

Nortel executives continue drawing bonuses years after bankruptcy

Since 2009 bankruptcy, Nortel executives have collected \$190M US in retention bonuses

By Julie Ireton, [CBC News](#) Posted: Oct 07, 2016 5:00 AM ET Last Updated: Oct 07, 2016 3:15 PM ET

Former Nortel workers who are still owed money say they're frustrated that executives with the now defunct company are still drawing retention bonuses, eight years after the company started bankruptcy proceedings.

Requests for the 2017 retention bonus plan are part of a September report to the Canadian court monitor overseeing Nortel's bankruptcy, according to independent financial analyst Diane Urquhart.

"It indicates to us that the end of the Nortel bankruptcy is not presently in sight," said Urquhart, who has closely documented the costs of the Nortel case since 2009.

She noted that \$190 million US in post-bankruptcy special retention bonuses have already been paid out.

Nortel filed for protection from its creditors in January 2009, leaving shareholders, former employees and pensioners with huge losses in one of the biggest bankruptcy cases in Canadian history.

Technically, Nortel still operating

Close to eight years later, after the sale of billions of dollars of assets and prolonged, international court battles, Nortel is still operating in a sense.

"Technically, it still sort of exists," said lawyer Susan Philpott, a partner with Toronto law firm Koskie Minisky LLP, which represents Canadian pensioners in the bankruptcy. "[They're] doing administrative things, helping the court monitor get information out of human resources files, or that sort of thing."

Philpott said the process has been drawn out because Nortel was a huge company with thousands of former workers and pensioners.

One of those former employees is Chris Buchanan, who worked for Nortel from 1981 to 2009. Buchanan said he's losing his patience over the cost of the process.

"Frankly, I'm disgusted. I was disgusted in 2009 when I was laid off with no notice, no severance package, and all the remaining employees were given retention bonuses," said Buchanan, adding that "\$190 million [US] would go quite nicely to people's severance."

Creditors owed millions

Former Nortel workers are owed millions as creditors against the company's estate, but it's unclear when that estate will finally be closed.

On Wednesday, meetings began to help inform Nortel pensioners about their options before the fund is taken over by new management next year. Pensioners have until the end of 2016 to choose between annuities and a lump sum payout.

David Villeneuve, who worked at Nortel for 35 years, said many of the people at the meeting just want to see the company wrap up.

"It was a good company. Unfortunately I don't think people can say that about the senior management," said Villeneuve, who attended the pension meeting in Ottawa Wednesday. "Hopefully this will be all wrapped up next year. People are tired of it."

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