

UNITY WIRELESS CORP
Form 4
December 14, 2006

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
Goldschmidt David

(Last) (First) (Middle)

C/O STAR VENTURES
MANAGEMENT, 11 GALGALEI
HAPLADA STREET; PO BOX
12893

(Street)

HERZELIYA PITUACH, L3 46733

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
UNITY WIRELESS CORP
[UTWY.OB]

3. Date of Earliest Transaction
(Month/Day/Year)
12/13/2006

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)

Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | | (A) or (D) | Amount | Price | |
| | | | Code | V | | | |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474
(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | | 7. Title Underlying (Instr. 3) | | |
|--|--|--------------------------------------|--|--------------------------------|---|--|-----------|--------------------------------|-----------------|--------------|
| | | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title |
| Warrants ⁽¹⁾ | \$ 0.2 | 12/13/2006 | | S | | | 1,752,624 | 11/24/2006 | 08/17/2009 | Common Stock |
| Warrants ⁽¹⁾ | \$ 0.22 | 12/13/2006 | | S | | | 1,752,624 | 11/24/2006 | 08/17/2009 | Common Stock |
| Warrants ⁽¹⁾ | \$ 0.27 | 12/13/2006 | | S | | | 1,752,623 | 11/24/2006 | 08/17/2009 | Common Stock |
| Warrants ⁽¹⁾ | \$ 0.3 | 12/13/2006 | | S | | | 1,752,624 | 11/24/2006 | 08/17/2009 | Common Stock |
| 8% Secured Convertible Debentures ⁽³⁾ | \$ 0.09 | 12/13/2006 | | P | | 1,041,422 | | 12/13/2006 | 12/13/2009 | Common Stock |
| Warrants ⁽³⁾ | \$ 0.1 | 12/13/2006 | | P | | 520,711 | | 12/13/2006 | 12/13/2011 | Common Stock |
| Warrants ⁽⁴⁾ | \$ 0.1 | 12/13/2006 | | P | | 7,010,495 | | 12/13/2006 | 12/13/2011 | Common Stock |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| Goldschmidt David C/O STAR VENTURES MANAGEMENT 11 GALGALEI HAPLADA STREET; PO BOX 12893 HERZELIYA PITUACH, L3 46733 | X | X | | |
| Valley Venture Capital Limited Partnership 11 GALGALEY HAPLADA STREET POB 12893 HERZLIYA, L3 46733 | | | X | |
| Blue Rose Management Services Ltd. 11 GALGALEY HAPLADA ST,C/O STAR VENTURES | | | X | |

POB 12893
HERZLIYA, L3 46733

Signatures

| | |
|--|------------|
| /s/David Goldschmidt, David Goldschmidt | 12/14/2006 |
| **Signature of Reporting Person | Date |
| /s/David Goldschmidt, Valley Venture Capital Limited Partnership | 12/14/2006 |
| **Signature of Reporting Person | Date |
| /s/David Goldschmidt, Blue Rose Management Services Ltd. | 12/14/2006 |
| **Signature of Reporting Person | Date |

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

In connection with the issuance of the 8% Secured Convertible Debentures reported under this Form 4 (see footnote 3 below), the exercise price of these warrants was reduced (from prices ranging from \$0.20 to \$0.30 per share) to \$0.10 per share and the expiration date of these securities was extended from 8/17/2009 to 12/13/2011, for no additional consideration. Consequently, these warrants may be deemed disposed for purposes of Section 16 of the Securities Exchange Act of 1934, as amended and these warrants (as amended) are reported in this Form 4 as acquired as set forth in the line items that correspond to footnote 5 of Table II.
- (1) Valley Venture Capital Limited Partnership ("Valley VC") holds the securities directly. Valley VC's general partner is Blue Rose Management Services Ltd. , which is controlled by David Goldschmidt.

Valley VC acquired the 8% Secured Convertible Debentures, which mature on 12/13/2009, in consideration for \$93,278, in the aggregate, which reflects a \$93,278 face amount for the Debentures (or approximately \$0.09 per share). The 8% Secured Convertible
- (3) Debentures are convertible into shares of common stock by dividing the principal amount and interest accrued thereon by the conversion price. Consequently, the figure above (1,041,422 shares) may generally increase until the full repayment of the debentures. As part of the transaction, the Issuer issued the warrants for no additional consideration.
- (4) As described in footnote 1 above, these warrants may be deemed acquired due to the change of their terms as part of the transaction described in footnote 3 above.
- (5) Not Applicable

Remarks:

Each of the reporting person disclaims beneficial ownership of the reported securities except to the extent of his or its pecuniary interest therein, and this report shall not be deemed an admission that the reporting person or any joint filer is the beneficial owner of the securities for purposes of Section 16 of the Securities Exchange Act of 1934, as amended or for any other purpose.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.