

Urquhart

Subject: FW: Nortel Disability Insurance - Report on Evidence of Misrepresentations & Impact of the Nortel Intellectual Patents' Sale
Attachments: Report on Misrepresentation Evidence.pdf; Email to Ontario Ministry of Consumer Services Staff from Urquhart July 12, 2011.pdf

From: Urquhart [mailto:urquhart@rogers.com]

Sent: July-12-11 10:53 AM

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Subject: Nortel Disability Insurance - Report on Evidence of Misrepresentations & Impact of the Nortel Intellectual Patents' Sale

July 12, 2011

George Ross, Deputy Minister of Consumer Services

Frank Denton, Assistant Deputy Minister, Policy and Consumer Protection Services

Phil Simeon, Executive Assistant

Barbara Duckitt, Director Consumer Protection Branch

James Girling, Director Legal Services Branch

Please find attached and at the link below a "**Report on Misrepresentations Evidence.**" This is the evidence of unfair practices relating to the disability insurance supplied by Nortel and Sun Life, or its predecessor insurance companies. The unfair practices are in the form of false, misleading and deceptive disclosure on disability insurance supplied to the Nortel employee consumers.

[Report on Misrepresentation Evidence July 11, 2011](#)

I compiled this evidence from documents filed in the Ontario Superior Court of Justice Nortel CCAA Proceeding and from various Dissenting Nortel Disabled Former Employees.

James Girling communicated in our June 15th meeting that he expected we had the evidence of Nortel's and Sun Life's unfair practices in the form of false, misleading and deceptive disclosure on disability insurance supplied to the Nortel consumer employees. **I am following up today with this**

Report on Evidence of Misrepresentations to show you the conspicuously offensive nature of the misrepresentations made to the Nortel employee consumers on their disability insurance.

You have no doubt heard about the windfall gain that Nortel has received in the \$4.5 billion sale proceeds for its 6000 intellectual patents. This sale was approved by the U.S. Chapter 11 and Canada CCAA courts on July 11, 2011. I have completed a financial analysis of expected Nortel cash settlement ratios for the three country estates and also the settlement \$ amounts for the Nortel Canada disabled under various scenarios. My financial analysis is found at the following link.

[Nortel Cash Settlement Ratios & Supporting Spreadsheet - Urquhart July 11, 2011](#)

The Nortel global estate cash settlement ratio average is estimated to be about 73%, if all unsecured creditors in the three country estates have an equal cash settlement ratio. However, this is an unlikely outcome due to the U.S. Unsecured Creditor Committee and U.S. Ad Hoc Bond Owners Committee controlling the process and negotiations. Canada's Ernst & Young Court Monitor, Goodmans LLP and Koskie Minsky LLP have been unable to provide effective opposition to these powerful creditor groups.

The Canada Estate cash settlement ratio is apt to be much lower, at about 30% or less, unless there is government intervention. We are likely to have the egregiously unjust situation where the US bond owners are made whole, or close to whole, in just about every negotiated scenario, while the Nortel disabled former employees receive an about 50% cut of their Nortel disability income. An Ontario Consumer Protection Act investigation and charges laid on Nortel and Sun Life for their unfair practices in the form of false, misleading and deceptive disclosure on their disability insurance would address this injustice and demonstrate that the Ontario Government enforces its consumer protection legislation. The misrepresentations of the disability insurance regulated under the jurisdiction of the Ontario Consumer Protection Act have caused financial distress for the Nortel disabled former employees. The financial and mental stress associated with the abuse of them is so much, that some have already died prematurely.

As noted in Justice Geoffrey Morawetz's June 28, 2011 endorsement at the link below, time is not on the side of the former employees. He says: "This issue is international in scope. It is also a public-interest issue. A protracted delay in resolving the impasse surrounding allocation is highly prejudicial to this group."

[Endorsement J. Winkler as Mediator for CCAA Settlement June 28, 2011](#)

Sincerely

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COMPLAINT TO ONTARIO MINISTRY OF CONSUMER AND BUSINESS SERVICES

[Report on Misrepresentation Evidence July 11, 2011](#)

[Cover Letter to Minister of Consumer Services John Gerretsen May 30, 2011](#)

[Complaint Application to Ontario Consumer Services Ministry May 30, 2011](#)