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

January 30, 2013

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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.**

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

January 30, 2013

1.0 Introduction

1. 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").
2. Pursuant to a Court order made on December 12, 2011 (the "Substitution Order"), Duff & Phelps Canada Restructuring Inc. ("D&P") was substituted in place of Richter as Monitor¹.
3. Pursuant to an order of the Court made on November 9, 2012, the Company's stay of proceedings expires on February 1, 2013.

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

1. The purposes of this report (“Report”) are to:
 - a) Provide background information about the Company and these CCAA proceedings;
 - b) Summarize the status of the process approved by the Court pursuant to which the Monitor marketed for sale some or all of Wireless’s ownership interest in LOOK Communications Inc. (“Look”), comprised of 24,864,478 Multiple Voting Shares (“MVS”) and 29,921,308 Subordinate Voting Shares (“SVS”) (the MVS and SVS are referenced herein as the “Ownership Interest”) (“Sale Process”);
 - c) Outline the terms of an asset purchase agreement between Wireless and 2092390 Ontario Inc. (“Purchaser”) dated January 13, 2013 (“APA”) for the sale of 12,430,000 MVS and 14,630,000 SVS (“Transaction”);
 - d) Summarize a creditor-sponsored CCAA plan of compromise and arrangement (“Plan”) which Niketo Co. Ltd. (“Niketo”) seeks Court approval to file;
 - e) Provide the Monitor’s views on the Plan;
 - f) Report on the Company’s weekly cash flow projection for the period ending May 31, 2013 (“Cash Flow”); and
 - g) Recommend that this Honourable Court make an order:
 - Dismissing Niketo’s motion to file the Plan;
 - Granting the Company’s request for an extension of the stay of proceedings from February 1, 2013, the date the current stay expires, to May 31, 2013; and
 - Approving the Monitor’s actions and activities, as described in this Report.

1.2 Currency

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

1.3 Restrictions

1. In preparing this Report, the Monitor has relied upon unaudited financial information prepared by the Company’s representatives, the Company’s books and records and discussions with its representatives. The Monitor has not performed an audit or other verification of such information. An examination of

the Company's financial forecasts as outlined in the *Canadian Institute of Chartered Accountants Handbook* has not been performed. Future oriented financial information relied upon in this Report is based on the Company's representative's assumptions regarding future events; actual results achieved may vary from this information and these variations may be material. The Monitor has reviewed the assumptions underlying the cash flow projection provided in Appendix "1" and believes them to be reasonable.

2.0 Background

1. 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, litigation and Ownership Interest.
2. 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 Sale Process

3.1 Look

1. The shares of Look are listed on the NEX under the symbols "LOK.H" for the MVS and "LOK.K" for the SVS.
2. Wireless, UBS's wholly-owned subsidiary, is Look's largest individual shareholder – it has a 39.2% economic interest and a 37.6% voting interest in Look. The Ownership Interest is the principal asset of Wireless.

3.2 Purpose for Commencing the Sale Process

1. Pursuant to an order dated November 9, 2012, the Court approved the Sale Process.
2. The Sale Process was initiated following a resolution made on September 4, 2012 by the Company's Board of Directors ("Board") to carry out a process to solicit offers for the Ownership Interest.
3. The primary purpose of the Sale Process was to respond to expressions of interest from several parties to the Company to acquire some or all of the Ownership Interest.

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4. As the Company is subject to CCAA proceedings, the Monitor and the Company were of the view that an orderly, Court-supervised process was required to consider the expressions of interest.
 5. A sale of some or all of the Ownership Interest will also address the Company's liquidity concerns, which have arisen due to, *inter alia*, the costs associated with several unanticipated motions in these proceedings. The Company's latest projection indicates that it will run out of cash by the end of May, 2013, at the latest.

3.2.1 Special Committee

1. As described in Section 3.4 of the Monitor's Eleventh Report to Court dated October 15, 2012 ("Eleventh Report"), Mr. Ulicki advised the Monitor that he may submit an offer in the Sale Process.
2. Due to Mr. Ulicki's potential interest as a bidder, the Board established a special committee to deal with the Sale Process, comprised of Victor Wells and Kenneth Taylor ("Special Committee"), the Company's other two directors.
3. Messrs. Taylor and Wells were appointed to the Board as a result of a settlement UBS reached with DOL Technologies Inc., 2064818 Ontario Inc., 6138241 Canada Inc. and Alex Dolgonos (together, "DOL") on July 5, 2012. The DOL settlement is discussed further in Section 4.2.1 below.
4. As a result of Mr. Ulicki's potential interest, he recused himself from all Board matters dealing with the Sale Process. Mr. Ulicki has not received any updates from the Monitor concerning the Sale Process, nor did he participate in any Special Committee meetings.
5. Grant McCutcheon and Fraser Elliott, the Company's chief executive officer and chief financial officer, respectively, were also excluded by the Monitor and the Special Committee from all aspects of the Sale Process as they occupy executive positions at Look.

3.3 Sale Process Results

1. On January 10, 2013, the Special Committee, on the Monitor's recommendation, accepted the Purchaser's offer, which, in the view of the Monitor and the Special Committee, was the best offer submitted in the Sale Process.
2. On January 13, 2013, the Company and the Purchaser executed the APA, which is subject to Court approval. The APA and the Transaction are described below.
3. Should the Sale Process still be relevant after the outcome of Niketo's motion has been determined, the Monitor will file a report summarizing the Sale Process and its recommendation regarding the Transaction.

3.4 Transaction

1. The Purchaser is arm's length to the Company and Look, as well as their current and former officers and directors. The Monitor understands that the Purchaser does not own, directly or indirectly, any shares of Look.
2. A summary of the Transaction is as follows:
 - The APA contemplates that the Purchaser will acquire approximately half of the Ownership Interest²;
 - The APA is in a form consistent with insolvency transactions – it provides for the shares to be sold on an “as is, where is” basis, without representations and warranties;
 - The Purchaser is to acquire the shares free and clear of all liens, claims, charges, security interests, encumbrances and the like;
 - The Purchaser is to deposit 15% of the purchase price to the Monitor's counsel as escrow agent. (The Purchaser did so on January 14, 2013); and
 - The Transaction is subject to Court approval by February 15, 2013 (or such later date as the Vendor and the Purchaser may agree) and any other required approvals. (Regulatory approval has been obtained).
3. As referenced above and subject to the outcome of Niketo's motion, further details regarding the Transaction (including the price) and the Sale Process will be provided in a report to be filed by the Monitor.

4.0 Plan

1. Niketo is a company incorporated pursuant to the laws of Cyprus. It is a wholly owned subsidiary of NWT Uranium Corp. (“NWT”), incorporated under the Ontario *Business Corporations Act*.
2. The shares of NWT are listed on the TSX Venture Exchange under the symbol “NWT.V”. Trading in the shares of NWT is presently halted for reasons that have not been disclosed.
3. Niketo submitted an offer in the Sale Process. The Niketo offer was not accepted as it was inferior to the Purchaser's offer. The Niketo offer was rejected on December 17, 2012.

² Comprised of 12,430,000 MVS and 14,630,000 SVS.

