

We mentioned in our update to Q1-3 of our Q&A that the Pensions Regulator had issued its "warning notice" for a possible financial support direction against certain Nortel companies – [click here to view](#)

You may have noticed in the press a number of reports over the last week or so regarding action taken by Nortel in Canada to challenge the ability of the UK Pensions Regulator to exercise its powers against Nortel's Canadian companies in light of the Canadian insolvency procedure. A similar action was taken by Nortel in the US regarding the trustee and PPF's rights to claim in the US insolvency procedure.

The applications to the Canadian and US courts by Nortel were heard on 25 and 26 February 2010 respectively. The decisions in both cases were given in favour of the US and Canadian Nortel companies.

As the Trustee has an interest in what action should be taken following these decisions (as does the PPF) it has been monitoring the position and liaising with its advisers and will, of course, continue to do so. At this stage, you will appreciate that while the next steps are being considered and while matters may continue to be before the courts, the Trustee is limited in what it can and should say. However, we can confirm that the Trustee and PPF have instructed their Canadian and US lawyers to advise on the impact of the decisions.