

**IN THE MATTER OF THE SECURITIES ACT
R.S.O. 1990, c. S.5, AS AMENDED (the "Act")**

- and -

**IN THE MATTER OF
CERTAIN DIRECTORS, OFFICERS AND INSIDERS OF
NORTEL NETWORKS CORPORATION AND NORTEL NETWORKS LIMITED
(BEING THE INDIVIDUALS AND ENTITIES LISTED
IN SCHEDULE "A" HERETO)**

ORDER

(Paragraph 127(1)2)

WHEREAS on May 17, 2004, each of the individuals and entities listed in Schedule "A" (individually, a "Respondent" and collectively, the "Respondents") were notified that the Director made an order (the "Temporary Order") that day under paragraph 2 of subsection 127(1) and subsection 127(5) of the Act that the Respondents cease trading in any securities of Nortel Networks Corporation ("NNC") and Nortel Networks Limited ("NNL") for a period of 15 days from the date of Temporary Order;

AND WHEREAS the Respondents were notified that a hearing would be held to determine if it would be in the public interest to make an order under paragraph 2 of subsection 127(1) of the Act that the Respondents cease trading in any securities of NNC and NNL permanently or for such period as is specified in the order;

AND WHEREAS the hearing was held on the 31st day of May, 2004;

AND UPON hearing the following evidence:

1. Each of NNC and NNL is incorporated under the *Canada Business Corporations Act* and is a reporting issuer in the Province of Ontario.

2. Each of the Respondents is, or was, at some time since the end of the period covered by the last financial statements filed by NNC and NNL, namely September 30, 2003, a director, officer or insider of NNC or NNL and during that time had, or may have had, access to material information with respect to NNC and NNL that has not been generally disclosed.
3. On April 28, 2004, NNC issued and filed on SEDAR a press release disclosing that each of NNC and NNL will restate the financial results reported in each of the quarterly periods of 2003 and for earlier periods including 2002 and 2001 and will be delayed in filing its annual financial statements for the year ended December 31, 2003 by the required filing date under Ontario securities law, namely May 19, 2004 and its interim statements for the first quarter ended March 31, 2004 by the required filing date under Ontario securities law, namely May 15, 2004.
4. Each of NNC and NNL has failed to file its interim statements for the three-month period ended March 31, 2004 as required to be filed under Ontario securities law on or before May 15, 2004.
5. Each of NNC and NNL further failed to file its annual financial statements for the year ended December 31, 2003 as required to be filed under Ontario securities law on or before May 19, 2004.
6. As of the date of this order, NNC and NNL have not restated the financial results reported in each of the quarterly periods of 2003 and for earlier periods including 2002 and 2001 and have not filed their interim statements for the three-month period ended March 31, 2004, nor their annual financial statements for the year ended December 31, 2003.

AND WHEREAS the Commission is of the opinion that it is in the public interest to make this order;

IT IS ORDERED under paragraph 2 of subsection 127(1) of the Act that all trading, whether direct or indirect, by those persons listed in Schedule "A" in the securities of NNC and NNL shall cease until two full business days following the receipt by the Commission of all filings NNC and NNL are required to make pursuant to Ontario securities law.

DATED at Toronto, this 31st day of May, 2004.

"Paul M. Moore"
Paul M. Moore

"M. Theresa McLeod"
M. Theresa McLeod

"Wendell S. Wigle"
Wendell S. Wigle

Schedule "A"

2158-4933 Quebec Inc.
Adam, Herve
Auriol, Helene Marie Jacqueline Madeleine
Barnes, Debbie
Barrios, Alvio
Beatty, Douglas Charles
Bejar, Martha Helena
Bhatnagar, Atul
Biard, James Anthony
Bifield, Allan
Bischoff, Dr., Manfred
Biston, Alain Mathieu Pierre
Blanchard, James Johnston
Boggs, David Wood
Bolouri, Chahram
Borowiecki, Thomas Julian
Brown, Robert Ellis
Browne, Peter Eldon
Buffett, David Alan
Byrd, Richard Andrew
Callaghan, Barbara Rose
Carbone, Peter John
Casamitjana-Cucurella, Jordi
Cervantes, Victor
Champagne, Jean
Chan, Hung Cheong (Sidney)
Chronowic, Peter
Cleghorn, John Edward
Clement, Michel
Clemons, Stephen Wayne
Collins, Malcolm Kevin
Connor, Daniel
Cooper, Helen Louise
Cote, Dennis John Gerard
Cozyn, Martin Albert
Cross, Mary Mcgehee
Cuesta, George Julio
Dadyburjor, Khush Sam
Davies, Gordon Allan
Debon, Pascal
Decardenas, Alfredo Tomas
Deroma, Nicholas John
Di Giuseppe, Pierfrancesco
Dodd, Randy Kevin

