

TIMELINE OF LEGAL ACTIONS & COMMUNICATIONS AFFECTING THE NORTEL LTD

| Date | Legal Actions/Communications | Lapse Time | Document |
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| January 14, 2009 | CCAA Filing | | |
| June 23, 2009 | <p>Koskie Minsky (KM) first teleconference with LTD. Sue Philpott of KM says: "KM would like to have one primary contact with the CNELTD....this will be Sue Kennedy." She says "Former Employees and/or LTD Employees may have the requisite 50%+ necessary to achieve a "blocking vote," and, "judges have a wide degree of discretion which largely dictates what will occur in any given restructuring." However, KM then advises an interim settlement that concedes the power of a majority head count and KM never asks for the judge to use his discretion to ensure LTD employees do not suffer hardship under an equal compromise or due to wrongdoings. Sue Philpott errs when she says: "Nortel has no legal obligation to ensure that promises it has made are protected [erred due to common law on contracts, misrepresentations, constructive trust and breach of trust and breach of statutes shown in "Systemic Failure of Employer Sponsored Disability Insurance" Report.]" She also erred saying, "[Eatons] LTD employees received approximately 80 cents on the dollar.[erred since actual Eatons LTD settlement at 50 cents]"</p> | | <p>June 23, 2009 Teleconference KM Memo dated July 5 2009</p> |
| May 20, 27, 2009 | <p>Representative Counsel Order of KM for pensioners and severed brought to court on consent basis upon agreement by Nortel and Monitor. Nortel pays KM legal fees.</p> | | <p>Representative Counsel Endorsement for Pensioners and Severed May 27, 2009</p> |
| July 30, 2009 | <p>Representative counsel order of KM for disabled brought to court on consent basis upon agreement by Nortel and Monitor. Sue Kennedy becomes single court appointed representative for the LTD, without nomination or election by the Nortel LTD. Nortel pays KM legal fees.</p> | | <p>Representative Counsel Order for Long Term Disability Employees July 30, 2009</p> |
| August 18, 2009 | <p>KM second teleconference with LTD. LTD ask numerous times why the trust agreement is not disclosed. Sue Philpot says she is not at liberty to release the trust agreement because the Monitor says it cannot be released beyond those who have signed confidentiality agreement. KM has seen document and Sue has seen it because she is court-appointed representative and both have signed</p> | | <p>https://skydrive.live.com/?cid=6116be5e64ab43c7&sc=documents&uc=1&id=6116BE5E64AB43C7%21228</p> <p>August 18, 2009 Teleconference Call KM Memo dated Sept. 7, 2010</p> |

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| | confidentiality agreement. Sue Philpott says: "What people have to understand is that the trust document is not available for public access full stop, end of story." | | |
| August 25, 2009 | KM Webinar on progress in CCAA proceedings. Nothing significant here. | | http://www.kmlaw.ca/upload/090133_NRPC_WEBCAST_ENGLISH_25Aug09.pdf |
| August 27, 2009 | Meeting held with LTD led by Sue Kennedy and pensioner Anne Clarke Stewart. Sue: [Aug. 27, 2009, Part II 45:20-46:26]... they said "we will never ask the members of your group to have to make a decision if we haven't given them access to the information as well. In other words, if we had to make a major decision, ... they would have to allow at least enough of the information for everyone to feel able to make a decision and put their vote in. Sylvain: An informed decision. Sue: Ya, an informed decision. In other words, what good would it do for me to say to you guys "Okay, do you vote A or B" if I have information that you don't have. So they would have to make sure that they can give sufficient information for people to make an informed decision on their own. I don't know how they are going to do that, but they have promised that and they said "otherwise these cases, where you have one person is representing, would never work. Right?" | | https://skydrive.live.com/?sc=documents&cid=6116be5e64ab43c7#cid=6116BE5E64AB43C7&id=6116BE5E64AB43C7%21196&sc=documents August 27, 2009 meeting transcription (Josee) August 27, 2009 meeting transcription (Jennifer) |
| Nov. 2 and 5, 2009 | Letter from group of LTD to J. Morawetz requesting material information disclosures, including the trustee agreement, LTD plan legal document and actuarial reports. Letters from Koskie Minsky and Goodmans on reasons for not releasing requested information. | | November 2, 2009 Letter to J. Morawetz requesting disclosure of material information November 5, 2009 letter from KM on reasons not to release information Letter from Goodmans on their decision to not release information Nov. 5, 2009 |
| Nov. 20, 2009 | Court hearing on deferred compensation of 9 execs. KM argues for priority payment of Nortel annuities to the executives on the basis of constructive trust and unjust enrichment of the estate creditors. J. Morawetz delays decision until June 25, 2010, after the Court of Appeal of Ontario refuses to hear dissenting LTD appeal of the March 31, 2009 amended settlement order.. | | Factum of Certain Former Employees Nortel Annuity Motion Nov. 20, 2009 |
| Nov. 26, 2009 | LTD Steering Committee Notes say, "We were advised that any effort on our part to convince the government that laws were broken with respect to the H&WT and taxation | | November 26, 2009 LTD Steering Committee Notes |

