

**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 JOSEE MARIN
(Sworn March 2, 2010)**

I, JOSEE MARIN, of the City of Vankleek Hill, in the Province of Ontario,
SOLEMNLY AFFIRM AS FOLLOWS:

1. I am an employee of Nortel Networks Corporation, am currently on long-term disability benefits ("LTD"), am directly affected by the outcome of the proceedings herein, 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.

Introduction

2. I am an employee of Nortel Networks Limited ("Nortel") and am currently not working due to illness in respect of which I receive long term disability ("LTD") income benefits. I have been receiving LTD income benefits from Nortel since the fall of 2005 although I have been disabled since March 13, 2002.

3. I am part of the Canadian Nortel Employees on Long Term Disability ("CNELTD") internet group which had the purpose of organizing all non-unionized employees receiving or entitled to receive disability income benefits by or through Nortel ("The LTD Beneficiaries") and who are represented by Koskie Minsky LLP ("KM"). This internet Yahoo! group was deemed to be the only official channel through which to receive legal information and to discuss and submit our questions or concerns.

4. I am also a member of RFNDE (Rights for Nortel Disabled Employees) which is a different internet group born of the need to discuss and share information freely in order to get answers about our situation and its possible solutions. The creation of this second group was necessary because we felt that the CNELTD was being censored and controlled by our Court-appointed representative, Sue Kennedy, and the Legal Steering Committee ("LSC"), rendering impossible any open communication between members.

5. I am submitting this affidavit on my behalf and on behalf of others members of CNELTD and RFNDE. The purpose is to give important information to this Court regarding the situation within the LTD group which might otherwise be overlooked.

Personal Circumstances

6. I am a 41-year old single mother and reside in the City of Vankleek Hill, Ontario.

7. Before becoming ill in 2002, I was an active mother who lived a modest but happy existence. At that time, I had to deal with the diagnosis of being maybe disabled for life. Four years of my life were spent in hardship because Nortel refused to pay my LTD, all that time I had to cope with the fact I was disabled and try to adapt to the new me.

8. I drove my parents into hardship with me and my father is still today feeling the pain. I learned at the time that my son was also sick, and he suffers from kidney disease, has pulmonary scarring that causes his oxygen to be obstructed and his heart is enlarged.

9. I suffer from numerous medical conditions which leave me completely disabled from any gainful employment. I am environmentally sensitive, which means that I can't live just anywhere or my condition will deteriorate. I also suffer from scleroderma which is a terminal illness that causes the collagen under the skin to harden, eventually causing a mummification of all the organs in the body and ultimately results in death.

10. I also suffer from Crohn's disease which is an inflammatory bowel disease that is aggravated by stress. In addition, I suffer from anaphylaxis, which is an allergic reaction (can be triggered by environment, food, etc.) which triggers an inflammatory response in the whole body and can lead to death in a matter of minutes if not immediately treated with antihistamine and epinephrine injections.

11. In addition, I suffer from asthma, orthostatic intolerance, cardiac arrhythmia, chronic fatigue and fibromyalgia. I am in pain all the time and in the last year my condition has started to worsen as a result of unbearable stress.

12. My LTD benefit provides me with approximately \$35,00 per annum. I still have a student loan that I am repaying at the rate of \$140 per month and my medical expenses that are not covered by my medical plan average \$700 per month out-of-pocket. I am currently living in a small modest home built to suit my physical and medical needs. Without my LTD benefits, I am going to be put in a situation where I will be unable to survive.

The Process Has Been Unfair

13. The representation of our LTD group has never been democratic. Sue Kennedy was appointed by the Court without having been elected to represent the group. In my view, Sue Kennedy was unable to accomplish the task (for example, questions from LTD employees for KM were not conveyed by her in a timely manner and were not thoroughly

followed up). She had too much work and her actions were causing us to worry about our representation. Although we asked KM to get more representatives appointed, they refused to do so.

