

THIS IS TO CERTIFY THAT THIS DOCUMENT, EACH PAGE OF WHICH IS STAMPED WITH THE SEAL OF THE SUPERIOR COURT OF JUSTICE AT TORONTO, IS A TRUE COPY OF THE DOCUMENT ON FILE IN THIS OFFICE

LA PRÉSENT ATTEST QUE CE DOCUMENT, DONT CHAQUE DES PAGES EST REVÊTUE DU SCEAU DE LA COUR SUPÉRIEURE DE JUSTICE A TORONTO, EST UNE COPIE CONFORME DU DOCUMENT CONSERVÉ DANS CE BUREAU

DATED AT TORONTO THIS
FAIT A TORONTO LE

DAY OF November 2008
JOUR DE

REGISTRAR

GREFFIER

Court File No. 02-CL-4605

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE CHIEF JUSTICE
JUSTICE WARREN K. WINKLER

) Tuesday, THE 28 DAY
) OF October, 2008

BETWEEN:

LESLIE FROHLINGER

Plaintiff

- and -

NORTEL NETWORKS CORPORATION, JOHN ANDREW ROTH,
FRANK DUNN, F. WILLIAM CONNER, CHAHRAM BOLOURI,
WILLIAM R. HAWE and DELOITTE & TOUCHE LLP

Defendants

Proceeding under the *Class Proceedings Act, 1992*

ORDER

(APPROVING DISTRIBUTION OF CLASS SETTLEMENT PROCEEDS TO CERTAIN PREVIOUSLY DISPUTED OR LATE CLAIMANTS)

THIS MOTION made by the Plaintiff for an Order, *inter alia*, approving the distribution of class settlement proceeds to certain previously Disputed Rejected Claims (defined *infra*) who are part of the Ontario National Class and to claimants who submitted claims after December 5, 2007 whose claims are otherwise acceptable, was read this day at Toronto, Ontario.

WHEREAS, by Order dated January 18, 2007, this Court, following a duly-noticed fairness hearing in the above-captioned action (the "Action"), approved the terms of the Stipulation and Agreement of Settlement (Nortel I) dated June 20, 2006 (the "Stipulation") and

the proposed plan of allocation in connection with the global settlement of the Action and certain related actions in the United States and Canada;

WHEREAS, the United States District Court for the Southern District of New York, the Superior Court of Québec, and the Supreme Court of British Columbia have each entered Orders approving the Stipulation, which Orders have become Final and are no longer subject to appeal;

WHEREAS, by Order dated March 26, 2008, this Court approved the initial distribution of class settlement proceeds and directed distribution of all the Net Settlement Shares and 90% of the Net Cash Settlement Fund to the Accepted Claimants¹ who are members of the Ontario National Class forthwith in accordance with the administrative determinations of the Claims Administrator, The Garden City Group, Inc. (“GCG”); and that after such distribution any subsequent payments and/or distributions shall be payable solely from any cash remaining in the Net Cash Settlement Fund (the “Initial Distribution Order”);

WHEREAS, the United States District Court for the Southern District of New York, the Superior Court of Québec, and the Supreme Court of British Columbia each entered concurring orders approving the distribution contemplated by the Initial Distribution Order (the “Initial Class Distribution Orders”);

WHEREAS, on May 8, 2008, GCG mailed checks to the Accepted Claimants, and on May 9, 2008 Nortel’s transfer agent commenced issuing the Net Settlement Shares to the Accepted Claimants, and to Plaintiff’s Counsel;

¹ As defined in the Initial Distribution Order.

WHEREAS, pursuant to the Initial Distribution Order, Plaintiff's Counsel and GCG made efforts to finally resolve the Disputed Rejected Claims² and, as of July 24, 2008, all of the Disputed Rejected Claims, save one, were resolved, with 142 of the previously Disputed Rejected Claims being cured or found to be acceptable (the "Cured Disputed Claims") with a total Recognized Claim of \$669,496.57³ and entitlement to a total payout of \$75,494.77 (including \$28,630.01 in cash-in-lieu-of Settlement Shares valued at \$8.0823 per share⁴), the remaining Disputed Rejected Claims having been provided with a fulsome letter describing and explaining the reasons why their particular claims had been rejected, and if appropriate providing them with another opportunity to cure any defects in their claim or to request a further review by the Court; only one Disputed Rejected Claim, the claim of VantagePoint Venture Partners 1996, has sought any further review, such request for review directed to the United States District Court for the Southern District of New York, which claim is being considered separately;

WHEREAS, as of July 24, 2008, an additional 101 newly submitted (i.e. late) Proofs of Claim had been received by the Claims Administrator after December 5, 2007 which are otherwise acceptable and represent a total Recognized Claim amount of \$6,750,715.98 and would be entitled to a total payout of \$761,234.31 (including \$288,684.19 in cash-in-lieu-of Settlement Shares) but were barred from acceptance under the Initial Distribution Order and concurring orders. Plaintiffs' Counsel do not object to the acceptance of these late claims, and

² As defined in the Initial Distribution Order.

