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

July 24, 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.**

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

**July 24, 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. On December 9, 2011, the assets used by Richter in its Toronto restructuring practice were acquired by Duff & Phelps Canada Restructuring Inc. ("D&P"). Pursuant to a Court order made on December 12, 2011 (the "Substitution Order"), D&P was substituted in place of Richter as Monitor. The licensed trustees/restructuring professionals overseeing this mandate prior to December 9, 2011 remain unchanged.
3. Pursuant to an order of the Court made on May 30, 2013, the Company's stay of proceedings expires on July 31, 2013.

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## 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) Provide an update on the process to determine the disputed claims filed Jolian Investments Limited and its principal, Gerald McGoey (together, “Jolian”);
  - c) Report on the Company’s weekly cash flow projection for the period ending November 1, 2013 (“Cash Flow”); and
  - d) Recommend that this Honourable Court make an order:
    - Granting the Company’s request for an extension of the stay of proceedings from July 31, 2013, the date the current stay expires, to October 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 provided in Appendix “A” and believes them to be reasonable.

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## 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 interest in LOOK Communications Inc. ("Look").
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](http://www.duffandphelps.com/restructuringcases).

## 3.0 Jolian Claims

1. As previously reported, Jolian filed claims against the Company totaling over \$10 million pursuant to the claims process order made August 4, 2011. Jolian's claims represent the largest claims filed against the Company and relate to litigation commenced prior to these CCAA proceedings.
2. A trial was held from February 19, 2013 to March 1, 2013 to determine Jolian's claims ("Jolian Trial"). During the Jolian Trial, Jolian reduced the amount of its claims to \$5.8 million.
3. On May 21, 2013, Justice Mesbur released her decision with respect to Jolian's claims ("Decision").
4. Pursuant to paragraph 188 d) of the Decision, Jolian was required to file a revised proof of claim within 30 days of the date of the Decision ("Revised Claim").
5. On May 22, 2013, the Company issued a press release stating, among other things, that: "Jolian is now required to file a revised proof of claim, which the Company expects to be approximately \$2.8 million (exclusive of costs and interest, if any, which have yet to be determined)". On June 20, 2013, Jolian filed its Revised Claim for approximately \$4 million plus interest, taxes and an amount to be determined for reimbursement of further legal expenses.
6. Jolian and UBS have each claimed in excess of \$850,000 in their cost submissions related to the Jolian Trial ("Cost Submissions"). A decision with respect to costs has not been released.
7. On June 11, 2013, the Company filed a notice of motion with the Court of Appeal for Ontario for leave to appeal the Decision ("Leave Motion"). On July 11, 2013, the Company filed its factum. The Company is awaiting receipt of Jolian's responding materials. The Court of Appeal has not yet set a date to hear the Leave Motion.

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8. On June 25, 2013, the Company's counsel requested that Jolian clarify the rationale and calculations underlying the Revised Claim ("June 25<sup>th</sup> Letter"). A copy of the June 25<sup>th</sup> Letter is provided as Appendix "B". The Monitor understands Jolian has not provided the requested clarification.

#### **4.0 Wireless' Interest in Look**

1. Wireless owns 12,434,478 multiple voting shares and 15,291,308 subordinate voting shares of Look.
2. On March 26, 2013, Look announced that it had entered into agreements to acquire all of the outstanding shares of Sunwave Gas & Power Inc. for aggregate consideration of \$1 million and to issue new shares on a private placement basis for \$9 million (together, the "Transactions"). The Transactions were subject to regulatory and shareholder approval and other conditions. In addition, Look was seeking shareholder approval to change the name of the corporation to ONEnergy Inc. ("ONE") and to eliminate its dual share structure.
3. A special meeting of Look's shareholders was held July 4, 2013 ("Special Meeting") to consider the resolutions proposed by Look. Following an extensive review of the Transactions by the Company's board of directors, Wireless voted against the resolutions. Notwithstanding Wireless's vote, Look's shareholders approved the Transactions and the name change. The resolution to eliminate the dual share structure was not approved. The effect of the resolution would have been to further dilute the interests of shareholders holding multiple voting shares.
4. On July 9, 2013, ONE announced that it had completed the Transactions. On July 10, 2013, ONE announced that the TSX Venture Exchange ("TSX") accepted the Transactions and trading of ONE's shares on "Tier 1" of the TSX under the symbols "OEG" and "OEG.A" for the multiple and subordinate voting shares, respectively. Copies of ONE's press releases in this regard are provided in Appendix "C".

