

Home » Daily Headlines » How Nortel Racked Up A \$755-Million Tab

How Nortel Racked Up A \$755-Million Tab

Published in [Canada](#), [North America](#), [United States](#)

It's a world where an e-mail that takes just six minutes to write costs more than \$100, and where just the act of compiling one month's legal bill - not to mention the bill itself - costs \$40,000. Welcome to the high-stakes, high-priced universe of cross-border bankruptcy litigation, where what remains of Nortel Networks Corp. is being slowly drained away by lawyers and consultants, *The Globe and Mail* reported. Nortel's bondholders, pensioners and other creditors have been engaged in an expensive fight over the \$9-billion left over from the piecemeal sale of the company. So far, the defunct former telecommunications giant has been charged a total of \$755-million worldwide in "professional fees," \$630-million of it in Canada and the U.S., since it went into insolvency proceedings in both countries in 2009. Richard McLaren, a law professor at the University of Toronto, said the size of Nortel's legal bills could prompt attempts to reform to Canada's insolvency regime, where courts now only rarely apply close scrutiny to professional fees charged in proceedings under the Companies' Creditors Arrangements Act (CCAA). [Read more.](#)



Locations



[more tags](#)

Related Articles

- [Nortel Networks Talks On Dividing Cash From Sales End](#)
- [Mediation Extended In Fight Over \\$9 Billion In Nortel Assets](#)
- [Nortel's Legal Mess Pits Bondholders Against Retirees](#)
- [Homburg Invest Subsidiary Gets \\$24 Million From Sale Of Joint Venture Assets In U.S.](#)
- [Canadian CD, DVD Seller Cinram Files for Chapter 15 Bankruptcy](#)
- [Northstar Aerospace Seeks Creditor Protection](#)
- [Judge Approves Arctic Glacier Chapter 15 Bankruptcy Petition](#)
- [Arctic Glacier To Restructure Under CCAA](#)
- [Canada's Oilsands Quest Seeks Creditor Protection In U.S. Court](#)
- [Canadian Government Won't Review Nortel \\$4.5B Patent Sale](#)