

From: RFNDE Legal Selection Committee
Date: February 24, 2010 11:56:47 PM EST (CA)
To: Nortel Employees on LTD
Subject: New Law Firm Engaged
Importance: High

Dear Fellow LTDers,

As you know, we were informed through a press release, on Feb. 8th, 2010 about a Settlement Agreement for the Long-Term Disability (LTD) Employees of Nortel. The press release was issued by the Steering Committee of the Canadian Nortel Employees on Long-Term Disability (CNELTD). Sue Kennedy, the Legal Steering Committee for CNELTD and Koskie Minsky LP (KM), the Representative Counsel for CNELTD signed the agreement. This Feb. 8th Settlement Agreement is now awaiting approval of the Court, which is scheduled on March 3, 2010.

We have had a lot of help from unbiased professionals in order to get a better understanding of the terms of this agreement and we've decided to oppose this agreement because we haven't been given all the necessary information that is required of any reasonable person to make a fully informed decision. As well, we have good reason to believe that some information that has been made available is not as accurate as it should be, especially at this point in Nortel's insolvency. This agreement expects us to make such an important decision about our life and our quality of life without giving us the very information we need to base our decision on. But most important of all, the agreement is simply unfair to all of us on LTD. They are telling us we have to give up many things, and in exchange, we get very little, and all still without important financial information related to the Health and Welfare Trust where our benefits reside.

Since we are opposed to the Settlement Agreement dated Feb 8th, 2010 for many reasons, a group of us have signed an agreement today, with the Toronto Law firm of Rochon Genova LLP to launch a class action suit to recover more of the money owed to us than is proposed in the settlement agreement. I want to emphasize that this law firm is going after money through litigation that is above and beyond what is earmarked for us in the HWT or our recovery in the final CCAA claim against the Nortel Canadian estate. In our opinion, both these two sources will be minimal.

We have had much discussion with these lawyers and they only get paid for new money they win for us in court. There is no cost to us. Initially, they will focus on the breach of trust and the mishandling of the Health and Welfare Trust where our LTD Benefits are held. They may take other legal actions, as they deem appropriate. In order to launch this suit, they will have to represent us in court on March 3.

Many of us were concerned about what would happen to our income and medical benefits if we did not say yes to the Feb. 8th settlement agreement. Mr. Rochon and Mr. Tambakos, feel that the court would not stop our benefits during this legal action. They also stated that they feel that the amount of money involved with respect to our very small group is but a "drop in the bucket" (less than 1.5% in fact) amongst the billions of dollars that are at play.

So, we are going ahead with this class action suit. A small legal team has been formed to get this moving but we will democratically elect members to a legal Executive Committee after March 3. It would help our case if more people signed up for this class action and oppose the settlement agreement. Our time is very short.

KM continue their mandate in Nortel's CCAA/BIA to file our claim as unsecured secured creditors.

Tomorrow morning you will receive an introductory letter via email from our new lawyers, Mr. Rochon and Mr. Tambakos, along with the retainer agreement. All that will be necessary for you to do is to sign and fax (or scan and email) the retainer back to the law firm. Mr. Rochon will represent us in court on March 3rd when we oppose the Feb 8th Settlement Agreement so it will not be necessary for individuals to send in separate opposition forms.

Please check your email for more information tomorrow. The following committee was formed solely for the purpose of selecting the lawyers so should you have concerns or questions, feel free to send questions to anyone on the Committee:

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Sincerely,

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