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

November 28, 2013

Contents

| | Page |
|--|-------------|
| 1.0 Introduction..... | 1 |
| 1.1 Purposes of this Report..... | 2 |
| 1.2 Currency | 2 |
| 1.3 Restrictions | 2 |
| 2.0 Background | 3 |
| 3.0 Jolian Claims | 3 |
| 4.0 Cash Flow | 4 |
| 4.1 Receipts and Disbursements for the Period October 19, 2013 to November 22, 2013..... | 4 |
| 4.2 Cash Flow for the Period ending March 21, 2014..... | 4 |
| 5.0 Company's Request for an Extension..... | 4 |
| 6.0 Conclusion and Recommendation | 5 |
| | |
| Appendices | Tab |
| Weekly Cash Flow Projection for the Period ending March 21, 2014 | A |
| Leave Decision | B |
| Cash Flow Variance..... | C |

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.**

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

November 28, 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 October 28, 2013, the Company’s stay of proceedings expires on December 2, 2013.

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 by Jolian Investments Limited and its principal, Gerald McGoey (together, “Jolian”);
 - c) Report on the Company’s weekly cash flow projection for the period ending March 21, 2014 (“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 December 2, 2013, the date the current stay expires, to March 14, 2014.

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.

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., now known as ONEnergy Inc., as a result of a transaction completed on July 9, 2013.
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:
<http://www.duffandphelps.com/intl/en-ca/Pages/RestructuringCases.aspx>

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 by the Court on 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 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. On June 11, 2013, the Company filed a notice of motion with the Court of Appeal for Ontario ("Court of Appeal") for leave to appeal the Decision ("Leave Motion"). The Leave Motion was heard on October 31, 2013.
7. On November 1, 2013, the Court of Appeal released its decision granting the Leave Motion ("Leave Decision"). A copy of the Leave Decision is provided in Appendix "B".

-
8. Jolian advised the Court of Appeal at the Leave Motion that it may seek to cross-appeal the Decision. Jolian requires leave to pursue the cross-appeal. As at the date of this Report, Jolian has not advised the Company or the Monitor whether it will seek leave to file a cross-appeal.
 9. The Company is preparing its materials for the appeal of the Decision and hopes to schedule the appeal to be heard in early 2014.

4.0 Cash Flow

4.1 Receipts and Disbursements for the Period October 19, 2013 to November 22, 2013

1. A comparison of the Company's budget-to-actual results for the above period is provided in Appendix "C".
2. As at October 18, 2013, the Company had cash on hand of \$2.7 million, representing an overall positive variance of \$182,000. The variance is principally a timing difference associated with payment of professional fees to Gowling Lafleur Henderson LLP, the Company's legal counsel.

4.2 Cash Flow for the Period ending March 21, 2014

1. The Cash Flow, together with Management's and the Monitor's reports on the cash flow statement, 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, director fees, audit fees and professional fees.
3. The Company is projecting that it will have cash on hand of \$2.2 million as at March 21, 2014. The actual cash position may vary depending on, *inter alia*, the timing of the Company's appeal of the Decision and whether Jolian seeks leave to cross-appeal.

5.0 Company's Request for an Extension

1. The Company is seeking an extension of the stay of proceedings to March 14, 2014. 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 its appeal of the Decision; 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.

6.0 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⁽¹⁾

For the Period November 23, 2013 to March 21, 2014

(\$; Unaudited)



