

**Juroviesky and Ricci LLP Media Release**  
**Nortel Terminated Employees Protecting Their Severance and Adding Value During CCAA Proceedings**  
**Tuesday, March 24, 2009, 7:00 P.M.**

Henry Juroviesky of Juroviesky and Ricci LLP and Independent Financial Analyst, Diane Urquhart, are hosting a Second Webinar on their Plan for Nortel Terminated Employees to Gain Leverage in the CCAA Proceedings

Date: Wednesday, March 25, 2009, 3:00 PM - 4:30 PM EDT

To register for our Webinar on Wednesday, March 25, 2009, please visit the link below and follow instructions.

<https://www2.gotomeeting.com/register/585229926>

More Details At: <http://www.jruslaw.com/classactions/nortelccaa/>

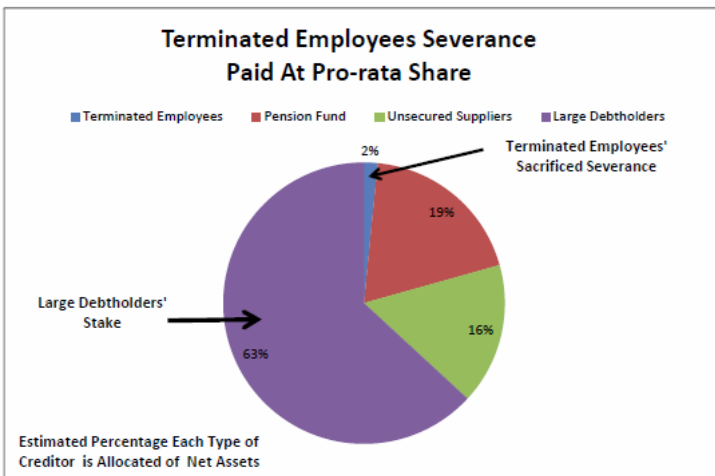
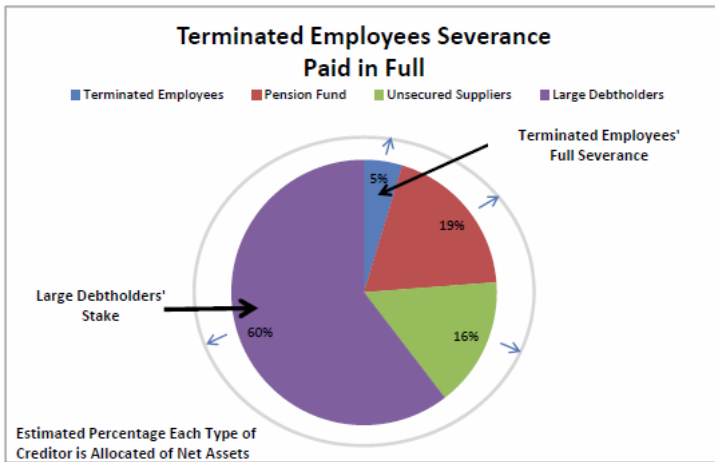
Nortel's CCAA lawyer Derrick Tay says, "The reality is that this company needs to downsize. There is no question about that. This company could not afford the severance costs associated with this downsize, which is why it could not be downsizing outside of this formal proceeding."

<http://www.cbc.ca/mrl3/8752/asithappens/20090320-aih-1.wmv>

This webinar discusses how the Nortel Key Executive Incentive Plan (KEIP) has been designed to provide incentives to the senior executives to maximize the size of Nortel's net assets and guide Nortel out of bankruptcy as swiftly as possible.

The first webinar featured how Juroviesky and Ricci LLP is preparing a motion to become the Representative Counsel for Nortel's Canadian terminated employees owed termination and severance pay. There is now a Steering Committee appointed to direct Juroviesky and Ricci LLP in the implementation of its CCAA legal plan.

The Juroviesky and Ricci LLP legal plan is to assist Nortel management in getting the company out of bankruptcy as swiftly as possible for the benefit of the Large Debtholders' Stake. This is best achieved by Nortel senior executives negotiating the payment of full severance, so that the Canadian terminated employees group is able to use its headcount majority in an omnibus class of unsecured creditor voters, or in its own separate class of creditor



voters, to facilitate the approval of the CCAA restructuring plan. The Canadian terminated employees would like the Large Debtholders and unsecured suppliers to benefit from Nortel becoming downsized and a focused ongoing concern.

### Background

If Nortel senior executives wisely change their stance and decide to pay the full severance of the Canadian terminated employees, the Large Debtholders' Stake is estimated to be about 60% of the net assets. The Large Debtholders' Stake is reduced by only a minor amount in order to provide for the equitable payment of severance owed to the Canadian terminated employees. The Large Debtholders have agreed to pay senior executives 25% of the KEIP for cutting costs, including not paying severance pay, 25% for creating a lean and focused ongoing concern, and 50% for getting out of CCAA and Chapter 11 court protection. Senior executives are going to have difficulty achieving the last objective of getting the company out of CCAA bankruptcy protection, due to our estimate that Canadian terminated employees owed severance have the majority of headcount votes and are angry about not having their severance paid. They now know that senior executives will get paid more bonus, if they agree to accept less severance pay.

Canadian terminated employees may also be of assistance to Nortel senior executives in accomplishing additional value for the Large Debtholders' Stake. Canadian terminated employees can use their majority voting leverage, and position the group to be paid out first, with limited dollar consequences for the Large Debtholders. The Federal Government is apt to be willing to work on creative ideas for the deployment of the estimated \$2.5 billion of Canadian-based R & D tax credits and prior period tax loss carry forwards, when the Canadian terminated employees are constructively involved and benefit from the process.

Diane Urquhart will speak about Nortel's decision to enter bankruptcy protection placing a significant burden on the Federal Government's Employment Insurance Fund and on foregone income taxes for the Federal and Provincial Governments. Nortel not paying estimated \$104 million of severance pay to the estimated 1,100 Nortel Canadian terminated employees will cost the Federal EI Fund about \$20 million and the Federal and Provincial Governments foregone income tax revenues of \$34 million. The combined sum of additional government burden is \$54 million. The KEIP and KERP (Key Employees Retention Plan) Plans expect to pay bonuses of \$45 million during the bankruptcy protection period.

For additional information, please contact:

Henry Juroviesky, Barrister and Solicitor  
Juroviesky and Ricci LLP  
(Foreign Legal Consultants, Authorized to Practice U.S. Law)  
Suite 904, 4950 Yonge Street,  
Toronto, Ontario M2N 6K1  
416.646.7877 (Direct Dial)  
416.481.1792 (Fax)  
[hjuroviesky@jruslaw.com](mailto:hjuroviesky@jruslaw.com)

Diane A. Urquhart  
Independent Financial Analyst  
1486 Marshwood Place,  
Mississauga, Ontario, L5J 4J6  
905.822.7618 (Office)  
416.505.4832 (Mobile)  
[urquhart@rogers.com](mailto:urquhart@rogers.com)