

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

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<i>In re</i>	:	Chapter 11
	:	
Nortel Networks Inc., <i>et al.</i> , ¹	:	Case No. 09-10138 (KG)
	:	
Debtors.	:	Jointly Administered
	:	
	:	Objections due: May 16, 2016 at 4 p.m.
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**EIGHTY-SEVENTH INTERIM APPLICATION OF CLEARY GOTTlieb STEEN &
HAMILTON LLP, AS ATTORNEYS FOR DEBTORS AND DEBTORS-IN-
POSSESSION, FOR ALLOWANCE OF INTERIM COMPENSATION AND
FOR INTERIM REIMBURSEMENT OF ALL ACTUAL AND
NECESSARY EXPENSES INCURRED FOR THE PERIOD
MARCH 1, 2016 THROUGH MARCH 31, 2016**

Name of Applicant:	CLEARY GOTTlieb STEEN & HAMILTON LLP
Authorized to provide professional services to:	Debtors
Date of retention:	February 4, 2009 <u>nunc pro tunc</u> to January 14, 2009
Period for which compensation and reimbursement is sought:	March 1, 2016 through March 31, 2016
Amount of compensation sought as actual, reasonable and necessary:	\$ 1,058,755.00
Amount of reimbursement sought as actual, reasonable and necessary:	\$ 221,352.97

This is an x interim final application

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s 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. (0567) and Nortel Networks (CALA) Inc. (4226). Contact information for the Debtors and their petitions are available at <http://dm.epiq11.com/nortel>.

The total time expended for fee application preparation is approximately 60 hours and the corresponding compensation requested is approximately \$25,000.²

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² Allowance for compensation for such time is not requested in this application but will be sought in a subsequent fee application.

If this is not the first application filed, disclose the following for each prior application:

DATE FILED	PERIOD COVERED	REQUESTED FEES/EXPENSES	APPROVED FEES/EXPENSES
3/13/2009	1/14/09 – 1/31/09	\$1,332,922.00 / \$40,486.21	\$1,332,922.00 / \$40,486.21
4/24/2009	2/1/09 – 2/28/09	\$2,401,013.00 / \$85,992.41	\$2,401,013.00 / \$85,992.41
6/8/2009	3/1/09 – 3/31/09	\$2,576,907.00 / \$72,828.04	\$2,576,907.00 / \$72,828.04
6/26/2009	4/1/09 – 4/30/09	\$3,623,969.00 / \$120,840.61	\$3,623,969.00 / \$120,840.61
8/12/2009	5/1/09 – 5/31/09	\$4,189,301.00 / \$149,375.78	\$4,189,301.00 / \$149,375.78
8/28/2009	6/1/09 – 6/30/09	\$6,719,870.00 / \$260,256.78	\$6,719,870.00 / \$260,256.78
9/2/2009	7/1/09 – 7/31/09	\$6,401,447.00 / \$105,860.59	\$6,401,447.00 / \$105,860.59
10/12/09	8/1/09 – 8/31/09	\$3,500,255.50 / \$144,692.17	\$3,500,255.50 / \$144,692.17
11/4/09	9/1/09 – 9/30/09	\$6,121,796.50 / \$211,814.25	\$6,121,796.50 / \$211,814.25
11/20/09	10/1/09 – 10/31/09	\$5,809,684.00 / \$113,043.44	\$5,809,684.00 / \$113,043.44
1/27/10	11/1/09 – 11/30/09	\$6,749,148.00 / \$331,025.87	\$6,749,148.00 / \$331,025.87
2/17/10	12/1/09 – 12/31/09	\$5,464,702.00 / \$181,160.07	\$5,464,702.00 / \$181,160.07
2/24/10	1/1/10 – 1/31/10	\$4,140,091.00 / \$219,515.26	\$4,140,091.00 / \$219,515.26
4/29/10	2/1/10 – 2/28/10	\$4,905,787.00 / \$171,181.35	\$4,905,787.00 / \$171,181.35
5/25/10	3/1/10 – 3/31/10	\$5,773,802.50 / \$192,424.98	\$5,773,802.50 / \$192,424.98
6/3/10	4/1/10 – 4/30/10	\$4,167,775.00 / \$99,664.64	\$4,167,775.00 / \$99,664.64
7/30/10	5/1/10 – 5/31/10	\$5,235,168.50 / \$122,250.74	\$5,235,168.50 / \$122,250.74
8/20/10	6/1/10 – 6/30/10	\$4,656,897.50 / \$125,657.93	\$4,656,897.50 / \$125,657.93
9/7/10	7/1/10 – 7/31/10	\$3,807,758.00 / \$61,121.85	\$3,807,758.00 / \$61,121.85
10/1/10	8/1/10 – 8/31/10	\$4,768,299.00 / \$68,351.89	\$4,768,299.00 / \$68,351.89
11/4/10	9/1/10 – 9/30/10	\$5,064,338.00 / \$101,664.93	\$5,064,338.00 / \$101,664.93
11/24/10	10/1/10 – 10/31/10	\$5,283,347.50 / \$184,289.11	\$5,283,347.50 / \$184,289.11
1/14/11	11/1/10 – 11/30/10	\$5,105,656.50 / \$271,866.71	\$5,105,656.50 / \$271,866.71
2/10/11	12/1/10 – 12/31/10	\$3,399,682.50 / \$130,866.79	\$3,399,682.50 / \$130,866.79
2/25/11	1/1/11 – 1/31/11	\$4,280,308.00 / \$59,060.14	\$4,280,308.00 / \$59,060.14
3/30/11	2/1/11 – 2/28/11	\$4,082,343.50 / \$105,648.81	\$4,082,343.50 / \$105,648.81

