

**From:** Rights For Nortel Disabled Employees [mailto:rfnde@hotmail.com]  
**Sent:** February-15-10 4:51 PM  
**To:** Rights For Nortel  
**Cc:** urquhart@rogers.com  
**Subject:** URGENT - ACTION REQUIRED: Nortel Canada Long Term Disabled Employees  
**Importance:** High

**Nortel Canada Long Term Disabled Employee**  
**You need to take actions if you decide to oppose the Feb. 8, 2010 Settlement Agreement with Nortel Canada Former and LTD Employees (Feb. 8th Agreement), which is available at the following web pages.**

<http://ismymoneysafe.org/pdf/Feb.8thSettlementAgreement.pdf>

<http://ismymoneysafe.org/pdf/NoticeofAppearancetoOpposeFeb.8thAgreement.pdf>

### **What is the purpose of this communication?**

This communication is intended to provide you with easy access to the Feb. 8th agreement and related documents provided by the Steering Committee for long term disabled employees, Nortel, the associate legal counsel of the CAW - Canada, and the Steering Committee for former employees.

A group of long term disabled employees plans to potentially oppose the Feb. 8th agreement. We wish to inform you that you have the right to oppose the Feb. 8th agreement and encourage you to become knowledgeable about this agreement, so that you may make an informed decision before the March 1, 2010 deadline.

Today's communication is to help you understand how the Feb. 8th agreement fits into the whole picture of the Nortel bankruptcy and all the procedures associated with the Feb. 8th agreement.

This sub- group of long term disabled employees is concerned and has sought input from many independent professionals about what to do. If you, or friends and former co-workers, wish to be informed about this potential dissenting group's intentions to retain independent legal counsel and other activities, please make sure that your name is on the email list of Jennifer Holley, an LTD employee, who has agreed to administer communications on behalf of this group (her email and phone number are provided below.) A further communication of the positives and negatives of the Feb. 8th agreement will be sent to you to assist you in making your decision.

Being on this email list is not a commitment to oppose the Feb. 8th agreement as only you are in control of submitting the required form to oppose, with your own reasons.

### **Is this the final settlement agreement of all amounts owing to the Canada Long Term Disabled Employees from Nortel?**

The Feb. 8th agreement is not a settlement of the full amounts owing to you from the Nortel bankruptcy estate or from Nortel's Health and Welfare Trust. There will be a further settlement at an unknown time and of an unknown amount made to you from the Nortel Canada Health and Welfare Trust. There will be a further settlement at an unknown time and of an unknown amount made to you from the Nortel Canada bankruptcy estate. Your benefits, with some exceptions, were self-insured, and so you will not be entitled to an

insurance company settlement to pay for your benefits based on the terms of any third party insurance contracts.

In the Feb. 8th agreement, Nortel agrees to pay from its operations for your long term disability income benefits, medical and dental benefits and life insurance benefits until Dec. 31, 2010 only. After December 31, 2010, these benefits cease. Nortel has been threatening to cease paying these benefits on March 31, 2010. CAW - Canada associate legal counsel Barry Wadsworth says this "could have been a disaster," in his Information Update dated Feb. 8th. While your benefits cease at December 31, 2010, you still have a creditor claim against the Nortel bankruptcy estate and a beneficiary claim against the Nortel Health and Welfare Trust

Nortel has agreed to not cease your long term disability income benefits, medical and dental benefits and life insurance benefits until Dec. 31, 2010 provided you agree to accept a legal release that restricts your future rights: (a) to obtain remedy through litigation post the Nortel CCAA/BIA implementation against various parties associated with the Health and Welfare Trust; and (b) the use of mechanisms within the CCAA process itself to facilitate a better cash settlement ratio for the long term disabled employees class of unsecured creditors above the equal cash settlement ratio otherwise. However, you will continue to have the right to sue under two exceptions: (i) the Directors for misrepresentation, wrongful conduct or oppression; and (ii) any parties who committed fraud.

### **How much can the long term employees expect to get in further settlements?**

No public disclosure has been made about the amount of capital in the Canada Health and Welfare Trust that belongs to the long term disabled employees or is being allocated to this group in the pending settlement of amounts owing to the long term disabled employees from the Health and Welfare Trust. There is no public disclosure on the expected date for wind-up of the Canada Health and Welfare Trust. While Koskie Minsky LP, and its advisers Segal and RSM Richter, have received various legal documents and financial statements relating to the Health and Welfare Trust and the employee benefit plans for which long term disabled employees are beneficiaries, only a few of the legal documents have been publicly disclosed.