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4. On January 8, 2013, Niketo's counsel met with the Monitor to summarize a plan of arrangement that Niketo was considering advancing. At that time, Niketo advised that it had acquired approximately half of the ownership interest in UBS held directly and indirectly by DOL, and that Niketo was in the process of purchasing the vast majority of the other half of this ownership interest. The Monitor understands that Niketo has now purchased substantially all of DOL's ownership interest.
 5. Completion of the transaction with DOL resulted in Niketo being the largest shareholder of UBS, with approximately a 19% ownership interest.
 6. Niketo advised the Monitor that it would not support the sale of the Look shares to the Purchaser and that the Sale Process should be stayed pending the outcome of the Plan. Niketo took this position notwithstanding it appeared to be unaware of the value of the Purchaser's offer.
 7. Also on January 8, 2013, NWT issued a press release that Niketo would be making an offer to acquire up to 49.9% of Look's shares at \$.125 per share. A copy of the press release is provided in Appendix "A".
 8. On January 22, 2013, Niketo brought a motion seeking Court approval to file the Plan, convene a meeting of the Company's creditors to vote on the Plan and stay the Sale Process.
 9. Niketo has advised that it does not intend to seek a vote of the shareholders and that if the Court requires such a shareholder vote, Niketo will not pursue the Plan.

4.1 Plan Attributes

1. A summary of the Plan is as follows:
 - Niketo is the plan sponsor;
 - Niketo seeks to file the plan as a creditor, as an assignee of the claim of Heenan Blaikie LLP (\$6,149); this claim was admitted in the claims process ("Claims Process") approved by Court order dated August 4, 2011 ("Claims Order");
 - To fund the Plan, Niketo is to advance \$4.5 million to UBS as a secured loan. Pursuant to a letter dated January 28, 2013 ("January 28th Letter"), Niketo indicated that it would "provide additional financing, as may be necessary, over and above the \$4.5 million". A copy of the January 28th Letter is provided in Appendix "B". The funding is to be secured against all assets of UBS, including the Ownership Interest (which is an asset of Wireless) and be repayable in two years. (Other particulars of the security, including enforcement rights, are described in Section 4.4 below);

2. The Plan calls for the following classes of creditors:

A - Jolian Investments Limited and its principal, Gerald McGoey (together, "Jolian")

B – Douglas Reeson ("Reeson")

C - Ordinary Creditors, meaning "all Creditors with Ordinary Claims whose claims are approved"³, including:

Creditor	Amount of Claim (\$)
DOL (comprised of three claims ⁴)	500,000
Stellarbridge Management Group	150,000
Peter Minaki ⁵	92,861
Gorrissen Federspiel	32,117
Goldman Sloan Nash & Haber LLP	22,398
Niketo (by assignment)	6,149
	<hr/> 803,525

3. As the "Ordinary Creditors" class includes only those creditors with claims that are "approved", it appears that contingent creditors whose claims have not yet been approved or disallowed, are not in a class of creditors and are therefore not allowed to vote on the Plan. This includes Mr. McCutcheon and Henry Eaton, former directors of the Company, and Mr. Ulicki; each has filed contingent claims.
4. The claims of Jolian, totaling \$10 million, are to be settled for \$2 million plus legal and accounting expenses. It is estimated that the total settlement value is at least \$3.5 million plus applicable taxes. This claim is presently disputed by the Company.
5. A claim in the amount of \$585,000 filed by Reeson is to be settled for \$75,000 (together with Jolian's claims, the "Settled Claims"). This claim is presently disputed by the Company.
6. The Plan provides for full repayment of certain creditor claims identified in the Plan, including the claims of the Ordinary Creditors and the Settled Claims.

³ It is unclear what the terminology "approved" means. Creditor claims were disallowed or "admitted". Some have yet to be determined.

⁴ Refers to the claims filed by 2064818 Ontario Inc., DOL Technologies Inc. and Mr. Dolgonos.

⁵ Pursuant to the January 28th Letter, Niketo's counsel advised the Company that this claim would be treated as an approved claim and paid in full under the Plan. Mr. Minaki's claim is a contingent obligation.

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7. The Plan provides for releases of any current or former director, officer, employee and advisor of UBS, subject to indemnification and other rights to continue for the benefit of Jolian, Reeson and DOL, as referenced in Section 3.7 of the Plan.
 8. The Plan requires that the Board be reconstituted with three nominees of NWT (David Subotic and John Zorbas, the President/CEO and Executive Chairman/Managing Director of NWT, respectively) and David Tsubouchi (an advisor to NWT's board of directors and a partner at Fogler Rubinoff LLP, NWT's securities counsel). Messrs. Wells and Taylor would be permitted to continue as directors, at their option.
 9. The Plan does not result in any change to the Company's share capital – there would not be any dilution to the other shareholders of UBS on the Plan implementation date.

4.2 Settled Claims

1. The settlements with Jolian and Reeson provide for:
 - Jolian to receive: \$1.2 million plus applicable HST and interest compounded monthly at prime from January, 2010; \$600,000 plus applicable HST plus 2% interest from July, 2010; \$200,000 plus applicable HST plus 2% interest from July, 2012; and \$1.325 million for Jolian's legal and other expenses (for an approximate total of at least \$3.5 million, plus applicable taxes);
 - Reeson to receive \$75,000 and a release from UBS with respect to an advance of \$120,000 made to him on June 30, 2010; and
 - UBS to perform its "advancement, indemnification and reimbursement obligations" to Jolian and Reeson "in accordance with the Marrocco Judgment and the Marrocco Reasons".
2. Niketo is to guarantee the indemnification provisions summarized in (1) above⁶.
3. The settlement agreements were negotiated without notice or consultation with the Company or the Monitor. The Monitor is not aware whether any assessment of the legal merits of the Jolian litigation has been undertaken by Niketo, nor whether Niketo has undertaken any review of the Reeson claim. The Monitor understands that representatives of Niketo did not seek to obtain the views of UBS or its counsel regarding the merits of the claims. The Board has advised the Monitor that it believes these settlements are unreasonable in the circumstances.

⁶ At the cross-examination of Mr. Zorbas, he could not recall whether the indemnification covered expenses regarding litigation commenced by Look against, *inter alia*, Jolian, and also could not quantify the liability for such indemnification.

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4. The Monitor is concerned with UBS's indemnification obligations post-Plan implementation. Specifically, the extent of those obligations and the consequences of UBS not having the resources to meet the obligations are unclear. For example, should an onerous indemnification claim be made by Jolian, a situation could arise where UBS will be unable to comply with such demands (as it may not have the financial ability to do so) and Niketo would be entitled to enforce its rights as a secured creditor.

4.2.1 DOL Settlement

1. Pursuant to an Order dated July 5, 2012, the Court approved a settlement between the Company and DOL ("DOL Settlement"). Among other terms, the settlement provides for DOL's claim against UBS to be admitted for \$500,000 pursuant to the Claims Order and for DOL **"to fully support decisions made by the reconstituted UBS board consisting of Mr. Ulicki, Mr. Wells and Mr. Taylor, including, *inter alia*, any decisions made by the reconstituted UBS board with respect to the CCAA proceedings and how UBS will resolve or determine the claims made against UBS by, *inter alia*, Jolian Investments Limited ("Jolian") and Mr. Gerald McGoey in accordance with the CCAA Claims Procedure"**. [Emphasis added.]

4.3 Company Position on the Plan

1. On January 25, 2013, the Board held a meeting to consider the Plan. The Board resolved that the Plan is not in the best interest of UBS's stakeholders and resolved to oppose the Plan. A copy of the Minutes of the Board meeting held on January 25, 2013 is provided in Appendix "C".
2. On January 25, 2013, the Company's counsel sent a letter to DOL advising of its view that the Plan is not in the best interest of the Company and that it would be opposing Niketo's motion to file the Plan. The letter stated that, in accordance with the DOL Settlement, UBS expected DOL to oppose the Niketo motion and the Plan. A copy of the letter is attached as Appendix "D".
3. On January 29, 2013, DOL's counsel responded to letter referred to above and advised that if "any plan of arrangement should go forward to a vote, my client intends to exercise his rights as a creditor". A copy of that response is provided in Appendix "E".