DATE FILED	PERIOD COVERED	REQUESTED FEES/EXPENSES	APPROVED FEES/EXPENSES
5/3/11	3/1/11 – 3/31/11	\$7,029,897.00 / \$129,162.41	\$7,029,897.00 / \$129,162.41
5/25/11	4/1/11 – 4/30/11	\$5,241,975.50 / \$123,255.29	\$5,241,975.50 / \$123,255.29
7/5/11	5/1/11 – 5/31/11	\$5,622,130.00 / \$130,820.87	\$5,622,130.00 / \$130,571.00
7/28/11	6/1/11 – 6/30/11	\$6,152,797.50 / \$144,954.40	\$6,152,797.50 / \$144,954.40
8/19/11	7/1/11 – 7/31/11	\$4,566,733.00 / \$457,823.71	\$4,566,733.00 / \$455,412.71
9/28/11	8/1/11 – 8/31/11	\$3,121,464.50 / \$324,511.42	\$3,121,464.50 / \$324,511.42
10/26/11	9/1/11 – 9/30/11	\$3,260,567.50 / \$88,807.26	\$3,260,567.50 / \$88,807.26
11/17/11	10/1/11 – 10/31/11	\$2,867,288.00 / \$443,206.27	\$2,867,288.00 / \$438,820.88
1/10/12	11/1/11 – 11/30/11	\$1,900,718.00 / \$61,672.25	\$1,900,718.00 / \$61,672.25
1/31/12	12/1/11 – 12/31/11	\$1,918,815.75 / \$35,151.11	\$1,918,815.75 / \$35,151.11
2/23/12	1/1/12 – 1/31/12	\$2,143,255.50 / \$38,556.35	\$2,143,255.50 / \$38,556.35
3/28/12	2/1/12 – 2/29/12	\$2,138,345.50 / \$35,253.58	\$2,138,345.50 / \$35,253.58
5/2/12	3/1/12 – 3/31/12	\$1,766,951.00 / \$212,322.80	\$1,766,951.00 / \$212,322.80
5/29/12	4/1/12 – 4/30/12	\$1,605,730.00 / \$224,251.76	\$1,605,730.00 / \$224,251.76
7/2/12	5/1/12 – 5/31/12	\$1,809,917.00 / \$410,917.27	\$1,809,917.00 / \$410,917.27
8/2/12	6/1/12 – 6/30/12	\$1,482,217.00 / \$149,544.52	\$1,482,217.00 / \$149,544.52
8/17/12	7/1/12 – 7/31/12	\$1,446,235.50 / \$124,193.51	\$1,446,235.50 / \$124,193.51
10/1/12	8/1/12 – 8/31/12	\$1,883,204.00 / \$53,809.92	\$1,883,204.00 / \$53,809.92
11/6/12	9/1/12 – 9/30/12	\$1,502,130.50 / \$167,099.47	\$1,502,130.50 / \$167,099.47
11/20/12	10/1/12 – 10/31/12	\$1,669,498.50 / \$22,919.64	\$1,669,498.50 / \$22,919.64
1/7/13	11/1/12 – 11/30/12	\$1,246,078.50 / \$309,638.27	\$1,246,078.50 / \$309,638.27
2/6/13	12/1/12 – 12/31/12	\$1,160,174.00 / \$20,038.65	\$1,160,174.00 / \$20,038.65
2/26/13	1/1/13 – 1/31/13	\$1,409,333.50 / \$27,102.82	\$1,406,526.50 / \$27,102.82
4/1/13	2/1/13 – 2/28/13	\$1,431,524.50 / \$245,594.28	\$1,431,524.50 / \$245,594.28
5/1/13	3/1/13 – 3/31/13	\$2,043,161.00 / \$25,032.73	\$2,042,508.50 / \$25,032.73
5/30/13	4/1/13 – 4/30/13	\$2,567,362.00 / \$34,958.94	\$2,567,362.00 / \$34,958.94
7/11/13	5/1/13 – 5/31/13	\$3,089,068.00 / \$83,716.92	\$3,088,949.50 / \$82,127.92

