

**EARLY WARNING REPORT UNDER  
THE ALTERNATIVE MONTHLY REPORTING SYSTEM  
OF NATIONAL INSTRUMENT 62-103**

**1. Name and address of the eligible institutional investor:**

HORIZON KINETICS LLC  
555 Taxter Road, Suite 175  
Elmsford, NY 10523

**2. Name of the reporting issuer:**

Urbana Corporation

**3. Period for which report is filed:**

Period ended December 31, 2011

**4. Net Increase or decrease in the number or principal amount of securities, and in the eligible institutional investor's securityholding percentage in the class of securities, since the last report filed by the eligible institutional investor under Part 4 of the early warning requirements:**

Not applicable.

**5. Designation and number or principal amount of securities and the eligible institutional investor's securityholding percentage in the class of securities at the end of the month for which the report is made:**

Horizon Kinetics LLC ("Horizon Kinetics"), through mutual funds, pooled funds and private client managed accounts for which its subsidiary asset managers, Kinetics Asset Management LLC and Horizon Asset Management LLC (together, the "Firms"), provide portfolio management services, exercises control or direction over 18,489,328 non-voting Class A shares of Urbana Corporation ("Urbana Class A Shares") (or approximately 28.70% of the outstanding Urbana Class A Shares), as of December 31, 2011.

**6. Designation and number or principal amount of securities and the percentage of outstanding securities referred to in paragraph 5 over which:**

**(a) the eligible institutional investor, either alone or together with any joint actors, has ownership and control:**

Not applicable

**(b) the eligible institutional investor, either alone or together with any joint actors, has ownership but control is held by other entities other than the eligible institutional investor or any joint actor:**

Not applicable.

- (c) **the eligible institutional investor, either alone or together with any joint actors, has exclusive or shared control but does not have ownership:**

Horizon Kinetics, through the Firms' provision of portfolio management services to mutual funds, pooled funds and private client managed accounts, exercises control or direction over 18,489,328 Urbana Class A Shares (or approximately 28.70% of the outstanding Urbana Class A Shares).

7. **The purpose of the eligible institutional investor and any joint actors in acquiring or disposing of ownership of, or control over, the securities, including any future intention to acquire ownership of, or control over, additional securities of the reporting issuer:**

The Urbana Class A Shares were acquired in the ordinary course of business, for investment purposes only and not for the purpose of exercising control or direction over Urbana Corporation. The Firms or accounts for which the Firms provide discretionary portfolio management services may, from time to time acquire additional Urbana Class A Shares, dispose of some or all of the existing or additional Urbana Class A Shares or may continue to hold the Urbana Class A Shares.

8. **The general nature and the material terms of any agreement, other than lending arrangements, with respect to securities of the reporting issuer entered into by the eligible institutional investor, or any joint actor, and the reporting issuer of the securities or any other person or company in connection with any transaction or occurrence resulting in the change in ownership or control giving rise to the report, including agreements with respect to the acquisition, holding, disposition or voting of any of the securities:**

Not applicable.

9. **The names of any joint actors in connection with the disclosure required by Appendix G of National Instrument 62-103:**

Not applicable.

10. **If applicable, a description of any change in any material fact set out in a previous report by the eligible institutional investor under the early warning requirements or Part 4 of National Instrument 62-103 in respect of the reporting issuer's securities:**

Effective May 1, 2011 the predecessor parent companies of the Firms merged to form Horizon Kinetics (the "Merger").

11. **A statement that the eligible institutional investor is eligible to file reports under Part 4 of National Instrument 62-103 in respect of the reporting issuer:**

Horizon Kinetics is an eligible institutional investor eligible to file reports under Part 4 of National Instrument 62-103. Neither Horizon Kinetics, the Firms nor any accounts for which the Firms provide discretionary portfolio management services presently intend to:

- (i) make a formal take-over bid for securities of Urbana Corporation, or
- (ii) propose a reorganization, amalgamation, merger arrangement or similar business combination with Urbana Corporation that, if completed, would reasonably be expected to result in Horizon Kinetics, the Firms or any accounts for which the Firms provide discretionary portfolio management services, either alone or together with any joint actors, possessing effective control over Urbana Corporation or a successor to all or part of the business of Urbana Corporation.

DATED this 5th day of January, 2012.

**HORIZON KINETICS LLC**

By:



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Name: Jay Kesslen

Title: Senior Vice President,  
General Counsel