#### **5.0 Cash Flow**

##### **5.1 Receipts and Disbursements for the Period May 18, 2013 to July 19, 2013**

1. A comparison of the Company's budget-to-actual results for the period May 18, 2013 to July 19, 2013 is provided in Appendix "D".
2. As at July 19, 2013, the Company had \$2.9 million on hand, consistent with the forecast. Variances in the period relate to timing differences associated with:
  - a. HST recoveries (\$106,000), as the Company's account is being reviewed by Canada Revenue Agency (expected to be a temporary negative variance);

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- b. payment of a one-time fee (\$15,000) to a special committee of the Company's board of directors that was established in October, 2012 ("Committee") to deal with the Company's sale of its Look shares and to respond to motions brought by Niketo Co. Ltd., all of which occurred between October, 2012 and March, 2013. Due to the Committee's level of activity, which was more extensive than expected, the Company increased the amount of the payment from \$15,000 to \$30,000 (the increase of \$15,000 represents a permanent negative variance); and
  - c. payment of professional fees to Gowling Lafleur Henderson LLP ("Gowlings"), the Company's legal counsel (\$88,000) and the Monitor (\$18,000) (both expected to be temporary negative variances).

## **5.2 Cash Flow for the Period ending November 1, 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 "A". The Monitor has reviewed the Cash Flow and believes it to be reasonable.
2. 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.
3. The Company is projecting that it will have cash on hand of \$2.4 million as at November 1, 2013. The actual cash position may vary depending on, *inter alia*, when and whether the Court of Appeal grants the Company leave to appeal the Decision and/or whether the Company prepares a plan of compromise or arrangement.

## **6.0 Company's Request for an Extension**

1. The Company is seeking an extension of the stay of proceedings to October 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 provide the Company an opportunity to advance the Leave Motion; and
  - It should not prejudice any employee or creditor, as the Company is projected to have sufficient funds to pay post-filing services and supplies in the amounts contemplated by the Cash Flow.

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## 7.0 Overview of the Monitor's Activities

1. Since May 23, 2013, the date of the Monitor's Fifteenth Report to Court, the Monitor's activities have included, *inter alia*, the following:
  - a) Monitoring the Company's receipts and disbursements pursuant to the terms of the Initial Order;
  - b) Corresponding with representatives of Gowlings and Lax O'Sullivan Scott Lisus LLP, the Monitor's legal counsel, regarding these proceedings;
  - c) Reviewing the Cost Submissions;
  - d) Reviewing the Leave Motion materials;
  - e) Reviewing the Company's bank statements;
  - f) Reviewing the Company's budget-to-actual cash flow reports;
  - g) Reviewing the Company's financial statements for the three months ended May 31, 2013;
  - h) Reviewing Look's management information circular dated June 7, 2013 regarding the Transactions;
  - i) Discussing the Transactions with representatives of the Company and its board of directors;
  - j) Discussing the Transactions with the Company's stakeholders, including Mr. McGoey and certain shareholders;
  - k) Attending at the Special Meeting; and
  - l) Preparing this Report.



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## 8.0 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 (d) of this Report.

\* \* \*

All of which is respectfully submitted,



*Duff + Phelps Canada Restructuring Inc.*

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

## **Appendix “A”**

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

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

For the Period July 20, 2013 to November 1, 2013

(\$; Unaudited)