DATE FILED	PERIOD COVERED	REQUESTED FEES/EXPENSES	APPROVED FEES/EXPENSES
7/31/13	6/1/13 – 6/30/13	\$3,790,836.50 / \$453,489.71	\$3,776,985.50 / \$453,489.71
8/27/13	7/1/13 – 7/31/13	\$5,917,472.50 / \$56,270.24	\$5,916,070.00 / \$56,270.24
10/7/13	8/1/13 – 8/31/13	\$5,579,633.50 / \$116,693.80	\$5,576,922.00 / \$116,693.80
11/4/13	9/1/13 – 9/30/13	\$6,444,183.50 / \$129,187.98	\$6,442,185.00 / \$128,732.98
11/25/13	10/1/13 – 10/31/13	\$9,327,407.50 / \$315,593.28	\$9,325,073.50 / \$315,593.28
1/8/14	11/1/13 – 11/30/13	\$7,424,530.00 / \$427,391.18	\$7,422,950.00 / \$427,391.18
1/31/14	12/1/13 – 12/31/13	\$3,963,170.50 / \$5,257,810.33	\$3,962,038.50 / \$5,254,243.73
2/27/14	1/1/14 – 1/31/14	\$4,647,295.00 / \$942,536.38	\$4,646,825.00 / \$942,536.38
3/31/14	2/1/14 – 2/28/14	\$4,501,977.00 / \$1,886,542.79	\$4,497,516.00 / \$1,886,542.79
4/30/14	3/1/14 – 3/31/14	\$4,645,446.50 / \$768,992.21	\$4,637,197.50 / \$768,372.60
5/27/14	4/1/14 – 4/30/14	\$6,278,888.00 / \$324,189.27	\$6,276,608.50 / \$323,096.91
7/1/14	5/1/14 – 5/31/14	\$7,247,902.00 / \$7,087,792.01	\$7,238,836.00 / \$7,083,057.43
7/28/14	6/1/14 – 6/30/14	\$3,829,115.50 / \$639,342.48	\$3,825,563.00 / \$639,259.98
8/28/14	7/1/14 – 7/31/14	\$2,460,564.50 / \$293,070.55	\$2,460,464.50 / \$293,070.55
9/30/14	8/1/14 – 8/31/14	\$2,405,309.50 / \$682,874.93	\$2,405,488.00 / \$682,874.93
10/30/14	9/1/14 – 9/30/14	\$2,555,056.50 / \$266,801.82	\$2,553,624.50 / \$266,801.82
11/19/14	10/1/14 – 10/31/14	\$1,135,632.00 / \$76,973.95	\$1,133,817.00 / \$76,973.95
12/22/14	11/1/14 – 11/30/14	\$602,910.50 / \$88,455.44	\$602,639.00 / \$88,455.44
2/4/15	12/1/14 – 12/31/14	\$407,308.00 / \$64,026.81	\$407,308.00 / \$64,026.81
2/24/15	1/1/15 – 1/31/15	\$459,366.50 / \$3,720,558.64	\$459,366.50 / \$3,720,558.64
3/26/15	2/1/15 – 2/28/15	\$650,765.50 / \$12,536.08	\$650,523.50 / \$12,536.08
4/29/15	3/1/15 – 3/31/15	\$790,529.50 / \$24,464.56	\$790,529.50 / \$24,464.56
5/30/15	4/1/15 – 4/30/15	\$633,196.00 / \$29,918.65	\$633,196.00 / \$29,918.65
6/30/15	5/1/15 – 5/31/15	\$937,599.00 / \$48,806.68	\$937,599.00 / \$48,806.68
7/28/15	6/1/15 – 6/30/15	\$999,978.00 / \$20,221.91	\$998,973.00 / \$20,221.91
8/25/15	7/1/15 – 7/31/15	\$1,042,276.00 / \$19,449.16	\$1,041,463.50 / \$19,449.16
9/23/15	8/1/15 – 8/31/15	\$960,133.50 / \$51,546.58	\$960,133.50 / \$51,546.58

