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Dissenting Nortel LTD Beneficiaries lose bid to challenge restructuring



Drew Hasselback Jun 9, 2011 – 10:44 AM ET | Last Updated: Jun 9, 2011 1:23 PM ET

A group of former Nortel Networks Corp. employees receiving long term disability benefits have lost a bid to [challenge Nortel's restructuring](#) before the Supreme Court of Canada.

A three-judge panel of the SCC [dismissed the appeal without costs](#). As is customary, the court provided no reasons why it will not hear the appeal.

The group, described in the litigation as the Dissenting Nortel LTD Beneficiaries, had previously [lost a bid](#) to appeal the original Ontario court ruling to that province's Court of Appeal. The dissenting beneficiaries disagreed with a 2010 Ontario Superior Court of Justice [decision](#) in the Nortel restructuring case.

Greg McAvoy, one of the Nortel disabled former employees, [said in a statement](#):

"While we were aware that only a limited number of leave applications are allowed by the Supreme Court, we were hopeful that the gravity of the situation facing the disabled and the broad legal issues raised by the motion judge's decision would have caught the attention of the country's highest Court."

A court-appointed monitor, Ernst & Young Inc., [recommended a plan](#) for the allocation of funds in Nortel's Health and Welfare Trust (HWT). The plan called for future pensioner life benefits to be included in distributions of the HWT. The dissenters believed the monitor's plan would have the effect of diluting the existing claims of the disabled by \$30-million.

The Ontario court approved that plan, and now two appellate courts have upheld the decision.