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

March 11, 2014

Contents

	Page
1.0 Introduction.....	1
1.1 Purposes of this Report.....	2
1.2 Currency	2
1.3 Restrictions	2
2.0 Background	2
3.0 Jolian Claims	3
4.0 Cash Flow	4
4.1 Receipts and Disbursements for the Period November 23, 2013 to February 28, 2014.....	4
4.2 Cash Flow for the Period ending May 30, 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 May 30, 2014	A
Cash Flow Variance.....	B

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.**

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

March 11, 2014

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 December 2, 2013, the Company's stay of proceedings expires on March 14, 2014.

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 May 30, 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 March 14, 2014, the date the current stay expires, to May 9, 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").
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.
9. On November 21, 2013, Jolian filed a notice of cross-appeal seeking leave to appeal the Decision.
10. The Company perfected its appeal and filed its factum on February 10, 2014 with the Court of Appeal. Jolian's responding and cross-appeal materials are due by April 14, 2014. The Company's responding factum to Jolian's cross-appeal is due 10 days after service of Jolian's appeal materials.
11. The appeal will be scheduled once all of the materials are filed.

4.0 Cash Flow

4.1 Receipts and Disbursements for the Period November 23, 2013 to February 28, 2014

1. A comparison of the Company's budget-to-actual results for the above period is provided in Appendix "B".
2. As at February 28, 2014, the Company had cash on hand of \$2.2 million, consistent with the balance the Company had projected.

4.2 Cash Flow for the Period ending May 30, 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 and professional fees.
3. The Company is projecting that it will have cash on hand of \$2.05 million as at May 30, 2014. The actual cash position may vary depending on, *inter alia*, the timing of the Company's appeal of the Decision and the cross-appeal.

5.0 Company's Request for an Extension

1. The Company is seeking an extension of the stay of proceedings to May 9, 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 March 1, 2014 to May 30, 2014
 (\$: Unaudited)



	WEEK ENDING													TOTAL		
	7-Mar	14-Mar	21-Mar	28-Mar	4-Apr	11-Apr	18-Apr	25-Apr	2-May	9-May	16-May	23-May	30-May			
Receipts:																
HST recovery ⁽²⁾	-	-	1,179	-	-	-	12,834	-	-	-	-	-	-	-	6,287	-
Miscellaneous cash receipts	30,267	-	-	-	2,238	-	-	-	2,168	-	-	-	-	-	-	-
Total Receipts	30,267	-	1,179	-	2,238	-	12,834	-	2,168	-	-	-	-	-	6,287	-
Disbursements:																
Payroll expenses ⁽³⁾	2,160	-	4,454	-	2,160	-	4,454	-	2,160	-	-	-	-	-	4,454	2,160
Consulting ⁽⁴⁾	2,825	-	2,825	-	2,825	-	2,825	-	2,825	-	-	-	-	-	2,825	-
Automobile expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100
Group insurance	1,487	-	-	-	-	1,487	-	-	-	-	-	-	-	-	1,487	-
Rent (storage)	328	320	-	-	-	648	-	-	-	-	-	-	-	-	648	-
Office and general	411	250	411	250	411	250	411	250	411	250	411	250	411	250	411	411
Postage and delivery	119	-	-	-	-	-	-	-	-	-	-	-	-	-	-	219
Telephone	-	-	160	-	-	-	-	-	-	-	-	-	-	-	-	160
Cellular	367	150	-	-	-	250	-	-	-	-	-	-	-	-	250	160
Bank charges	100	-	-	-	100	-	-	-	100	-	-	-	-	-	-	300
Equity Transfer/TSX (shareholder administration)	6,707	-	-	-	850	-	-	-	850	-	-	-	-	-	-	8,407
Audit fees / quarterly reporting ⁽⁵⁾	-	1,451	-	-	-	-	-	-	-	-	-	-	-	1,451	-	2,902
Director fees ⁽⁶⁾	-	-	12,207	-	-	-	-	-	-	-	-	-	-	-	-	14,433
Professional fees re restructuring proceedings ⁽⁷⁾	-	-	-	72,475	-	-	-	-	-	-	-	-	-	25,000	-	27,500
Miscellaneous expenses	254	500	254	500	254	500	254	500	254	500	254	500	500	254	254	4,778
Total Disbursements	14,758	2,671	20,311	73,225	6,600	3,135	7,944	750	31,600	4,786	7,944	750	750	44,758	7,944	219,232
Opening cash balance ⁽⁸⁾	2,212,583	2,228,092	2,225,421	2,206,289	2,133,064	2,128,702	2,125,567	2,130,457	2,129,707	2,100,275	2,095,489	2,093,832	2,093,832	2,093,082	2,095,489	2,212,583
Net cash flows	15,509	(2,671)	(19,132)	(73,225)	(4,362)	(3,135)	4,890	(750)	(29,432)	(4,786)	(1,657)	(750)	(750)	(44,758)	(1,657)	(164,259)
Cash Available for Disbursement	2,228,092	2,225,421	2,206,289	2,133,064	2,128,702	2,125,567	2,130,457	2,129,707	2,100,275	2,095,489	2,093,832	2,093,082	2,093,082	2,048,324	2,093,832	2,048,324