Donoghue, Adrian Joseph
Donovan, William John
Doolittle, John Marshall
Dubois, Claude
Dunn, Frank Andrew
Edwards, Darryl Alexander
Elliott, Stephen Bennett
Esteridge, Winston Sylvester
Farmer, Cecil Gregory
Ferguson, Robert Lindsey Miller
Fisher, Arthur Walter
Fortier, Louis Yves
Gasnier, Michel Roger
Giamatteo, John Joseph
Gibson, David Fraser
Gigliotti, Thomas Andrew
Gold, Ashley
Gollogly, Michael Jerard
Hamilton, Douglas Alexander
Haydon, John Bradley
Hegemann, Holger
Higginbotham, Ernest Ryan
Hitchcock, Albert Roger
Hoadley, John Philip
Holmes, Robert Devon
Hudson, David Victor
Hudson, Vivian Catharine
Ingram, Robert Alexander
Joannou, Dion Constandino
Johnson, Craig Allan
Jones, Stephen Glenn
Kelly, Peter John Anthony
Kerr, William
Khadbai, Abdul Aziz
King, Elena
Kinney, James Brittain
Krebs, Laurie Ann
Langlois, Michael John
Lanier, Gayle La'verne
Lasalle, William Joseph
Lester, Monica Lynne
Lin, Yuan-Hao
Lloyd, Geoffrey James
Lo, Kai Yuen Edmond
Lockhart, Lewis Karl
Lowe, Richard Stephen

Lowe, Tonya Lee
LRW Holdings (Alberta) Ltd.
Mackinnon, Peter David
MacLaren, Peter
Maclean, Roy James
MacLeod, Ross
Manley, John Paul
Mao, Robert Yu Lang
McFadden, Brian William
McFeely, Scott Alexander
McGregor, Douglas James
McMonagle, Angela Marie
Megura, Walter
Michaelides, Douglas Walter
Milan, Norberto
Moore (Pearson), Louise Elizabeth
Morfe Jr., Claudio
Morin, Philippe
Morrison, Blair Fraser
Mumford, Donald Gregory
Murash, Barry
Murashige, David Hilliker
Murphy, Peter Michael
Newcombe, Peter James
Noble, Deborah Jean
O'Flynn, Michael Joseph
Owens, William Arthur
Pagani, Marco
Pahapill, Maryanne Elisabeth
Pangia, Michael Anthony
Pecot, Kenneth Wesley
Pierson, Alexander John Briens
Preston, Tony Keith
Pugh, Gareth Alan David
Pusey, Stephen Charles
Quinn, Gordon William
Rea, Jeffrey Leonard
Rhodes, Patrick Alan
Richardson, Clent
Safarikas, Al
Saffell Jr., Charles Raymond
Saucier, Guylaine
Schilling, Steven Leo
Shakespeare, Barry Keith
Sicotte, Luc Paul
Slattery, Stephen Francis

Sledge, Karen Elizabeth
Smith, Sherry Lee
Smith Jr., Sherwood Hubbard
Southern, Barry John
Spradley, Susan Louise
Sproule, Donald Ernest
Stark, Ryan Michael
Stevens, Mark William
Stevenson, Katherine Berghuis
Stoddard, Alan Grant
Stout, Allen Keith
Swanson, Roxann Lee
Tariq, Masood Ahmad
Taylor, Kenneth Robert Wesley
Taylor, Kevin
Tsui, Stephen
Valia, Ashoka
Vazquez Oria, Pablo Abel
Washburn, Robert Peter
Watkins, Timothy Ian
Wheatley, Randolph Osorio
Whitehurst, Jay Floyd
Whitton, Mark James Christopher
Williams, Timothy Louis
Wilson, Lynton Ronald
Wood, Robert Graham
Wood, Steven Victor
Wu, Jang-Shang (Jackson)