| | WEEK ENDING | | | | | | | | | | | | | | | | TOTAL | | |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|--|
| | 29-Nov | 6-Dec | 13-Dec | 20-Dec | 27-Dec | 3-Jan | 10-Jan | 17-Jan | 24-Jan | 31-Jan | 7-Feb | 14-Feb | 21-Feb | 28-Feb | 7-Mar | 14-Mar | | 21-Mar | |
| Receipts: | | | | | | | | | | | | | | | | | | | |
| HST recovery ⁽²⁾ | 20,297 | - | - | - | 26,074 | - | - | - | 35,664 | - | - | - | 1,350 | - | - | - | 13,005 | 96,390 | |
| Miscellaneous cash receipts | 2,735 | - | - | - | - | 2,514 | - | - | - | 2,526 | - | - | - | 2,440 | - | - | - | 10,214 | |
| Total Receipts | 23,032 | - | - | - | 26,074 | 2,514 | - | - | 35,664 | 2,526 | - | - | 1,350 | 2,440 | - | - | 13,005 | 106,604 | |
| Disbursements: | | | | | | | | | | | | | | | | | | | |
| Payroll expenses ⁽³⁾ | 3,077 | - | 3,077 | - | 3,077 | - | 3,077 | - | 3,077 | - | 3,077 | - | 3,077 | - | 3,077 | - | 3,077 | 27,693 | |
| Consulting ⁽⁴⁾ | - | 2,825 | - | 2,825 | - | 2,825 | - | 2,825 | - | 2,825 | - | - | 2,825 | - | 2,825 | - | 2,825 | 22,600 | |
| Automobile expenses | 200 | - | - | - | - | - | - | - | - | - | 100 | - | - | - | - | - | - | 300 | |
| Group insurance | - | 1,472 | - | 1,485 | - | - | - | - | - | - | 1,485 | - | - | - | 1,485 | - | - | 7,412 | |
| Rent (storage) | 610 | - | - | 610 | - | - | - | 610 | - | - | - | - | 610 | - | - | - | 610 | 3,050 | |
| Office and general | 346 | 250 | 346 | 250 | 346 | 250 | 346 | 250 | 346 | 250 | 346 | 250 | 346 | 250 | 346 | 250 | 346 | 5,114 | |
| Postage and delivery | - | - | - | - | - | - | - | - | - | - | 100 | - | - | - | - | - | - | 100 | |
| Telephone | - | - | - | 260 | - | - | - | 160 | - | - | - | - | 160 | - | - | - | - | 740 | |
| Cellular | 100 | 150 | - | 100 | - | - | 150 | - | - | - | 100 | 150 | - | - | 100 | 150 | - | 1,000 | |
| Bank charges | 90 | 60 | - | - | - | 150 | - | - | - | 90 | 60 | - | - | 90 | 60 | - | - | 600 | |
| Equity Transfer/TSX (shareholder administration) | 850 | - | - | 850 | - | - | - | 850 | - | - | - | - | 850 | - | - | - | - | 4,250 | |
| Audit fees / quarterly reporting ⁽⁵⁾ | - | - | - | 35,595 | - | - | - | - | - | - | - | - | - | - | - | - | 6,045 | 41,640 | |
| Corporate tax return preparation / tax advice | - | 15,187 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 15,187 | |
| Director fees ⁽⁶⁾ | 26,640 | - | - | - | - | - | - | - | - | - | - | - | - | 26,640 | - | - | - | 53,280 | |
| Professional fees re restructuring proceedings ⁽⁷⁾ | 5,640 | - | - | 214,727 | - | - | - | - | - | 105,450 | - | - | - | 35,000 | - | - | - | 360,817 | |
| Miscellaneous expenses | 244 | 500 | 244 | 500 | 244 | 500 | 244 | 500 | 244 | 500 | 244 | 500 | 244 | 500 | 244 | 500 | 244 | 6,196 | |
| Total Disbursements | 37,797 | 20,444 | 3,667 | 257,202 | 3,667 | 3,725 | 5,302 | 5,195 | 3,667 | 109,115 | 5,512 | 900 | 8,112 | 62,480 | 8,137 | 900 | 14,157 | 549,979 | |
| Opening cash balance ⁽⁸⁾ | 2,664,246 | 2,649,481 | 2,629,037 | 2,625,370 | 2,368,168 | 2,390,575 | 2,389,365 | 2,384,063 | 2,378,868 | 2,410,864 | 2,304,275 | 2,298,763 | 2,297,863 | 2,291,101 | 2,231,060 | 2,222,923 | 2,222,023 | 2,664,246 | |
| Net cash flows | (14,765) | (20,444) | (3,667) | (257,202) | 22,407 | (1,211) | (5,302) | (5,195) | 31,997 | (106,589) | (5,512) | (900) | (6,762) | (60,040) | (8,137) | (900) | (1,152) | (443,375) | |
| Cash Available for Disbursement | 2,649,481 | 2,629,037 | 2,625,370 | 2,368,168 | 2,390,575 | 2,389,365 | 2,384,063 | 2,378,868 | 2,410,864 | 2,304,275 | 2,298,763 | 2,297,863 | 2,291,101 | 2,231,060 | 2,222,923 | 2,222,023 | 2,220,871 | 2,220,871 | |