There is no public disclosure on the expected date for wind-up of the Nortel Canada bankruptcy estate. The U.S. Chapter 11 court has approved a date of September 13, 2010 for receipt of creditors' approval of the Chapter 11 Plan. The Canada CCAA court proceeding will likely end at the same time as the U.S. Chapter 11 court proceeding. The historical experience in bankruptcy filings is that the implementation dates are repeatedly delayed due to disagreements amongst creditor groups about how the cash from the bankruptcy estate is allocated, and the opportunity for court appeals after the settlement agreement has been approved in the lower courts.

### **What reasons might you have to oppose the Feb. 8, 2010 Settlement Agreement?**

If you decide to oppose, you will have your own reasons to do so. The further communication being sent to you will articulate the pluses and negatives of the Feb. 8th agreement and how you might weigh these in your final decision.

### **What do you need to do if you agree with the Feb. 8th Agreement with Nortel Canada Former and LTD Employees?**

If you agree, you do not need to do anything.

**What do you need to do, if you oppose the Feb. 8th Agreement with Nortel Canada Former and LTD Employees (Notice of Appearance)?**

If you oppose, you need to fill out the Notice of Appearance to Oppose Settlement Agreement with Former and LTD Employees. Submission of the Notice of Appearance form gives notice that you wish to appear and be heard to oppose the Feb. 8th Agreement. The Notice of Appearance form is at the following webpage.

<http://ismymoneysafe.org/pdf/NoticeofAppearancetoOpposeFeb.8thAgreement.pdf>

**May I send my own legal counsel to communicate that I oppose the Feb. 8th Agreement, without my attending personally the court on March 3, 2010?**

You may be represented by your own legal counsel in the court on March 3, 2010 at your own expense, and it is not necessary to attend in person if you are represented by your legal counsel.

The group of long term disability employees who will potentially oppose the Feb. 8th agreement are contacting independent legal counsel for his or her retention to communicate that this group opposes the Feb. 8th agreement. Should this independent legal counsel be retained on behalf of the opposing group, you will be advised and invited to sign his or her retainer to represent you in court on March 3rd. The independent legal counsel funding is uncertain at this time, ranging from full contingency funding of a broader post CCAA class action litigation plan to specific funding for the March 3rd court appearance on behalf of the LTD employees group opposed to the Feb. 8th agreement.

Long term disability employees who are thinking about opposing this agreement should ensure that their name and contact information is supplied to Jennifer Holley, a Nortel long term disabled employee, so that you may be kept apprised by email, fax or telephone of developments regarding the retention of independent legal counsel for the group of Canada long term disability employees who oppose the Feb. 8th agreement.

Jennifer Holley  
Telephone: (613) 479-2653  
Email: [jholley@xplornet.com](mailto:jholley@xplornet.com)

Alternate Contact: Jennifer Holley's spouse Ron Poaps at same telephone and email.

**May I send another representative of myself who is not retained independent legal counsel to appear in court on my behalf to oppose the Feb. 8th agreement?**

The Notice of Appearance form says you may designate "independent counsel" to be heard in court on your behalf. You should consider sending a relative, friend or other person to attend on your behalf, if you are unable to attend court on March 3, 2010 due to your disability, illness or inability to afford travel expenses to the Toronto court and you cannot find or cannot afford independent legal counsel before the March 1st deadline for submitting your Notice of Appearance.

We suggest you indicate on your Notice of Appearance form and personally contact the Ernst & Young Canada Court Monitor using the contact information below to advise him of

your request to have another representative of yourself, who is not retained independent legal counsel, to appear in court on your behalf to oppose the Feb. 8th agreement

**How do I submit the Notice of Appearance?**

**Fax/email/regular mail/courier the Notice of Appearance to:**

**TO: ERNST & YOUNG INC.**  
Court-appointed Monitor of Nortel Networks Corporation & others  
222 Bay Street, Suite 1600  
Toronto, Ontario  
Canada M5K 1J7

**WITH A COPY TO: GOODMANS LLP**  
Lawyers for the Court-appointed Monitor of Nortel Networks Corporation & others  
Bay Adelaide Centre, 333 Bay Street, Suite 3400  
Toronto, Ontario  
Canada M5H 2S7