	WEEK ENDING														TOTAL	
	26-Jul	2-Aug	9-Aug	16-Aug	23-Aug	30-Aug	6-Sep	13-Sep	20-Sep	27-Sep	4-Oct	11-Oct	18-Oct	25-Oct		1-Nov
<b>Receipts:</b>																
HST recovery <sup>(2)</sup>	8,031	-	-	-	23,752	-	-	-	8,931	-	-	-	10,940	-	-	51,655
Miscellaneous cash receipts	-	2,913	-	-	-	-	2,840	-	-	-	2,577	-	-	-	2,577	10,906
<b>Total Receipts</b>	<b>8,031</b>	<b>2,913</b>	<b>-</b>	<b>-</b>	<b>23,752</b>	<b>-</b>	<b>2,840</b>	<b>-</b>	<b>8,931</b>	<b>-</b>	<b>2,577</b>	<b>-</b>	<b>10,940</b>	<b>-</b>	<b>2,577</b>	<b>62,561</b>
<b>Disbursements:</b>																
Payroll expenses <sup>(3)</sup>	3,077	-	3,077	-	3,077	-	3,077	-	3,077	-	3,077	-	3,077	-	3,077	24,616
Consulting <sup>(4)</sup>	-	2,825	-	2,825	-	2,825	-	2,825	-	2,825	-	2,825	-	2,825	2,825	19,775
Automobile expenses	-	200	-	-	-	-	200	-	-	-	200	-	-	-	-	600
Group insurance	-	-	1,610	-	-	-	-	1,472	-	-	-	1,472	-	-	-	4,554
Rent (storage)	-	523	-	-	-	-	523	-	-	-	523	-	-	-	-	1,569
Office and general	346	250	346	250	346	250	346	250	346	250	346	250	346	250	346	4,518
Postage and delivery	-	100	-	-	-	-	100	-	-	-	100	-	-	-	-	300
Telephone	-	370	-	-	-	-	370	-	-	-	370	-	-	-	-	1,110
Cellular	-	175	-	-	-	-	175	-	-	-	175	-	-	-	-	525
Bank charges	-	150	-	-	-	-	150	-	-	-	150	-	-	-	-	450
Equity Transfer/TSX (shareholder administration)	-	850	-	-	-	-	850	-	-	-	850	-	-	-	-	2,550
Audit fees / quarterly reporting <sup>(5)</sup>	-	-	-	-	11,865	-	-	-	-	-	-	23,730	-	-	-	35,595
Director fees <sup>(6)</sup>	30,000	-	-	-	-	-	26,250	-	-	-	-	-	-	-	-	56,250
D&O Insurance	-	-	-	-	-	-	-	-	85,000	-	-	-	-	-	-	85,000
Quarterly reporting (IFRS)	-	-	-	-	-	5,650	-	-	-	-	-	-	-	-	-	5,650
Professional fees re restructuring proceedings* <sup>(7)</sup>	106,013	-	-	-	55,066	-	-	-	52,500	-	-	-	52,500	-	-	266,079
Miscellaneous expenses	244	500	244	500	244	500	244	500	244	500	244	500	244	500	244	5,452
<b>Total Disbursements</b>	<b>139,680</b>	<b>5,943</b>	<b>5,277</b>	<b>3,575</b>	<b>70,598</b>	<b>9,225</b>	<b>32,285</b>	<b>2,222</b>	<b>58,992</b>	<b>85,750</b>	<b>8,860</b>	<b>25,952</b>	<b>58,992</b>	<b>750</b>	<b>6,492</b>	<b>514,593</b>
Opening cash balance <sup>(8)</sup>	2,875,088	2,743,439	2,740,409	2,735,132	2,731,557	2,684,711	2,675,486	2,646,042	2,643,820	2,593,759	2,508,009	2,501,725	2,475,773	2,427,722	2,426,972	2,875,088
Net cash flows	(131,649)	(3,030)	(5,277)	(3,575)	(46,846)	(9,225)	(29,445)	(2,222)	(50,061)	(85,750)	(6,283)	(25,952)	(48,052)	(750)	(3,915)	(452,032)
<b>Cash Available for Disbursement</b>	<b>2,743,439</b>	<b>2,740,409</b>	<b>2,735,132</b>	<b>2,731,557</b>	<b>2,684,711</b>	<b>2,675,486</b>	<b>2,646,042</b>	<b>2,643,820</b>	<b>2,593,759</b>	<b>2,508,009</b>	<b>2,501,725</b>	<b>2,475,773</b>	<b>2,427,722</b>	<b>2,426,972</b>	<b>2,423,056</b>	<b>2,423,056</b>

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.