4.4 Plan Fatally Flawed

1. Based on the terms of the DOL Settlement, it is the Monitor's view that DOL is required to vote against the Plan. DOL has not explained on what basis it can vote in any manner other than in support of the Board. Based on the amount of DOL's claim as a percentage of the class of Ordinary Creditors (70%), the Plan would be rejected by that creditor class, resulting in the Plan's failure.

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2. Additionally, claims have been filed against the Company in the Claims Process by Messrs. Ulicki, McCutcheon and Eaton, as referenced above. There is uncertainty regarding the treatment of these claims in the Plan and whether these creditors are given the right to vote on the Plan.
 3. Due to the release language contained in Section 3.7 of the Plan, Messrs. Ulicki, McCutcheon and Eaton appear to be parties impacted by the Plan. To the extent that they are impacted and/or have a claim and thus can vote, they have advised the Monitor that they would not support the Plan. Copies of emails in this regard from each of these individuals are provided in Appendix “F”.
 4. If Messrs. Ulicki, McCutcheon and Eaton are entitled to vote on the Plan, the Ordinary Creditor class would also not reach the fifty percent threshold of creditor support that is required (comprised of the votes of these three individuals plus the three DOL claims – six of eleven claims would be opposed).

4.5 Niketo Loan

1. The Plan contemplates that Niketo will advance \$4.5 million to UBS on a secured basis to fund the distributions to UBS’s creditors under the Plan, plus, apparently, a further unquantified commitment, as detailed in the January 28th Letter.
2. The terms of the proposed lending arrangement are as follows:
 - a) Security in the form of a general security agreement (“GSA”) and a share pledge agreement;
 - b) Interest at prime plus 2%, which doubles in the event of default;
 - c) Payment of the lender’s legal fees and other costs – unquantified presently;
 - d) Broad enforcement rights as set out in Section 15 of the loan agreement and Part 6 of the GSA, including:
 - A declaration that the entire balance is due and payable;
 - The ability to exercise any right or recourse against UBS, provided that Niketo “will not exercise the right of foreclosure if default occurs, as set out in the GSA”;
 - The right to issue any notice of default, including a notice of intention to enforce security under Section 244 of the *Bankruptcy and Insolvency Act* for the appointment of a receiver; and
 - All other rights permitted under the *Personal Property Security Act* (Ontario).

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- e) Additionally, the Niketo loan restricts the Company from undertaking certain activities without Niketo's consent, including:
- Declaring or paying any dividend;
 - Entering into a financing, consolidation, merger, amalgamation, acquisition or other transaction; and
 - Selling or disposing of any material part of the business or the assets (including the Ownership Interest) outside of the ordinary course of business.
3. The effect of 2 e) above is that Niketo, as lender, effectively has a veto on all material transactions that the Company may wish to complete.
4. The Niketo loan was negotiated without input or consultation with UBS. The loan contains various representations and warranties on behalf of the Company. Should any of these not be valid on Plan implementation, there would be an event of default entitling Niketo to exercise its rights as a secured creditor. The Company's comments based on its review of the loan agreement are provided in Appendix "G".

4.6 Cash Analysis

1. In the context of the January 28th Letter, the Monitor, with the assistance of the Company's accounting contractor, estimated the Company's cash position as at March 1, 2013 if the Plan were implemented and the Company's subsequent cash needs to pay its operating costs ("Cash Analysis"). The Cash Analysis is provided in Appendix "H". Based on the Monitor's estimate, the Company would have approximately \$50,000, after payment of the claims subject to the Plan and estimated accrued professional fees. As the Company does not generate revenue, the Company would then have a potential annual deficiency of \$1 million or more, prior to payment of the following:
1. Niketo's "legal fees and other costs, charges and expenses" related to the loan agreement and the security contemplated therein, pursuant to Section 7 of the loan agreement;
 2. Employment termination costs for the Company's two employees and an employee on contract; and
 3. Payment for indemnity obligations (discussed in Section 4.2 above).

4.7 Shareholder Vote

1. Niketo has advised that it will not hold a vote of UBS's shareholders to consider the Plan; if one is required, it has stated that it will not proceed with the Plan.
2. It is the Monitor's view that the Plan should not proceed without the shareholders being given the right to vote on the Plan:
 - As a result of the terms of the Plan, including the Settled Claims, it is clear that value will accrue to the shareholders, which is unusual in the context of a filing under the CCAA;
 - The amounts to be paid to settle the Settled Claims, and the corresponding pledge of the Company's assets, have a direct impact on the value of the equity in UBS. Simply, the more paid to settle the claims, the lower the value of the equity. The amount paid to settle the Settled Claims has no impact on the Company's creditors as they are being paid in full under the Plan. Therefore, the shareholders are the only stakeholders in UBS affected by the amount of the payments;
 - The terms of Niketo's loan, Niketo's appointment of three nominees to the Board and Niketo's ability to seize the Ownership Interest only impacts the shareholders, not the creditors;
 - The proposed settlements with Jolian and Reeson and the Plan constitute a departure from the Company's strategy since the commencement of the CCAA; and
 - The Monitor has been advised that Robert Morrison, the Company's second largest shareholder (approximately 10%), and largest shareholder unrelated to the Plan sponsor, does not support the Plan.

5.0 Recommendation on the Plan

1. For the following reasons, the Monitor does not believe that is appropriate that the Plan be filed:
 - The Plan cannot be sanctioned pursuant to the provisions of the CCAA – as a result of DOL's commitment to support the Board and the Board's determination that the Plan is not in the Company's best interest, DOL is required to vote against the Plan; the class of Ordinary Creditors would not have the necessary dollar value support for the Plan to succeed. Depending on the entitlement of Messrs. Ulicki, McCutcheon and Eaton to vote, the Ordinary Class of creditors may also not have the support of the requisite number of creditors for the Plan to succeed;
 - The Plan does not allow for a shareholder vote;

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- The Plan results in three nominees of Niketo being appointed to the Board, being a majority of the Board members - without a shareholder vote;
 - The Niketo loan provides it with significant control and influence over the Company's business – without shareholder approval;
 - The Company may be in violation of terms of the loan on Plan implementation. The representations and warranties under the loan agreements were not discussed with the Company. There is a concern that this could lead to immediate enforcement steps by Niketo;
 - There is no evidence that the terms of settlement with Jolian and Reeson were based on the merits of their respective claims. The Company, which has been pursuing the claims with the advice of counsel, believes the settlements are not reasonable in the circumstances;
 - Mr. Morrison, UBS's second largest shareholder, and its largest arm's length shareholder, is opposed to the Plan; and
 - The filing of the Plan may be perceived as an unsolicited rebid (or a collateral attack on the Sale Process) by Niketo – such an action may be inconsistent with Canadian insolvency principles. Given the potential control elements of the Plan and corresponding agreements (Board nominees, restrictive loan), the transaction could be viewed as a takeover notwithstanding that Niketo was not the successful bidder in the Sale Process.

6.0 Cash Flow

6.1 Receipts and Disbursements for the Period September 29, 2012 to January 18, 2013

1. A comparison of the Company's budget to actual results for the period September 29, 2012 to January 18, 2013 is provided in Appendix "I". The Company had \$1.2 million on hand as at January 18, 2013, an overall positive variance of \$270,000. The balance was prior to payment of accrued but unpaid professional fees totaling \$540,000, including fees for services rendered in prior periods by the Company's counsel.
2. Variances in the period principally relate to timing differences associated with HST recoveries, return of a retainer that had been advanced to the Board's counsel and payment of professional fees.