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| | could easily backfire and that we need to consider carefully before pursuing this avenue." | | |
| Jan. 21, 2010 | CNELTD Yahoo! Group email from KM: Joanne Bérubé and Kevin LeBlanc have joined Sue Kennedy in a Steering Committee, with Sue Kennedy remaining sole legal representative. CNELTD Yahoo! Group posting from Sue Kennedy."If CNELTD members do not follow the rules, their messages will be removed from the Yahoo Group, and the members might be removed from the Yahoo Group." | | CNELTD Yahoo! Group Email from KM Jan. 21, 2010 CNELTD Yahoo! Group Posting from Sue Kennedy Jan. 21 2010 |
| Feb. 3, 2010 | CNELTD Yahoo! Group converts to messages require approval by Sue Kennedy and so now messages can be rejected for viewing on the website. Also at this time, if you search for the group "CNELTD" you won't find it. The only way you can see this group is if your email is still registered. | | CNELTD Yahoo! Group Converts to Messages Require Approval Feb. 3, 2010 |
| Feb. 8, 2010 | Nortel Media Release on settlement. CNELTD Media Release on settlement says, "There is an agreement by the disabled employees,..., not to pursue claims based on the administration or funding of the ...health and welfare trust against Nortel (in its capacity as administrator, trustee of the health and welfare trust and Nortel's directors. Claim for fraud and misrepresentations against the directors, are expressly preserved." [No \$ estimates provided on shortfall of funding for LTD income benefit.] CAW Update on settlement says "This agreement releases Nortel from liability regarding the Pension Plan or the Health and Welfare Trust EXCEPT for claims based on fraud, gross negligence [error not corrected], contractual right [error not corrected] and/or misrepresentation by the directors or wrongful or oppressive conduct by the directors." [No \$ estimates provided on shortfall of funding for LTD income benefits.] | | Nortel Media Release - Nortel enters into settlement agreement Feb. 8, 2010 CNELTD Media Release Feb. 8, 2010 CAW Important Update Feb. 8, 2010 |
| Feb. 12-16, 2010 | Settlement proposal mailed. [Numerous LTD complain about not receiving the notice before March 1, 2010 opposition deadline.] Feb. 16, 2010 newspaper announcement. | | Ernst & Young Canada Court Monitor Notice of Feb. 8th Agreement on Feb. 16, 2010 |
| Feb. 18, 2010 | 39th Monitor's Report put on the Monitor's website, with 2008 HWT Financial Statement and Valuation of Post- | | Monitor's Report 39th Feb. 18, 2010 Part 1 of 2 Monitor's Report 39th Feb. 18, 2010 part 2 of 2 |

