

Presentation made by Peter Burns

To the Canadian Parliamentary Press Gallery
in the Charles Lynch Room

In the matter of the Companies' Creditors Arrangement Act
and the Bankruptcy Insolvency Act.

Speaking for “Rights For the Nortel Disabled Employees”

March 12, 2010

1. I am Peter Burns. I am 54 years old.

I left my parents to seek my fortune when I was 18 years old.

I have lived independently ever since.

2 I am an employee of Nortel on long term disability benefits. From the medical benefits plan, I consume about \$3000 per month.

3. Today, instead of healing, I now struggle to avoid poverty and many other unnecessary indignities resulting from Nortel’s insolvency.

4. In an attempt to satisfy its creditors, a secret legal settlement -was reached on February 8th. The deal was struck between Nortel and the representatives of the disabled employees, retirees and terminated workers. The deal, if ratified, will become active on April 1 of this year – on April Fool’s Day! The only thing it needed last week in court, to be finally ratified, and enforced by law, was the silence of Nortel's 400 disabled. That silence was assumed in every misinformed way possible.

5. If we are sick, confined, silent, unreachable, afraid, overwhelmed, unassisted, depressed, drugged, unmotivated, unilingual francophone, deaf, or without a computer, then Nortel assumes that we agree with the settlement.

6. Nortel's April Fool's Settlement gave us a Hobson's Choice – that is, unacceptable options!

We could speak up and oppose the agreement on March 3, 2010 – but then our drug benefits will cease on April Fool's Day – that is, in 19 days from now!

My medications are essential!

Or we could be silent. And we will continue to get our needed drugs from April Fool's Day through 2010. Nevertheless, we'll all be fired on Dec 31, 2010, and we will lose all of our drug benefits, anyway. My medications will still be essential.

I choose to speak out!

On January 1, 2011 we will also lose close to 80% of our wage loss replacement income.

In spite of \$100 million missing, from Nortel's Health and Welfare Trust, we will not be able to sue Nortel, Northern Trust, Royal Trust, or any of its affiliates, or any of Nortel's directors, that acted to impoverish us.

For the disabled there is a large black hole beyond New Year's Day.

7. I proudly live in beautiful Ottawa.

I have two Masters degrees with my name on them – one about astrophysics from the University of Waterloo, and another about control systems engineering from Queen's University. I also have a small number of peer reviewed scientific publications on particle accelerators, astrophysics, linear systems and nuclear magnetic resonance.

I have published papers in the British Journal of the Institute of Electrical Engineers and in the Journal of the Royal Astronomical Society of the Pacific – to name two.

Many others know me for my original, but unpublished, stories, and for

my unusual paintings in pen and ink.

8. There are automatic machines around the world with software that I designed or conceived - for General Electric, for AECL Accelerators, for Atomic Energy of Canada Limited, and for Nortel.

9. At Nortel, I was a computer performance engineer, and a mathematician. I've worked at Nortel since 1997.

I once developed a mathematical theory that helped to avoid almost one billion dollars in penalties, on a product, that Nortel was nearly late completing. I later extended that theory, and it developed into intellectual material for a patent, which was awarded to me and Nortel in 2007.

10 In many ways, I left a mark on my world like many of the people right here in this room.

11. In 2004, a tumor was found on my spinal cord. After surgery I was left paralyzed below the T9 vertebra. Surgery partially corrected the paralysis, but some damage was permanent. I also suffered a post surgical stroke. I now cope with short term memory loss, extreme hypersensitivity, very compromised mobility and the unthinkable - severe chronic pain. That is now managed by several powerful and expensive drugs.

12. My future and my medical costs are quite uncertain. I have been warned that a simple fall could paralyze me forever.

With drugs and some persistence, I have recovered enough to walk and function as you see me today.

Working legs come with a very high price. If my pain is improperly managed, then it interferes with my instincts of self preservation.