DATE FILED	PERIOD COVERED	REQUESTED FEES/EXPENSES	APPROVED FEES/EXPENSES
10/27/15	9/1/15 – 9/30/15	\$834,426.00 / \$58,113.97	\$834,426.00 / \$58,113.97
11/17/15	10/1/15-10/31/15	\$1,201,872.00 / \$52,810.52	\$1,201,872.00 / \$52,810.52
12/21/15	11/1/15-11/30/15	\$1,274,485.50 / \$46,264.40	\$1,019,588.40 / \$46,264.40
1/26/16	12/1/15-12/31/15	\$757,077.00 / \$29,971.57	\$605,661.60 / \$29,971.57
2/23/16	1/1/16-1/31/16	\$730,815.50 / \$7,969.40	\$584,652.40 / \$7,969.40
3/29/16	2/1/16-2/29/16	\$827,881.50 / \$160,536.07	\$662,305.20 / \$160,536.07

COMPENSATION BY PROFESSIONALNortel Networks Inc., *et al.*

(Case No. 09-10138 (KG))

March 1, 2016 through March 31, 2016³

<u>Name of Professional Person</u>	<u>Position of the Applicant, Area of Expertise, Year of Call, and Approximate Number of Years in Current Position</u>	<u>Hourly Billing Rate⁽⁴⁾</u>	<u>Total Billed Hours</u>	<u>Total Compensation</u>
GIANIS, MARGOT A.	Associate – Litigation (called to the bar in 2013; 2 years in current position)	\$650.00	160.80	\$104,520.00
HAKKENBERG, LUCAS	Associate – Litigation (called to the bar in 2015; less than 1 year in current position)	480.00	143.80	69,024.00
BLOCK, ELIZABETH	Associate – Litigation (called to the bar in 2012; 3 years in current position)	720.00	111.80	80,496.00
SHERIDAN, KATHERINE M.	Associate – Litigation (called to the bar in 2011; 1 year in current position)	760.00	105.00	79,800.00
MCKAY, ELYSE	Paralegal	295.00	96.70	28,526.50
CANTWELL, PHILIP A.	Associate – Bankruptcy, Litigation (called to the bar in 2013; 2 years in current position)	720.00	95.90	69,048.00
STEIN, DARRYL G.	Associate – Litigation (called to the bar in 2012; 4 years in current position)	760.00	82.60	62,776.00
GALLAGHER, ERIN C.	Associate – Litigation (called to the bar in 2016; less than 1 year in current position)	480.00	76.60	36,768.00
BROMLEY, JAMES L.	Partner – Bankruptcy, Litigation (called to the bar in 1990; 17 years in current position)	1,250.00	74.10	92,625.00
LOBACHEVA, ANASTASIYA	Paralegal	265.00	73.40	19,451.00
HERRINGTON, DAVID H.	Counsel – Litigation (called to the bar in 1993; 12 years in current position)	1,040.00	61.10	63,544.00

³ Arranged in descending order according to Total Billed Hours.

⁴ Cleary Gottlieb's fees for the Application Period are based on the customary compensation charged by comparably skilled professionals in cases other than those under Title 11 of the United States Code.