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| | Employment Benefit Liabilities for Accounting Purposes of December 31, 2008. Get first glimpse of a possible \$100 million shortfall in the HWT from the footnotes to the 2008 HWT Financial Statement. | | |
| Feb. 18, 2010 | Email from KM on nothing in trust documentation requires Nortel to pre-fund LTD income in HWT [KM erred as the trustee agreement requires annual funding of the disability benefit on a sound actuarial basis, which is accepted to mean consistency with both actuarial and insurance practices for such “contracts of insurance.”] | | February 18, 2010 Email from KM on nothing in trust documentation requires Nortel to pre-fund |
| Feb. 23, 2010 | KM Webinar on February 8, 2010 settlement. Slides say: "CNELTD Membership 130 members (and increasing). 100 CAW-Canada members are excluded from Representation Order." [Sept. 30, 2008 total number of LTD employees is 404, from the Valuation of Post-Employment Benefit Liabilities for Accounting Purposes of December 31, 2008.] The following are disclosed members of CNELTD Legal Steering Committee, Sue Kennedy, Johanne Bérubé, Kevin LeBlanc and Anne Clarke Stewart (a Nortel pensioner in a conflict of interest). | | http://www.kmlaw.ca/upload/090479_englishwebslides_22feb10.pdf |
| Feb. 24, 2010 | First opposition deadline as of Feb. 8, 2010 was Feb. 24, 2010. | | CNELTD Media Release Feb. 8, 2010 |
| March 1, 2010 | Revised opposition deadline as of Feb. 18, 2010 was March 1, 2010. | | Monitor's Report 39th Feb. 18, 2010 Part 1 of 2 |
| March 3-5, 2010 | First court hearing on settlement. No adjournment permitted for Rochon Genova LTD who was retained by dissenting LTD on Feb. 25, 2010, 3 business days to prepare for the hearing. | | Interim Settlement Court Transcript March 3, 4, 5, 2010 Factum Dissenting LTD Beneficiaries on Settlement Agreement March 3, 2010 |
| March 26, 2010 | First settlement court decision on Friday night that rejects settlement on premise of its H2 clause allowing the pensioners and former employees to argue that CCAA or BIA amendments would apply to them, notwithstanding the interim settlement agreement. | | Endorsement Interim Settlement Justice Morawetz March 26, 2010 |
| March 26, 2010 | CNELTD Yahoo! Groups not available for weekend of March 26, 2010. “Due to multiple commitments by the various members of the Legal Steering Committee this weekend, the messages submitted to this site as of now will only be reviewed sometime Sunday afternoon. If we need to send the CNELTD group any important | | CNELTD Yahoo! Groups Censoring Begins March 26, 2010 CNELTD Yahoo! Groups - Last emails Before Site Shutdown on March 26, 2010 |

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| | <p>information during this time, it will be sent using an e-mail distribution list.</p> <p>Sue Kennedy will be checking her e-mails occasionally on the weekend, but since she is using her Blackberry, she will not be sending detailed replies.”</p> | | |
| March 29, 2010 | <p>Sue Kennedy sends email for input from LTD on proposed amended settlement. She says rejection of the amended settlement agreement will “jeopardize our benefits by pursuing risky litigation against Northern Trust (Trustee of the HWT) and the Directors, which would be immediately stayed (not allowed because Nortel is in CCAA), and would likely take years and also likely result in very little money for the disabled employees at the end.” No substantiation of this doomsday scenario, nor any suggestion to ask judge for a short extension of the date for cutting off the medical benefits pending further negotiations by the LTD.</p> | | Sue Kennedy Email to LTD on March 29, 2010 |
| March 30, 2010 2:41 P.M. | <p>Monitor's amended settlement notice not sent to any LTD. Lawyer for dissenting LTD not consulted between March 26, 2010 and March 30, 2010 agreement signed.</p> | | Monitor's Motion Record returnable Mar 31, 2010 Amended and Restated Settlement Agreement Mar 30, 2010 |
| March 31, 2010 | <p>Second court hearing and decision on same day.</p> | | Endorsement Interim Settlement Justice Morawetz March 31, 2010 No transcript available. |
| April 14, 2010 | <p>CNELTD Yahoo! Group shuts down on April 14, 2010.</p> | | CNELTD Yahoo! Groups Shutdown on April 14, 2010 |
| June 3, 2010 | <p>Appeal Court of Ontario refuses to hear appeal.</p> | | Endorsement Leave to Appeal Interim Settlement J. Winkler, J. Goudge, J. MacPherson June 3, 2010 Factum of the Objecting LTD Beneficiaries - Leave to Appeal - May 18, 2010 |
| June 25, 2010 | <p>J. Morawetz court decision on deferred compensation of 9 execs awards full priority payment on constructive trust and unjust of the estate creditors, which were the arguments presented by KM on behalf of the 9 execs.</p> | | Nortel Networks Corporation (Re), [2010] ONSC 3061 June 25, 2010 |
| August 11, 2010 | <p>Rochon Genova Motion for change in representative counsel order for LTD is stayed due to Sue Kennedy hiring separate legal counsel, Sacks, Goldblatt Mitchell LLP for reviewing the HWT settlement proposal and attending court hearing. No notice of this hiring of separate legal counsel to the LTD Group and no representation order sought or provided for SGM to be representative legal</p> | | Motion for Representation of Disabled by Rochon Genova August 11, 2010 |