13. I do not have the option to stop taking these drugs.

14. When I bought Long Term Disability benefit from Nortel, I thought that I was buying "peace of mind" from Nortel, because once, in 1990, I got

cancer, and I nearly went bankrupt because of inadequate LTD. Peace of mind was very important to me.

15 When Nortel told me that they would support me until age 65 if I became sick, I believed them. I paid premiums to Nortel so that I, and my family of three daughters, would be entirely safe if the worst happened to me – I made sure that, in fact, I had adequate life insurance. I even made additional contributions to the plan to raise my LTD coverage from 50% to 70% of my income. I thought that I had done everything right. Many other people in Canada think they are protected. But they too, like me, may be dead wrong.

16. I want to warn Canadians, and particularly sick, weakened and disabled Canadians, that your life may be at risk in the future, like mine!

17. My current situation is the worst nightmare of every disabled person in Canada, past, present and future. The nightmare is a hidden trap called “self insurance.” It allows a company, like Nortel, to offer me long term disability benefits, it takes tax breaks and earns executive bonuses from the savings. Then the company, as it dissolves, may feel entitled to the cash and will have no remorse about leaving its disabled employees without adequate money to live on.

Our peace of mind and quality of life and money was supposed to be protected in a Health and Welfare Trust

18. We found out recently, that Nortel's Health and Welfare trust for the disabled, is casually missing at least \$100 Million. Now Nortel says that it will not honor its obligations to the disabled much longer.

19. Nortel is unwilling to repay the \$100 million it owes to the trust, and it uses the excuse it has filed for bankruptcy protection. While they tell the disabled there is no money, the Nortel bankruptcy estate paid \$45 million to executive bonuses in 2009, and then a further disgusting \$92 Million for 2010 and 2011. This must be a gift for the great way these people killed the company. They ended a 115 year old tradition, and now they are rewarded more, for carving up of Nortel's carcass and casting my life into poverty.

20. Executives, junk bond owners, and some lawyers, don't see, or won't see, that their greedy decisions harm the most needy and dependent. We depended on the honour of Nortel's executives. We did not choose to be disabled and now we cannot choose another employer. We will not be silent anymore, we were led to believe that our long term disability benefits were insured before 2005. Even after 2005, we were told that our disability benefits were self-insured and that Nortel was operating similar to an insurance company.

21. Mercer's actuarial report showed that there was over \$100 million missing in the Health and Welfare Trust. There was also a peculiar \$37 Million loan recorded to Nortel itself. It appeared that Nortel had already stopped making proper employer contributions into the Health and Welfare Trust for the LTD Benefits Plan for many years.

While Nortel was abusing that trust account, I was topping up my LTD coverage with my own employee contributions for peace of mind, to ensure a 70% wage loss protection.

22. Lawyers normally frown on indiscretions with trust accounts, since the rules for the management of trusts are a regular fact of life in a lawyer's office. To me, it seems that such a breach of trust and misappropriation of funds would scare a lawyer - but not a company in bankruptcy court where the disabled need to be silenced.

23. It is not surprising that in our April Fool's Settlement, Nortel requires us to absolve it of any wrongdoing in that trust account – that was my first clue that something was terribly wrong with Nortel's intentions. Then they made us struggle to defend ourselves in time ...

24. The Court Monitor and its lawyers waited one year, from January 14, 2009 to release the actuarial report from Mercer about our LTD Benefits Plan. It was withheld, importantly, until after the April Fool's Settlement was signed, as were the financial statements of the Health and Welfare Trust.

25. From February 8th, the disabled had 23 days to analyze the 40 page

agreement, and decide whether to oppose, find a lawyer and attend Toronto's ratifying court session. Remember, some of us are in wheelchairs, some have brain injuries, we take heavy medication, and others have MS and Parkinson's and live in Alberta! We had 23 days to fight, while the healthy bankruptcy lawyers, had spent one year preparing to muzzle us. They failed because we were Nortel's internet experts. We demanded disclosure of information about our trust account before ratification .

