

CITATION: Nortel Networks Corporation (Bankruptcy of), 2010 ONSC 976
COURT FILE NO.: 09-CL-7950
DATE: 20100210

SUPERIOR COURT OF JUSTICE – ONTARIO

(COMMERCIAL LIST)

RE: IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT of
Nortel Networks Corporation, Nortel Networks Limited, Nortel Networks Global
Corporation, Nortel Networks International Corporation and Nortel Networks
Technology Corporation, Applicants

BEFORE: MORAWETZ J.

COUNSEL: D. Tay and J. Stam, for the Applicants

B. Wadsworth, for the CAW

A. Jacques, for Nortel Canada Corporation Continuing Employees

S. R. Orzy, for the Bondholders

K. Rosenberg & L. Harmer, for the Superintendent of Financial Institutions

J. Carfagnini & G. Rubenstein, for Ernst & Young Inc., Monitor

M. Zigler, for the Former Employees and Disabled Employees

A. MacFarlane, for the Unsecured Creditors' Committee

HEARD &

RELEASED: February 9, 2010

ENDORSEMENT

[1] I am satisfied that the proposed Notice Procedures are adequate and will provide all interested persons with sufficient notice and time to prepare for a motion to approve the Settlement Agreement on March 3, 2010.

[2] However, in order to ensure that maximum time is provided to all parties who wish to make representations, the Notice of Appearance Bar Date is to be modified from the proposed date to 10:30 a.m. (Eastern) Monday, March 1, 2010 with the hearing set for 10:30 a.m. Wednesday, March 3, 2010.

[3] There is no question that certain aspects of the Settlement Agreement are being disputed by the main creditor groups; namely, the Bondholders and the UCC. In particular, these groups take exception to clause H.2 as contained in the Settlement Agreement which addresses the possibility of future changes to the *Bankruptcy and Insolvency Act*. This issue is not being debated today and nothing in this endorsement or the formal court order shall be considered to be determinative, in any way, of any aspect of this issue. This issue, and perhaps others, will be the subject of argument on March 3, 2010. It is desirable that the order today be neutral on this point.

[4] The parties have agreed to delete paragraph 6 of the draft order. This is of assistance as it underscores that the substance of the matter remains to be determined on the motion to approve the Settlement Agreement and not on today's motion.

[5] I consider the Notice Letter to be an information notice and, in my view, the amendment proposed by Mr. Zigler is appropriate as it provides information to the recipient of a portion of the Settlement Agreement that will be considered on March 3, 2010. The suggested language provided by Mr. Zigler is to be included in the Notice.

[6] Further, irrespective of any determination to be made on the motion to approve the Settlement Agreement, all parties are in agreement that they will not challenge the Notice Procedures approved today.

[7] An order shall issue to give effect to the foregoing, which will take into account any consequential changes.


MORAWETZ J.

Date: February 10, 2010