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Nortel appeal denied

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Last Updated: June 4, 2010 8:08pm

A group of disabled Nortel employees are down to what appears to be their last strike.

Having lost their request to have an agreement their court-ordered representative made with the company quashed, they were told Thursday that a motion to appeal has also been denied.

This means the 39 workers fighting the agreement will receive long-term disability and pension benefits until Dec. 31, and will then find themselves in a pool with other creditors fighting for a small percentage of the company's assets once it's legally bankrupt.

For the employees, most of whom are too sick to work, the appeal denial leaves them one final avenue of hope.

Bill S-216, tabled by Sen. Art Eggleton to amend the Bankruptcy and Insolvency Act and the Companies' Creditors Arrangement Act, would re-classify all workers on long-term disability as "preferred" creditors, rather than "unsecured," thus putting their claims second in line for the remains of the company.

According to independent financial analyst Diane Urquhart, who has been helping the disabled Nortel employees, the bill is crucial.

"The appeal denial was another step back. But we see bill S-216 as very current and under active consideration by (federal Industry) Minister Tony Clement," she said. "If adopted by the Conservative government, it would cover the Nortel disabled."

The disabled employees require about \$160 million total to cover them to age 65. They're currently short about \$120 million. If the bill is passed, that money would come from the assets of the company.

"We think there's a good chance it will be passed," Urquhart said. "We have the support of the Liberals, we have a letter of support from Gilles Duceppe and we have a letter of support from Jack Layton."

She said a decision could come within days.

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