

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. c-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT
OF NORTEL NETWORKS CORPORATION, NORTEL NETWORKS LIMITED,
NORTEL NETWORKS GLOBAL CORPORATION, NORTEL NETWORKS
INTERNATIONAL CORPORATION AND NORTEL NETWORKS
TECHNOLOGY CORPORATION**

**APPLICATION UNDER THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED**

**AFFIDAVIT OF JENNIFER HOLLEY
(Sworn March 2, 2010)**

I, Jennifer Holley, of the Village of Ompah, in the province of Ontario, **MAKE
OATH AND SAY AS FOLLOWS:**

1. I am an employee of Nortel Networks Corporation, I am currently on long-term disability benefits ("LTD"), I am directly affected by the outcome of these proceedings, and as such, I have direct knowledge of the matters to which I hereinafter depose, except those I state to be based on information and belief. All these matters, I do verily believe to be true.

Personal Background

2. I am 46 years of age and reside in the Village of Ompah, with my husband, Ron.
3. I was previously a software designer with Nortel until I was forced to go on LTD when I was diagnosed with Crohn's Disease over 10 years ago. I have not been able to return to work since my Crohn's diagnosis and I have also developed depression for which I receive treatment. I have tried to return to work, but my health will not support it. It is unlikely, with my current health, that I will ever be able to return to work either part-time or full-time.

Current Medical and Financial Circumstances

4. My husband is 55 years old and has health issues of his own, including peripheral artery disease. Five years ago, in response to his mounting health issues, I convinced him to leave the workplace and for us to move to our 2-room cottage which we were building.
5. My reasons were that this change would allow Ron to stop working and attend to his health needs, however, we could only afford to live on my disability income if we moved out of the City of Ottawa. That decision, and all that have followed it, was founded on my trust that I would be able to rely on my LTD benefits being properly paid.
6. My husband expressed concern at the time that I might lose my disability income and benefits leaving us in precarious financial situation. I assured my husband that I would not allow Nortel to terminate my disability benefits.

7. Our health and dental expenses are currently partially refunded by Nortel through Sun Life. In 2008, the cost of these services was approximately \$13,000. If Nortel is allowed to terminate its obligation to me, my income will be less than \$12,000 per year. This will place my family's yearly financial situation \$1,000 in deficit before any bills are paid outside of our health and dental expenses.

8. I do not know how we will make ends meet. Our bills are already cut to the bare bone. This current situation arising from the CCAA proceedings and everything surrounding it also affects my health. I am on medication for my depression and have had to have the dose adjusted three times in the last six months as a result of the added stress. Every day, I weep in fear and frustration.

The Settlement Agreement and Process are Unfair to LTD Employees

9. I have approached our Court-appointed representative, Susan Kennedy, and counsel, Koskie Minsky, several times to advise them of my fears and my need to have more information available to me. My requests, for the most part, have gone unanswered.

10. Each day that goes by, the lack of information and communication from the Court-appointed representative and counsel leads to my deteriorating health. Where once the pain from my Crohn's Disease would start within a few hours of waking, I am now not able to sleep through the night because of pain. If my sleep is not interrupted with pain, within minutes of waking, I am aware of the tremendous intestinal pain from my inflammatory bowel disease.

11. Many disabled individuals have expressed a need for additional information and time in response to hearing about the February 8, 2010 Settlement Agreement ("the Settlement Agreement"). Koskie Minsky and Susan Kennedy's response to concerns we have raised in the past has been to say that anyone who is not happy can opt out of Koskie Minsky's representation. By choosing this suggested avenue, I would be in the position of opting out of Nortel's financial support for legal representation. I do not have the money to do this.

12. No alternatives to the Settlement Agreement have been suggested by Koskie Minsky or my Court-appointed representative. Ultimately, I decided to join with a group of other disabled employees in seeking to be represented by Rochon Genova LLP in order to advance our concerns and interests related to the Settlement Agreement.

13. I need more time to fully consider the ramifications of the Settlement Agreement and to obtain and review disclosure in relation to the Health & Welfare Trust ("HWT"). Alternatively, if more time will not be granted, and if, after reading the pleas of other disabled individuals, the Court finds that the Settlement Agreement is not balanced, please instruct the lawyers and representatives to return to negotiating table.

14. From what I understand of the terms of the Settlement Agreement, I oppose it. I believe that being offered nine months of disability and health benefits does not equitably balance signing away my legal rights against any entity who may have compromised the HWT which holds the Nortel disabled employees' income and benefits.

15. The HWT is woefully underfunded and I understand that Nortel has contributed no money to it for several years prior to filing for creditor protection. From what I

understand in the Monitor's report, the HWT is supposed to have a surplus, however my further understanding is that there is, in fact, evidence to suggest that the HWT has been seriously depleted by as much as \$100 million. This breach of trust is extremely concerning to me as someone who was the direct beneficiary of these trust funds.

16. Given that the Settlement Agreement will take away my rights to take legal action, I will be left with virtually no recourse if the Settlement Agreement is approved. Beyond this, I think it is only fair that Nortel immediately pay back the money that they took from the HWT and be required to restore the integrity of the trust FULLY.

17. Although our Court-appointed representative and legal counsel have been made aware of our concerns, no discussion was held about the content and terms of the Settlement Agreement, particularly those related to waiving LTD rights, prior to February 8, 2010. Instead, the Settlement Agreement was presented as a "*fait accompli*".

18. I do not know or understand the full financial ramifications of the Settlement Agreement as the Monitor only released this information a few days ago which amounted to over 300 pages of information. I have not had time to obtain full and complete advice from outside counsel nor a complete explanation of the Settlement Agreement or the current HWT financial information.


19. It is for this reason that I ask the Court to appoint Rochon Genova LLP as counsel for all LTD employees who opposed this Settlement Agreement and who need more time to understand the terms and effects of the Settlement Agreement on our lives and the lives of our families.

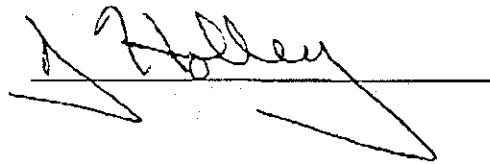
20. I am asking that this Court act as an overseer for my interests and the interests of other disabled employees of Nortel and that each "deal" be critically analyzed insofar as it affects the rights of long-term disabled employees.

21. I am disabled and I too need the Court's protection. Not just Nortel. I do not have the fortitude to continue to question my Court-appointed representative and legal counsel, while they respond with silence, callousness and adversarial posturing.

22. I swear this affidavit in support of a motion for, *inter alia*, a representation Order permitting Rochon Genova LLP to act on behalf of the Nortel LTD employees who oppose the Settlement Agreement, an adjournment of the Settlement Approval Hearing and/or, in the alternative, to oppose the Settlement Agreement, and for no other purpose.

SWORN BEFORE ME at the)
Village of Plevna, in the)
Province of Ontario, this)
2nd day of March, 2010.)


A Commissioner for Taking Affidavits



JENNIFER DUHAMEL
Deputy Clerk
Twp. of North Frontenac
Commissioner, etc.