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JANUARY 19, 2011, 3:32 PM ET

## Nortel Bonds Bustled on Tuesday

Canadian telecom supplier Nortel may have been scattered to the four winds through [its bankruptcy auctions](#), but the company's bonds live on.

Nortel dominated credit trading Tuesday, with over \$125 million worth of bonds changing hands, according to bond market data service MarketAxess. That made the company the most actively traded junk credit of the session. Nortel's benchmark \$450 million 10.75% bond due in 2016 hit a high of 87.125 cents on the dollar yesterday. It's up roughly 4% on the month.

While Nortel filed for bankruptcy two years ago, its creditors – a hodgepodge of bondholders, vendors and pensioners – have yet to agree on how to split the proceeds from the sale of its various parts. That's in part because Nortel's massive patents portfolio with an estimated value of \$1-\$2 billion is still on the block and the respective stakeholders are reluctant to sign off on a deal until they know how much the intellectual property will fetch.

Lazard is managing the sale of the intellectual property, and while a number of financial and strategic buyers have done hard due diligence, an auction date has yet to be set, said a person involved in the bankruptcy.

Tuesday's uptick in trading of Nortel bonds coincided with fresh rumors that that a deal was close for bankrupt company's portfolio. But the rumors may be just that, as trading of the bonds flared similarly about year ago without a deal actually materializing.

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