<u>Name of Professional Person</u>	<u>Position of the Applicant, Area of Expertise, Year of Call, and Approximate Number of Years in Current Position</u>	<u>Hourly Billing Rate⁽⁴⁾</u>	<u>Total Billed Hours</u>	<u>Total Compensation</u>
SCHWEITZER, LISA M.	Partner – Bankruptcy, Litigation (called to the bar in 1996; 10 years in current position)	1,240.00	60.90	75,516.00
ROSENTHAL, JEFFREY A.	Partner – Litigation (called to the bar in 1992; 15 years in current position)	1,250.00	52.20	65,250.00
GONZALEZ, EDUARDO	Paralegal	265.00	50.60	13,409.00
PALMER, JENNIFER M.	Associate – Litigation (called to the bar in 2008; 6 years in current position)	810.00	48.00	38,880.00
ECKENROD, RUSSELL D.	Associate – Bankruptcy (called to the bar in 2010; 6 years in current position)	810.00	36.70	29,727.00
LIVINGSTON, MATTHEW	Law Clerk – Bankruptcy (not yet called to the bar; less than 1 year in current position)	480.00	35.80	17,184.00
GRAHAM, ASHLEY	Staff Attorney – Litigation (called to the bar in 2011; less than 1 year in current position)	380.00	28.30	10,754.00
REDWAY, RYAN S.	Law Clerk – Litigation (not yet called to the bar; less than 1 year in current position)	480.00	24.80	11,904.00
LIPNER, LOUIS A.	Associate – Bankruptcy, Corporate (called to the bar in 2010; 7 years in current position)	810.00	23.50	19,035.00
UREÑA, LEANDRA	Paralegal	265.00	18.60	4,929.00
ERICKSON, JODI R.	Staff Attorney – Litigation (called to the bar in 2006; 6 years in current position)	380.00	17.70	6,726.00
MARETTE, PATRICK G.	Associate – Real Estate (called to the bar in 1993; 9 years in current position)	810.00	16.60	13,446.00
CHANG, CONNIE	Associate – Real Estate (called to the bar in 2014; 2 years in current position)	650.00	14.00	9,100.00
MALONE, LEAH	Associate – Employee Benefits (called to the bar in 2009; 7 years in current position)	810.00	13.60	11,016.00
SETREN, KIRA	Paralegal	265.00	12.10	3,206.50

<u>Name of Professional Person</u>	<u>Position of the Applicant, Area of Expertise, Year of Call, and Approximate Number of Years in Current Position</u>	<u>Hourly Billing Rate⁽⁴⁾</u>	<u>Total Billed Hours</u>	<u>Total Compensation</u>
O'KEEFE, PETER M.	Paralegal	355.00	11.80	4,189.00
WHATLEY, CAROL A.	Assistant Managing Clerk	170.00	11.40	1,938.00
COLEMAN, RONALD J.	Associate – Litigation (called to the bar in 2011; 4 years in current position)	760.00	7.30	5,548.00
EBER, ALEXANDRA	Associate – Litigation (called to the bar in 2015; 1 year in current position)	565.00	7.30	4,124.50
MOY, SARAH	Paralegal	265.00	6.30	1,669.50
BROD, CRAIG B.	Partner – Corporate (called to the bar in 1981; 27 years in current position)	1,250.00	3.70	4,625.00
TOTAL HOURS:			1,583.00	
GRAND TOTAL:				\$1,058,755.00
BLENDED RATE:		\$668.83		

COMPENSATION BY PROJECT CATEGORY⁵

Nortel Networks Inc., *et al.*
 (Case No. 09-10138 (KG))

March 1, 2016 through March 31, 2016

Project Category	Total Hours	Total Fees
Case Administration	76.40	\$53,163.50
Claims Administration and Objections	59.40	35,504.50
Employee Matters	45.30	33,333.50
Fee and Employment Applications	72.10	29,281.50
Litigation	463.40	316,126.50
Real Estate	31.40	23,358.00
Allocation/Claims Litigation	835.00	567,987.50
TOTAL	1,583.00	\$1,058,755.00

⁵ Note: This Application includes certain fees incurred during a period related to a previously submitted fee application, but not entered into the Cleary Gottlieb accounting system until the period covered by this Application.

EXPENSE SUMMARY⁶

Nortel Networks Inc., *et al.*
 (Case No. 09-10138 (KG))

March 1, 2016 through March 31, 2016

Expense Category		Total Expenses
Telephone		\$61.59
Travel – Transportation		278.13
Mailing & Shipping Charges		237.31
Duplicating Charges (at \$0.10/page)		1,819.90
Color Duplicating Charges (at \$0.65/page)		18.85
Legal Research	Lexis	1,874.34
	Westlaw	1,806.22
Late Work – Meals		2,239.06
Late Work – Transportation		2,531.59
Conference Meals		609.70
Other		10,206.78
Expert Expenses		199,669.50
Grand Total Expenses		\$221,352.97

⁶ Note: This Application includes certain expenses incurred during a period related to a previously submitted fee application, but not entered into the Cleary Gottlieb accounting system until the period covered by this Application.

