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8 *Reorganized Debtors*

9 **UNITED STATES BANKRUPTCY COURT**  
10 **NORTHERN DISTRICT OF CALIFORNIA**  
11 **SAN FRANCISCO DIVISION**

12 **In re:**

13 **PG&E CORPORATION,**

14 **- and -**

15 **PACIFIC GAS AND ELECTRIC**  
16 **COMPANY,**

17 **Debtors.**

- 18  Affects PG&E Corporation  
19  Affects Pacific Gas and Electric  
Company  
 Affects both Debtors

20 *\* ALL PAPERS SHALL BE FILED IN*  
21 *THE LEAD CASE, NO. 19-30088 (DM).*

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Case Nos. 19-30088 (DM) (Lead Case)  
(Jointly Administered)

**SECURITIES ADR AND RELATED  
PROCEDURES FOR RESOLVING  
SUBORDINATED SECURITIES CLAIMS**

1 The following procedures (the “**Securities Claims Procedures**”) for resolving claims,  
2 other than Excluded Claims (defined below), that are subject to subordination pursuant to section  
3 510(b) of title 11 of the United States Code (the “**Bankruptcy Code**”) (collectively, the  
4 “**Subordinated Securities Claims**” and the holders of Subordinated Securities Claims, the  
5 “**Subordinated Securities Claimants**”) have been adopted and approved by Order of the  
6 Bankruptcy Court, dated January 25, 2021 [Dkt. No. 10015] (the “**Securities Claims Procedures**  
7 **Order**”), in the above-captioned chapter 11 cases (the “**Chapter 11 Cases**”) of PG&E Corporation  
8 (“**HoldCo**”) and Pacific Gas and Electric Company (the “**Utility**”), as debtors and reorganized  
9 debtors (collectively, the “**Debtors**,” or as reorganized pursuant to the Plan (as defined below), the  
10 “**Reorganized Debtors**”).

#### 11 **SUMMARY OF THE SECURITIES CLAIM PROCEDURES**

12 These Securities Claims Procedures are designed to facilitate and simplify the resolution of  
13 certain proofs of claim that have been submitted in these Chapter 11 Cases, and specifically to  
14 allow the Reorganized Debtors to pursue expedient resolutions of those claims through settlement.  
15 The Securities Claims Procedures apply to certain purported creditors who filed proofs of claim  
16 based on their alleged losses incurred related to purchases of publicly-traded PG&E debt and/or  
17 equity securities as a result of alleged inadequate or fraudulent disclosures or non-disclosures of  
18 information from April 29, 2015 through November 15, 2018, inclusive.

19 To that end, the Securities Claims Procedures—which are diagrammed in a user-friendly  
20 format in Exhibit B attached hereto—first provide that each claimant will receive and respond to a  
21 targeted information request regarding the claimant’s trading history. The Reorganized Debtors  
22 will then decide whether to: (i) attempt to negotiate a settlement directly with the claimant;  
23 (ii) mediate with the claimant; (iii) file an omnibus objection on grounds that are common to that  
24 claimant and other claimants; and/or (iv) object to the claim on the basis that it lacks merit under  
25 the applicable federal securities laws. The Reorganized Debtors may employ one or more of these  
26 processes to resolve the Subordinated Securities Claims, and may do so sequentially for any  
27 Subordinated Securities Claim.  
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These procedures are summarized more fully below:

