

From: Fiona Campbell [<mailto:Fcampbell@sgmlaw.com>]
Sent: December-09-10 1:32 PM
To: 'jholley@xplornet.com'
Cc: 'Sue Kennedy'; Peter Engelmann
Subject: FW: CNELTD: QUESTIONS from Jennifer Holley
Importance: High

Dear Ms. Holley,

Sue Kennedy has asked me to answer your questions in the e-mail below. My answers follow your questions and are highlighted so that they are easier to identify.

Yours truly,

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From: Jennifer [<mailto:jholley@xplornet.com>]
Sent: Tuesday, December 07, 2010 2:02 PM
To: kennedy.robinson@rogers.com
Subject: CNELTD: QUESTIONS REGARDING UPDATE on Bill S-216 and other important news for LTD's
Importance: High

Dear Ms. Kennedy:

I have questions which arise from reading your email below, specifically point #4.

Are you saying that CNELTD, using SGM, will be fighting against Rochon Genova who is trying to get a larger %, based on Trust Law and accepted actuarial and insurance principles, for the Nortel LTD?

If the motion for leave to appeal is successful, there will be an appeal of Justice Morawetz's decision approving Scenario 2. If Mr. Rochon then wins the appeal, it will be necessary to go back to Justice Morawetz to determine the allocation of the HWT. The representatives for the former employees and the active employees, among others, have said that if Scenario 2 is not approved, they may well argue in favour of other scenarios. Many of these scenarios would be considerably less favourable to the LTD beneficiaries than Scenario 2 and there is a significant risk that one of these less favourable scenarios would be approved rather than the scenario which Mr. Rochon is advocating for. If the litigation goes forward, this would also likely result in delays in the payment of the HWT proceeds. In addition, given the wording of the Settlement Agreement, there is a large risk that costs of the litigation will come out of the HWT. This would, of course, reduce the amount available for distribution.

Given the risks, delays and costs associated with the route Mr. Rochon is pursuing, Ms. Kennedy continues to be of the view that the approval of Scenario 2 is in the best interests of the LTD beneficiaries and she has instructed us to oppose the motion for leave to appeal.

Are you saying that the money SGM will be paid will come from the Corpus of the Trust?

At this point, we do not know whether SGM's legal costs for the leave to appeal motion or any appeal will be paid from the HWT assets.

Do you mean that you will fight against more money for the LTD and fund that fight with our money?

As stated previously, if leave to appeal is granted, the court of appeal will not be deciding whether the LTD beneficiaries get more money, only whether Scenario 2 will be approved. If the appeal is successful and the matter of the HWT allocation goes back before Justice Morawetz, we have reserved the right to argue in favour of other scenarios which are more favourable to the LTD beneficiaries.

Is this really what you mean? Please clarify.

Yours truly,
Jennifer Holley

From: Steering Committee [<mailto:steeringcommittee@cneltd.info>]

Sent: December-03-10 2:46 AM

Subject: CNELTD1: UPDATE on Bill S-216 and other important news for LTD's

So much has been going on lately that I thought it would be useful to provide an update to everyone.

1. **Reminder: Please call 519-357-1280 this morning (FRIDAY) at 10:15 AM EST to join the Radio show with Sen. Eggleton, Josee Marin and Peter Burns.** Senator Eggleton wants as many disabled employees as possible to call in and tell their "victim impact" stories about how their lives will be affected if Bill S-216 is not passed. If lots of people call they might extend the length of the show. They want personal stories about how people might have to sell their houses, will be unable to afford their medication, etc.

If you have already written a victim impact statement that was sent to Senators and Politicians, you might find it useful to have a printed version of your story when you call in. If you sent me a victim impact statement, and don't feel comfortable calling in to the radio show yourself, please let me know. I can send it to Peter and Josee and they could read your story out, or I can try to call in and read your story for you.

The program will be streamed live on-line at www.am920.ca.

2. **Regarding the progress of Bill S-216**, in the Senate today the Senators voted to adjourn the discussion of Bill S-216, which means that the Conservatives are just trying to delay things. The Bill has not been killed yet, but it hasn't been approved yet. That is why it is important to try to call into the radio show to explain how important it is to you. I would like to thank Peter Burns for the emails keeping us up to date on what is going on in the Senate regarding our Bill, and Josee and Peter and everyone who has shown up at the Senate meetings to support our Bill in Person.
3. **Rochon filed for Leave to Appeal** the Health and Welfare Trust Allocation Motion on Tuesday morning. I was waiting to get more details about whether the Leave to Appeal and the Appeal itself would be combined and give you dates, but it's taking a while to work things out. The following link will display the Leave to Appeal motion on the Monitor Site, and eventually the other documents regarding this will be displayed as well.

http://documentcentre.eycan.com/eycm_library/Project%20Copperhead/English/Other%20Motions%20and%20Endorsements/16.%20The%20Dissenting%20LTD%20Beneficiaries%20Motion%20Leave%20to%20Appeal/Leave%20to%20Appeal.pdf

I have also attached the Notice of Motion to Leave to Appeal and the Factum documents above.

At this point we don't know whether Rochon's will present his leave to appeal orally in front of the Judge or whether it will be in written form, and the date is has not been set yet because of conflicting schedules of the various Legal Counsel who are involved. I will let you know as soon as the date is available.

Given that December 31 is approaching an attempt will be made to expedite the Leave to Appeal and the Appeal itself (if the Leave to Appeal is granted. If the appeal is successful, the HWT Allocation Scenario that was approved by Judge Morawetz might change.

At this point we don't know whether the legal costs related to the Leave to Appeal and / or the Appeal will come out of the Corpus of the HWT. SGM will be representing the CNELTD in these proceedings.

4. Back in October I requested that the Monitor create a contingency plan to ensure that if the distribution of the HWT assets was delayed for any reason, the disabled employees and other Income Beneficiaries (SIB and STB) would not be left without any income in

January. The plan is to have an interim distribution some time in January and every Income Beneficiary will receive a certain % of their share of the HWT money. The motion to do the Interim Distribution is in progress now and more details will be provided once it is approved. **The interim distribution is intended to give people enough money to live on until the final distribution is done.**

5. Many people have been asking about the **CRA ruling**, and we are still waiting for the final ruling. CRA has asked KM to answer some questions and CRA now has the answers and is continuing on it's process. If we receive our interim distribution of the HWT assets before the CRA ruling is available, the interim distribution will be taxed. However, if we get a postitive CRA ruling afterwards, we will be able to get back the tax that we paid when we do our income tax returns.
6. Last, but not least, some people have complained that they are getting too many emails because people are using "reply all" to messages that other people are sending. People who don't want to read all of these messages would appreciate it if others can refrain from unnecessarily copying everyone on messages. To the people who are getting unwanted messages, you might be able to block certain people from sending messages to you, or classify them as "junk email", etc..

Regards,
Sue