**Attention:** Nortel Settlement  
**Phone:** 1-416-943-4439 or 1-866-942-7177  
**E-mail:** nortel.monitor@ca.ey.com  
**Fax:** 1-416-943-2808

**Attention:** Christopher Armstrong  
**Email:** carmstrong@goodmans.ca  
**Fax:** 1-416-979-1234

**What happens if you oppose the Feb. 8, 2010 Settlement Agreement and forget to file the Notice of Appearance on or before March 1, 2010?**

Failure to file a Notice of Appearance on or before March 1, 2010 10:30 a.m. Eastern Time will result in you being bound by all terms of the Settlement and you being forever barred from objecting to or seeking to vary any aspect of this Feb. 8th agreement.

**What happens if you learn about the Feb. 8, 2010 Settlement Agreement after March 1, 2010 and you wish to oppose it after the deadline of March 1, 2010?**

Failure to file a Notice of Appearance on or before March 1, 2010 10:30 a.m. Eastern Time for any reason will result in you being bound by all terms of the Settlement and you being forever barred from objecting to or seeking to vary any aspect of this Feb. 8th agreement.

**May I instruct Koskie Minsky LP, as the court appointed Representative Counsel for the Former and LTD Employees, to file my Notice of Appearance and to appear in court to communicate that I oppose the Feb. 8th agreement?**

No. Koskie Minsky LP will not complete the Notice of Appearance and appear in court on March 3rd on your behalf to oppose the Feb. 8th agreement. Koskie Minsky LP is a party to the Feb. 8th agreement.

**May I instruct CAW Legal Counsel, as a retired person who is a former active member of the CAW, to file my Notice of Appearance and to appear in court to communicate that I oppose the Feb. 8th agreement?**

No. CAW-Canada will not complete the Notice of Appearance and appear in court on March 3rd on your behalf to oppose the Feb. 8th agreement. CAW-Canada is a party to the Feb. 8th agreement.

**May I instruct Sue Kennedy, the Legal Steering Committee for Koskie Minsky LP under the Representative Counsel Order for the Canada Long Term Disabled Employees, to either herself complete the Notice of Appearance on my behalf or to instruct Koskie Minsky LP to do so on my behalf to appear in court to oppose the Feb. 8th agreement?**

No. Sue Kennedy will not complete the Notice of Appearance and appear in court on March 3rd on your behalf to oppose the Feb. 8th agreement. Sue Kennedy is a party to the Feb. 8th agreement.

**Are there related documents to the Feb. 8th agreement, that I should read or have my independent legal counsel read?**

Yes. Below are links to the Thirty-Sixth Report of the Monitor and media releases from parties to the Feb. 8th agreement.

Prior to the March 3rd court date, the Monitor intends to submit a further report to the court addressing the basis for its recommendation for approval of the Feb. 8th agreement and its belief that the Nortel has sufficient funds to make the payments contemplated by the Feb. 8th agreement.

<http://ismymoneysafe.org/pdf/Thirty-SixthReportoftheMonitor02082010.pdf>

<http://ismymoneysafe.org/pdf/CNELTDRRelease02082010.pdf>

<http://ismymoneysafe.org/pdf/NortelRelease-Nortelentersintosetlementagreement02082010.pdf>

<http://ismymoneysafe.org/pdf/CAWRelease02082010.pdf>

<http://ismymoneysafe.org/pdf/NRPCRelease02082010.pdf>

**Is there a way in which I can get my questions about the Feb. 8th agreement answered?**

The Monitor will use its toll free help line commencing within three days from the date of the Notice Procedure Order to respond to inquiries and information requests from Affected Settlement Notice Parties. The Monitor's toll free number is 1-866-942-7177.

The Former Employees and LTD Employees Settlement Representative Counsel have advised the Monitor that they intend to hold a webinar on or about February 23, 2010, available to its constituents and the Unionized Employees to review and respond to inquiries regarding the Settlement Agreement and the notice and opposition process described above.

Prepared by:  
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In association with the following disclosed group of long term disability persons, who will potentially oppose the Feb. 8th agreement (in alphabetical order).

Peter Burns  
Lawrence Clooney  
Nanc Ekiert  
Jennifer Holley  
Lee Lockwood  
Josee Marin  
Greg McAvoy  
Arlene Plante  
Jeri Rodrigs  
Lorna Ronacher