26. 10 days later, a 210 page, 39th Monitor's report was released showing some breathtaking irregularities. We had only 13 days left to oppose the April Fool's settlement and to find a lawyer.

27. This deal forced us, the disabled, already stressed, physically, and mentally, and financially, to make our way to the courthouse in Toronto alone unassisted. Many could not afford it.

28. We were railroaded. The sudden appearance of this deal forced us to defend ourselves, within in a few short weeks of notice and at high risk. That Mr. Joel Rochon, a respected class action lawyer, could appear at all, on our behalf, is a miracle. Our legal defence was mounted by a group of disabled people, some with terminal illnesses, and at our own personal expense. Now we await the decision from the Superior Court of Justice, whether the April Fool's Settlement will stand or whether our legal rights will be protected.

29. This bankruptcy process is cruel, and has exhausted us, and sped up the attrition of our disease. Nortel still wants to force the disabled into an agreement under duress, and still without the proper information.

30. We, the dissenting and disabled of Nortel are SCARED to death, we absolutely oppose the April Fool's settlement, because it proposes to take away the quality of our lives.

The April Fool's Settlement could ensure that I am placed among other disadvantaged people. Many are trying to survive on the street with their own untreated addictions. I do not speak without knowledge here – I have personally lived with, and assisted a few of these kind, but disadvantaged people, when I am not confronting Nortel or its lawyers for my life. I found

that the grinding poor have good reasons for their street behaviour, and truly, I have found them more generous and trustworthy and even more honourable than Nortel. That does not mean that I can ever live safely among these souls with my drugs.

31. This April Fool's Settlement tells Canadians that even when we buy long term disability and medical insurance from Nortel, that it may only be administered by Sun Life, for instance, and may not be insurance at all. It may, in fact be another special April Fool's joke by the company on the disabled.

32. I personally have no confidence, in our legal steering committee for the disabled and the court-appointed Representative Counsel, who forced me to be confronted by Hobson's Choice. This is a death sentence for several of us! I know of at least two others with a similar concern to me.

33. It was my 86 year old father on Vancouver Island that told me that a deal such as the April Fool's Settlement is a Hobson's Choice. He told me that Hobson was given the choice of dying at noon or at nightfall. Nortel, the court monitor, the legal steering committee and the lawyers of Koskie and Minsky give me a Hobson's Choice of when to be dead or poor – 19 days until April Fool's if I oppose – otherwise I can arrange my survival over Christmas this year. Diane Urquhart calculates that my income, once \$90,000 annually, will drop down to \$2,500 per year, after I pay for my medical bills.

34. One month ago, Nortel presented us with a cruel Hobson's Choice. Today, I hope many more people will choose to stand up to this injustice and survive this dangerous indignity with me.

35. Canadian businesses who say they provide long term disability benefits need to seriously fulfil obligations to their fallen employees. Otherwise, businesses should not offer disability benefits at all. Employees could then buy their peace of mind from an insurance company.

I cannot fix the predicament Nortel has put us into, but I have children to protect too, and so I will not be silent about the same potential injustice occurring to over one million Canadians!

In New York yesterday, Canada's Minister of Foreign Affairs ratified the United Nations Convention on the Rights of Persons with Disabilities. We can see that the Feb. 8th agreement and its Hobson's Choice, violates the basic rights in the United Nations Convention on the Rights of Persons with Disabilities – specifically those rights are ...

- Living independently in the community
- Accessing information
- Obtaining proper health care
- Making my own decisions

36. I would like to see the federal government make an emergency amendment of the federal bankruptcy laws. The disabled need discreet protection and priority over other creditor groups in bankruptcies. This is the only way that the quality of life for the disabled, can be protected from breaches of trust and abuses in the bankruptcy process.

37. All of the disabled have a gift – they shine light into the darkest corners without fear. Today, with the April Fools Settlement, and our health in decline, we just hope that somebody in charge wants to shine a light into the dark deeds of the junk bond holders, Nortel, and bankruptcy process itself!

Nortel, shame on you for the April Fool's Settlement!