

RIGHTS FOR NORTEL DISABLED EMPLOYEES

RFNDE@HOTMAIL.COM

February 16, 2010

Koskie Minsky LLP
20 Queen Street West
Suite 900, Box 52
Toronto, Ontario
M5H 3R3

Attention: Mr. Mark Zigler, Lawyer for the Former Employees of Nortel

Dear Mr. Zigler:

RE: CANADIAN NORTEL CONTINUING EMPLOYEES ON LONG-TERM DISABILITY

We received a press release from the court-appointed representative Sue Kennedy on February 8th, late in the evening, with the shocking news that she had signed some sort of "settlement agreement" on our behalf. Some of us tried to get through all 64 pages of this agreement and have confessed that they cannot clearly understand how this will affect all the 409 Canadian Nortel Continuing Employees on Long-Term Disability Leave. Moreover, it can be safely stated that a great many of the 400+ Nortel LTD recipients have not even seen this press release let alone this agreement. Sue Kennedy stated in this press release that a letter will be going out on February 16, which means it may not even arrive in time to notify ALL 409 Continuing Nortel Employees on LTD Leave of this one-way only audio-only webinar that you've arranged for us to explain the intricacies of a 64-page contract that will forever affect our futures. What is even more disconcerting and disturbing to all of our members is that we were shocked to see a document that so greatly affects all our lives being thrust upon us when we were not involved in its creation, nor even consulted, though we have been asking for months and months to be included in decisions that affect our lives and have been consistently ignored.

What is even more disturbing is the time frame that has been imposed. How can we make an informed decision on a matter of such vital importance with no information at all and in such an incredibly short time? This is far too much stress for any of us to bear, especially since we have asked for months to be included in the decision-making process, we have asked Ms. Kennedy, Anne Clark, Johanne Berube, and Kevin Leblanc, for any information on any "negotiations" that they were doing on our behalf. As it stands, we are being asked to make a decision under duress, without any indication from our legal representation that they intend to explain in detail to ALL of us the pros and cons of this settlement.

We all know that of the entire LTD group, less than 25% are being kept up-to-date by email. And the email that has been sent to this very small % of the LTD beneficiaries, has contained little, to no important information. So we ask you this: Do the other 75% even know what is being proposed? To this end, we request contact information for all Canadian Nortel LTD Employees so that they may become informed of their right to independent legal counsel and professional independent financial advice on the February 8th Settlement Agreement.

We would have thought that the court would require proof that a certain % of the Canadian Nortel LTD Employees are in agreement with the terms of this Feb. 8th Settlement before it could be approved by the court. We strongly urge and insist that you, as our legal representatives:

1. Apply for an extension of the approval date (March 1, 2010) and the court date (March 3, 2010) so that the LTD group as a whole can make an informed decision; But we must first have the information regarding the HWT, which has YET to be provided.
2. Judge Morawetz should be provided with the following information:
 - The H&WT has no "surplus", that its liabilities are far greater than its assets. KM Law has informed us that the LTD plan in the HWT is underfunded, therefore, we are forced to recover most of our disability income through a creditor claim along with the loss of pension accrual, life insurance coverage, and the health and dental plan, as unsecured creditors.
 - We are "Continuing Employees", not "Former" and not "Ex-Nortel" Employees.
 - Retirees' Life Benefits are not different than Active or Continuing (which is in fact what we are) employees'. They are all group term life insurance, and therefore, retirees have no right to have any recovery for the value of their life insurance benefit from the assets in the Health and Welfare Trust.
 - The Retiree Life Benefit should not be recovered from the assets in the Health and Welfare Trust because the true and intended beneficiaries of these assets are the Canadian Nortel Employees on LTD (until full disclosure of H&WT-related documents is made, that is all we know for certain, i.e. any and all financial, plan, bank, investment, actuarial, transactional, trust agreements, amendments, transfers, succession of trustees, directives, audits, T3s, etc., from 1980 until 2010.)
 - The recovery for the value of the LTD beneficiaries' "health and dental" SHALL NOT be paid to us in the form of some "replacement medical plan" that you refer to in your last letter in January. We require full disclosure as described above before we could make any decisions about "replacement medical plans" or anything else for that matter.
3. In the meantime, please set up a conference call so that most, if not all, the LTD Employees can become fully informed of the arrangement and to thus VOTE ON IT. You must allow enough time and provide simple instructions for the teleconference in your letter to the 409 employees to allow for everyone who would like to ask questions and hear your answers about this "negotiated deal". The teleconference must be bilingual as many of our members are French-speaking. As well, the teleconference must be recorded, and made available on the KM Law web site, so that any members who are not able to attend can listen to the discussions.
4. Many LTD beneficiaries may wish, pending further evaluation of the February 8th Settlement Agreement, to file Notice of Appearance of Objection and to appear personally on their own behalf in Court in Toronto on March 3rd. We request assurance that the March 3rd court date will occur and that if it were to be altered, that the travel

expenses of all out of town LTD beneficiaries appearing in the court to object, will be paid for by Nortel.

5. We now require that Nortel pay for any legal fees incurred for the Canada LTD Employees to allow us to obtain a second legal opinion from insurance and human rights lawyers of our own choice. Of course, this second opinion can only be obtained with full public release of all the legal documents and financial statements of the H&WT and all Plans which have been previously disclosed to KM LLP, Segal and RSM Richter.

If the above cannot be done, we will consider retaining counsel to appear on March 3rd to explain the concerns expressed above and ask for an adjournment.

Sincerely,

Rights for Nortel Disabled Employees for:

Connie Walsh	Jennifer Holley
Alix Sullivan	Nanc Ekiert
Lorna Ronacher	Eva De Foor
Jeri Rodrigs	Lawrence Clooney
Arlene Plante	Johanne Caron
Neil Pereira	Peter Burns
Aggie Murray	Jackie Bodie
Josée Marin	Michelle Barnabe
Tony Kempster	Zehir Awadia

CC:

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