



Ontario  
Securities  
Commission

Commission des  
valeurs mobilières  
de l'Ontario

P.O. Box 55, 19<sup>th</sup> Floor  
20 Queen Street West  
Toronto ON M5H 3S8

CP 55, 19<sup>e</sup> étage  
20, rue queen ouest  
Toronto ON M5H 3S8

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**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 PERSONS AND COMPANIES LISTED**

**IN SCHEDULE “A” HERETO)**

**STATEMENT OF ALLEGATIONS OF STAFF  
OF THE ONTARIO SECURITIES COMMISSION**

Staff of the Ontario Securities Commission make the following allegations:

1. Each of Nortel Networks Corporation (“NNC”) and Nortel Networks Limited (“NNL”) is incorporated under the *Canada Business Corporations Act* and is a reporting issuer in the Province of Ontario.
2. Each of the persons and companies listed in Schedule “A” (individually, a “Respondent” and collectively, 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, 2005, a director, officer or other insider of NNC or NNL and during that time had, or may have had, in the ordinary course access to material information with respect to NNC and NNL that has not been generally disclosed.
3. On March 10, 2006, NNC issued and subsequently filed on SEDAR a press release disclosing that each of NNC and NNL will restate their financial results for 2003 and 2004 and for the first nine months of 2005, and will have adjustments for periods prior to 2003 primarily due to revenue incorrectly recognized in prior periods that should have

been deferred to future periods. The press release further indicated that the previously filed financial statements of NNC and NNL for such periods, including the corresponding interim financial statements, and the auditors' reports on the respective annual financial statements should not be relied upon.

4. Each of NNC and NNL is in default of the requirements of Ontario securities law for the reason that the previously filed financial statements of NNC and NNL for such periods do not meet the form and content requirements of Ontario securities law. As of the date hereof, NNC and NNL have not filed financial statements for such periods that meet the form and content requirements of Ontario securities law.
5. It would be prejudicial to the public interest to allow the Respondents to trade in the securities of NNC and NNL until such time as all disclosure required by Ontario securities law has been made by NNC and NNL.
6. It is therefore in the public interest that an order be issued that all trading in and all acquisitions of securities of NNC and NNL, whether direct or indirect, by the Respondents 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.

March 27, 2006

**Schedule "A"**

Abreu, Rodrigo Modesto de  
Ashwood, Christopher Kent  
Auriol, Helene Marie Jacqueline Madeleine  
Barnes, Debbie Lynn  
Barrios, Alvio Silvio  
Bartzokas, Robert John  
Bejar, Martha Helena  
Bennett, Jalynn Hamilton  
Best, Gregory John  
Bhatnagar, Atul  
Biard, James Anthony  
Bifield, Allan  
Birt, Henry Charles  
Bischoff, Dr., Manfred  
Biston, Alain Mathieu Pierre  
Bolouri, Chahram  
Bourland, Deborah Ann  
Brown, Robert Ellis  
Byrd, Richard Andrew  
Cahill, John Francis  
Carbone, Peter John  
Carey, Dennis James  
Casey, Sherleen Pope  
Cervantes, Victor Manuel  
Chan, Man Fat Albert  
Chan, Sidney Hung Cheong  
Chico, Juan  
Chronowic, Peter John  
Cioffi, Anthony  
Cleghorn, John Edward  
Clement, Michel  
Collins, Timothy  
Collins, Malcolm Kevin  
Colantonio, Mary Ellen  
Connelly McGilley, Tracy Sarah Jane  
Connor, Daniel  
Covey, Niel Arthur  
Cozyn, Martin Albert  
Cross, Mary McGehee  
Cuesta, George Julio  
Currie, Peter William  
Dadyburjor, Khush Sam  
Dailey, Frank (Chip)  
DaSilva, Joseph  
Davies, Gordon Allan  
Debon, Pascal  
Decardenas, Alfredo Tomas  
Del Villar, Clara  
Di Giuseppe, Pierfrancesco  
Dodd, Randy Kevin  
Donoghue, Adrian Joseph  
Donovan, William John  
Doolittle, John Marshall  
Downing, David

