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# Hughes Hubbard & Reed

## Firm Participates in Historic Nortel Trial

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Hughes Hubbard & Reed represented the European units of Nortel Networks in a seven-week cross-border bankruptcy trial to determine how to divvy up \$7.3 billion in proceeds from the sale of the group's assets.

The trial concluded with Bill Maguire's arguments before the United States Bankruptcy Court for the District of Delaware during three days of closing statements on Sept. 22-24.

The joint trial, before courts in the United States and Canada, is the first of its kind. Lawyers on both sides of the border presented arguments and examined witnesses simultaneously in both courts via live streaming video and audio before US Bankruptcy Judge Kevin Gross in Wilmington, Delaware and Ontario Superior Court Justice Frank Newbould in Toronto.

To facilitate the cross-border proceedings, Judge Gross replaced the gallery pews in his courtroom with eight large tables, each with two monitors, which allowed attorneys to follow Justice Newbould and the proceedings in Toronto. The parties - Nortel estates in the United States, Canada, and Europe - agreed to share the \$1.3 million cost of equipping the two courtrooms with the necessary technology. Each court must adhere to the law and rules applicable in its jurisdiction.

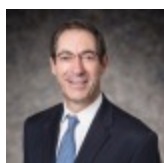
During the seven-week trial, approximately 16 thousand documents, whittled down from three million, were designated by the parties to be presented as exhibits. Attorneys have taken over 100 fact witness and 30 expert depositions leading up to the trial. The judges must now determine, in separate judgments, how to allocate the escrowed funds. There is no guarantee the courts will reach the same result. Hughes Hubbard had earlier argued to the United States Court of Appeals for the Third Circuit that this procedure is not in accordance with due process; that court dismissed the appeal as premature.

In addition to the allocation trial, Nortel's European units reached milestone agreements with Nortel's US debtors in December 2013 and Nortel's Canadian debtors in July 2014, settling over \$3.5 billion of claims the European Nortel companies had asserted against their US sister subsidiary and Canadian parent, respectively.

Nortel, a global telecommunications and data network equipment manufacturer, filed for insolvency protection in January 2009 in the United States, Canada, and in several European countries. The global Nortel companies cooperated to facilitate the sale of substantially all of the corporation's assets, including Nortel's global business lines and residual intellectual property, generating over \$7 billion in sale proceeds.

The Hughes Hubbard trial team included Bill Maguire, Derek Adler, Neil Oxford, Ken Katz, Gabrielle Glemann, Fara Tabatabai, Amina Hassan, Charles Huberty, Greta Fails, Caroline Parker-Beaudrias, Mei Li Zhen, Karen Goldberg, Miles Orton, Lena Saltos and Matt Reynolds.

## Related People



**William R. Maguire**



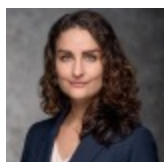
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