\*Professional fees regarding restructuring proceedings include the actual accounts payable for Duff & Phelps Canada Restructuring Inc. and Lax O'Sullivan Scott Lissus LLP up to June 30, 2013, Gowlings LLP up to May 31, 2013 and estimates thereafter for these firms. The estimates assume limited activity until the Company's application to the Court of Appeal for leave to appeal the decision of Justice Mesbur is concluded. Details of professional fees are summarized as follows:

	Actual and estimated monthly unpaid expenses						Payments included in projection				Owing as at 01-Nov-13	
	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Jul-13	Aug-13	Sep-13		Oct-13
Duff & Phelps Canada Restructuring Inc.	3,777	14,142	15,875	15,000	15,000	15,000	15,000	(17,919)	(15,875)	(15,000)	(15,000)	30,000
Gowling Lafleur Henderson LLP	-	88,094	30,000	30,000	30,000	30,000	30,000	(88,094)	(30,000)	(30,000)	(30,000)	60,000
Lax O'Sullivan Scott Lissus LLP	-	-	9,191	7,500	7,500	7,500	7,500	-	(9,191)	(7,500)	(7,500)	15,000
	<b>3,777</b>	<b>102,236</b>	<b>55,066</b>	<b>52,500</b>	<b>52,500</b>	<b>52,500</b>	<b>52,500</b>	<b>(106,013)</b>	<b>(55,066)</b>	<b>(52,500)</b>	<b>(52,500)</b>	<b>105,000</b>

**Notes to Projected Statement of Cash Flows**

For the Period July 20, 2013 to November 1, 2013

(Unaudited)



**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 July 20, 2013 to November 1, 2013 ("Period") in respect of its proceedings pursuant to the *Companies' Creditors Arrangement Act*.

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

**Specific Assumptions**

2. Relates to Harmonized Sales Tax refunds that the Company anticipates receiving from Canada Revenue Agency during the Period.
3. Includes gross salaries, benefits and government remittances for one employee.
4. Includes payments for a contract employee.
5. Payment to the Company's auditors for public company purposes.
6. Fees are paid once per quarter to the Company's three directors. A one-time Special Committee fee of \$30,000 is included.
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 for the Company's legal counsel, Gowling Lafleur Henderson LLP. Certain professional fees projected to be paid in the Period relate to a prior period. Certain professional fees, which are incurred during the Period, will be paid subsequent to the Period.
8. The opening cash balance includes cash-on-hand and cash equivalents, as at July 20, 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 22<sup>nd</sup> day of July, 2013 for the period July 20, 2013 to November 1, 2013 ("Cash Flow").

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

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

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

Dated at Toronto, Ontario this 23<sup>rd</sup> day of July, 2013.



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Grant McCutcheon, Chief Executive Officer  
Unique Broadband Systems, Inc. and UBS Wireless Services Inc.

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

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

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

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

The attached statement of projected cash-flow of Unique Broadband Systems Inc. and UBS Wireless Services Inc. (jointly "Company"), as of the 22<sup>nd</sup> day July, 2013, consisting of a weekly projected cash flow statement for the period July 20, 2013, to November 1, 2013 ("Cash Flow") has been prepared by the management of the Company for the purpose described in Note 1, using the probable and hypothetical assumptions set out in Notes 2 to 8.

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

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

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

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

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

Dated at Toronto this 23<sup>rd</sup> day of July, 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**

## **Appendix “B”**



25 June, 2013

**VIA EMAIL**

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

Joseph Groia  
Groia & Company  
Wildeboer Dellelce Place  
365 Bay Street, 11th Floor  
Toronto, ON M5H 2V1

Mr. Groia:

**Re: UBS ats. Jolian/McGoey (Court File No. CV-11-9283-00CL)**

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The Monitor has requested the Company's comments with respect to the Revised Proof of Claim filed on behalf of your clients, Gerald McGoey and Jolian Investments Limited, on June 20, 2013. In order for the Company to provide a comprehensive response to the Monitor, we require clarification of some of the points raised in your clients' Revised Proof of Claim:

1. Please provide the basis upon which your clients assert a claim for interest on the individual amounts set out in the Revised Proof of Claim.
2. Please explain the basis upon which your clients now claim "annualized expenses" of \$184,636.00 as a component of Mr. McGoey's Termination Payment.

In your clients' original Proof of Claim, they claimed "annualized expenses" of \$100,000. At trial, your clients filed a closing statement with the Court setting out your clients' claim for the Termination Payment including individual components. In that material filed with the Court, your clients claimed "annualized expenses" of "nil". Under the amended Proof of Claim calculation filed at closing, "annualized expenses" were also listed as "nil".

