

Ministry of Consumer Services
Policy and Consumer Protection Services Division
777 Bay Street, 5th Floor
M7A 2J3

**Assistant Deputy
Minister's Office**

Fax

To: Joel P. Rochon, Rochon Genova, LLP **From:** Claudette Cameron-Stewart - on behalf of
Barristers Frank Denton

Fax: 416-363-0263 **Pages:** 3 including cover

Phone: 416-326-8578 **Date:** July 18/11

Re: **CC:**

Urgent For Review Please Comment Please Reply Please Recycle

• Attached please find response from Frank Denton, Assistant Deputy Minister, Policy and Consumer Protection Services Division, Ministry of Consumer Services to your letter of June 10, 2011 on behalf of former employees of Nortel Networks Inc.

Please be advised that the original signed version will follow immediately by regular Canada Post mail.

If there are any questions, please feel free to call Claudette at 416-326-8578 or Samantha Pinto at 416-326-8590. Thank you.

Claudette

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Office of the Assistant Deputy Minister

Policy and Consumer Protection
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July 18, 2011

Joel P. Rochon
Rochon Genova, LLP
Barristers
121 Richmond Street West, Suite 900
Toronto ON M5H 2K1

Dear Mr. Rochon,

The Minister of Consumer Services has asked me to respond to your letter of June 10, 2011 on behalf of former employees of Nortel Networks Inc.

I am also writing to follow up on our meeting of July 15th to confirm the Ministry's position with respect to a complaint filed under the *Consumer Protection Act, 2002* (CPA) against Nortel Networks Inc. and Sun Life Financial, alleging unfair practices in the form of misleading or deceptive misrepresentations about disability insurance benefits.

In your letter, you requested that the Ministry of Consumer Services take action under the CPA with respect to a complaint filed by four of your clients against Nortel Networks Inc. and Sun Life Financial, alleging unfair practices in the form of misleading or deceptive misrepresentations about their disability insurance benefits. It is your view that the disability insurance supplied to Nortel's employees was supplied under a "consumer agreement" and is a "consumer transaction" within the meaning of the CPA. It is further your position that the provision of disability insurance does not fall within the exception for financial products or services set out in the CPA and therefore the claim would not be excluded on that ground.

The CPA is intended to regulate transactions between individual consumers and suppliers for goods and services, with a view to promoting a fair and balanced marketplace. It is not intended to regulate terms and conditions of employment or address disputes arising in the context of the workplace relationship. The provision of benefits in the context of an employment relationship would not be within the scope and purpose of the CPA. Your clients' claim against Nortel Networks Inc. and Sun Life Financial arises in the context of their status as former employees of Nortel Networks. It is the Ministry's position that the former employees' complaint is not in relation to a consumer transaction within the meaning of the CPA and is outside the jurisdiction of the CPA. Accordingly, the Ministry will not be commencing an investigation into your clients' complaint.

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I regret that the Ministry is unable to provide further assistance in this matter.

Thank you for sharing your clients' concerns with us.

Sincerely,



Frank E. Denton
Assistant Deputy Minister