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| | counsel for the LTD group. | | |
| Aug. 27 & 30, 2010 | 51st & 52nd Monitor's Report with 1000's of pages of new financial, legal, actuarial and employee benefit brochure disclosures. | | Monitor's Report 51st dated August 27, 2010 Index of Motion Record (HWT Allocation Order), returnable September 29, 2010 Monitor's Report 52nd dated August 30, 2010 |
| Sept. 8, 2010 | Sacks Goldblatt Mitchell LLP Webinar on HWT settlement. Slides say " Approximately 150 registered members out of approximately 280. " | | http://www.sgmlaw.com/media/PDFs/Nortelwebcast.PDF |
| Sept. 28-29 Oct. 1, 2010 | Court hearing on HWT settlement. | | HWT Wind-Up Distribution Court Transcript September 28, 29, Oct. 1, 2010 Factum of the Dissenting LTD Beneficiaries on HWT Settlement Sept. 28, 2010 |
| Nov. 9, 2010 | Court decision on HWT decision. | | Endorsement HWT Distribution J. Morawetz Nov. 9, 2010 |
| Dec. 7, 2010 | Letter from CAW Canada on HWT Distribution . | | Letter from CAW Canada on HWT Distribution Dec. 7, 2010 |
| Dec. 9, 2010 | Email from Sacks Goldblatt Mitchell LLP to Jennifer Holley saying that Sue Kennedy has instructed them to oppose the appeal of the HWT settlement order. This email says, "If the appeal is successful and the matter of the HWT allocation goes back before Justice Morawetz, we have reserved the right to argue in favour of other scenarios which are more favourable to the LTD beneficiaries." | | Email from Sacks Goldblatt Mitchell LLP to Jennifer Holley on HWT Distribution Dec. 9, 2010 |
| Dec. 31, 2010 | Termination of disabled employees pursuant to March 30, 2009 amended settlement. | | |
| Jan. 7, 2011 | Appeal Court of Ontario refuses to hear appeal. | | Endorsement Leave to Appeal HWT Distribution J. Weiler Jan. 7, 2011 Factum Dissenting LTD Beneficiaries November 30, 2010 |
| Jan. 11, 2011 | CNELTD Email from Sue Kennedy website becoming active again. She says, "welcome Johanne Bérubé back to the CNELTD Steering Committee. After getting used to changes in her medication she started feeling much better and decided that she was able to rejoin the Steering Committee. In the last few weeks she has been busy setting up a CNELTD website to facilitate the communications between the Steering Committee and the CNELTD members. | | CNELTD Email from Sue Kennedy website up again Jan. 11, 2011 |

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| Dec. 15, 2010 | First interim HWT payment of 10% up to maximum 3 months. | | Endorsement Interim HWT Payment J. Morawetz Dec. 15, 2010 |
| | Termination payment of 1 month. | | |
| April 8, 2011 | RG informs parties of its intent to file a motion for an additional 9 months interim HWT settlement payment. About 20 bankruptcy lawyers called to judge's chambers refuse to agree to this request and J. Morawetz requests Monitor to facilitate agreement on a further interim HWT payment to the LTD. | | Letter to Rochon from Goodmans on Second Interim HWT Payment April 1, 2011 Letter from CAW to Goodmans March 31, 2011 |
| May 3, 2011 | Second interim HWT payment is for the remainder of the earlier 10% interim payment to be released to a maximum 2 months. | | Motion Record returnable 3 May 11, 2010 Second Interim Payment from HWT |
| June 9, 2011 | Supreme Court of Canada refuses to hear appeal. | | Supreme Court of Canada Leave to Appeal J. LeBel, J. Fish, J. Cromwell June 9, 2011 Application for Leave to Appeal to Supreme Court of Canada March 8, 2011 |
| June 21, 2011 | Third interim HWT payment at 25% of LTD income liability is released. | | Nortel Motion Returnable 21 June 2011 Third Interim Payment from HWT |
| June 28, 2011 | Endorsement of J. Winkler as Mediator for the CCAA Settlement. | | Endorsement J. Winkler as Mediator for CCAA Settlement June 28, 2011 |
| Oct. 24, 2011 | Email from KM's Mark Zigler saying final 8-9% interim HWT payment delayed until sometime in 2012. | | Email from Zigler on 4th HWT Payment for Nortel Disability Income Oct. 24, 2011 |