

UNIQUE BROADBAND SYSTEMS, INC. COMMENCES CCAA PROCEEDINGS AND FILES NOTICE OF APPEAL OF SUMMARY JUDGMENT MOTIONS

TORONTO, July 5, 2011 /CNW/ - Unique Broadband Systems, Inc. ("**UBS**" or the "**Company**") (TSX Venture: UBS) announced today that it and its wholly owned subsidiary UBS Wireless Systems Inc. have commenced proceedings under the *Companies' Creditors Arrangement Act* (the "**CCAA**") and that the court has made an order staying all proceedings against the Company and its directors until August 5, 2011. RSM Richter Inc. (the "**Monitor**") has been appointed as monitor to oversee the Company's business and cash flow. Further information with respect to the CCAA proceedings can be found on the Monitor's website at www.rsmrichter.com.

The Company has been successful over the past year in significantly reducing operating expenses, settling certain claims and obtaining the reversal of approximately \$1.8 million of awards granted by the Company's prior board in 2009. Notwithstanding these achievements, the approximately \$16.7 million in termination and other payments being pursued in claims against UBS involving, among others, Jolian Investments Limited ("**Jolian**"), Gerald McGoey, DOL Technologies Inc. ("**DOL**") and Alex Dolgonos (collectively the "**Plaintiff Group**") have precipitated the commencement of proceedings under the CCAA, which the Company views as the best course of action to preserve its assets.

The CCAA proceeding has been commenced to, among other things:

- (a) facilitate the determination and compromise or arrangement of creditor claims against UBS;
- (b) to permit the company to propose a plan to realize value from the company's accumulated tax losses and public listing;
- (c) avert a imminent liquidity crisis being caused by litigation-related expenses that will prevent UBS from continuing to carry on business for the benefit of its stakeholders and defending the proceedings brought by the Plaintiff Group;
- (d) stay all payables owing by UBS, including the requirement to fund the litigation costs of both Jolian and DOL as recently ordered by the court: and
- (c) provide a process to determine the claims being asserted against UBS by the Plaintiff Group in a more cost effective and expeditious manner.

While under protection from its creditors, the Company's board of directors will continue to manage the Company. In addition, UBS will continue to provide certain services to LOOK Communications Inc. pursuant to the management services agreement between the parties.

UBS also announced that, in connection with the claims and counterclaims involving, among others, the Plaintiff Group, the Company has appealed the decision of the court in connection with motions for summary judgment brought by UBS and the Plaintiff Group relating to the indemnification of the Plaintiff Group's legal expenses described in the Company's press release dated May 31, 2011.

About Unique Broadband Systems, Inc.

UBS's shares are listed on the TSX Venture Exchange under the symbols "UBS". More information on UBS can be found at www.sedar.com.

The corporate information contained in this release includes forward-looking statements regarding future events and costs that involve risks and uncertainties that could cause actual results to differ materially. Assumptions used in the preparation of such information, although considered reasonable by UBS at the time of preparation, may prove to be incorrect. The actual results achieved may vary from the information provided herein and the variations may be material. Consequently, there is no representation by UBS that actual results achieved will be the same in whole or in part as those forecast.

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

UNIQUE BROADBAND SYSTEMS, INC.



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