Person):

Alex Dolgonos

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

Yes No

2. **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:

(c) Other Contact Information of the Assignee:

Telephone Number: _____
Email Address: _____
Facsimile Number: _____
Attention (Contact Person): _____

3. **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

Authorized Signatory
(state position or title)

of

2064818 Ontario Inc.
(name of Creditor)

- (b) That I have knowledge of all the circumstances connected with the Claim described and set out below; and
- (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 checked="" type="checkbox"/> UBS	To be determined	CDN	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<input type="checkbox"/> UBSW			<input type="checkbox"/>	<input type="checkbox"/>

4. 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.)

5. 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.

See Schedule "A" and attached Appendices

6. FILING OF CLAIM

This Proof of Claim form must be received by the Monitor by no later than **5:00 p.m. (Eastern Daylight 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 16th day of September, 2011.

Name of Creditor: 2064818 Ontario Inc.
(Name)

Per: 
Name: Alex Dolgonos
Title: Authorized Signatory
(please print)

**Schedule "A" to
Proof of Claim of 2064818 Ontario Inc.**

This Schedule "A" and the documents referenced herein and/or attached hereto form part of the Proof of Claim of 2064818 Ontario Inc. ("206" or the "Claimant") against Unique Broadband Systems, Inc. ("UBS" or the "Company").

Nature of the Claims

1. 206 has issued a Statement of Claim against, among other defendants, UBS, in the Ontario Superior Court of Justice (Commercial List), Court File No. CV-10-9036-00CL (the "Action"), a copy of which is attached hereto as Appendix "1".
2. Pursuant to paragraph 17 of the Initial Order of the Ontario Superior Court of Justice (Commercial List) in the proceeding of UBS under the *Companies' Creditors Arrangement Act* (Canada) (the "CCAA Proceeding"), all proceedings against the current or future directors of UBS are stayed, except for the Action.
3. The Claimant submits this Proof of Claim to preserve any and all rights and claims that it has as against the defendant UBS under or in connection with the Action.

Non-Waivers of Post-Filing Claims and Other Rights

4. In addition to any and all claims asserted above, the Claimant also maintains a claim in relation to any amounts payable by UBS to the Claimant for the period after the CCAA Filing Date ("Post Filing Claims").
5. The Claimant does not waive, and expressly reserves, any and all rights, arguments, causes of actions and defences it may have in respect of the claims asserted herein or otherwise in relation to UBS or any other person or entity.
6. The Claimant reserves the right to amend or supplement this Proof of Claim and to provide any additional information, documentation or evidence as may be required or desired by the Claimant to establish or support its claims, arguments and defences.
7. Nothing herein shall constitute or be deemed to constitute the submission or attornment by the Claimant of the Action, or any part thereof, to the jurisdiction of the Court presiding over the CCAA Proceeding.