1. **Securities Claims Information Procedures.** To allow the Reorganized Debtors to properly assess each of the individual Subordinated Securities Claims and determine the appropriate path forward for each claim under the other Securities Claims Procedures (*e.g.*, settlement offer, mediation, or potential objection), the Reorganized Debtors are requesting that all Subordinated Securities Claimants be required to provide (to the extent not already provided) the Reorganized Debtors by mail or via a user-friendly online portal with complete trading data in connection with their asserted Subordinated Securities Claims.
2. **Securities ADR Procedures.** Recognizing that the Subordinated Securities Claims are comprised of different types of claimants and varying amounts of asserted and potential damages, the Reorganized Debtors are proposing three (3) separate mechanisms for potential settlement of Subordinated Securities Claims, each of which is explained in further detail below:
  - a. **The Offer Procedures.** These procedures will allow the Reorganized Debtors and Subordinated Securities Claimants to exchange settlement offers and counteroffers confidentially and without mediation;
  - b. **The Abbreviated Mediation Process.** These are procedures for abbreviated mandatory, non-binding mediation because formal mediation may not be appropriate for all Subordinated Securities Claims, especially those with smaller asserted or potential claim amounts; and
  - c. **The Standard Mediation Process.** These are procedures for regular mandatory, non-binding mediation, principally for claimants that have asserted or have larger potential Subordinated Securities Claims.
3. **Securities Omnibus Objection Procedures.** The Securities Omnibus Objection Procedures, which are substantially similar to those already adopted by the Court with respect to claims other than Subordinated Securities Claims, will allow the Reorganized Debtors to file objections, on an omnibus basis, to Subordinated Securities Claims that are not otherwise settled and/or are facially or procedurally defective. This process will eliminate the need to potentially file thousands of duplicative individual objections to Subordinated Securities Claims, as well as the associated expense and administrative burden both to the Reorganized Debtors and the Court.

The Reorganized Debtors believe these processes will facilitate prompt settlement and payment of the allowed Subordinated Securities Claims. If the above-described procedures do not resolve all Subordinated Securities Claims, and merits-based objections to remaining claims (if any) are required, such objections will be made pursuant to section 502 of the Bankruptcy Code and consistent with Rule 3007 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”).

1                                   **CLAIMS SUBJECT TO THE SECURITIES CLAIMS PROCEDURES**

2                   **A.       Subordinated Securities Claims**

3                   The claims subject to these Securities Claims Procedures include all Subordinated  
4 Securities Claims other than Excluded Claims, as defined below. Specifically, these Securities  
5 Claims Procedures are limited to claims that fall into the following classes of claims under the  
6 *Debtors' and Shareholder Proponents' Joint Chapter 11 Plan of Reorganization Dated June 19,*  
7 *2020* [Dkt. No. 8048] (as it may be amended, modified, or supplemented and together with any  
8 exhibits or schedules thereto, the “**Plan**”).<sup>1</sup>

9                                   **Subordinated Debt Claims**

- 10                   (i)       Class 9A – HoldCo Subordinated Debt Claims – any Claim against HoldCo that is  
11 subject to subordination under section 510(b) of the Bankruptcy Code, including  
12 any Claim for reimbursement, indemnification or contribution, but excluding any  
13 HoldCo Rescission or Damage Claims.
- 12                   (ii)       Class 10B – Utility Subordinated Debt Claims – any Claim against the Utility that is  
13 subject to subordination under section 510(b) of the Bankruptcy Code, including  
14 any Claim for reimbursement, indemnification or contribution.

13                                   **Subordinated Equity Claims**

- 14                   (iii)       Class 10A-II – HoldCo Rescission or Damage Claims – any Claim against HoldCo  
15 subject to subordination pursuant to section 510(b) of the Bankruptcy Code arising  
16 from or related to the common stock of HoldCo.

16                   **B.       Excluded Claims**

17                   These Securities Claims Procedures shall not apply to any Subordinated Securities Claim  
18 filed by: (i) the Public Employees Retirement Association of New Mexico (“**PERA**”), (ii) York  
19 County on behalf of County of York Retirement Fund (“**York County**”), (iii) City of Warren  
20 Police and Fire Retirement System (“**City of Warren**”), (iv) Mid-Jersey Trucking Industry &  
21 Local No. 701 Pension Fund (“**Mid-Jersey**”), and (v) the Underwriters (collectively, the  
22 “**Excluded Claims**”). The holders of Excluded Claims are collectively referred to herein as  
23 “**Excluded Claimants**.”