Given your clients' representations to the Court and abandonment of any claim for "annualized expenses", please explain how your clients justify a new claim for over \$184,000.00 as a component of the Termination Payment. Please also provide a detailed breakdown of those expenses claimed including documentation to support those expenses.

3. Please provide the basis for the calculation of a "performance incentive" of \$400,000.00 in the Revised Proof of Claim. According to the terms of s. 5.3 of

the Jolian MSA with respect to the Termination Payment, set out in the Revised Proof of Claim, "performance incentive" is equal to the greater of:

- a. the performance incentive in the immediately preceding year;
- b. the performance incentive in the immediately preceding calendar year;
- c. the average of the performance incentive paid in the two immediately preceding fiscal years;
- d. or the average of the performance incentive paid in the two immediately preceding calendar years; or
- e. US\$180,000.00.

As a result of the judgment of the Honourable Madam Justice Mesbur, the "performance incentive" paid in 2009 to your clients was zero. Public filings in the record indicate that the "performance incentive" for fiscal 2008 was \$400,000. The "performance incentive" for fiscal 2007 was zero. Based on the foregoing, please explain the calculation applied to reach the number of \$400,000.00 set out in the Revised Proof of Claim.

4. Please explain whose legal fees and in respect of which proceedings "reimbursement for ongoing legal expenses" are now being claimed. In other words, are your clients making a claim for reimbursement for legal expenses incurred in respect of any matter other than the disposition and completion of the CCAA claims process? If so, please explain the basis for those claims.
5. Please provide the total amount your clients seek to have reimbursed by UBS with respect to (4) above, broken down by proceeding, as at May 31, 2013.

Your prompt response is appreciated.

Sincerely,

**GOWLING LAFLEUR HENDERSON LLP**



per E. Patrick Shea  
EPS:fg

cc: Cliff Cole  
Joe Thorne

TOR\_LAW\8200613\2

## **Appendix “C”**

## **ONEnergy (Formerly Look Communications) Completes Previously Announced Proposed Change of Business and Concurrent \$9 Million Private Placement at \$0.14 per Share**

*/NOT FOR DISSEMINATION IN THE UNITED STATES OR FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES/*

TORONTO, July 9, 2013 /CNW/ - ONEnergy Inc., formerly Look Communications Inc. ("ONEnergy") (NEX: LOK.H and LOK.K) today announced that it has completed the previously announced change of business transaction and concurrent private placement.

The transactions involved the acquisition by ONEnergy of all of the outstanding shares of Sunwave Gas & Power Inc. ("Sunwave"), a privately-held provider of innovative energy commodity products and services based in Toronto, for aggregate consideration of \$1 million (the "Acquisition"). The consideration for the Acquisition was satisfied through the issuance of 3,382,974 multiple voting shares and 3,759,883 subordinate voting shares in the capital of ONEnergy, each valued at \$0.14 per share. Concurrently with the completion of the Acquisition, a group of sophisticated investors subscribed, on a private placement basis, for an aggregate of 30,446,767 multiple voting shares and 33,838,947 subordinate voting shares in the capital of ONEnergy at a price of \$0.14 per share for aggregate subscription proceeds of \$9 million (the "Private Placement" and, together with the Acquisition, the "Transactions").

Contemporaneously with the completion of the Transactions, Mark J. Lewis was appointed Chief Executive Officer of ONEnergy and Robert Weir was appointed Chief Operating Officer of ONEnergy. In addition, Stanley H. Hartt and Stephen J.J. Letwin were appointed to the ONEnergy board as independent directors, and Messrs. David Rattee and Lawrence Silber continue to serve as ONEnergy's two other independent directors. C. Fraser Elliot continues to serve as ONEnergy's Chief Financial Officer.

The Transactions remain subject to the final acceptance of the TSX Venture Exchange (the "Exchange"). Subject to ONEnergy providing the Exchange with all required information regarding the Transactions, it is anticipated that the final acceptance of the Exchange will be obtained within the next two business days. In accordance with the policies of the Exchange, ONEnergy's multiple voting shares and subordinate voting shares were halted from trading upon announcement of the Transactions. It is anticipated that the multiple voting shares and subordinate voting shares will be listed and posted for trading on the Exchange under the symbols "OEG" and "OEG.A", respectively, approximately two business days after the final acceptance of the Exchange has been obtained.