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

-----X	:	
<i>In re</i>	:	Chapter 11
Nortel Networks Inc., <i>et al.</i> , ⁷	:	Case No. 09-10138 (KG)
Debtors.	:	Jointly Administered
	:	Objections due: May 16, 2016 at 4 p.m.
-----X	:	

EIGHTY-SEVENTH INTERIM APPLICATION OF CLEARY GOTTlieb STEEN & HAMILTON LLP, AS ATTORNEYS FOR DEBTORS AND DEBTORS-IN-POSSESSION, FOR ALLOWANCE OF INTERIM COMPENSATION AND FOR INTERIM REIMBURSEMENT OF ALL ACTUAL AND NECESSARY EXPENSES INCURRED FOR THE PERIOD MARCH 1, 2016 THROUGH MARCH 31, 2016

Cleary Gottlieb Steen & Hamilton LLP (“Cleary Gottlieb”), counsel for Nortel Networks Inc. (“NNI”) and its affiliated debtors and debtors-in-possession in the above-captioned cases (collectively, the “Debtors”), submits this application (the “Application”) for interim allowance of compensation for professional services rendered by Cleary Gottlieb to the Debtors for the period March 1, 2016 through March 31, 2016 (the “Application Period”) and reimbursement of actual and necessary expenses incurred by Cleary Gottlieb during the Application Period under

⁷ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s 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. (0567) and Nortel Networks (CALA) Inc. (4226). Contact information for the Debtors and their petitions are available at <http://dm.epiq11.com/nortel>.

sections 330 and 331 of title 11 of the United States Code (the “Bankruptcy Code”), Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), Rule 2016-2 of the Local Rules of Bankruptcy Practice and Procedure for the United States Bankruptcy Court of the District of Delaware (the “Local Rules”), the United States Trustee’s Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses filed under 11 U.S.C. § 330, effective January 30, 1996 (the “U.S. Trustee Guidelines”), the Administrative Order under 11 U.S.C. §§ 105(a) and 331 Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Professionals and Official Committee Members [D.I. 293] (the “Interim Compensation Procedures Order”), the Order Modifying the Application of Local Rules 2014-1(C) and 2016-2(F), dated March 5, 2013 [D.I. 9584] (the “Modification Order”), and the Order Appointing Fee Examiner and Establishing Related Procedures for Compensation and Reimbursement of Expenses for Professionals and Consideration of Fee Applications dated July 10, 2013 [D.I. 11082] (the “Order Appointing a Fee Examiner”). In support of this Application, Cleary Gottlieb represents as follows:

JURISDICTION

1. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2). Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.
2. The statutory bases for the relief requested herein are sections 330 and 331 of the Bankruptcy Code.

BACKGROUND

3. On January 14, 2009 (the “Petition Date”), the Debtors, other than Nortel Networks (CALA) Inc.,⁸ filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code, which cases are consolidated for procedural purposes only. The Debtors continue to operate as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

4. The Office of the United States Trustee for the District of Delaware (the “U.S. Trustee”) has appointed an Official Committee of Unsecured Creditors (the “Committee”) in respect of the Debtors [D.I.s 141, 142], and an ad hoc group of bondholders has been organized (the “Bondholder Group”).

5. On the Petition Date, the Debtors’ ultimate corporate parent Nortel Networks Corporation (“NNC”), NNI’s direct corporate parent Nortel Networks Limited (“NNL,” and together with NNC and their affiliates, including the Debtors, “Nortel”), and certain of their Canadian affiliates (collectively, the “Canadian Debtors”)⁹ commenced a proceeding before the Ontario Superior Court of Justice (the “Canadian Court”) under the Companies’ Creditors Arrangement Act (Canada) (the “CCAA”), seeking relief from their creditors (collectively, the “Canadian Proceedings”) and a Monitor, Ernst & Young Inc. (the “Monitor”), was appointed by the Canadian Court. Also on the Petition Date, the High Court of England and Wales placed

⁸ Nortel Networks (CALA) Inc. filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code on July 14, 2009, which was consolidated and is being jointly administered with the other Debtors’ chapter 11 cases for procedural purposes [D.I. 1098].