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<sup>1</sup> Capitalized terms used but not herein defined have the meanings ascribed to such terms in the Plan.

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**Exhibit A-1**  
**The Securities Claims Information Procedures**

1 The following procedures (the “**Securities Claims Information Procedures**”) have been  
2 adopted and approved by Order of the Bankruptcy Court, dated January 25, 2021 [Dkt. No. 10015]  
3 (the “**Securities Claims Procedures Order**”), in the above-captioned chapter 11 cases (the  
4 “**Chapter 11 Cases**”) of PG&E Corporation (“**HoldCo**”) and Pacific Gas and Electric Company  
5 (the “**Utility**”), as debtors and reorganized debtors (collectively, the “**Debtors**,” or as reorganized  
6 pursuant to the Plan, the “**Reorganized Debtors**”).

7 **I. THE SECURITIES CLAIMS INFORMATION PROCEDURES**

8 The Securities Claims Information Procedures are intended to, in the simplest and most  
9 expedient way, get complete trading information from the Subordinated Securities Claimants that  
10 is necessary for the Reorganized Debtors to evaluate whether a claim can be resolved consensually  
11 and the amount of any offer to settle that the Reorganized Debtors may make to each claimant.

12 **A. Initiating the Securities Claims Information Procedures**

13 The Securities Claims Information Procedures begin when the Reorganized Debtors, at  
14 their sole discretion, send a Subordinated Securities Claimant the following materials (collectively,  
15 the “**Claim Information Materials**”): (i) a request for trading information (the “**Trading**  
16 **Information Request Form**”); and (ii) a copy of these Securities Claims Information Procedures.

17 The Reorganized Debtors will send the Claim Information Materials to a Subordinated  
18 Securities Claimant at the address listed on that claimant’s most recently filed proof of claim. If the  
19 proof of claim indicates that the claimant is represented by counsel, the Reorganized Debtors will  
20 also send the Claim Information Materials to that claimant’s counsel.

21 Subordinated Securities Claimants must complete and return the Trading Information  
22 Request Form no later than forty-five (45) days after the mailing of the Trading Information  
23 Request Form (the “**Information Deadline**”). The completed Trading Information Request Form  
24 must be received by the Reorganized Debtors before the Information Deadline. If the Trading  
25 Information Request Form is not returned on time, the Claimant may not receive a settlement offer  
26 or an opportunity to participate in mediation, and may be required to respond to a formal claims  
27 objection to be resolved by the Bankruptcy Court.  
28

## B. The Trading Information Request Form

Each Trading Information Request Form will direct the Subordinated Securities Claimant to an online portal where the Trading Information Request Form can be completed. The Trading Information Request Form will provide clear instructions and credentials for securely accessing, and submitting information through, the online portal.

Each Subordinated Securities Claimant has already submitted a proof of claim. The *Rescission or Damage Claim Proof of Claim* form attached a list of the Reorganized Debtors' publicly traded debt and/or equity securities (the "**Securities**").

The Reorganized Debtors shall identify and inform each Subordinated Securities Claimant as to the trading information not yet received from the Claimant, as well as any asserted deficiencies in the trading history already provided by Claimant. In response to the Trading Information Request Form, Subordinated Securities Claimants shall provide the trading information not yet received from the Claimant, as well as correct any deficiencies in the trading history provided by Claimant, as identified by the Reorganized Debtors, in transaction-level detail, with respect to Securities traded during the following periods:

- **Common Stock:** April 29, 2015 through February 12, 2019;<sup>1</sup>
- **Debt Securities:** April 29, 2015 through July 1, 2020;<sup>2</sup>
- **Preferred Stock:** April 29, 2015 through July 1, 2020; and
- **Options:** April 29, 2015 through July 1, 2020.