All of the terms and conditions of the Transactions are set forth in the Purchase Agreement and the form of Subscription Agreement, copies of which are available under ONEnergy's profile at [www.sedar.com](http://www.sedar.com). Additional information regarding the Transactions and the businesses of ONEnergy and Sunwave is included in the information circular dated June 7, 2013 which was prepared in connection with the Transactions (the "Circular"), a copy of which is available under ONEnergy's profile at [www.sedar.com](http://www.sedar.com).

### **About ONEnergy Inc.**

ONEnergy's shares are currently listed on the NEX under the symbols "LOK.H" for multiple voting shares and "LOK.K" for subordinate voting shares. Following final acceptance of the Exchange, ONEnergy's multiple voting shares and subordinate voting shares will be listed and posted for trading on the Exchange under the symbols "OEG" and "OEG.A", respectively. ONEnergy's website may be found at [www.grouplook.ca](http://www.grouplook.ca). ONEnergy's new website [www.onenergyinc.com](http://www.onenergyinc.com), is expected to be fully operational within the next week. At that time, investors will be able to access all historical information as well as updated, ongoing information regarding ONEnergy.

### **Cautionary Statements**

The Transactions remain subject to the final acceptance of the Exchange. There can be no assurance that Exchange acceptance will be obtained.

Investors are cautioned that, except as disclosed in the Circular, any information released or received with respect to the Transactions may not be accurate or complete and should not be relied upon. Trading in the securities of ONEnergy should be considered highly speculative.

The Exchange has in no way passed upon the merits of the Transactions and has neither approved nor disapproved the contents of this news release.

The information contained in this release includes forward-looking statements regarding future events, including the final Exchange acceptance of the Transactions and the listing and posting for trading on the Exchange of ONEnergy's multiple voting shares and subordinate voting shares, that involve risks and uncertainties that could cause actual events or results to differ materially. Assumptions used in the preparation of such information, although considered reasonable by ONEnergy and Sunwave at the time of preparation, may prove to be incorrect. The actual events or results achieved may vary from the information provided herein and the variations may be material. Consequently, there is no representation by ONEnergy or Sunwave that actual events or results achieved will be the same in whole or in part as those forecast.

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

SOURCE: Look Communications Inc.

%SEDAR: 00013414E

#### **For further information:**

Contact:  
C. Fraser Elliott  
Chief Financial Officer  
(416) 613-2243

CO: Look Communications Inc.

CNW 17:46e 09-JUL-13

## **ONEnergy (Formerly Look Communications) Obtains Final TSX Venture Exchange Acceptance of the Previously Announced Change of Business and Concurrent \$9 Million Private Placement at \$0.14 per Share**

*/NOT FOR DISSEMINATION IN THE UNITED STATES OR FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES/*

TORONTO, July 10, 2013 /CNW/ - ONEnergy Inc., formerly Look Communications Inc. ("ONEnergy") (NEX: LOK.H and LOK.K) today announced that it has received the final acceptance of the TSX Venture Exchange (the "Exchange") for the previously announced acquisition of Sunwave Gas & Power Inc. ("Sunwave") and concurrent \$9 million private placement at \$0.14 per share (collectively, the "Transactions"), which was completed on July 9, 2013.

The multiple voting shares and subordinate voting shares of ONEnergy will be listed and posted for trading on Tier 1 of the Exchange under the symbols "OEG" and "OEG.A", respectively, commencing at the opening of trading on Friday, July 12, 2013.

All of the terms and conditions of the Transactions are set forth in the purchase agreement and the form of subscription agreement, copies of which are available under ONEnergy's profile at [www.sedar.com](http://www.sedar.com). Additional information regarding the Transactions and the businesses of ONEnergy and Sunwave is included in the information circular dated June 7, 2013 which was prepared in connection with the Transactions (the "Circular"), a copy of which is available under ONEnergy's profile at [www.sedar.com](http://www.sedar.com).