Drinkwater, David William  
Durling, William  
Durow, Wesley  
Eason, Jeffrey William  
Edholm, Philip  
Edwards, Darryl Alexander  
Ellis, William  
Erkel, Enis  
Farmer, Cecil Gregory  
Flanagan, Joseph  
Fleck, Shawn  
Frisch, Mark Douglas  
Gibson, David Fraser  
Gigliotti, Thomas Andrew  
Glofcheskie, Terry  
Graham, Harold Everett  
Grelck, Kenneth George  
Hackney, Jr., Jesse Joel  
Haydon, John Bradley  
Hea, Jacqueline  
Hegemann, Holger  
Hempel, Karen  
Higginbotham, Ernest Ryan  
Hinz, Lorne (Conrad)  
Hitchcock, Albert Roger  
Hoadley, John Philip  
Holmes, Robert Devon  
Hopkins, Curtis Daniel (Curt)  
House, Paul Richard  
Hudson, David Victor  
Hudson, Vivian Catharine  
Hunt, Jr., James Baxter  
Ingram, Robert Alexander  
Joannou, Dion Constandino  
Jones, Stephen Glenn  
Kales, Michael  
Karr, Paul Wesley  
Kaye, Douglas  
Kelly, Peter John Anthony  
Khadbai, Abdul Aziz  
Khawar, Abdul Majeed  
King, Elena Soldera  
Kokos, Christopher Anthony  
Krebs, Laurie Ann  
Kua, Jolia Kwai Fun  
Lang, Kevin Edward  
Langlois, Michael John  
Lanier, Gayle La'Verne  
LaSalle, William Joseph  
Lechner, Kimberly Susan  
Lee, Anthony Peter  
Lefevre, Kalli  
Lester, Monica Lynne  
Lin, Yuan-Hao  
Lloyd, Geoffrey James  
Lo, Kai Yuen Edmond

Lockhart, Lewis Karl  
Lowe, Richard Stephen  
Lowe, Tonya Lee  
Lupu, Sorin  
MacKinnon, Pierre David  
MacNaughton, John Alan  
Madill, William Robertson  
Malboeuf, Diane  
Manley, John Paul  
Mao, Robert Yu Lang  
Marcellus, Kevin  
Mathers, Lorrie  
McCorkle, Michael Walton  
McCormick, Richard David  
McFadden, Brian William  
McFeely, Scott Alexander  
McGregor, Douglas James  
McIver, Kenneth Robert Lloyd  
McKenna, Don  
Megura, Walter  
Milan, Norberto  
Mondor, Dan  
Morfe, Jr., Claudio  
Morin, Philippe  
Morreale, Jr., Vincent  
Murash, Barry  
Murashige, David Hilliker  
Murphy, Peter Michael  
Myers, Jeffrey  
Newcombe, Peter James  
Osborne, Ronald Walter  
Owens, William Arthur  
Paige, Michael  
Pangia, Michael Anthony  
Pearce, Harry Jonathan  
Pecot, Kenneth Wesley  
Pierson, Alexander John Briens  
Pillow, Timothy  
Praysner, Patrick Eugene  
Pritchard, Alan  
Pugh, Gareth Alan David  
Pusey, Stephen Charles  
Quinn, Gordon William  
Rea, Jeffrey Leonard  
Reid, Robert Edwin  
Renken, David Allen  
Riccitelli, Robert  
Richardson, Ralph Edward Clenton  
Riedel, George Andrew  
Saffell, Jr., Charles Raymond  
Searles, Steven Graham  
Seeto, Richard  
Shepard, Susan Engelke  
Sicotte, Luc Paul  
Slattery, Stephen Francis  
Sledge, Karen Elizabeth

Spradley, Susan Louise  
Steffens, Thomas James  
Stevens, Mark William  
Stevenson, Katharine Berghuis  
Stoddard, Alan Grant  
Stout, Allen Keith  
Swanson, Roxann Lee  
Taylor, Kevin  
Terry III, George William  
Tessy, Leith  
Townley, Jeffrey  
Tsui, Stephen (Shing Tat)  
Valia, Ashoka  
Vazquez Oria, Pablo Abel  
Ventresca, Anna  
Wang, Chuan Shin Tony  
Watkins, Timothy Ian  
Wells, Mary Kay  
Whitton, Mark James Christopher  
Williams, Timothy Louis  
Wolff, Douglas  
Wu, Jang-Shang (Jackson)  
Zafirovski, Mike Svetozar