

SECURITIES AND EXCHANGE COMMISSION

FORM 4

Statement of changes in beneficial ownership of securities

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ISSUER

NORTEL NETWORKS CORP

CIK: **72911** | IRS No.: **980535482** | Fiscal Year End: **1231**
SIC: **3661** Telephone & telegraph apparatus

Mailing Address
*ATTN: CORPORATE
SECRETARY
195 THE WEST MALL
TORONTO A6 M9C 5K1*

Business Address
*ATTN: CORPORATE
SECRETARY
195 THE WEST MALL
TORONTO A6 M9C 5K1
9058637000*

REPORTING OWNER

Lowe Richard Stephen

CIK: **1304128**
Type: **4** | Act: **34** | File No.: **001-07260** | Film No.: **09544423**

Mailing Address
*C/O NORTEL NETWORKS
CORPORATION
8200 DIXIE ROAD, SUITE 100
BRAMPTON A6 L6T 5P6*

Business Address
905-863-1220

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person Lowe Richard Stephen			2. Issuer Name and Ticker or Trading Symbol NORTEL NETWORKS CORP [NT]			5. Relationship of Reporting Person(s) to Issuer (Check all applicable) ____ Director _____ 10% Owner <input checked="" type="checkbox"/> Officer (give title below) _____ Other (specify below) (1) See Remarks		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year) 01/23/2009			6. Individual or Joint/Group Filing (Check applicable line) <input checked="" type="checkbox"/> Form Filed by One Reporting Person ____ Form Filed by More than One Reporting Person		
C/O NORTEL NETWORKS CORPORATION, 195 THE WEST MALL			4. If Amendment, Date Original Filed(Month/Day/Year)					
(Street) TORONTO, ONTARIO M9C 5K1								
(City)	(State)	(Zip)						

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Shares								19,500 ⁽¹⁾	D	
Common Shares								13,838 ⁽²⁾	D	
Common Shares								16,888	D	
Common Shares								18,556 ⁽³⁾	D	
Common Shares								17,016 ⁽⁴⁾	D	

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
03/03/2008 Grant of Options ⁽⁵⁾	\$8.31							⁽⁶⁾	03/02/2018	Common Shares	78,200		78,200	D	
3/21/2007 Grant of Options ⁽⁵⁾	\$25.82							⁽⁶⁾	03/20/2017	Common Shares	38,400		38,400	D	
6/14/2006 Grant of Options ⁽⁵⁾	\$21.2							⁽⁶⁾	06/13/2016	Common Shares	25,000		25,000	D	

Investment Fund Units (Z)	(Z)	01/23/2009		J			26,907.6429 (Z)	(Z)	(Z)	Common Shares	686.0241 (Z)	\$0.08	0	D
01/28/99 Grant of Options (8)	\$155.33							(9)	01/27/2009	Common Shares	1,600		1,600	D
01/29/02 Grant of Options (8)	\$71.6							(9)	11/29/2009	Common Shares	2,666		2,666	D
01/29/02 Grant of Options (8)	\$71.6							(9)	01/26/2010	Common Shares	2,666		2,666	D
01/29/02 Grant of Options (8)	\$71.6							(9)	06/28/2010	Common Shares	1,333		1,333	D
01/29/02 Grant of Options (8)	\$71.6							(9)	09/27/2010	Common Shares	4,000		4,000	D
01/29/02 Grant of Options (10)	\$71.6							(9)	01/24/2011	Common Shares	4,000		4,000	D
02/28/02 Grant of Options (8)	\$51.5							(9)	02/27/2012	Common Shares	15,000		15,000	D
09/07/2005 Grant of Options (8)	\$31.8							(6)	09/06/2015	Common Shares	75,000		75,000	D

Explanation of Responses:

1. Restricted stock units awarded pursuant to the Nortel 2005 Stock Incentive Plan that vest in three equal annual installments beginning on March 3, 2009 and are settled in Nortel Networks Corporation common shares upon vesting, net of tax withholding.
2. Restricted stock units awarded pursuant to the Nortel 2005 Stock Incentive Plan as part of a grant of 17,500 restricted stock units that vest in three equal annual installments beginning on June 14, 2007 and are settled in Nortel Networks Corporation common shares upon vesting.
3. Restricted stock units awarded pursuant to the Nortel 2005 Stock Incentive Plan as part of a grant of 30,000 restricted stock units that vest in three equal annual installments beginning on September 28, 2006 and are settled in Nortel Networks Corporation common shares upon vesting.
4. Restricted stock units awarded pursuant to the Nortel 2005 Stock Incentive Plan as part of a grant of 19,200 restricted stock units that vest in three equal annual installments beginning on March 21, 2008 and are settled in Nortel Networks Corporation common shares upon vesting.
5. The reported options were granted pursuant to the Nortel 2005 Stock Incentive Plan.
6. The reported options vest in four equal annual installments beginning on the first anniversary of the date of grant.
7. As a result of the determination to eliminate the Nortel Stock Fund as an investment option under the Nortel Networks Long-Term Investment Plan, all Nortel securities invested in this fund were sold by the plan administrator, Hewitt Associates LLC. No investment decision was made by the insider.
8. The reported options were granted pursuant to the Nortel Networks Corporation 1986 Stock Option Plan As Amended and Restated.
9. The reported options are currently vested.
10. The reported options were granted pursuant to the Nortel Networks Corporation 2000 Stock Option Plan.

Remarks:

(1) President, Carrier Networks

Signatures

T.S.J. Connelly McGilley, Attorney for Richard Stephen Lowe

** Signature of Reporting Person

01/26/2009

Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.

POWER OF ATTORNEY

I, the undersigned, hereby constitute and appoint any one of T.S.J. Connelly McGilley, G.A. Davies, L.C. Egan, S. Graff, G.K. McDonald, D.M. Parker and A. Ventresca, my true and lawful attorney for me and in my name to sign or certify and file, or cause to be filed, with the appropriate authority any and all reports or profiles, in paper format or electronic format, relating to my ownership, direction, control or trading in the securities of Nortel Networks Corporation (hereinafter referred to as the "Corporation") and/or any of the Corporation's subsidiaries, affiliates, associates, and/or any company of which any of the foregoing corporations is an insider, which are required to be filed pursuant to the provisions of the Canada Business Corporations Act, the Securities Act (Ontario) or similar legislation of all or any of the provinces of Canada, and the regulations made pursuant thereto, the Securities Exchange Act of 1934 of the United States of America, and regulations and rules made pursuant thereto, and/or the laws, regulations and rules of any other jurisdictions in which such reports or profiles must be filed, as a consequence of my being, or being deemed to be, an insider of the Corporation and/or any of the Corporation's subsidiaries, affiliates, associates, and/or any company of which any of the foregoing corporations is an insider. I hereby revoke any power of attorney heretofore made in this regard. This power of attorney shall remain effective until revoked in writing.

DATED at Richardson, Texas
(City/Town) (State/Province)

This 5 day of January 2009.
(day) (month year)

/s/ Richard S. Lowe
Signature
Richard S. Lowe
(Please print full name)

WITNESS: /s/ Connie Smith
Signature
Connie Smith
(Please print full name)