Individual sections of the online portal will be dedicated to the different types of securities listed above. For each category, the relevant Securities will be available from a drop-down menu so that Subordinated Securities Claimants can be sure they are providing the information in the appropriate place.

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<sup>1</sup> The Reorganized Debtors believe that this information is necessary to calculate potential damages (and therefore potential settlement amounts) under 15 U.S.C. § 78u-4(e) of the PSLRA.

<sup>2</sup> The Reorganized Debtors believe that this information is necessary to calculate potential damages (and therefore potential settlement amounts) under section 11 of the Securities Act of 1933.

1           **C.      Returning the Trading Information Request**

2           Trading Information Request Forms must be returned to the Reorganized Debtors on or  
3 before the Information Deadline. To reduce delays and avoid further costs to the Subordinated  
4 Securities Claimants, Trading Information Request Forms shall be submitted through the online  
5 portal, unless the Claimant in good faith determines that return by electronic submission is  
6 impracticable or impossible.

7           If electronic submission through the online portal is impracticable or impossible, responses  
8 to the Trading Information Request Forms must be returned to the Reorganized Debtors by mail so  
9 that they are actually received by the Reorganized Debtors on or before the Information Deadline.

10 Mail deliveries shall be directed to:

<b>If by first class mail:</b>	<b>If by overnight courier or hand-delivery:</b>
PG&E Corporation Claims Processing Center c/o Prime Clerk LLC Grand Central Station, PO Box 4850 New York, New York 10163-4850	PG&E Corporation Claims Processing Center c/o Prime Clerk LLC 850 3rd Avenue, Suite 412 Brooklyn, New York 11232

14           **D.      Failure to Return Trading Information Request Form by Information Deadline**

15           If a Trading Information Request Form is not returned to the Reorganized Debtors by the  
16 Information Deadline, the Reorganized Debtors shall send an information reminder (the  
17 **“Information Reminder”**) to the Subordinated Securities Claimant. The Information Reminder  
18 will provide the Subordinated Securities Claimant with an additional fourteen (14) days from the  
19 date the Information Reminder is sent to return the Trading Information Request Form (the  
20 **“Reminder Deadline”**).

21           The Reorganized Debtors will send the Information Reminder to the e-mail address listed  
22 on the Subordinated Securities Claimant’s proof of claim. If no e-mail address is listed, the  
23 Reorganized Debtors will send the Information Reminder by regular, first-class mail.

24           Failure to return the Trading Information Request Form by the Reminder Deadline may  
25 result in a formal objection seeking disallowance of the Subordinated Securities Claim(s) on the  
26 basis that the information provided is insufficient to establish Debtors’ liability or some other basis.



1           **E.     Next Steps**

2           Following the timely return of a Trading Information Request Form, the Reorganized  
3 Debtors may, in their sole discretion: (i) make a settlement offer to a Subordinated Securities  
4 Claimant; (ii) designate the Subordinated Securities Claim(s) for mandatory mediation; or  
5 (iii) both.

6           The Reorganized Debtors reserve the right at any time to object to a Subordinated  
7 Securities Claim under section 502 of the Bankruptcy Code, consistent with Rule 3007 of the  
8 Federal Rules of Bankruptcy Procedure, as well as pursuant to the Securities Omnibus Objection  
9 Procedures set forth in the Securities Claims Procedures Order.

10          **II.     COMPUTING TIME FOR DEADLINES**

11           Consistent with Rule 9006(a)(1) of Federal Rules of Bankruptcy Procedure, when  
12 computing any time period specified in these Securities Claims Information Procedures:  
13 (a) exclude the day of the event that triggers the period; (b) count every day, including intermediate  
14 Saturdays, Sundays, and legal holidays; and (c) include the last day of the period, but if the last day  
15 is a Saturday, Sunday, or legal holiday, the period continues to run until the end of the next day that  
16 is not a Saturday, Sunday, or legal holiday.

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