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

*Professional fees regarding restructuring proceedings include the actual accounts payable for Duff & Phelps Canada Restructuring Inc. and Lax O'Sullivan Scott Lisus LLP up to October 31, 2013, for Gowlings LLP up to August 31, 2013 and estimates thereafter for these firms.

Details of professional fees are summarized as follows:

| | Professional fees payable | | | | | | Payments | | | | Owing as at 21-Mar-14 |
|---|---------------------------|---------------|---------------|---------------|---------------|---------------|----------------|------------------|------------------|-----------------|-----------------------|
| | Sep-13 | Oct-13 | Nov-13 | Dec-13 | Jan-14 | Feb-14 | Nov-13 | Dec-13 | Jan-14 | Feb-14 | |
| Duff & Phelps Canada Restructuring Inc. | 702 | 5,233 | 10,000 | 10,000 | 10,000 | 10,000 | (702) | (5,233) | (10,000) | (10,000) | 20,000 |
| Gowling Lafleur Henderson LLP | 205,800 | 90,450 | 20,000 | 20,000 | 20,000 | 20,000 | - | (205,800) | (90,450) | (20,000) | 60,000 |
| Lax O'Sullivan Scott Lisus LLP | 4,938 | 3,694 | 5,000 | 5,000 | 5,000 | 5,000 | (4,938) | (3,694) | (5,000) | (5,000) | 10,000 |
| | 211,440 | 99,377 | 35,000 | 35,000 | 35,000 | 35,000 | (5,640) | (214,727) | (105,450) | (35,000) | 90,000 |

Notes to Projected Statement of Cash Flows

For the Period November 23, 2013 to March 21, 2014

(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 November 23, 2013 to March 21, 2014 ("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.
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 November 23, 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 26th day of November, 2013 for the period November 23, 2013 to March 21, 2014 ("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 28th day of November, 2013.



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 26th day November, 2013, consisting of a weekly projected cash flow statement for the period November 23, 2013, to March 21, 2014 ("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 28th day of November, 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”

COURT OF APPEAL FOR ONTARIO

DATE: 20131101
DOCKET: M42572

Doherty J.A. (In Chambers)

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.

Clifford I. Cole, Patrick Shea and Benjamin Na, for Unique Broadband Systems,
Inc.

Joseph Groia and Tatsiana Okun, for Gerald McGoey and Jolian Investments
Limited

Rocco Di Pucchio, for the Monitor

Heard: October 31, 2013

ENDORSEMENT

[1] I have considered the four factors identified in the case law (see *Timminco Ltd. (Re)*, [2012] O.J. No. 3931 at para. 2.). I am satisfied that leave to appeal should be granted because:

(1) Having reviewed the facts and listened to oral argument, at least some of the arguments made by the moving party have merit. By merit, I mean I could not, at this point, say which way I would ultimately decide those issues.

(2) The challenged order is not a discretionary order made in the context of an ongoing supervision of a CCAA proceeding in which real time litigation is a feature. This order has more the appearance of a "final" order made at the end of a trial involving a dispute between an employer and a former senior executive. In my view, the strong deference owed to the former kind of order does not apply to the latter, especially, where, as here, some of the grounds of appeal raise questions of law alone. Those questions are reviewable on a correctness standard.

