

Urquhart

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Attachments: Heise Online - Nortel-Pleite_ Kritik an Verteilungsplan, Oct. 17, 2016.pdf; Heise Online [Google Translate] Nortel Bankruptcy Criticism of Distribution Plan, Oct. 17, 2016.pdf

<https://www.heise.de/newsticker/meldung/Nortel-Pleite-Kritik-an-Verteilungsplan-3351279.html?view=audio>
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Google Translation:

Nortel-Bankruptcy: Criticism of distribution plan

heise online

17.10.2016 09:06 Daniel AJ Sokolov



Long-term invalid Canadian ex-Nortelers stand in the water up to the neck. They fight for their insurance benefits. (Image: Joshua Zader CC-BY 2.0)

2017, 8 years after the collapse of the network equipment Nortel, could first flow money to the creditors flow. But the distribution plan decided on Thursday is met with resistance.

The alleged insolvency of the telecom-supplier Nortel launched 2009 a mammoth procedure. The settlement is so complex that it is likely to be the most expensive insolvency proceedings ever. Creditors have been waiting for your bankruptcy rate for more than seven years. On Thursday for the first time an agreement was reached on a distribution of the Nortel mass. But there is resistance in North America.

Nortel logo

In 2000, Nortel employed nearly 100,000 people. Enlarge Your resentment has changed over two parties, which could not be more different: On the one hand, a group of 350 Canadian long-term invalids and their 160 children, which is a

total of 34 million US dollars. And, on the other hand, the United States of America in the form of the state pension insurer PBGC, which requires \$ 708 million. The first group asks for humanity, the latter insists on its right.

USA: pension shortage cuts pensions for all

The PBGC "is not a party to the agreement and rejects it", it says in the opinion of the Pension Benefit Guaranty Corporation. It must stand up for US pension claims of former Nortel employees, which is expected to cost 708 million US dollars. This has not yet been considered.

"The agreement provides for a distribution plan that would be in breach of [US insolvency law]," says PBGC, "if our claims in the insolvency proceedings are not resolved fairly," US employers would have to pay higher insurance premiums in the future. This could lead to narrower pensions. The PBGC wants to negotiate, but threatens with complaint. This would significantly slow down the Nortel process.

In addition, a group of US creditors known as Trade Claims Consortium calls for more than 125 million dollars. It is also not involved in the comparison, but has not said so far.

Sad situation in Canada



Diane A. Urquhart 

Diane A. Urquhart Zoom North of the US borders, Diane Urquhart rises to the barricades. The financial expert represents volunteer long-term-invalid former Nortel employees. They had paid out of their own pocket in an insurance program launched by Nortel in Canada. The money was invested in a Health and Welfare Trust (HWT).

But Nortel has withdrawn 60 million Canadian dollars (currently 46 million US dollars) from the HWT just before the bankruptcy, which is why he can not provide his services. A collective complaint of the persons concerned was rejected. Representatives appointed by the court then agreed to a settlement which granted the invalids only 38 percent of their entitlements. Of the remaining 62 percent, they are therefore only to be given the bankruptcy rate.

Many depend on social benefits and the miserable pension of the public Canadian pension system, which can not be lived. A few months after the settlement, EY (Ernst & Young), the insolvency administrator, has issued documents which, according to Urquhart, reveal a fraud from Nortel. This was also recognized by a judge. A fraud fraudulently detected would lead to full satisfaction from the masses. The comparison made excludes a new complaint.

Minister of Innovation should intervene.



Navdeep Bains with red turban

Navdeep Bains is one of 4 Sikhs in Canada's government. Enlarge

Image: Dave Chan CC-BY 2.0 Solve

Navdeep Bains with red turban could solve the problem. He can classify disability insurance as an "Eligible Financial Contract". Then the demands would have to be fully satisfied. As a total of only 34 million US dollars or 0.8 percent of the distribution plan for Canada, the damage to the other Nortel creditors would be low.

"Nortel executives have earned \$ 190 million of binding premiums, which is 25 percent of the [global Nortel masses]," Urquhart said, referring to heise online, "Canadian creditors of this eminent Canadian company get an estimated 40 percent of their claims while US creditors get more than double. [...] The Canadian government still has time to act because [the distribution key] is not fixed before February 15, 2017 Probably. "

7.3 billion dollars are still there.



Firmenschild Nortel Networks' in Frankfurt/Main 

Bild: [Allie Caulfield CC-BY 2.0](#)

Company Name Nortel Networks Germany
Company Name Nortel Networks' in Frankfurt / Main
Image: Allie Caulfield CC-BY 2.0

In the agreement of Thursday, the most important creditors, the various Nortel companies and their insolvency administrators have agreed on how the money will be distributed to the different Nortel companies. These must then distribute that under their respective creditors. If the courts in Canada, the USA, the UK and France agree, the money will flow next year.

There is much to be said about this: even after the insolvency proceedings have cost more than two billion dollars, 7.3 billion dollars are still to be distributed. Of these, nearly 22 million are intended for Nortel Networks Germany. The quotas should, however, be very different. While US believers are allowed to hope for 80 to over 90 percent, Europeans are expected to get 65 percent. Canadians have the worst prospects with only about 40 percent.

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