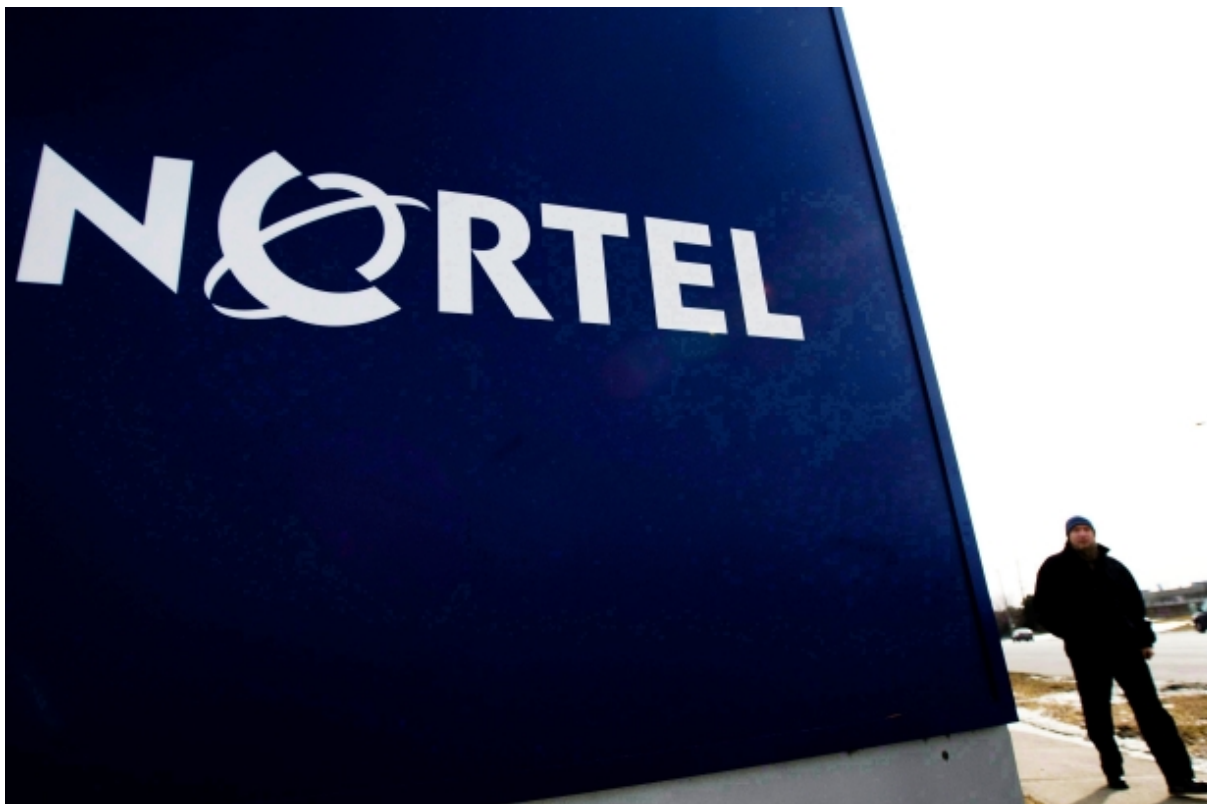


Nortel bankruptcy fees hit \$1 billion

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Fees for professional services in the nearly five-year long Nortel bankruptcy have reached \$1 billion, according to Dian Urquhart, a Toronto-based lawyer who has been following the proceedings closely.

Photograph by: NATHAN DENETTE, THE CANADIAN PRESS

OTTAWA — Fees for professional services in the nearly five-year long Nortel bankruptcy have reached \$1 billion, according to calculations by Dian Urquhart, a Toronto-based lawyer who has been following the proceedings closely.

Urquhart says Canadian accountants, lawyers and other professionals have so far billed \$323 million against the value of the Nortel estate, while their counterparts in the U.S. and Europe have billed \$435 million and \$250 million, respectively. The value of Nortel's estate currently is about \$9.5 billion, down from its peak of \$10.5 billion in 2011.

There's little likelihood the drain represented by professional fees will soon stop. Urquhart points out the joint U.S. and Canadian bankruptcy hearing to allocate the \$7.3 billion in escrowed proceeds from the sale of Nortel's various businesses and patents won't take place until next May. By that time, professionals will have taken another \$100-million bite from the Nortel estate — and there is a strong likelihood the allocations will be challenged through future court appeals.

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