

Livnat Avraham
Form 4
December 14, 2006

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

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 *
CLAL INDUSTRIES & INVESTMENTS LTD

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
TRIANGULAR TOWER, 45TH FLOOR, 3, AZRIELI CENTER

(Street)

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

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

TEL AVIV, L3 67023

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

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

(City) (State) (Zip)

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) | Code | V | Amount | (D) | Price |

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)

| 1. Title of Derivative | 2. Conversion | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if | 4. Transaction | 5. Number of Derivative Securities Acquired (A) or | 6. Date Exercisable and Expiration Date | 7. Title Underly |
|------------------------|---------------|--------------------------------------|-------------------------------|----------------|--|---|------------------|
|------------------------|---------------|--------------------------------------|-------------------------------|----------------|--|---|------------------|

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| Security (Instr. 3) | or Exercise Price of Derivative Security | any (Month/Day/Year) | Code (Instr. 8) | Disposed of (D) | | (Month/Day/Year) | | (Instr. 3) |
|-------------------------|---|-------------------------|--------------------|-----------------|-----------|---------------------|--------------------|--------------|
| | | | | (A) | (D) | Date Exercisable | Expiration Date | |
| Warrants ⁽¹⁾ | \$ 0.2 | 12/13/2006 | S | | 10,565 | 11/24/2006 | 08/17/2009 | Comm Stoc |
| Warrants ⁽¹⁾ | \$ 0.22 | 12/13/2006 | S | | 10,565 | 11/24/2006 | 08/17/2009 | Comm Stoc |
| Warrants ⁽¹⁾ | \$ 0.27 | 12/13/2006 | S | | 10,565 | 11/24/2006 | 08/17/2009 | Comm Stoc |
| Warrants ⁽¹⁾ | \$ 0.3 | 12/13/2006 | S | | 10,564 | 11/24/2006 | 08/17/2009 | Comm Stoc |
| Warrants ⁽¹⁾ | \$ 0.2 | 12/13/2006 | S | | 1,620,919 | 11/24/2006 | 08/17/2009 | Comm Stoc |
| Warrants ⁽¹⁾ | \$ 0.22 | 12/13/2006 | S | | 1,620,919 | 11/24/2006 | 08/17/2009 | Comm Stoc |
| Warrants ⁽¹⁾ | \$ 0.27 | 12/13/2006 | S | | 1,620,919 | 11/24/2006 | 08/17/2009 | Comm Stoc |
| Warrants ⁽¹⁾ | \$ 0.3 | 12/13/2006 | S | | 1,620,918 | 11/24/2006 | 08/17/2009 | Comm Stoc |
| Warrants ⁽¹⁾ | \$ 0.2 | 12/13/2006 | S | | 4,226 | 11/24/2006 | 08/17/2009 | Comm Stoc |
| Warrants ⁽¹⁾ | \$ 0.22 | 12/13/2006 | S | | 4,226 | 11/24/2006 | 08/17/2009 | Comm Stoc |
| Warrants ⁽¹⁾ | \$ 0.27 | 12/13/2006 | S | | 4,226 | 11/24/2006 | 08/17/2009 | Comm Stoc |
| Warrants ⁽¹⁾ | \$ 0.3 | 12/13/2006 | S | | 4,226 | 11/24/2006 | 08/17/2009 | Comm Stoc |
| Warrants ⁽¹⁾ | \$ 0.2 | 12/13/2006 | S | | 569,603 | 11/24/2006 | 08/17/2009 | Comm Stoc |
| Warrants ⁽¹⁾ | \$ 0.22 | 12/13/2006 | S | | 569,603 | 11/24/2006 | 08/17/2009 | Comm Stoc |
| Warrants ⁽¹⁾ | \$ 0.27 | 12/13/2006 | S | | 569,603 | 11/24/2006 | 08/17/2009 | Comm Stoc |
| Warrants ⁽¹⁾ | \$ 0.3 | 12/13/2006 | S | | 569,603 | 11/24/2006 | 08/17/2009 | Comm Stoc |
| | \$ 0.09 | 12/13/2006 | P | | | 12/13/2006 | 12/13/2009 | |