⁹ The Canadian Debtors include the following entities: NNC, NNL, Nortel Networks Technology Corporation, Nortel Networks Global Corporation and Nortel Networks International Corporation.

nineteen of Nortel's European affiliates (collectively, the "EMEA Debtors")¹⁰ into administration (the "English Proceedings") under the control of individuals from Ernst & Young LLP (collectively, the "Joint Administrators"). Other Nortel affiliates have commenced and in the future may commence additional creditor protection, insolvency and dissolution proceedings around the world.

6. Since the Petition Date, Nortel has sold its business units and other assets to various purchasers. For further information regarding these chapter 11 cases, reference may be made to the Monthly Operating Reports filed by the Debtors at <http://dm.epiq11.com/nortel>.

CLEARY GOTTLIEB'S RETENTION

7. Prior to the Petition Date, the Debtors engaged Cleary Gottlieb as counsel in connection with potential bankruptcy filings by the Debtors. On February 4, 2009, this Court entered the Order Authorizing the Retention and Employment of Cleary Gottlieb Steen & Hamilton LLP as Counsel for the Debtors nunc pro tunc to the Petition Date [D.I. 221].

FEE PROCEDURES ORDER

8. On February 4, 2009, the Court entered the Interim Compensation Procedures Order [D.I. 222], which sets forth the procedures for interim compensation and reimbursement of expenses for all professionals in these cases.¹¹

9. In particular, the Interim Compensation Procedures Order provides that a

¹⁰ The EMEA Debtors include the following entities: Nortel Networks (UK) Limited, Nortel Networks S.A., Nortel Networks (Ireland) Limited, Nortel GmbH, Nortel Networks France S.A.S., Nortel Networks Oy, Nortel Networks Romania SRL, Nortel Networks AB, Nortel Networks N.V., Nortel Networks S.p.A., Nortel Networks B.V., Nortel Networks Polska Sp. z.o.o., Nortel Networks Hispania, S.A., Nortel Networks (Austria) GmbH, Nortel Networks, s.r.o., Nortel Networks Engineering Service Kft, Nortel Networks Portugal S.A., Nortel Networks Slovensko, s.r.o. and Nortel Networks International Finance & Holding B.V.

¹¹ Capitalized terms used but not defined herein have the meanings ascribed to them in the Interim Compensation Procedures Order.

Professional may file and serve a Monthly Fee Application with the Court after the first day of each calendar month. Provided that there are no objections to such Monthly Fee Application filed within twenty (20) days after the service of a Monthly Fee Application, the Professional may file a certificate of no objection with the Court, after which the Debtors are authorized to pay such Professional 80 percent of the fees and 100 percent of the expenses requested in such Monthly Fee Application. If a partial objection to the Monthly Fee Application is filed, then the Debtors are authorized to pay 80 percent of the fees and 100 percent of the expenses not subject to an objection.

10. On March 5, 2012, the Court entered the Modification Order, which modified the application in these chapter 11 cases of certain amendments to Local Rules 2014-1(C) and 2016-2(F), which took effect on February 1, 2013 [D.I. 9584].

11. On July 10, 2013, the Court entered the Order Appointing a Fee Examiner pursuant to which a Fee Examiner was appointed to these chapter 11 cases and which modified certain terms of the Modification Order [D.I. 11082].

12. During the Application Period, Cleary Gottlieb provided extensive services to the Debtors. During such period, with the aid of Cleary Gottlieb and Morris, Nichols, Arsht & Tunnell LLP ("Morris Nichols"), the Debtors engaged in various activities relating to the briefing of the appeals from the allocation decisions entered by the Court, motion practice and briefing in certain claim litigations, preparatory work related to the termination of certain leasehold properties and litigation relating to certain adversary proceedings. The Debtors also continued the process of reviewing and reconciling creditors' claims, and other work in furtherance of the ultimate wind down of the Debtors

13. Cleary Gottlieb also continued to assist the Debtors in effectively addressing many of the matters which arise during a chapter 11 case. Many of these issues were more complex due to the international nature of the Debtors' historical operations. In addition, Cleary Gottlieb engaged in numerous discussions with representatives of the Committee, the Bondholder Group, the Canadian Debtors, the Monitor, the EMEA Debtors and the Joint Administrators on a wide range of matters including, without limitation, inter-estate issues, and assisted the Debtors in preparing for and engaging in discussions with the same. Cleary Gottlieb also assisted the Debtors with numerous other matters, including the Debtors' reporting obligations established by the Code.

