

January 21, 2010

Via E-mail

All Members of the CNELTD Yahoo! Group

Dear Members:

**Re: Nortel LTD Claims
Our File No. 09/1329**

Over the past several days, there have been a number of emails circulated to members of the CNELTD Legal Steering Committee and among other CNELTD members, some of which have been forwarded either directly or indirectly to Koskie Minsky LLP. Some of the recently circulated emails have voiced a number of concerns, and have requested that the court appointed representative resign from her role.

While we understand that Nortel's CCAA proceedings evoke a great deal of concern and anxiety for the members of the disabled employee group, circulating and encouraging personal attacks against the Representative and the steering committee does not assist in any way. We understand that the views expressed in these emails are not reflective of the group as a whole. Many members of the CNELTD support Susan Kennedy in her role as Representative, but have indicated that they are reluctant to express these views on the Yahoo Group because they are afraid of the angry reactions of the vocal few.

We are very concerned about the tone and content of these emails, which are hostile, inappropriate and a breach of the standard of civility that we expect and is reasonable in these circumstances. The Representative, and others from the group, are working with Koskie Minsky and the financial and actuarial advisors, to achieve the best possible results for the group. The lawyers here, who are very experienced in these matters, have confidence that Susan Kennedy is providing us with an appropriate and necessary level of guidance, input and instructions to achieve the best outcome for the group.

For everyone's information, the CNELTD Legal Steering Committee participates in regular conference calls with Koskie Minsky and before each meeting, provides us with a list of questions collected from the CNELTD membership. The answers obtained during the regular conference calls are provided to the group's general membership through a report from the Committee, with the exception of confidential information that is subject to a non-disclosure agreement and cannot be disclosed. The Committee recently requested that others be permitted to sign non-disclosure agreements and there are now three members of the Committee (Susan Kennedy, Johanne Berube and Kevin LeBlanc) who have full access to all confidential information that has been provided by the Company and the Monitor. This provides the Representative with assistance in the review of materials, the assessment of options and in the collection of information and concerns from the CNELTD community.

We hope that a more productive use of time and resources can be made, and focus be had on the important and difficult tasks at hand, which include our attempts to ensure that income and health benefits continue for as long as possible for the disabled employees. While we understand your distress, it is important to appreciate that it is extremely unusual for LTD income benefits and health benefits to continue to be paid during an insolvency. Often they cease to be paid immediately when a company files for insolvency protection. To date, we have been successful in achieving the continuation of these benefits through 2009. We are working hard to try and achieve a similar outcome through 2010, and to have this continued funding paid through Nortel's operating funds as opposed to through the assets of the Health and Welfare Trust. Nonetheless, at the end of the CCAA process, all former employees and disabled employees will be unsecured creditors of Nortel, and all will experience losses, like all other unsecured creditors of Nortel.

Please keep in mind that Koskie Minsky has a duty to all members to obtain the best possible outcome for your group and is working diligently to achieve this outcome. Any result that is negotiated on your behalf will be subject to court approval. If individuals are dissatisfied with the outcomes that are negotiated, they will have the right to attend at court and indicate their objection to the judge. They may do so on their own or with their own counsel. Motion materials and notice of court hearings are always posted on the Monitor's website, and can be accessed through the following link: www.eycan.com/nortel. To obtain information you may also visit Koskie Minsky's website at www.kmlaw.ca.

Finally, in our view the level of hostility in the communications among the CNELTD group is extremely detrimental and should be stopped. We understand that many members of the CNELTD group who find these hostile communications upsetting have stopped using the Yahoo! Group completely. In order to promote the use of this effective form of communication for your group, we suggest that emails and comments that are posted through the CNELTD Yahoo! Group be subject to a standard of civility and propriety, as should their authors, and a failure to adhere to these standards should be cause for deletion or elimination from the Yahoo! Group.

We look forward to continuing to serve the group.

Yours truly,

KOSKIE MINSKY LLP