14. I wrote a letter to KM in September, 2009 because at the time the opt-out date was about to pass and still we had not received answers to our most of our important questions. I requested that one more representative be appointed for the group. I also asked about which avenues KM was pursuing on our behalf, and inquired about such matters as why wouldn't we block the sales, whether Nortel could sell its tax credit to a purchaser for a lower price in order to generate revenues like in the Eaton's case, among other matters. I was also in doubt about KM representing both us and the Nortel pensioners at the same time, because I saw conflicts of interest in their representation for many reasons.

15. I did not receive an answer. I received a comment from Susan Philpott from KM stating they disagreed with my comments. From that point forward, we had even greater doubts and concerns related to KM's representation of our interests.

16. On September 28, 2009 Sue Kennedy made a call for volunteers in order to organize a legal steering committee of the CNELTD. We asked how the committee would be created once people had volunteered and we were told that she, Sue Kennedy, would choose the members and that no voting would take place.

17. We did not know who volunteered since the process was kept secret. The process involved sending an e-mail to Johanne Berube and soon after, Sue Kennedy announced who had been chosen. Among the members of the selected LSC was a pensioner who was not an LTD employee. Many people in the CNElTD disagreed with this appointment, as membership in the CNElTD was contingent upon receiving LTD benefits. Many people also expressed concern about the fact that decisions of this committee would not be subject to a vote.

18. As a result of these concerns, a poll was set up on the CNElTD website and the result showed that 70% of the members wanted an elected LSC. Sue Kennedy did not agree, and things started to go from bad to worse from that moment.

19. Since we had no democratic process, everything was controlled by Sue Kennedy and as time passed, tension and frustrations increased. The decision-making process was controlled by one person, and we were denied access to important information. In fact we were told that even though only Sue Kennedy had signed a non-disclosure agreement, and while information was shared with all members of the LSC, the rest of the CNElTD group was not allowed to share the same information and knowledge.

20. We were not happy to be shut out from the process; we had no input, no information and, as a result, no power over our own future. We had no say in the decisions, received no answers to our questions and were denied access to information that we have been

requesting since last summer. As a result, in January, 2010, the situation within the group became so unbearable that many people asked for the resignation of Sue Kennedy.

21. In mid-January, 2010, the message board on the CNELTD website became not only moderated but also censored. Many members were “moderated” and now one member has been removed from the message board and many other members have been prevented from posting by Sue Kennedy. KM has been apprised of this situation and is nonetheless supporting her action.

22. This is now an unbearable situation, since we are prevented from sharing information among all members. I found out recently that Sue Kennedy has a private list of members that do not show on the CNELTD website and who are therefore deprived of the information that has been shared by the group from the beginning. Those individuals are unaware of the information we have been sharing and we are unaware of their information. It is a complete disconnect among members with the same interests who should be pooling resources, not dividing them.

23. Many people who are French (unilingual) have been in the dark regarding the situation of their LTD benefits and the effect of the Settlement Agreement because they received English letters and did not understand what was said. A few of them only learned that they were going to lose their LTD benefits last week when a French mailing was sent out. Many of them did not know what the Settlement Agreement meant anyway,

since they were kept uninformed until last week.

24. On the website of the Monitor, only the "Lettre d'avis" and the "Avis de Comparution" were in French until a couple of days ago and we could not open them on the French site, only on the English site where they also appear. Just yesterday, I noticed that the "Entente de règlement" was also in French. It must be noted that all the other reports on the website are unilingual English only.

25. In addition, many people who do not possess a computer were unable to learn about the Settlement Agreement since only a part of it was sent in the "Notice letter". Further, some people only received the Notice Letter last week making it hard for them to get all the information regarding the Settlement Agreement and next to impossible to obtain a "Notice of Appearance" form by mail, since the timeframe was too short. I personally mailed some forms to people who don't have computers.

The Settlement Agreement is Unfair

26. On February 8, 2010, we were informed about the Settlement Agreement and this came as a shock to us, as we had been unaware that negotiations were even taking place.