6.2 Cash Flow for the Period ending May 31, 2013

1. The Cash Flow, together with Management's report on the cash-flow statement as required by Section 10(2)(b) of the CCAA, and the Monitor's report on the cash-flow statement as required by Section 23(1)(b) of the CCAA, are attached in Appendix "J". The Monitor has reviewed the Cash Flow and believes it to be reasonable.
2. The Monitor understands that counsel for the Company provided Niketo's counsel with an earlier version of the Cash Flow in response to documentary requests in the context of examinations to be performed regarding this motion. This version of the Cash Flow provides an updated (and reduced) estimate of projected professional fees.
3. The Cash Flow continues to reflect that the Company has limited receipts and disbursements, with the main disbursements relating to payroll, insurance and professional fees.
4. Absent further funding, the Company is projecting to deplete its cash balance in mid to late-May, 2013, at the latest.

7.0 Company's Request for an Extension

1. The Company is seeking an extension of the stay of proceedings to May 31, 2013. The Monitor supports the Company's request for an extension of the stay of proceedings for the following reasons:
 - The Company is acting in good faith and with due diligence;
 - The proposed stay extension will allow these proceedings to advance toward completion – whether it is the Sale Process route with the litigation continuing, or the Plan route; and
 - It should not prejudice any employee or creditor, as the Company is projected, following completion of the Sale Process or the Plan, to have sufficient funds to pay post-filing services and supplies in the amounts contemplated by the Cash Flow.

8.0 Overview of the Monitor's Activities

1. Since October 15, 2012, the date of the Eleventh Report, the Monitor's activities have included, *inter alia*, the following:
 - a) Monitoring the Company's receipts and disbursements pursuant to the terms of the Initial Order;

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- b) Reviewing correspondence related to the Company's abandonment of the appeal of an order of Justice Marrocco dated April 27, 2011;
 - c) Reviewing correspondence between Roy Elliott O'Connor LLP ("REO"), counsel representing DOL and Lax O'Sullivan Scott Lisus LLP ("Lax"), the Monitor's legal counsel;
 - d) Meeting at the offices of the Monitor on October 24, 2012, with representatives of REO, Wildeboer Dellelce LLP, Gowling Lafleur Henderson LLP ("Gowlings"), the Company's counsel, and Lax regarding the Sale Process;
 - e) Reviewing Jolian's responding motion record dated October 25, 2012, related to the Company's motion for a Court order extending the CCAA proceedings, approving the Sale Process and approving next steps to have Jolian's claims against the Company determined in the claims process ("Motion");
 - f) Reviewing and commenting on the Company's responses to Jolian's motion record;
 - g) Reviewing and commenting on the Company's factum dated October 30, 2012, related to the Motion;
 - h) Attending at Court on October 31, 2012;
 - i) Attending a conference call on November 2, 2012, with representatives of Lax and McCarthy Tetrault LLP, counsel representing DOL, regarding the Sale Process and the CCAA proceedings;
 - j) Reviewing correspondence from Reeson to the Ontario Securities Commission and the TSX Venture Exchange dated November 7, 2012 regarding the Sale Process;
 - k) Corresponding with REO related to, among other things, professional fees paid by the Company from commencement of the CCAA proceedings to September 28, 2012;
 - l) Attending at Court on November 8, 2012, for the hearing of the Motion;
 - m) Reviewing the decision of Justice Wilton-Siegel dated November 9, 2012, with respect to the Motion;
 - n) Attending meetings and conference calls with Board members;
 - o) Speaking (at a high level) with Robert Morrison, a shareholder of the Company, regarding the Sale Process;
 - p) Meeting with David Rattee, Look's Chairman of the Board of Directors;

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- q) Reviewing correspondence from REO dated November 27, 2012 and a response from Lax related thereto dated November 28, 2012;
 - r) Corresponding with Gowlings and Lax regarding the Sale Process timeline schedule ("Schedule") and discussing revisions thereto;
 - s) Reviewing responses from counsel representing Jolian and others regarding the Monitor's requested revisions to the Schedule;
 - t) Reviewing correspondence between Gowlings and counsel representing Jolian regarding discoveries, affidavits and other aspects of the claims process;
 - u) Attending at Court on December 17, 2012 with respect to the Schedule and matters related to the Company's claims process;
 - v) Dealing with all aspects of the Sale Process, including preparing marketing materials, corresponding with interested parties, coordinating diligence, reviewing offers, reporting to the Special Committee and recommending acceptance of the Purchaser's offer;
 - w) Meeting and corresponding with representatives of Niketo and its counsel;
 - x) Meeting and corresponding with the Company regarding the Plan;
 - y) Reviewing the Company's bank statements;
 - z) Reviewing the Company's budget-to-actual cash flow reports;
 - aa) Reviewing the Company's press releases regarding, among other things, the Sale Process;
 - bb) Corresponding with Davies Ward Phillips & Vineberg LLP, the Monitor's legal counsel for securities matters, regarding the Sale Process and compliance with securities laws;
 - cc) Corresponding extensively with Gowlings and Lax related to these proceedings, including the Sale Process and the claims process;
 - dd) Drafting the Supplement to the Eleventh Report dated November 5, 2012; and
 - ee) Drafting this Report.

9.0 Conclusion and Recommendation

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

* * *

All of which is respectfully submitted,



**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”



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NWT Uranium Corp.

TSX VENTURE : [NWT](#)
 OTCBB : [NWURF](#)
 FRANKFURT : [NMV](#)



January 08, 2013 17:38 ET

NWT Uranium Corp. Announces Niketo Ltd., Its Wholly Owned Subsidiary, Will Make an Offer to Acquire Shares of Look Communications Inc.

TORONTO, ONTARIO--(Marketwire - Jan. 8, 2013) - NWT Uranium Corp. (the "Corporation") (TSX VENTURE:NWT)(OTCBB:NWURF)(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.

NWT Uranium Corp. (TSX VENTURE: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



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Appendix “B”

SRG

Solmon Rothbart Goodman LLP
Barristers

Melvyn L. Solmon, B.A.Sc., LL.M. (Harv) **
 Randall M. Rothbart, B.A., LL.B.
 Mark L. Goodman, B.A., LL.B.
 Avrum D. Slodovnick, LL.B.
 Nancy J. Tourgis, B.Sc.H., LL.B.
 James P. McReynolds, B.Comm., LL.B.
 Raffaele Sparano, B.A.(Hon.), LL.B.
 Matthew Valitutti, B.A., LL.B.
 Cameron J. Wetmore, B.A.C.S., LL.B.
 Ryan R. McKeen, B.A.(Hon.), J.D.
 Eric P. Borzi, B.A.(Hon.), LL.B.
 Member of the New York Bar **

January 28, 2013

VIA EMAIL - Patrick.Shea@gowlings.com
and Clifford.Cole@gowlings.com

Gowling LaFleur Henderson LLP
1 First Canadian Place, Suite 1600
100 King Street West
Toronto, Ontario M5X1G5

Attention: Mr. E. Patrick Shea and Clifford Cole

Dear Mr. Shea:

Re: Niketo Co. Ltd. et al. ats Unique Broadband Systems Inc.
Court File No.: CV-11-9283-00CL
Our File No.: 17086

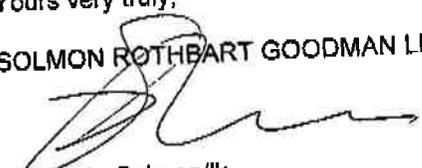
Further to the Affidavit of Victor Wells sworn January 25, 2013, our client appreciates the helpful comments, and we can advise as follows:

1. With respect to paragraph 41(6), our client will obtain the necessary regulatory or Court approvals and amend the Loan Documentation accordingly;
2. With respect to paragraph 41(7), our client will provide additional financing, as may be necessary, over and above the \$4.5 Million; and,
3. With respect to paragraph 41(9), our client has agreed and will pay 100% of all approved claims, including to Mr. Minaki;

We are seeking confirmation from Julian, Mr. McGoey and Mr. Reeson with respect to consenting to these amendments.