| | | | | | | | | |
|--|--------|------------|---|-----------|------------------|------------|------------|--------------|
| 8% Secured Convertible Debentures (8) | | | | | 1,309,156 (9) | | | Comm Stoc |
| Warrants (8) | \$ 0.1 | 12/13/2006 | P | 654,578 | | 12/13/2006 | 12/13/2011 | Comm Stoc |
| Warrants (7) | \$ 0.1 | 12/13/2006 | P | 42,259 | | 12/13/2006 | 12/13/2011 | Comm Stoc |
| Warrants (7) | \$ 0.1 | 12/13/2006 | P | 6,483,675 | | 12/13/2006 | 12/13/2011 | Comm Stoc |
| Warrants (7) | \$ 0.1 | 12/13/2006 | P | 16,904 | | 12/13/2006 | 12/13/2011 | Comm Stoc |
| Warrants (7) | \$ 0.1 | 12/13/2006 | P | 2,278,412 | | 12/13/2006 | 12/13/2011 | Comm Stoc |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| CLAL INDUSTRIES & INVESTMENTS LTD TRIANGULAR TOWER, 45TH FLOOR, 3 AZRIELI CENTER TEL AVIV, L3 67023 | | X | | |
| Israel Infinity Venture Capital (Corporate General Partner)Ltd. 3 AZRIELI CENTER (TRIANGLE TOWER)42ND FL TEL-AVIV, L3 67023 | | X | | |
| Infinity I Annex Fund (General Partner) Ltd. 3 AZRIELI CENTER (TRIANGLE TOWER) 42FL. TEL-AVIV, L3 67023 | | X | | |
| FBR Infinity II Venture Partners Ltd. 3 AZRIELI CENTER (TRIANGLE TOWER) 42FL. TEL-AVIV, L3 67023 | | X | | |
| IDB DEVELOPMENT CORP LTD TRIANGULAR TOWER, 44TH FLOOR 3 AZRIELI CENTER TEL AVIV, L3 67023 | | X | | |
| IDB HOLDING CORP LTD TRIANGULAR TOWER, 44TH FLOOR 3 AZRIELI CENTER TEL AVIV, L3 67023 | | X | | |
| Dankner Nochi 3 AZRIELI CENTER | | X | | |

44TH FLOOR
TEL AVIV, L3 67023

Bergman Shelly
9 HAMISHMAR HA'EZRACHI STREET X
AFEKA
TEL AVIV, L3 69697

Manor Ruth
26 HAGDEROT STREET X
SAVYON, L3 56526

Livnat Avraham
TAAVURA JUNCTION X
RAMLE, L3 72102

Signatures

/s/ Boaz Simons, Clal Industries and Investments
Ltd. 12/14/2006

__Signature of Reporting Person Date

/s/ Gonen Bieber, Clal Industries and
Investments 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 8 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 7 of Table II.
- (1) IDB Development Corporation Ltd. ("IDB Development") is a majority owned subsidiary of IDB Holding Corporation Ltd. ("IDB Holding"). The securities are held directly by IDB Development and its wholly owned subsidiary, Clalit Finance and Investments Ltd. Israel Infinity Venture Capital (Corporate General Partner) Ltd. is the general partner of Israel Infinity Venture Capital Partners LP, which is the general partner of Israel Infinity Venture Capital Fund (Israel) LP, Israel Infinity Venture Capital Fund (Delaware) LP, Israel Infinity Venture Capital Fund (Cayman I) LP, and Israel Infinity Venture Capital Fund (Cayman II) LP (together, "Infinity I"), which hold the securities directly. Infinity I Annex Fund (General Partner) Ltd. is the general partner of Infinity I Annex Fund LP ("Annex Fund"), which hold the securities directly. FBR Infinity II Venture Partners Ltd. is the general partner of FBR Infinity II Partners LP, which is the general partner of FBR Infinity II Ventures (Israel) LP, FBR Infinity II Ventures LP and FBR Infinity II Ventures (Erisa) LP (together, "Infinity II" and with Infinity I and Annex Fund, the "Infinity Funds"), which hold the securities directly.
- (2) Clal Insurance Enterprises Holdings Ltd. ("CIEH") is a majority owned indirect subsidiary of IDB Holding. The securities are held directly by CIEH and its wholly owned subsidiary.
- (3) Clal Industries and Investments Ltd. ("Clal Industries") is a majority owned indirect subsidiary of IDB Holding. The securities are held directly by Clal Industries, its wholly owned subsidiary, Clal Electronics Industries Ltd., and by Clal Venture Capital Fund L.P. whose general partner is Clal Venture Capital Fund Management Ltd., a majority owned subsidiary of Clal Industries.
- (4) Not applicable. See footnote 1 above.
- (5) 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 8 above.
- (6) Infinity II GP is the general partner of Infinity II LP, which in turn is the general partner of the Infinity II Funds, which hold the securities directly. The Infinity II Funds acquired the 8% Secured Convertible Debentures, which mature on 12/13/2009, in consideration for \$117,824, in the aggregate, which reflects a \$117,824 face amount for the Debentures (or approximately \$0.09 per share). As part of

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the transaction, the Issuer issued the warrants for no additional consideration.

The 8% Secured Convertible Debentures are convertible into shares of common stock by dividing the principal amount and interest

- (9) accrued thereon by the conversion price. Consequently, the figure above (1,309,156 shares) may generally increase until the full repayment of the debentures.

Remarks:

1. Each of the reporting persons and the joint filers, detailed in Exhibit 1, 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.

2. Gil Milner and Gonen Bieber, authorized signatories of Clal Industries and Investments Ltd., for itself and on behalf of the other Reporting Persons.

Boaz Simons and Gonen Bieber, authorized signatories of Clal Industries and Investments Ltd., for itself and on behalf of the other Reporting Persons

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.