

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

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U.S. BANKRUPTCY COURT
DISTRICT OF DELAWARE

In re:)
) Chapter 11
Nortel Networks Inc., *et al.*,¹)
) Case No. 09-10138 (KG)
)
Debtors.) Jointly Administrated
)
) **Objection Deadline: Oct. 22, 2012 at 10 a.m.**
) **Hearing Date: Feb. 12, 2013 at 10 a.m.**
) **RE: D.I. # 8067**

**OBJECTION TO DEBTORS' MOTION FOR ENTRY OF AN ORDER PURSUANT TO 11
U.S.C. §§ 105, 363 AND 1108 AUTHORIZING THE DEBTORS TO TERMINATE THE
DEBTORS' LONG-TERM DISABILITY PLANS AND THE EMPLOYMENT OF THE LTD
EMPLOYEES**

Mark Alan Phillips (the “[Define Party]”) of the above-captioned debtors and debtors-in-possession (the “Debtors”), hereby submits this Objection to Debtors’ Motion for entry of an order authorizing the Debtors to terminate the Debtors’ Long-Term Disability Plans and the employment of the LTD employees. In support of this Objection, Mark Alan Phillips respectfully represents as follows:

¹ The Debtors, along with the last four digits of each Debtors’ federal tax identification number, are: Nortel Networks Inc (6332), Nortel Networks Capital Corporation (9620), Nortel Altsystems Inc. (9769), Nortel Altsystems International Inc. (5596), Xros, Inc. (4181), Sonoma Systems (2073), Qtera Corporation (0251), CoreTek, Inc. (5722), Nortel Networks Applications Management Solutions Inc. (2846), Nortel Networks Optical Components Inc. (3545), Nortel Networks HPOCS Inc. (3546), Architel Systems (U.S.) Corporation (3826), Nortel Networks International Inc (0358), Northern Telecom International Inc (6286), Nortel Networks Cable Solutions Inc. (0657) and Nortel Networks (CALA) Inc. (4226). Addresses for the Debtors can be found in the Debtors’ petitions, which are available at <http://chapter11.epiqsystems.com/nortel>.

BACKGROUND

1. I was recruited by Nortel in November 1987 upon graduating University of North Carolina - Charlotte with a BS in Computer Engineering.
2. I was employed February 1, 1988 at Nortel's FAST (First Application System Test) Lab as a Field Verification Engineer. This work required me to first test new features of Nortel's software and hardware in the lab. The main purpose of my job was to install the preproduction software and hardware in an operating central office to find any issues before releasing the software for general sale. During this process, I was the onsite representative of Nortel to find, track and solve any hardware or software issue encountered.
3. This work had me traveling across the US, Canada and Japan installing and testing Nortel's software before the general release. I gave 100% of my life to add value to Nortel. An example: in 1991 a 6 week NTT account in Japan was extended to 5 months on the Intec account.
4. Nortel extended a compensation to me that included salary and benefits. These benefits included Life and Health Insurance, Disability Insurance, Retirement Plan, and a 401k plan. All of which I enrolled and paid for through deductions from my salary. (Exhibit A - 1992 Summary Plan Document.)
5. In January 1992 I became disabled from a skiing accident. My neck was broken at the fourth vertebrae; hence I was completely paralyzed below the shoulders. In July of 1992, I was eligible for Social Security Disability payments and Nortel's Long-Term Disability Plan payments which started in August 1992. I have been on Long-term Disability ever since except for a short trial work period in 1993 than was

unsuccessful and further deteriorated my health. (Exhibit B - Social Security Entitlement letter) (Exhibit C – Doctors letters stating permanent disability.)

RELIEF REQUESTED

6. I request that the Debtors motion to Terminate the LTD Plans and LTD Employees [DI#8067] be rejected.
7. I request the Debtors compensate me in full for my LTD benefits to age 65 that Nortel became liable for once I became totally disabled, my Total Claim is \$1,751,137.09.
8. I request that there is no interruption in disbursement of LTD benefit (or compensation of same) as the impact to me would be both financially and medically devastating.

BASIS FOR RELIEF

9. Although I was perfectly healthy when I joined Nortel, Long-Term Disability Insurance and Medical Insurance were important to me since I was alone without family. My experience with a minor accident impressed on me that a medical issue can suddenly arise and can be financially devastating. I knew that I had to provide for myself, and part of that was to have good medical and Long-Term Disability Insurance. Nortel's Summary Plan Document states that LTD benefits are insured through Group policy (#39900) and will continue until I reach 65.
10. I paid premiums each pay period for Medical Insurance and Long-Term Disability Insurance before I was injured.
11. I have abided by Nortel's numerous requests for medical information proving the continuance of my permanent paralysis for twenty years. Nortel, always through CIGNA or Prudential, has also paid this claim during the same 20 years. Nortel and I have an ongoing contract that as long as I am permanently disabled or reach age 65 Nortel is to provide Long-Term Disability Insurance, Medical Insurance, Life Insurance and other employee benefits (Flex Benefits) to myself and my family. Failure of Nortel to complete this contract will be financial devastation and very likely medically detrimental to me.
12. Prudential still refers to the my Disability Benefit as a contract and benefits will be paid until June 26, 2025. (Exhibit C)
13. Nortel should not be able to cancel its contract with the Long-Term Disabled employees in order to unjustly enrich the debtors.