Yours very truly,

SOLMON ROTHBART GOODMAN LLP


per: Melvyn L. Solmon/lk
MLS/lk

CC. Matt Gottlieb - mgottlieb@counsel-toronto.com
Joseph Groia - jgroia@groiaco.com
Gavin Smyth - gsmyth@groiaco.com
Peter L. Roy - plr@reolaw.ca
S. Michael Citak - mcitak@mcleankerr.com

msolmon@srglegal.com

375 University Ave., Suite 701, Toronto, ON M5G 2L5
T 416 947.1093 F 416 947.0079

Appendix “C”

MINUTES of a meeting (the "Meeting") of the Board of Directors of **UNIQUE BROADBAND SYSTEMS, INC.** (the "Corporation") held via teleconference at the hour of 9:00 a.m. (Toronto Time) on Friday, January 25, 2013.

PRESENT: Victor Wells, Kenneth D. Taylor and Robert Ulicki (Chair)

IN ATTENDANCE BY INVITATION: Patrick Shea, Gowling Lafleur Henderson LLP
Alex MacFarlane, Gowling Lafleur Henderson LLP

I. CHAIRMAN AND SECRETARY

Robert Ulicki acted as Chair and Secretary of the meeting.

II. NOTICE AND QUORUM

The Chairman reported that each Director had waived notice of the meeting and that with all the members of the Board being in attendance, a quorum was present and the meeting had been properly constituted for the transaction of business.

III. NIKETO PLAN

The Meeting discussed the involvement of Niketo Co. Ltd. ("Niketo") in the CCAA proceedings to date and the matters leading up to the motion by Niketo (the "Niketo Motion") seeking to have a meeting of UBS's creditors called to consider a plan of compromise or arrangement presented by Niketo (the "Niketo") to UBS' creditors including the settlement of the claims of Jolian Investments Inc. and Gerald McGoey (the "Jolian Claims") and Douglas Reeson (the "Reeson Claim") contemplated by the Niketo Plan and the secured loan to be advanced by Niketo to UBS under the Niketo Plan (the "Niketo Loan"). A specific discussion then took place with respect to the Niketo Plan and the following issues were raised and discussed:

1. 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 shares of LOOK Communications Inc. owned by UBS's subsidiary (the "LOOK Shares").
2. The Niketo Plan provides for the appointment of 3 directors without shareholder approval. The new directors are all connected to Niketo's parent company.
3. It is not apparent that the Niketo Plan is founded on any in depth or balanced investigation or consideration of the Jolian Claims or the Reeson Claim. While Mr. Wells was advised by Mr. Zorbas in a meeting that the settlement of the Jolian Claims was negotiated, Niketo did not approach UBS with respect to the settlement or asked for its view as to the merits of the Jolian Claims or the Reeson Claim. The Board was of the view that the proposed settlements of the Jolian Claims and the Reeson Claim were not reasonable or appropriate.
4. There is no 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. It was the view of

the Board that it would be irresponsible and detrimental to shareholder interest for UBS to borrow \$4.5 million without a plan in place to repay that loan. There is, in the view of the Board no practical difference between a sale of assets and a secured loan in circumstances where there is no ability to repay that loan.

5. The terms of the Niketo Loan give Niketo control over UBS and the LOOK Shares.

6. UBS was not consulted with respect to the Niketo Loan. The Board noted there are representations purportedly being made by UBS that are not accurate. 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. As matters currently stand and given the information available, there was concern expressed by the Board as to the ability of UBS to comply with some of the positive and negative covenants being given by UBS.

7. The Niketo Loan, at \$4.5 million, does not appear to be sufficient to fund the Niketo Plan or pay UBS's creditors or to permit UBS to carry on business going forward. It was also noted that there will not be sufficient funds to pay post-filing claims.

8. Under the Niketo Plan, UBS would be prohibited from paying or making a distribution to shareholders without Niketo's consent. It was noted that 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. The Board noted that it was expected that to the extent there was equity available to shareholders, there ought to be a distribution to UBS shareholders.

9. The Niketo Plan appears to provide more favourable or different treatment to some creditors of UBS.

The following resolution was moved by Kenneth Taylor and Seconded by Victor Wells:

WHEREAS

A. Niketo has brought a motion seeking an order (the "Niketo Motion") calling a meeting of UBS' creditors only for the purpose of voting on a plan of compromise and arrangement in respect of UBS and UBS Wireless (the "Niketo Plan").

B. The Niketo Plan contemplates: (a) the settlement of certain disputed claim made against UBS by Jolian Investments Inc. and Gerald McGoey (the "Jolian Claims") and Douglas Reeson (the "Reeson Claim") based on agreements negotiated by Niketo without the involvement of UBS; (b) the making by Niketo of a \$4.5 million secured loan to UBS to pay the claims of UBS' creditors including the Jolian Claims and the Reeson Claim, which loan is to be secured by security interests over all of UBS' and UBS Wireless' assets, including the shares of LOOK Communications Inc. owned by UBS Wireless (the "Niketo Loan"); and (c) the addition of 3 Niketo nominee directors to the UBS board.

C. The Board has considered the Niketo Plan including the proposed settlement of the Jolian Claims and the Reeson Claim and the Niketo Secured Loan.

D. The Board has determined that: (a) the Niketo Plan, the proposed settlements of the Jolian Claim and the Reeson Claim and the Niketo Secured Loan are not in the best interest of UBS' stakeholders; and (b) the trial of the Jolian Claims which is presently scheduled to begin on 18 February 2013 should proceed;

RESOLVED THAT:

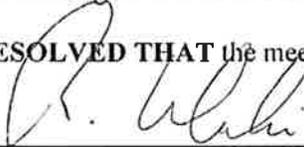
1. UBS not accept, acquiesce to or agree with the Niketo Plan including without limitation (a) the settlement of the Jolian Claims or the Reeson Claim as proposed by the Niketo Plan; and (b) the Niketo Loan.
2. UBS oppose the Niketo Motion.
3. UBS proceed with the determination of the Jolian Claim in 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.

The motion was unanimously carried.

IV. TERMINATION

There being no further business, upon motion duly made, seconded and unanimously carried, it was

RESOLVED THAT the meeting be terminated.