### **About ONEnergy Inc.**

ONEnergy's shares are currently listed on the NEX under the symbols "LOK.H" for multiple voting shares and "LOK.K" for subordinate voting shares. The multiple voting shares and subordinate voting shares will be listed and posted for trading on Tier 1 of the Exchange under the symbols "OEG" and "OEG.A", respectively, commencing at the opening of trading on Friday, July 12, 2013. ONEnergy's website may be found at [www.grouplook.ca](http://www.grouplook.ca). ONEnergy's new website [www.onenergyinc.com](http://www.onenergyinc.com), is expected to be fully operational within the next week. At that time, investors will be able to access all historical information as well as updated, ongoing information regarding ONEnergy.

### **Cautionary Statements**

Investors are cautioned that, except as disclosed in the Circular, any information released or received with respect to the Transactions may not be accurate or complete and should not be relied upon. Trading in the securities of ONEnergy should be considered highly speculative.

The Exchange has in no way passed upon the merits of the Transactions and has neither approved nor disapproved the contents of this news release.

The information contained in this release includes forward-looking statements regarding future events, including the listing and posting for trading on the Exchange of ONEnergy's multiple voting shares and subordinate voting shares, that involve risks and uncertainties that could cause actual events or results to differ materially. Assumptions used in the preparation of such information, although considered reasonable by ONEnergy and Sunwave at the time of preparation, may prove to be incorrect. The actual events or results achieved may vary from the information provided herein and the variations may be material. Consequently, there is no representation by ONEnergy or Sunwave that actual events or results achieved will be the same in whole or in part as those forecast.

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

SOURCE: ONEnergy Inc.

%SEDAR: 00013414E

#### **For further information:**

C. Fraser Elliott  
Chief Financial Officer  
(416) 613-2243

CO: ONEnergy Inc.

CNW 14:31e 10-JUL-13

## **Appendix “D”**

Unique Broadband Systems, Inc. and UBS Wireless Services Inc.  
**Variance Analysis<sup>(1)</sup>**

For the period May 18, 2013 - July 19, 2013

(\$; Unaudited)



	CUMULATIVE			
	BUDGET	ACTUAL	VARIANCE	VARIANCE (%)
<b>Receipts:</b>				
HST recovery <sup>(2)</sup>	119,738	13,353	(106,385)	-89%
Cash receipts <sup>(3)</sup>	8,761	4,326	(4,435)	-51%
<b>Total Receipts</b>	<b>128,499</b>	<b>17,679</b>	<b>(110,820)</b>	<b>-86%</b>
<b>Disbursements:</b>				
Payroll expenses <sup>(4)</sup>	23,848	29,514	(5,666)	-24%
Consulting <sup>(5)</sup>	11,300	11,300	-	0%
Automobile expenses	-	605	(605)	0%
Group insurance	3,894	3,894	-	0%
Rent (Document storage costs)	950	590	360	38%
Office and general	2,634	1,568	1,066	40%
Postage and delivery	200	-	200	100%
Telephone	740	714	26	4%
Cellular	475	1,509	(1,034)	-218%
Bank charges	300	253	47	16%
Equity Transfer/TSX (shareholder administration)	1,674	824	850	51%
Audit / Quarterly fees <sup>(6)</sup>	3,560	-	3,560	100%
Director fees <sup>(7)</sup>	41,640	26,641	14,999	36%
Professional fees re restructuring proceedings <sup>(8)</sup>	120,759	16,982	103,777	86%
Miscellaneous expenses	2,976	2,516	460	15%
<b>Total Disbursements</b>	<b>214,950</b>	<b>96,910</b>	<b>118,040</b>	<b>55%</b>
Opening cash balance	2,954,319	2,954,319	-	0%
Net cash flows	(86,451)	(79,231)	7,220	8%
<b>Cash Available for Disbursement</b>	<b>2,867,868</b>	<b>2,875,088</b>	<b>7,220</b>	<b>0%</b>

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

## Notes to Cash Flow Variance

For the period May 18, 2013 - July 19, 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 May 18, 2013 to July 19, 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 anticipated receiving from Canada Revenue Agency during the Period. The difference is due to an HST review currently underway.
3. Relates to interest and sundry payments.
4. Includes gross salaries, benefits and government remittances for two employees. The difference is due to timing.
5. Includes payments for a contract employee.
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 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 May 18, 2013, and excludes a \$50,000 cash deposit held as security in respect of the Company's corporate credit card.