14. Since I became disabled; Nortel, CIGNA and Prudential all stated that as long as I am still disabled, my disability benefits will continue until I turn 65. I used this information to secure a 30 year mortgage with One Mortgage in November 1999. (Exhibit D – One Mortgage)
15. Spinal Cord Injuries are also expensive. While I am under the average yearly health care and living expenses of \$109,077 for a C6-quadruplegic, an injury or sickness can easily exhaust my assets if I only have Medicare. An example: a simple skin sore can have me hospitalized for six months. (Exhibit E – Spinal Cord Injury Facts)
16. Obtaining Medical, Life, or Disability Insurance is difficult due to the pre-existing paralysis. (Exhibit F – Assurity Life Rejection) I rely on the Nortel plan as it was communicated to me under the Summary Plan Document to provide for my income and insurance. It is not possible to buy additional insurance either because of denial via pre-existing conditions or cost. These benefits are a matter of survival for me both financially and medically.
17. Nortel has not provided all requested documents during the Fact Recovery. Specifically a) Medical, Dental, Vision, Hearing claims that Nortel paid b) all Flex Benefits Confirmation Statements c) copies of data/communications between Prudential and CIGNA regarding my STD & LTD benefits. The omnimgt.com website has only the general plans and documents, nothing specific to my individual case. (Exhibit G – Fact Discovery Requests)
18. Nortel has sufficient funds to meet their contractual obligations. Nortel is liquidating; sold its assets and patents. Nortel meeting its obligations to the Long-Term Disabled employees will not prevent Nortel from recovering. Loss of insurance

coverage and income will be devastating to me verses the portfolio health of the investors.

19. My LTD claim is total \$1,751,137.09 that became a financial obligation to the debtors when my Long Term Disability claim was approved by CIGNA, and latter accepted by Prudential. In July 1992 Nortel knew that my disabilities were identified as Total & Permanent by all attending physicians. (Exhibit G – Proof of Claim) I am claiming Retiree benefits and LTD benefits since I am vested in both. These two benefits were never presented as mutually exclusive benefits offerings, but rather Nortel presented as effecting different age ranges: a) LTD benefits to age 65; AND b) Retiree benefits from 65 on (i.e. Medical, Life or Long-Term Care). (Exhibit H – Nortel Retiree Life Insurance & Long-Term Care Plan Page 6.)

EXHIBITS

- A – 1992 Summary Plan Document
- B – Social Security Entitlement Letter
- C – Prudential letter, October 12, 2012
- D – Dr. Richard Prognosis
 - Shepherd prognosis
 - CIGNA prognosis
 - Shepherd Discharge Summary
 - Vocational Rehab Assessment
- E – One Mortgage Letter
- F - Spinal Cord Injury Facts
- G - Assurity Life Rejection
- H - Fact Discovery Requests
- I - Proof of Claim
 - Supporting Calculations
 - Nortel Benefits Confirmation Statement
 - Pay Stubs
 - Insurance Quotes – State Farm, Assurant, COBRA, Prudential
 - PBGC Statements
- J – Nortel Retiree Life Insurance & Long-Term Care Plan

NOTICE

20. Notice of this Objection has been provided to (a) counsel to the Debtors; (b) the United States Trustee for the District of Delaware; (c) counsel to the LTD 1102 Committee; and (d) all parties required to receive service under Rule 2002-1(b) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware through the Court's electronic filing system. Mark Alan Phillips respectfully submits that, given the nature of the relief requested, no other notice of the relief requested herein need to be given.

WHEREFORE, Mark Alan Phillips respectfully requests the entry of an Order, in the form attached:

1. Reject the Debtors motion to Terminate the LTD Plans and LTD Employees [DI#8067].
2. Compel the Debtors to compensate Mark Alan Phillips in full for LTD benefits projected to age 65; Total Claim being \$1,751,137.09.
3. Order that there is no interruption in disbursement of LTD benefit (or compensation for same) to Mark Alan Phillips.

Dated: October 18, 2012



Mark Alan Phillips
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Appearing Pro Se

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:)
) Chapter 11
Nortel Networks Inc., *et al.*,¹)
) Case No. 09-10138 (KG)
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Debtors.) Jointly Administrated
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) **Re: Docket No. 8067**

**ORDER GRANTING OBJECTION TO DEBTORS' MOTION FOR ENTRY OF AN
ORDER PURSUANT TO 11 U.S.C. §§ 105, 363 AND 1108 AUTHORIZING THE
DEBTORS TO TERMINATE THE DEBTORS' LONG-TERM DISABILITY PLANS
AND THE EMPLOYMENT OF THE LTD EMPLOYEES**

Upon consideration of the Objection to entry of an order authorizing the Debtors to terminate the Debtors' Long-Term Disability Plans and the employment of the LTD employees (the "Objection") and any responses thereto; and it appearing that sufficient notice of the Objection has been given; and in good cause having been shown, it is hereby

ORDERED that the Objection is granted.

Dated: _____, 2013
Wilmington, Delaware

HONORABLE KEVIN GROSS
CHIEF UNITED STATES BANKRUPTCY JUDGE

¹ The Debtors, along with the last four digits of each Debtors' federal tax identification number, are: Nortel Networks Inc (6332), Nortel Networks Capital Corporation (9620), Nortel Altsystems Inc. (9769), Nortel Altsystems International Inc. (5596), Xros, Inc. (4181), Sonoma Systems (2073), Qtera Corporation (0251), CoreTek, Inc. (5722), Nortel Networks Applications Management Solutions Inc. (2846), Nortel Networks Optical Components Inc. (3545), Nortel Networks HPOCS Inc. (3546), Architel Systems (U.S.) Corporation (3826), Nortel Networks International Inc (0358), Northern Telecom International Inc (6286), Nortel Networks Cable Solutions Inc. (0657) and Nortel Networks (CALA) Inc. (4226). Addresses for the Debtors can be found in the Debtors' petitions, which are available at <http://chapter11.epiqsystems.com/nortel>.