Secretary – Robert Ulicki

Appendix “D”



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25 January, 2013

Via Facsimile**E. Patrick Shea**
Direct (416) 369-7399
patrick.shea@gowlings.comRoy 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

gowlings

- (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



E. Patrick Shea

EPS:fs

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

TOR_LAW\8088348\1

Appendix “E”

Peter L. Roy
Certified by the Law Society as a
Specialist in Civil Litigation
Direct Line 416-350-2488
plr@reolaw.ca

January 29, 2013

File No. 11-0037

VIA EMAIL

E. Patrick Shea
Gowling Lafleur Henderson LLP
Suite 1600, 1 First Canadian Place
Toronto, ON M5X 1G5

VIA EMAIL

Matthew Gottlieb
Lax O'Sullivan Scott Lisus LLP
145 King Street West, Suite 1920
Toronto, ON M5H 1J8

VIA EMAIL

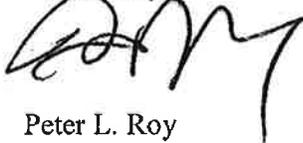
Melvyn L. Solmon
Solmon Rothbart Goodman LLP
375 University Ave., Suite 701
Toronto, ON M5G 2J5

Dear Counsel:

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

I just at this moment became aware of your letter of January 25, 2013, which was apparently sent to me by fax. This is to advise you that in the event Justice Wilton-Siegel decides, in the exercise of his discretion under the CCAA, that any plan of arrangement should go forward to a vote, my client intends to exercise his rights as a creditor.

Yours truly,



Peter L. Roy
PLR/ag

Appendix “F”

Vininsky, Mitch

From: Kofman, Bobby
Sent: Friday, January 25, 2013 5:51 PM
To: 'gmccutcheon@grouplook.ca'
Cc: 'patrick.shea@gowlings.com'; 'mgottlieb@counsel-toronto.com'; Vininsky, Mitch
Subject: Re: Niketo CCAA Plan

Received.

----- Original Message -----

From: gmccutcheon@grouplook.ca [<mailto:gmccutcheon@grouplook.ca>]
Sent: Friday, January 25, 2013 05:46 PM
To: Kofman, Bobby
Cc: 'Patrick.Shea@gowlings.com' <Patrick.Shea@gowlings.com>
Subject: Niketo CCAA Plan

Bobby:

As a creditor in the UBS claims process, this email is to inform you that I was not consulted by Niketo with respect to the Niketo Plan and I do not support the Niketo Plan as currently contemplated.

Please confirm receipt of this email.

Regards,
Grant McCutcheon

Vininsky, Mitch

From: Kofman, Bobby
Sent: Friday, January 25, 2013 4:27 PM
To: Vininsky, Mitch
Subject: Fw: Niketo Proposed Plan

From: Henry Eaton [<mailto:henry@npv.ca>]
Sent: Friday, January 25, 2013 04:26 PM
To: Kofman, Bobby; Matt Gottlieb <mgottlieb@counsel-toronto.com>
Cc: Shea, Patrick <Patrick.Shea@gowlings.com>
Subject: Niketo Proposed Plan

Dear Mr. Kofman,

I am a creditor of Unique Broadband Systems, Inc. and filed a proof of claim against the company based on the indemnity provided to me by UBS. I understand that a company called Niketo has acquired a small claim against UBS and has filed a motion seeking to have a plan it has prepared put to UBS' creditors. As a creditor of UBS, I was not approached or consulted by Niketo with respect to their proposed plan. I do not support this plan and would not vote in favour of it. I view it as transparent proposal that is being made by a group of individuals for their benefit and contrary to the interests of UBS and other stakeholders, including my interests as a creditor.

Sincerely,

Henry Eaton

NPV Associates

Office (416)273-3450

Fax (416)273-2941

Cell (416)488-1027

IMPORTANT NOTICE: This message is intended only for the use of the individual or entity to which it is addressed and contains information that is privileged & confidential. If the reader of this message is not the intended recipient, or the employee or agent responsible for delivering the message to the intended recipient, you are notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please notify NPV immediately by email at admin@npv.ca.

Vininsky, Mitch

From: Kofman, Bobby
Sent: Friday, January 25, 2013 5:43 PM
To: 'rulicki@clareste.com'
Cc: 'mgottlieb@counsel-toronto.com'; Vininsky, Mitch; 'patrick.shea@gowlings.com'
Subject: Re:

Received.

From: Robert Ulicki [<mailto:rulicki@clareste.com>]
Sent: Friday, January 25, 2013 05:41 PM
To: Kofman, Bobby
Subject:

Hello Bobby:

As a creditor in the UBS claims process, this email will serve to inform you that I was not consulted by Niketo with respect to the Niketo Plan and I do not support the Niketo Plan as currently contemplated.

Please confirm receipt of this email.

Regards,
Robert Ulicki, CFA
Clareste Wealth Management Inc.
(416) 642-5703

Appendix “G”

Niketo Loan Transaction Analysis

Loan Agreement	Comment
General	The Loan Agreement, GSA and Pledge were not negotiated. UBS was not consulted with respect to these agreements and had no input into their drafting.
Section 4. Subject to the absolute discretion of the Lender, any net proceeds from any debt or equity financing must be applied to repay the Niketo Lon.	This provision restricts the ability of UBS to raise money to carry on business.
Section 5. UBS may elect to capitalize interest in YR1.	Niketo will control the UBS board and will, <i>de facto</i> , determine whether interest will be capitalized. If the YR1 interest is not capitalized, it is not clear how UBS will pay the YR1 interest as required. UBS may be prohibited from “capitalizing” interest under applicable accounting standards.
Section 7. UBS will pay all of Niketo’s legal and due diligence fees and expenses.	UBS is not certain how much Niketo will deduct from the loan advance.
Section 8(b). UBS is required to pledge the LOOK Shares.	UBS does not own the LOOK Shares. The LOOK Shares are owned by UBS Wireless. There are no agreements with UBS Wireless.
Section 9(c). Representations in Section 10 will be true and correct.	See comments re Section 10.
Section 10.1(e). UBS represents that other than disclosed to Niketo in writing there are no contingent liabilities that are not disclosed on the financial statements and the value of UBS’ assets are as disclosed on the financial statements.	UBS has provided no disclosures re variances in the value of the LOOK Shares or the contingent liabilities under indemnities.
Section 10.1(f). Except as disclosed on SEDAR, there are no, inter alia, inquiries or investigations on-going.	Certain investigations being conducted by regulators are not disclosed on SEDAR.
Section 10.1(j). UBS has not entered into any material transactions.	The Sale Transaction may be a material transaction.

Section 10.1(i). No approvals other than that of the UBS board are required to complete the Loan transaction.	TSXV approval is required. Court approval is required.
Section 10.1(p). UBS owns the LOOK Shares.	See Section 8(b).
Section 10.1(s). All information provided to Niketo is true, accurate and complete.	UBS has provided no information to Niketo.
Section 10.2. Every representation is repeated monthly.	Niketo will control whether UBS is in compliance with its representations.
Section 12(g). UBS will carry on and conduct business in a proper and prudent manner so as to not materially affect its ability to perform under the Loan Agreement.	UBS has no financial ability to carry on any business. The Loan Agreement restricts UBS' ability to carry on business.
Section 12(h). UBS will maintain its public listing.	UBS does not have the financial ability to maintain its listing. The Loan Agreement restricts UBS' ability to carry on business or secure financing.
Section 12(k). UBS will maintain insurance.	UBS does not have the financial ability to maintain insurance. The Loan Agreement restricts UBS' ability to carry on business or secure financing.
Section 13(a). Without Niketo approval, UBS cannot make a distribution to shareholders.	This is a restriction that the UBS board believes is not appropriate. The UBS board believes strongly that shareholders should, in the circumstances, receive a distribution.
Section 13(b). Without Niketo approval, UBS cannot enter into certain transactions.	UBS is concerned that this will provide Niketo with effective control over UBS' ability to repay the Niketo Loan. It is not clear how UBS will generate revenue to repay the Niketo Loan or comply with its obligations under the Loan Agreement.
Section 13(d). Without Niketo approval, UBS cannot sell or dispose of any substantial or materials part of its assets.	See comments re Section 13(b).
Section 13(e). Without Niketo approval, UBS cannot borrow money on a secured basis from anyone by Niketo.	See comments re Section 13(b).