27. What we have been able to understand about the Settlement Agreement is devastating. We feel that our interests have been sacrificed to those of the pensioners, without leaving us with any means to pursue avenues of redress against the ones

responsible for the lack of funds in the HWT.

28. Initially, no information about the status of the HWT was disclosed to us by KM. We first obtained information about the HWT only in the November 30, 2009 32nd Report of the Monitor, and we have only been granted access to some information about the true financial circumstances of the HWT since the announcement of the Settlement Agreement. Now that we know the HWT is ours and not an asset of Nortel, we also know there was no valid reason not to disclose it to us, the beneficiaries.

29. We have also been led to believe by KM that there was no possible recourse regarding our insurance or the underfunding of the HWT, however, many such avenues that were deemed to be without merit by KM are now in the Settlement Agreement as released claims and subject to complete procedural bars.

30. We just found out in the 39th report of the Monitor that money was missing from our HWT, and we want to know what happened to it. Since we are still missing complete information regarding the financial aspects of the HWT it is critical that an audit be done before any consideration is given to approving the Settlement Agreement.

31. If the Settlement Agreement of February 8th, 2010 is implemented, there will be tragic consequences. I, for one, will be left homeless since I already live on just 70% of my salary or approximately \$35,000. From the numbers provided by Segal actuaries

regarding the Health and Welfare Trust (“HWT”) and if I understand them correctly, the proposed distribution seems to be in the 30% range.

32. That would leave me with an average of \$1,300 per month from all combined sources of income (LTD and CPP) without any certainty of receiving anything further before the age of 65. I already have just enough money to get by with \$35,000 per year.

33. When I bought insurance coverage with Nortel it was presented as being a very secure investment and so I subscribed because it was my duty as a single parent to protect myself while I was young and healthy, to make sure that if something did happen to me, my son would be secure, at least financially.

34. If I had known that this insurance was from Nortel alone and not from Clarica/Sun Life and therefore not secured, never would I have jeopardized my family security. I would have bought insurance somewhere else; if it is not secure, it is not insurance, it is a lottery.

35. Now it is too late, as I am uninsurable for the rest of my life. I have no way of getting a life insurance policy let alone LTD insurance. The prejudice is serious and there is no remedy possible. I have inquired about the possibility of converting with Sun Life, but the cost of \$300 per month is prohibitive and offers only a fraction of the protection I have right now.

36. I won't survive if I do not have the means to have a roof over my head and get medical care. I am a single mother of 41 years who raised a boy on her own and studied and worked hard. I even received a certificate from Nortel for saving with my team hundreds of thousands of dollars in the move and reassignment of material to lab 10 in Ottawa, where I worked as a lab technologist.

37. And yet, today, I am about to be thrown into hardship but this time for the rest of my life since I would not be expected to live until I am 65. All I ask for is to live the remaining years of my life in peace and die with dignity.

38. Because we were denied the right to be represented by a democratic process that led to this Settlement Agreement being executed by Sue Kennedy, her signature should only bind her, since the entire process has been based on one person's opinion only.

39. Based on all the information mentioned in this affidavit, I believe that we should be given the right - and the right amount of time - to completely review the Settlement Agreement and all the related documentation in consultation with counsel of our choosing and any further expertise that they recommend.

40. I do not believe that the Settlement Approval Hearing should proceed until we have been given that opportunity, however, if we are not given the requested adjournment or the appointment of Rochon Genova LLP as counsel for us, I request that this affidavit be received as my formal objection to the Settlement Agreement.

41. I swear this affidavit in support of a motion for, *inter alia*, a representation Order permitting Rochon Genova LLP to act on behalf of all 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.

AFFIRMED BEFORE ME at the City
of Vark Lake Hill Province of Ontario
this 2nd day of March 2010

A Commissioner for Taking Affidavits

Ashleigh Diane Tolhurst, a Commissioner, etc.,
Province of Ontario, for Robert E. Tolhurst,
Barrister and Solicitor. Expires April 23, 2012.

JOSEE MARIN