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 Lissus LLP up to February 28, 2014, and estimates for these firms thereafter. Professional fees for Gowling Lafleur Henderson LLP include estimates for the cash flow period.

Details of professional fees are summarized as follows:

	Professional fees payable					Payments			Owing as at 30-May-14
	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Mar-14	Apr-14	May-14	
Duff & Phelps Canada Restructuring Inc.	475	1,000	5,000	10,000	10,000	(475)	(1,000)	(5,000)	20,000
Gowling Lafleur Henderson LLP	72,000	24,000	20,000	20,000	20,000	(72,000)	(24,000)	(20,000)	40,000
Lax O'Sullivan Scott Lissus LLP	-	-	2,500	5,000	5,000	-	-	(2,500)	10,000
	72,475	25,000	27,500	35,000	35,000	(72,475)	(25,000)	(27,500)	70,000

Notes to Projected Statement of Cash Flows

For the Period March 1, 2014 to May 30, 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 March 1, 2014 to May 30, 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 March 1, 2014, 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 4th day of March, 2014 for the period March 1, 2014 to May 30, 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 10th day of March, 2014.



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 4th day March, 2014, consisting of a weekly projected cash flow statement for the period March 1, 2014 to May 30, 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 11th day of March, 2014.

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”

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

For the period November 23, 2013 - February 28, 2014



	CUMULATIVE			
	BUDGET	ACTUAL	VARIANCE	VARIANCE (%)
Receipts:				
HST recovery ⁽²⁾	83,214	45,732	(37,482)	-45%
Cash receipts ⁽³⁾	9,986	39,115	29,129	292%
Total Receipts	93,200	84,847	(8,353)	-9%
Disbursements:				
Payroll expenses ⁽⁴⁾	21,539	21,599	(60)	0%
Consulting	16,950	19,775	(2,825)	-17%
Automobile expenses	300	289	11	4%
Group insurance	5,927	4,461	1,466	25%
Rent (document storage costs)	2,440	2,061	379	16%
Office and general	4,172	3,633	539	13%
Postage and delivery	100	-	100	100%
Telephone	580	525	55	9%
Cellular	750	805	(55)	-7%
Bank charges	530	352	178	34%
Equity Transfer/TSX (shareholder administration)	3,400	2,632	768	23%
Audit / Quarterly fees	35,595	36,273	(678)	-2%
Corporate tax return preparation / tax advice	15,187	15,187	-	0%
Director fees	53,280	41,073	12,207	23%
Professional fees re restructuring proceedings ⁽⁵⁾	360,817	383,925	(23,108)	-6%
Miscellaneous expenses	5,208	3,920	1,288	25%
Total Disbursements	526,775	536,510	(9,735)	-2%
Opening cash balance ⁽⁶⁾	2,664,246	2,664,246	-	0%
Net cash flows	(433,575)	(451,663)	(18,088)	4%
Cash Available for Disbursement	2,230,671	2,212,583	(18,088)	-1%

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

Notes to Cash Flow Variance

For the period November 23, 2013 - February 28, 2014

(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 November 23, 2013 to February 28, 2014 ("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 timing.
3. Relates to interest and sundry payments.
4. Includes gross salaries, benefits and government remittances for one employee.
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.
6. 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.