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UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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In Re : Chapter 11  
RCN CORPORATION, et al., :  
 : Case No. 04-13638 (RDD)  
 :  
 Debtors. : Jointly Administered  
 :  
 :  
-----X

**RESPONSE OF NORTEL NETWORKS INC.  
TO THE DEBTORS' THIRD OMNIBUS OBJECTION  
TO PROOFS OF CLAIM**

Nortel Networks Inc. ("Nortel"), by and through its counsel, files this Response to the Debtors' Third Omnibus Objection to Proofs of Claim. In support of its response, Nortel states.

**FACTUAL BACKGROUND**

1. On or about July 28, 2004, Nortel timely filed a Proof of Claim in the amount of \$43,552.56. (Claim No. 696.) A copy of the Proof of Claim is annexed as Exhibit A.
2. The Debtors have objected to Nortel's claim on the ground that it does not represent a liability of the Debtors.
3. As is shown by Nortel's Proof of Claim, while Nortel entered into a Purchase and License Agreement with RCN Telecom Services, Inc., a non-debtor, Nortel sold goods and provided services to a Debtor, RCN Corporation ("RCN"). Indeed, the invoices Nortel

rendered to RCN which are attached to the Proof of Claim state that RCN was the entity to whom the services were provided and to whom the goods were shipped, and that RCN was the entity which was being billed. RCN never protested or contested those invoices in any way prior to the Third Omnibus Objection. The invoices made to RCN are *prima facie* evidence of the validity of RCN's debt, and RCN cannot be heard to object now.

4. The filing of a proof of claim pursuant to the Federal Rules of Bankruptcy Procedure is *prima facie* evidence of the claim and the "interposition of an objection does not deprive the proof of claim of presumption validity unless the objection is supported by substantial evidence." *Juniper Dev. Group. v. Kahn (In re Hemingway Transp., Inc.)* 993 F.2d 915, 925 (1st Cir. 1993); Fed. R. Bankr. P. 3001(f). A party objecting to the claim carries the burden of going forward with the evidence concerning the validity of the claim. *See In Re Allegheny Intl. Inc.*, 954 F.2d 167, 173 (3d Cir. 1992). *See Riverbank, Inc v. Make Meat Corp. (In re Make Meat Corp.)*, 1999 U.S. Dist. LEXIS 3974, at \*9 (S.D.N.Y. Mar. 31, 1999). Unless the Debtors articulate and substantiate a proper basis for objection, which they have not, Nortel's Proof of Claim should be allowed. Alternatively, this matter should be set for an evidentiary hearing after sufficient time for discovery.

#### **MEMORANDUM OF LAW**

5. This Response includes citations to the applicable authorities and does not raise any novel issues of law. Accordingly, Nortel respectfully requests that the Court waive the requirement contained in Rule 9013-1(b) of the Local Bankruptcy rules for the Southern District of New York that a separate memorandum of law be submitted.

#### **CONCLUSION**

For all of the above stated reasons, Nortel respectfully requests that the Court enter an order overruling the Objection to disallow Nortel's Claim and granting such other relief as is just and proper.

Date: November 19, 2004  
New York, New York

NORTEL NETWORKS INC.

BY: /s/ \_\_\_\_\_

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