

CITATION: Nortel Networks Corporation, 2013 ONSC 1470
COURT FILE NO.: 09-CL-7950
DATE: 2013/03/08

SUPERIOR COURT OF JUSTICE – ONTARIO
(COMMERCIAL LIST)

RE: IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED

AND 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

APPLICATION UNDER THE *COMPANIES' CREDITORS ARRANGEMENT*
ACT, R.S.C. 1985, c. C-36, AS AMENDED

BEFORE: MORAWETZ J.

COUNSEL: *Derrick Tay and Jennifer Stam*, for Nortel Networks Corporation

Benjamin Zarnett, Fred. Myers and Jay Carfagnini for Ernst & Young Inc.,
Monitor

Mark Zigler, Ken Rosenberg, Arthur Jacques, Barry Wadsworth and Elder C.
Marques for Canadian Creditors' Committee

Matthew P. Gottlieb, Robin B. Schwill and James Reinihan for Nortel Networks
UK Limited (in Administration)

David Ward for PPF/Trustee

Adam Hirsh for Former Directors & Officers of Nortel Networks Corporation and
Nortel Networks Limited

Andrew Gray and Scott Bomhof for Nortel Networks Inc. and other U.S. Debtors

John Salmas for Wilmington Trust, National Association

Sheryl Seigel for the Bank of New York Mellon

Richard Swan and *Gavin Finlayson* for Informal Committee of Noteholders

Shayne Kukulowicz, *Ryan Jacobs* and *Mike Wunder* for Unsecured Creditors' Committee

Edmond Lamek for Law Debenture Trust Company of New York

HEARD: March 7, 2013

DECISION: March 8, 2013

ENDORSEMENT

[1] For reasons to follow, the motion of Nortel Networks Corporation (“NNC”), Nortel Networks Limited (“NNL”), Nortel Networks Technology Corporation, Nortel Networks International Corporation and Nortel Networks Global Corporation (collectively, the “Canadian Debtors”) for an order approving an Allocation Protocol, substantially in the form of Schedule “A” to the motion originally returnable June 7, 2011 is granted, subject to the following modifications:

(i) the Allocation Protocol is to be based on the protocol presented on the original return date, namely June 7, 2011, and is not to be based on the protocol presented during argument on March 7, 2013;

(ii) the list of “core parties” referenced in paragraph (o)(iii) of the Motion Record is to be expanded. Representations were received from numerous indenture trustees on March 7, 2013. These parties are to be included as “core parties”; and

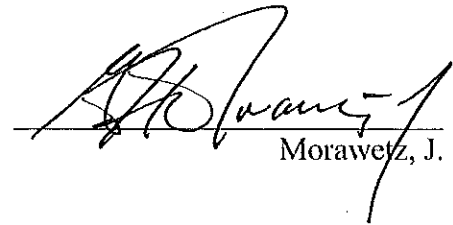
(iii) the Monitor is directed to provide the court with a revised list of proposed “core parties” for its consideration, balancing interests of natural justice as well as the objective to resolve outstanding issues in the most expeditious and least expensive manner possible.

[2] The Monitor is also directed to coordinate input from the parties with respect to a litigation schedule. Directions in respect of the litigation schedule will be addressed in the full reasons for this decision.

[3] The cross motion of the Joint Administrators of Nortel Networks UK Limited, originally returnable June 7, 2011 requesting an order compelling and directing the parties to the Interim Funding and Settlement Agreement dated June 9, 2009 (the “IFSA”) to engage in arbitration

regarding all disputes concerning the allocation of Sales Proceeds (as defined in the IFSA), is dismissed.

[4] The appeal period in respect of this endorsement will commence on the date when full reasons are released, which date will coincide with the release of reasons of Chief Judge Kevin Gross of the United States Bankruptcy Court for the District of Delaware.



Morawetz, J.

DATE: March 8, 2013