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# US POLITICS TODAY

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[Real Estate](#) | [Rentals](#) | [Cars](#) | [Today's](#)[Politics](#) | [Opinions](#) | [Local](#) | [Sports](#) | [National](#) | [World](#) | [Business](#) | [Tech](#) | [Lifestyle](#) | [Entertainment](#) | [J](#)

## BUSINESS

[In the News](#) | [Paris attacks](#) | [Democratic debate](#) | [Ronda Rousey](#) | [Donald Trump](#) | [Cold myths](#)

### Nortel's Creditors Said to Restart Talks to Split \$7.3 Billion

Steven Church Jan 13, 2016 4:49 pm ET

(Bloomberg) -- Nortel Networks Corp.'s warring creditors will meet in New York on Thursday seeking to end a standoff that has kept pensioners and bondholders waiting to divvy up \$7.3 billion in the defunct telecommunications company's seven-year bankruptcy, according to people familiar with the negotiations.

The goal is to resolve court appeals in the U.S. and Canada so the money, most of which was raised in one of the most successful patent auctions in the U.S., can be distributed, according to the people, who asked not to be named because the discussions are confidential.

Nortel's U.S. lawyer James Bromley didn't immediately return a phone call or respond to an e-mail seeking comment on the negotiations. Richard Hans, a lawyer for Nortel's Canadian creditors, including retirees; and D.J. Miller, who represents U.K. Pensioners, didn't immediately return phone calls seeking comment.

Nortel retirees in Canada and the U.K. have been fighting with U.S. bondholders over how to divide the cash, raised when Nortel's U.S. unit sold a bundle of patents in 2011 to a group that included Microsoft Corp., Apple Inc. and Sony Corp. In May, judges in the U.S. and Canada ruled that the money should be split on a proportional basis once claims against the Canadian company are resolved.

#### Last Hurdle

That order has since been tied up by appeals, making it impossible for any money to flow even though Nortel has sold all of its assets and has no business left to conduct.

The May ruling was meant to resolve the last major legal dispute in separate bankruptcy cases filed in 2009 by Nortel's biggest units in the U.S., Canada and France. Nortel's sale of the patents sparked a dispute among its units in Canada; the U.S., which is home to its most profitable operations; and Europe, where a U.K. pension plan covered 36,000 former workers.

In total, the fight pits 56,000 retirees from the company's U.K. and Canada units against each other and U.S. bondholders, who had sought to collect as much as \$1 billion in interest.

In 2014, the Canadian parent company, its U.S. unit and U.K. administrators for Nortel's European units all proposed competing plans for dividing the money in a trial that linked courtrooms in Toronto and Wilmington, Delaware.

The judges ruled that the money should be divided based on the debt each of the three major Nortel entities faces after all of the claims have been resolved.

For now, the cash is being held in trust. It can't be released without approval from courts in Canada and the U.S., as well as the three bankrupt entities in those countries and the U.K.

The case is Nortel Networks Inc., 09-bk-10128, U.S. Bankruptcy Court, District of Delaware (Wilmington)