(3) The issues raised on the proposed appeal are potentially determinative of what is by far the largest claim in the CCAA proceeding. Indeed, as counsel for the responding parties noted, this CCAA proceeding is fundamentally a dispute between these parties over the respondent's entitlement to the various amounts adjudicated upon by Mesbur J.

(4) Granting leave will not unduly hinder the progress of the CCAA proceeding. Indeed, the determination of the merits of this claim and the CCAA proceeding are effectively one and same thing. The appeal can be expedited. The submission that granting leave would effectively drain the coffers of the moving party and defeat the responding parties' claims, assumes the appeal will fail. I cannot make that assumption. If the appeal succeeds, the moving party will clearly be better off as will the other creditors.

[2] Leave to appeal is granted. Costs of the appeal to the panel hearing the appeal.

[3] I agree with counsel for the respondents that s. 14(2) of the CCAA does not address cross-appeals and cannot reasonably be read as applying to cross-appeals. Rule 61.07(1) applies. The responding parties may, if so advised, serve a notice of cross-appeal in accordance with Rule 61.07(1)(b). It would appear that the respondents would need leave to pursue the cross-appeal: see Rule 61.07(1.2).

[4] I am prepared to deal with any other motions or matters incidental to the appeal and/or the cross-appeal (if initiated) as long as counsel are agreeable.

A handwritten signature in black ink, appearing to read "Robert G. H.", is located in the bottom right corner of the page.

Appendix “C”

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

Variance Analysis⁽¹⁾

For the period October 19, 2013 - November 22, 2013



| | CUMULATIVE | | | |
|---|------------------|------------------|----------------|--------------|
| | BUDGET | ACTUAL | VARIANCE | VARIANCE (%) |
| Receipts: | | | | |
| HST recovery ⁽²⁾ | 1,784 | 2,341 | 557 | 31% |
| Cash receipts ⁽³⁾ | 2,731 | 2,228 | (503) | -18% |
| Total Receipts | 4,515 | 4,569 | 54 | 1% |
| Disbursements: | | | | |
| Payroll expenses ⁽⁴⁾ | 5,438 | 6,125 | (687) | -13% |
| Consulting | 5,650 | 5,650 | - | 0% |
| Automobile expenses | 100 | - | 100 | 100% |
| Group insurance | 2,944 | 2,944 | (0) | 0% |
| Rent (Document storage costs) | 946 | 642 | 304 | 32% |
| Office and general | 2,596 | 1,264 | 1,332 | 51% |
| Postage and delivery | - | - | - | 0% |
| Telephone | 516 | 256 | 260 | 50% |
| Cellular | 247 | 97 | 150 | 61% |
| Bank charges | 150 | 111 | 39 | 26% |
| Equity Transfer/TSX (shareholder administration) | 840 | 840 | - | 0% |
| Audit / Quarterly fees | 6,046 | 6,046 | - | 0% |
| D&O Insurance | 81,054 | 81,054 | - | 0% |
| Quarterly or annual reporting (IFRS) | - | 8,658 | (8,658) | -100% |
| Professional fees re restructuring proceedings ⁽⁵⁾ | 189,084 | 564 | 188,520 | 100% |
| Miscellaneous expenses | 1,988 | 1,477 | 511 | 26% |
| Total Disbursements | 297,599 | 115,728 | 181,871 | 61% |
| Opening cash balance ⁽⁶⁾ | 2,775,406 | 2,775,406 | - | 0% |
| Net cash flows | (293,084) | (111,160) | 181,924 | 62% |
| Cash Available for Disbursement | 2,482,322 | 2,664,246 | 181,924 | 7% |

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

Notes to Cash Flow Variance

For the period October 19, 2013 - November 22, 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 October 19, 2013 to November 22, 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.
3. Relates to interest and sundry payments.
4. Includes gross salaries, benefits and government remittances for one employee. The difference is due to timing.
5. 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.
6. The opening cash balance includes cash-on-hand and cash equivalents as at October 19, 2013, and excludes a \$50,000 cash deposit held as security in respect of the Company's corporate credit card.