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Ms. Gale Rubenstein
Goodmans LLP
Bay Adelaide Centre
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Via e-mail - grubenstein@goodmans.ca

Dear Ms. Rubenstein,

Re: Nortel Networks Corporation et al., CCAA Application, Court File No. 09-CL-7950

Further to our prior discussions regarding those of our members and former members who have lost their LTD and STB income benefits, we are renewing our entreaties to the Monitor for assistance in finding the resources to deal with the continuing financial hardships faced by these individuals.

We are daily faced with the calls and correspondence from our members and the survivors of our former members seeking some form of assurance that a distribution from the Health and Welfare Trust will come to them, thereby lessening the desperate circumstances resulting to them from the Nortel insolvency. Unfortunately, in the face of the Supreme Court of Canada Leave to Appeal application by the Dissenting LTD Beneficiaries, we are in the situation where we can give them little hope of an immanent distribution.

I acknowledge that those who filed the Supreme Court Leave Application are now also seeking further distributions from the HWT as a result of having read a letter issued by the CAW-Canada referencing the Monitor's hesitancy to make further distributions from that fund. While they have described our letter as "unduly alarmist", it should have been readily apparent to them at the time they sought to over-turn Justice Morawetz's decision that the cessation of any payments from the fund was a likely result in the face of potential future litigation over the remaining funds in the HWT.

We thoroughly understand that all parties, including ourselves, have reserved their rights with respect to arguments that might be made on a proper allocation methodology in the event that leave is granted, an appeal is successful and the matter remitted back to the Superior Court for redetermination. In that case, one or the other of the currently identified allocation scenarios might be determined to be more appropriate, and/or another methodology might be chosen which no party or the Monitor has yet to evaluate and which may result in overpayments to those in receipt of any interim distribution.



Given the time frames for a decision on the leave application and potential subsequent Supreme Court hearing and decision, such a redetermination might very well be a year or more into the future and result in litigation costs being incurred by the HWT reaching into the many hundreds of thousands of dollars. As a result, the Monitor's determination to stand guard over the corpus of the trust is understandable.

We greatly appreciate the efforts of the Monitor, Nortel and others to bring about the interim distribution of HWT funds in January of this year. Further, as noted, we understand the hesitancy of the Monitor to approve another distribution from that fund given the potential for an overpayment resulting to the LTD, STB and SIB beneficiaries. However, those we represent need assistance now, and it is for that reason that we are formally renewing our request for the continuation of a dialogue on finding a way to fund a further payment to support those who continue to face financial hardship.

We are willing to sit down with the Monitor, the Company and any other party in order to find the means to fund the continuing needs of those who suffer in a very personal way as a result of the Nortel insolvency.

Yours sincerely,



Barry Wadsworth
Associate Counsel

cc: Lewis Gottheil, Mike Shields, Paulo Ribeiro, Peter Kennedy

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