³ All dollar amounts set out herein are in U.S. dollars.

⁴ Calculated as an amount of cash equal to the value of such shares using the volume-weighted average price of Nortel's common stock, as reported on the New York Stock Exchange, for the period starting on the first trading day after May 9, 2008, when Nortel's transfer agent commenced physical delivery of Net Settlement Shares to Accepted Claimants, and ending ten (10) trading days thereafter.

the United States District Court for the Southern District of New York indicated at a July 24, 2008 conference that such claims should be accepted although providing that there must be a final deadline at this point; and

WHEREAS, on September 2, 2008, the United States District Court for the Southern District of New York granted an Order Approving Distribution of Class Settlement Proceeds to Certain Previously Disputed or Late Claimants, which order is subject to the issuance of concurring orders by each of the Canadian courts.

ON READING the submissions of Ontario National Class Counsel, subject to the issuance of concurring orders by the Superior Court of Quebec and the Supreme Court of British Columbia,

1. **THIS COURT DECLARES** that for the purposes of this Order, defined terms not defined herein shall have the meaning assigned to them in the Stipulation unless otherwise indicated;
2. **THIS COURT ORDERS** that the Cured Disputed Claims are approved and shall be paid forthwith in cash the equivalent amount of their Recognized Claims that has been paid to the Accepted Claimants pursuant to the Initial Class Distribution Orders, provided that for each Settlement Share that would have been awarded had such Claim been paid previously, the Claimant shall be paid \$8 0823 in cash;
3. **THIS COURT ORDERS** that the 101 otherwise acceptable but late claims submitted from December 5, 2007 through July 24, 2008 (as well as any other such claims as determined

by Plaintiff's Counsel and GCG provided they were received by GCG on or before July 24, 2008) are approved and shall be paid forthwith in cash the equivalent amount of their Recognized Claims that has been paid to the Accepted Claimants pursuant to the Initial Class Distribution Orders, provided that for each Settlement Share that would have been awarded had such Claim been paid previously, the Claimant shall be paid \$8.0823 in cash;

4. **THIS COURT ORDERS** that cash distributions that are addressed to Canadian addresses shall be issued forthwith in Canadian dollars, and all other cash distributions will be issued in U.S. dollars, and GCG is authorized to convert sufficient U.S. dollars in the Net Cash Settlement Fund to Canadian dollars to make the Canadian dollar payments, and the cash distributions made to Canadian addresses shall be based upon the exchange rate received by GCG upon such conversion;

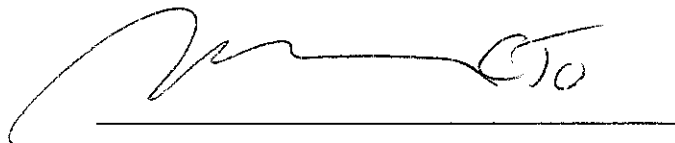
5. **THIS COURT ORDERS** that jurisdiction is retained by the Court to consider any further appropriate applications concerning claims by Ontario National Class members that are submitted to GCG asserting that the payment provided in the initial distribution was incorrect, or relating to payments to GCG or plaintiff's counsel or the administration of the Settlement as it relates to this Action and members of the Ontario National Class;

6. **THIS COURT ORDERS** that, except as may be provided herein, no Proof of Claim initially submitted by any Ontario National Class member after July 24, 2008 may be accepted.

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

NOV 04 2008

PER/PAR:



FROHLINGER v. **NORTEL NETWORKS CORPORATION et al.**
(Plaintiff) (Defendants)

**ONTARIO
SUPERIOR COURT OF JUSTICE**

PROCEEDINGS COMMENCED AT
TORONTO

ORDER

ROCHON GENOVA LLP
Barristers • Avocats
121 Richmond Street West, Suite 900
Toronto, Ontario M5H 2K1

Joel P. Rochon (LSUC#: 28222Q)
Tel.: (416) 363-1867
Fax: (416) 363-0263

LERNERS LLP
Barristers & Solicitors
130 Adelaide Street West, Suite 2400
Toronto, Ontario M5H 3P5

Peter R. Jervis (LSUC#: 22774A)
Tel.: 416-867-3076
Fax: 416-867-9192

Co-Counsel for the Plaintiff