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## Judges OK \$2.25b Nortel settlement

*The Boston Globe*

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NEW YORK -- Two US judges yesterday gave final approval to a roughly \$2.25 billion global settlement reached between [Nortel Networks Corp.](#) and its shareholders after the Canadian company revised its financial results between 2001 and 2005.

US District Judge Loretta Preska said the settlement reached earlier this year was "fair, reasonable, and adequate" to compensate people or entities who purchased common stock or sold options on Nortel stock between April 24, 2003 and April 27, 2004.

US District Judge Richard M. Berman said a similar deal reached on behalf of as many as 1.4 million investors in the company between Oct. 24, 2000 and Feb. 15, 2001 was fair and adequate.

Courts in Canada have yet to rule.

Berman wrote that the \$1.14 billion represented by his half of the litigation in Manhattan was about 10 percent of the lead plaintiff's original \$10 billion estimate of maximum possible damages facing the Canadian telecommunications company.

Preska said in a written opinion that the settlement benefits will come from a cash fund of \$370 million that was earning interest and from 314 million shares that will be issued to some of the more than one million investors eligible to make claims in the portion of the case she oversaw.

The money was part of a roughly \$2.25 billion agreement disclosed earlier this year as Nortel reached tentative settlements in two Canadian lawsuits and US lawsuits. Final judicial action on the deals remains to be made in courts in Ottawa, Quebec and British Columbia.

In the US suits, Nortel said it would make a payment of \$575 million in cash and issue 628,667,750 of its common shares -- about 14.5 percent of its equity -- as a major part of its compensation to shareholders.

The settlement contained no admission of wrongdoing by the company or any of the other defendants.

Jay Barta, a Nortel spokesman, said: "We're very pleased with the progress we're making in settling the lawsuits and we look forward to putting them behind us."

Messages left with several lawyers for the plaintiffs were not immediately returned. ■

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