14. Included in this Application are certain fees and expenses incurred during a period related to an application previously submitted, but which were not entered into the Cleary Gottlieb accounting system until the period covered by this Application.

RELIEF REQUESTED

15. Cleary Gottlieb submits this Application (a) for allowance of reasonable compensation for the actual, reasonable and necessary professional services that it has rendered as bankruptcy counsel for the Debtors in these cases for the period from March 1, 2016 through March 31, 2016 (and previous periods, as discussed above), and (b) for reimbursement of actual, reasonable and necessary expenses incurred in representing the Debtors during that same period (and previous periods, as discussed above).

16. During the period covered by this Application (and previous periods, as discussed above), Cleary Gottlieb accrued fees in the amount of \$1,058,755.00. For the same period (and previous periods, as discussed above), Cleary Gottlieb incurred actual, reasonable and necessary expenses totaling \$221,352.97. With respect to these amounts, as of the date of this Application,

Cleary Gottlieb has received no payments.

17. Set forth on the foregoing “Compensation by Project Category” is a summary by subject matter categories of the time expended by timekeepers billing time to these cases.

18. Exhibit A attached hereto contains logs, sorted by case project category, which show the time recorded by professionals, paralegals and other support staff and descriptions of the services provided.

19. Exhibit B attached hereto contains a breakdown of disbursements incurred by Cleary Gottlieb during the Application Period.

20. Cleary Gottlieb charges \$0.10 per page for photocopying.

21. Cleary Gottlieb charges \$0.65 per page for color photocopying and printing.

22. Cleary Gottlieb charges \$1.00 per page for outgoing domestic facsimiles and does not charge for incoming facsimiles.

23. In accordance with Local Rule 2016-2, Cleary Gottlieb has reduced its request for compensation for non-working travel, if any, to 50% of its normal rate.

24. Cleary Gottlieb has endeavored to represent the Debtors in the most expeditious and economical manner possible. Tasks have been assigned to attorneys, paralegals, and other support staff at Cleary Gottlieb so that work has been performed by those most familiar with the particular matter or task and, where attorney or paralegal involvement was required, by the lowest hourly rate professional appropriate for a particular matter. Moreover, Cleary Gottlieb has endeavored to coordinate with Morris Nichols and the other professionals involved in these cases so as to minimize any duplication of effort and to minimize attorneys’ fees and expenses to the Debtors. We believe we have been successful in this regard.

25. No agreement or understanding exists between Cleary Gottlieb and any other

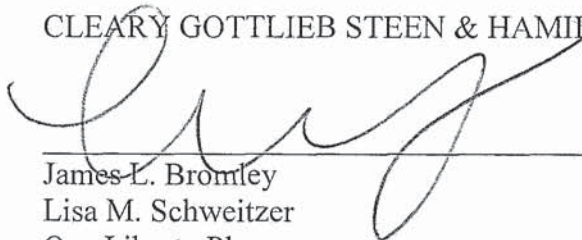
person for the sharing of compensation received or to be received for services rendered in or in connection with these cases.

26. The undersigned has reviewed the requirements of Local Rule 2016-2 and certifies to the best of his or her information, knowledge and belief that this Application complies with that Rule.

WHEREFORE, Cleary Gottlieb respectfully requests that this Court: (a) allow Cleary Gottlieb (i) interim compensation in the amount of \$1,058,755.00 for actual, reasonable and necessary professional services rendered on behalf of the Debtors during the period March 1, 2016 through March 31, 2016 (and previous periods, as discussed above), and (ii) interim reimbursement in the amount of \$221,352.97 for actual, reasonable and necessary expenses incurred during the same period (and previous periods, as discussed above); (b) authorize and direct the Debtors to pay to Cleary Gottlieb the amount of \$1,068,356.97, which is equal to the sum of 80% of Cleary Gottlieb's allowed interim compensation and 100% of Cleary Gottlieb's allowed expense reimbursement; and (c) grant such other and further relief as the Court deems just and proper.

Dated: April 26, 2016
Wilmington, Delaware

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