<p>Section 15. Niketo indicates that it will not exercise foreclosure rights under the GSA.</p>	<p>The Pledge provides Niketo with effective control over the LOOK Shares. UBS is required to deliver the LOOK Shares and a stock power of attorney to Niketo (Section 1.2). On default, Niketo may exercise all of the rights of the owner of the LOOK Shares without becoming the owner (Sections 1.6 and 2.2). UBS is required to appoint Niketo as its power of attorney to exercise ownership rights vis-à-vis the LOOK Shares (Section 2.6). Niketo can sell or assign the LOOK Shares to itself and account to UBS for only the surplus cash (Sections 2.3 and 2.5).</p>
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Appendix “H”

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

Estimated Cash Analysis

As at March 1, 2013

(\$; unaudited)

Projected cash on hand		789,105
Accrued and unpaid professional fees		<u>(900,000)</u>
Net cash on hand		(110,895)
Loan from Niketo		4,514,402
Creditor distributions		
Jolian Investments Limited	3,471,659	⁽¹⁾
DOL Technologies Inc. and related parties	500,000	
Stellarbridge Management Group	150,000	
Douglas Reeson	75,000	
Goldman Sloan Nash & Haber LLP	22,398	
Gorrissen Federspiel	32,117	
Peter Minaki	92,861	
Niketo	<u>6,149</u>	
	4,350,184	<u>4,350,184</u>
		164,218
Projected working capital, prior to payment of annual operating and other costs as summarized below ⁽²⁾⁽³⁾⁽⁴⁾		<u>53,323</u>
Interest on loan balance (prime + 2%)		225,000
Payroll and consulting expenses (gross - Grant McCutcheon, Fraser Elliott, Jackie Logan)		215,000
Director fees (5 directors at \$35,000 each)		175,000
D&O insurance		85,000
Legal fees		70,000
Annual general meeting (assumes normal course voting)		60,000
Audit and tax return		60,000
Rent and office expenses		28,500
Group insurance		23,000
Equity Transfer (shareholder administration services)		10,000
Filing fees to TSX		<u>10,000</u>
Estimated normal course operating costs		961,500
Grant McCutcheon - change of control contractual payment		<u>200,000</u>
Estimated total funding required, year one		<u>1,161,500</u>
Surplus/(deficiency), before undernoted		<u><u>(1,108,177)</u></u>

(1) Excludes applicable taxes as such taxes may be recoverable.

(2) Excludes employee termination claims

(3) Excludes payment for indemnity obligations.

(4) Excludes payment for Niketo's legal fees and other costs pursuant to Section 7 of the loan agreement.

Appendix “I”

Unique Broadband Systems, Inc. and UBS Wireless Services Inc.
Variance Analysis⁽¹⁾

For the period September 29, 2012 to January 18, 2013

(\$; Unaudited)



	CUMULATIVE			
	BUDGET	ACTUAL	VARIANCE	VARIANCE (%)
Receipts:				
HST recovery ⁽²⁾	100,577	88,961	(11,616)	-12%
Cash receipts ⁽³⁾	4,447	159,135	154,688	3479%
Total cash receipts	105,023	248,096	143,073	136%
Business Expenses:				
Payroll expenses ⁽⁴⁾	48,148	46,067	2,081	-4%
Consulting ⁽⁵⁾	16,950	19,775	(2,825)	17%
Automobile expenses	1,073	1,091	(18)	2%
Group insurance	9,190	7,461	1,729	-19%
Rent (Document storage costs)	2,962	3,030	(68)	2%
Office and general	3,760	4,226	(466)	12%
Postage and delivery	607	461	146	-24%
Telephone	1,600	1,055	545	-34%
Cellular	741	568	173	-23%
Bank charges	520	579	(59)	11%
Equity Transfer/TSX (shareholder administration)	5,694	4,095	1,599	-28%
Audit fees ⁽⁶⁾	41,528	27,442	14,086	-34%
Corporate tax return preparation / advice	17,798	-	17,798	-100%
Director fees ⁽⁷⁾	15,699	28,010	(12,311)	78%
D&O Insurance	85,000	85,320	(320)	0%
Professional fees re restructuring proceedings ⁽⁸⁾	537,515	417,960	119,555	-22%
Miscellaneous expenses	4,904	16,244	(11,340)	231%
Total Business Expenses	793,689	663,384	130,305	16%
Opening cash balance	1,579,210	1,579,210	-	
Net cash flows	(688,665)	(415,288)	273,377	40%
Cash Available for Disbursement	890,545	1,163,922	273,377	

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

Notes to Cash Flow Variance

For the period September 29, 2012 to January 18, 2013

(Unaudited)



Purpose and General Assumptions

1. The purpose of the report is to present a variance of the forecast of the cash flow of Unique Broadband Systems, Inc. ("UBS") and UBS Wireless Services Inc. ("UBS Wireless") (UBS and UBS Wireless are jointly referred to as the "Company") for the period September 29, 2012 to January 18, 2013 ("Period") in respect of its proceedings pursuant to the Companies' Creditors Arrangement Act.

The cash flow variance has been prepared by the Company.

Specific Assumptions

2. Relates to Harmonized Sales Tax refunds that the Company anticipates receiving from Canada Revenue Agency during the Period.
3. Relates to interest received on investments, and the return of a legal advance from Wardle Daley LLP.
4. Includes gross salaries, benefits and government remittances for two employees.
5. Includes payments for contract employees.
6. Relates to instalments to be paid to the Company's auditors for public company purposes.
7. Fees are paid once per quarter to the Company's three directors. Fees were increased to \$35,000 per fiscal year effective September 1, 2012.
8. Professional fees related to the restructuring proceedings, including the fees of the Monitor and its legal counsel, Lax O'Sullivan Scott Lisus LLP and Davies Ward Phillips & Vineberg LLP, legal counsel for the Company's Board of Directors, Wardle Daley LLP, and for the Company's legal counsel, Gowling Lafleur Henderson LLP. The variance to budget was mainly due to the timing of payments.
9. The opening cash balance includes cash-on-hand and cash equivalents as at September 29, 2012, and excludes a \$50,000 cash deposit held as security in respect of the Company's corporate credit card.

