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MDL 1659

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BEFORE THE JUDICIAL PANEL ON MULTIDISTRICT LITIGATION

IN RE NORTEL NETWORKS CORP. SECURITIES LITIGATION

*BEFORE WM. TERRELL HODGES, CHAIRMAN, JOHN F. KEENAN, D.
LOWELL JENSEN, J. FREDERICK MOTZ, ROBERT L. MILLER, JR.,
KATHRYN H. VRATIL AND DAVID R. HANSEN, JUDGES OF THE PANEL*

TRANSFER ORDER

This litigation currently consists of 28 actions in the Southern District of New York, now consolidated, and an action in the Central District of California as listed on the attached Schedule A. Before the Panel is a motion, pursuant to 28 U.S.C. § 1407, brought by defendant Nortel Networks Corporation (Nortel) and individual defendants Frank A. Dunn and Michael J. Gollogly for coordinated or consolidated pretrial proceedings of these actions in the Southern District of New York. Plaintiff in the Central District of California action does not oppose transfer to the Southern District of New York for coordinated or consolidated pretrial proceedings.

On the basis of the papers filed and hearing session held, the Panel finds that these 29 actions involve common questions of fact, and that centralization under Section 1407 in the Southern District of New York will serve the convenience of the parties and witnesses and promote the just and efficient conduct of this litigation. All actions share allegations that the moving defendants and others, among other things, made misleading statements about Nortel's financial performance and prospects based on an earnings management scheme that involved the improper provisioning and releasing of reserves and caused investors to trade in Nortel stock at inflated or distorted prices. Centralization under Section 1407 is thus necessary in order to eliminate duplicative discovery, prevent inconsistent pretrial rulings, and conserve the resources of the parties, their counsel and the judiciary.

Given the agreement of the moving defendants and the responding plaintiff in the lone outlying action to transfer under Section 1407 to the Southern District of New York, this district stands out as an appropriate transferee forum for this litigation. We note that 28 actions are already pending in the Southern District of New York and that pretrial proceedings are progressing in that district.

IT IS THEREFORE ORDERED that, pursuant to 28 U.S.C. § 1407, the Central District of California action listed on Schedule A is transferred to the Southern District of New York and, with the

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consent of that court, assigned to the Honorable Loretta A. Preska for coordinated or consolidated pretrial proceedings with the actions listed on Schedule A and pending in that district.

FOR THE PANEL:



Wm. Terrell Hodges
Chairman

SCHEDULE A

MDL-1659 -- In re Nortel Networks Corp. Securities Litigation

Central District of California

Michael F. Walsh v. Nortel Networks Corp., et al., C.A. No. 2:04-6216

Southern District of New York

In re Nortel Networks Corporation Securities Litigation, C.A. No. 1:04-2115

Cary Savitz v. Nortel Networks Corp., et al., C.A. No. 1:04-2164

Mark D. Cornfield, et al. v. Nortel Networks Corp., et al., C.A. No. 1:04-2189

William Berger v. Nortel Networks Corp., et al., C.A. No. 1:04-2190

Milton Pfeiffer v. Nortel Networks Corp., et al., C.A. No. 1:04-2233

Indiana Electrical Workers Pension Trust Fund IBEW v. Nortel Networks Corp., et al., C.A. No. 1:04-2246

Steel Workers' Pension Trust v. Nortel Networks Corp., et al., C.A. No. 1:04-2249

Thomas Rotchford v. Nortel Networks Corp., et al., C.A. No. 1:04-2342

Andrew Newman v. Nortel Networks Corp., et al., C.A. No. 1:04-2360

David George Parkinson v. Nortel Networks Corp., et al., C.A. No. 1:04-2372

Ilene Armour v. Nortel Networks Corp., et al., C.A. No. 1:04-2503

Julie Kapsch v. Nortel Networks Corp., et al., C.A. No. 1:04-2507

Leonard Semerad v. Nortel Networks Corp., et al., C.A. No. 1:04-2532

Douglas Powell v. Nortel Networks Corp., et al., C.A. No. 1:04-2546

Dennis E. Arneson v. Nortel Networks Corp., et al., C.A. No. 1:04-2554

Bernard Lubinsky v. Nortel Networks Corp., et al., C.A. No. 1:04-2572

Kent Wayne Smith v. Nortel Networks Corp., et al., C.A. No. 1:04-2695

Rolland Schach v. Nortel Networks Corp., et al., C.A. No. 1:04-2738

Eric D. Bell v. Nortel Networks Corp., et al., C.A. No. 1:04-3056

Peter Springer v. Nortel Networks Corp., et al., C.A. No. 1:04-3101

Mary Urlrick v. Nortel Networks Corp., et al., C.A. No. 1:04-3158

Bobby D. Torres v. Nortel Networks Corp., et al., C.A. No. 1:04-3570

The Trustees of The Ontario Public Service Employees' Union Pension Plan Trust Fund v. Nortel Networks Corp., et al., C.A. No. 1:04-3572

Jose I. Galindez v. Nortel Networks Corp., et al., C.A. No. 1:04-3597

Kamran Mirza v. Nortel Networks Corp., et al., C.A. No. 1:04-3615

Susan Daniels, et al. v. Nortel Networks Corp., et al., C.A. No. 1:04-3726

Stichting Pensioenfonds ABP v. Nortel Networks Corp., et al., C.A. No. 1:04-3727

Locals 302 and 612 of the International Union of Operating Engineers-Employers Construction Industry Retirement Trust, et al. v. James J. Blanchard, et al., C.A. No. 1:04-5954