Appendix “J”

Projected Statement of Cash Flows⁽¹⁾

For the Period January 15, 2013 to May 31, 2013

(\$: Unaudited)



	25-Jan	1-Feb	8-Feb	15-Feb	22-Feb	1-Mar	8-Mar	15-Mar	22-Mar	29-Mar	5-Apr	12-Apr	19-Apr	26-Apr	3-May	10-May	17-May	24-May	31-May	TOTAL	
Receipts:																					
HST recovery ⁽¹⁾	-	-	-	24,912	-	-	-	-	42,034	-	-	-	-	-	48,198	-	-	-	40,320	155,463	
Miscellaneous cash receipts	-	266	-	-	-	372	-	-	-	332	-	-	-	-	-	-	-	-	-	970	
Total Receipts	-	266	-	24,912	-	372	-	-	42,034	332	-	-	-	-	48,198	-	-	-	40,320	156,433	
Disbursements:																					
Payroll expenses ⁽²⁾	5,962	-	5,962	-	5,962	-	5,962	-	5,962	-	5,962	-	5,962	-	5,962	-	5,962	-	5,962	53,658	
Consulting ⁽⁴⁾	-	2,825	-	2,825	-	2,825	-	2,825	-	2,825	-	2,825	-	2,825	-	2,825	-	2,825	-	25,425	
Automobile expenses	-	-	200	-	-	200	-	200	-	200	-	200	-	200	-	200	-	200	-	800	
Group insurance	1,947	-	-	-	-	1,947	-	-	-	1,947	-	-	-	-	1,947	-	-	-	1,947	9,735	
Rent (storage)	-	-	475	-	-	475	-	475	-	475	-	475	-	475	-	475	-	475	-	1,900	
Office and general	345	250	346	250	346	250	346	250	346	250	346	250	346	250	346	250	346	250	346	5,709	
Postage and delivery	-	-	200	-	-	200	-	200	-	200	-	200	-	200	-	200	-	200	-	700	
Telephone	-	260	-	-	-	260	-	-	-	260	-	-	-	-	260	-	-	-	260	1,040	
Cellular	175	-	-	-	175	-	-	175	-	175	-	-	-	-	175	-	-	-	175	700	
Bank charges	-	150	-	-	-	150	-	-	-	150	-	-	-	-	150	-	-	-	150	743	
Equity Transfer/TSX (shareholder administration)	2,294	-	-	850	-	850	-	-	850	-	-	-	850	-	850	-	-	-	850	6,544	
Audit fees / quarterly reporting ⁽³⁾	-	-	-	-	-	5,933	-	-	-	5,933	-	-	-	-	5,933	-	-	-	5,933	11,866	
Corporate tax return preparation / advice	-	21,416	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	21,416	
Director fees ⁽⁶⁾	-	-	93,090	230,882	-	26,640	15,000	-	152,000	215,022	-	-	-	130,000	200,000	-	-	106,500	200,000	68,280	
Professional fees re restructuring proceedings ⁽⁷⁾	-	-	744	-	-	-	744	-	244	-	-	-	-	244	-	-	-	244	-	4,440	
Miscellaneous expenses	244	-	-	-	244	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Disbursements	10,967	24,901	101,017	234,807	13,510	32,072	22,827	3,075	159,402	217,394	11,062	250	10,227	138,365	204,500	6,912	4,265	114,659	230,298	1,540,650	
Opening cash balance ⁽⁸⁾	1,163,922	1,152,955	1,128,320	1,027,303	817,407	803,898	772,198	749,371	746,296	628,927	411,866	400,804	400,554	390,327	300,220	95,720	88,808	84,543	30,116	1,163,922	
Net cash flows	(10,967)	(24,635)	(101,017)	(209,895)	(13,510)	(31,700)	(22,627)	(3,075)	(117,368)	(217,062)	(11,062)	(250)	(10,227)	(90,107)	(204,500)	(6,912)	(4,265)	(114,659)	(189,978)	(1,384,016)	
Cash Available for Disbursement	1,152,955	1,128,320	1,027,303	817,407	803,898	772,198	749,371	746,296	628,927	411,866	400,804	400,554	390,327	300,220	95,720	88,808	84,543	(30,116)	(220,094)	(220,094)	

Please note that this cash flow statement has been prepared on a cash basis and therefore includes costs and expenses incurred outside of the cash flow period, including professional fees.

⁽¹⁾ Professional fees re restructuring proceedings include the actual accounts payable as at December 31, 2012, and estimates for January 1, 2013 onward.

⁽²⁾ Gowings LLP fees are significantly higher due to the preparation for the trial going forward for the determination of Jollan's claims.

Details of professional fees are summarized as follows:

	Opening Balance 18-Jan					Estimated monthly expenses					Payments Included in Statement of Cash Flows					Projected		Closing Balance 31-May	
	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Feb-13	Mar-13	Apr-13	May-13	May-13	May-13	May-13	May-13	
Davies Ward Phillips & Vineberg LLP	8,439	5,000	6,500	7,500	5,000	(8,439)	(2,000)	(5,000)	(5,000)	(6,500)	(8,439)	(2,000)	(5,000)	(5,000)	(6,500)	12,500			
Duff & Phelps Canada Restructuring Ltd.	72,620	75,000	60,000	60,000	50,000	(72,620)	(75,000)	(75,000)	(75,000)	(60,000)	(72,620)	(75,000)	(75,000)	(75,000)	(60,000)	110,000			
Gowling Lafleur Henderson LLP	445,904	200,000	200,000	75,000	75,000	(230,882)	(215,022)	(200,000)	(200,000)	(200,000)	(230,882)	(215,022)	(200,000)	(200,000)	(200,000)	225,000			
Lax O'Sullivan Scott Lisus LLP	12,031	75,000	50,000	40,000	20,000	(12,031)	(75,000)	(75,000)	(50,000)	(40,000)	(12,031)	(75,000)	(75,000)	(50,000)	(40,000)	50,000			
	538,994	352,000	330,000	181,500	150,000	(323,972)	(367,022)	(330,000)	(330,000)	(306,500)	(323,972)	(367,022)	(330,000)	(330,000)	(306,500)	397,500			



Purpose and General Assumptions

1. The purpose of the projection is to present the forecast of the cash flow of Unique Broadband Systems, Inc. ("UBS") and UBS Wireless Services Inc. ("UBS Wireless") (UBS and UBS Wireless are jointly referred to as the "Company") for the period January 19, 2013 to May 31, 2013 ("Period") in respect of its proceedings pursuant to the *Companies' Creditors Arrangement Act*.

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

Specific Assumptions

2. Relates to Harmonized Sales Tax refunds that the Company anticipates receiving from Canada Revenue Agency during the Period.
3. Includes gross salaries, benefits and government remittances for two employees.
4. Includes payments for contract employees.
5. Payment to the Company's auditors for public company purposes.
6. Fees are paid once per quarter to the Company's three directors.
7. Professional fees related to the restructuring proceedings, including the fees of the Monitor and its legal counsel, Lax O'Sullivan Scott Lisus LLP and Davies Ward Phillips & Vineberg LLP, and for the Company's legal counsel, Gowling Lafleur Henderson LLP. Certain professional fees projected to be paid in the cash flow period relate to the prior period. Certain professional fees, which are incurred during the projection period, will be paid subsequent to the projection period.
8. The opening cash balance includes cash-on-hand and cash equivalents, as at January 19, 2013, and excludes a \$50,000 cash deposit held as security in respect of the Company's corporate credit card.

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

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

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

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

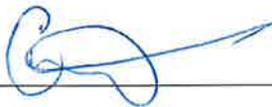
The management of Unique Broadband Systems, Inc. and UBS Wireless Services Inc. (jointly the "Company") has developed the assumptions and prepared the attached statement of projected cash flow as of the 29th day of January, 2013 for the period January 19, 2013 to May 31, 2013 ("Cash Flow").

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

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

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

Dated at Toronto, Ontario this 29th day of January, 2013.



Grant McCutcheon, CEO
Unique Broadband Systems, Inc. and UBS Wireless Services Inc.

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

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

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

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

The attached statement of projected cash-flow of Unique Broadband Systems Inc. and UBS Wireless Services Inc. (jointly "Company"), as of the 29th day January, 2013, consisting of a weekly projected cash flow statement for the period January 19, 2013, to May 31, 2013 ("Cash Flow") has been prepared by the management of the Company for the purpose described in Note 1, using the probable and hypothetical assumptions set out in Notes 2 to 8.

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

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

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

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

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

Dated at Toronto this 29th day of January, 2013.

Duff + Phelps Canada Restructuring Inc.

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