

1 WEIL, GOTSHAL & MANGES LLP  
Richard W. Slack (*pro hac vice*)  
(richard.slack@weil.com)  
2 Theodore E. Tsekerides (*pro hac vice*)  
(theodore.tsekerides@weil.com)  
3 Jessica Liou (*pro hac vice*)  
(jessica.liou@weil.com)  
4 Matthew Goren (*pro hac vice*)  
(matthew.goren@weil.com)  
5 767 Fifth Avenue  
New York, NY 10153-0119  
6 Tel: 212 310 8000  
Fax: 212 310 8007

7 *Attorneys for Debtors and*  
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).*

KELLER BENVENUTTI KIM LLP  
Tobias S. Keller (#151445)  
(tkeller@kblkllp.com)  
Peter J. Benvenutti (#60566)  
(pbenvenutti@kblkllp.com)  
Jane Kim (#298192)  
(jkim@kblkllp.com)  
650 California Street, Suite 1900  
San Francisco, CA 94108  
Tel: 415 496 6723  
Fax: 415 636 9251

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.  
28

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

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**.”

24  
25  
26  
27  
28                   

---

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

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**Weil, Gotshal & Manges LLP**  
767 Fifth Avenue  
New York, NY 10153-0119

**Exhibit A-2**  
**The Securities ADR Procedures**

1 The following procedures (the “**Securities ADR Procedures**”) have been adopted and  
2 approved by Order of the Bankruptcy Court, dated January 25, 2021 [Dkt. No. 10015] (the  
3 “**Securities Claims Procedures Order**”), in the above-captioned chapter 11 cases (the “**Chapter**  
4 **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 ADR PROCEDURES**

8 The Securities ADR Procedures are designed to consensually resolve Subordinated  
9 Securities Claims without the cost and expense of formal litigation. There are two major  
10 components to the Securities ADR Procedures: (i) a process by which the Reorganized Debtors  
11 exchange settlement offers with Subordinated Securities Claimants (the “**Offer Procedures**”); and  
12 (ii) mandatory, nonbinding mediation (the “**Securities Mediation Procedures**”).

13 The Offer Procedures are described in Section II, below. The Mediation Procedures are  
14 described in Section III, below. For the avoidance of doubt, Section IV below applies to all aspects  
15 of the Securities ADR Procedures.

16 **II. THE OFFER PROCEDURES**

17 The Offer Procedures generally contemplate a process by which the Reorganized Debtors  
18 will make written, confidential settlement offers to certain claimants as a means to resolve and pay  
19 claims quickly and efficiently, where possible.

20 The Offer Procedures begin when the Reorganized Debtors, at their sole discretion, send a  
21 Subordinated Securities Claimant the following materials (collectively, the “**Offer Materials**”):  
22 (i) notice that the Subordinated Securities Claim has been submitted to the Offer Procedures (an  
23 “**Offer Notice**”); (ii) a copy of the Subordinated Securities Claimant’s applicable proof(s) of claim;  
24 and (iii) a copy of these Offer Procedures.<sup>1</sup>

25 The Reorganized Debtors will send the Offer Materials to a Subordinated Securities  
26

---

27 <sup>1</sup> For transferred claims, the Reorganized Debtors will also serve a copy of the Offer Materials on the  
28 transferee identified in the notice of transfer of claim.

1 Claimant at the address listed on that claimant's most recently filed proof of claim. If the proof of  
2 claim indicates that the claimant is represented by counsel, the Reorganized Debtors will also send  
3 the Offer Materials to that claimant's counsel.

4 **A. The Offer Notice**

5 The Offer Notice will include an offer by the Reorganized Debtors to settle the  
6 Subordinated Securities Claim (a "**Settlement Offer**"). A response to the Settlement Offer must be  
7 received by the Reorganized Debtors no later than thirty-five (35) days after the mailing of the  
8 Offer Notice (the "**Settlement Response Deadline**"). The Reorganized Debtors, in their sole  
9 discretion, may agree to extend the Settlement Response Deadline.

10 **B. Response to the Settlement Offer**

11 The only permitted responses to a Settlement Offer are (i) signed acceptance, or  
12 (ii) rejection and/or counteroffer. No counteroffer is required. The response to the Settlement Offer  
13 must be sent by e-mail and regular mail to the addresses provided in the Settlement Offer.

14 **C. The Counteroffer**

15 Any counteroffer shall be signed by the Subordinated Securities Claimant and shall identify  
16 the specific amount that the Subordinated Securities Claimant will accept in full settlement and  
17 satisfaction of the Subordinated Securities Claim. A counteroffer may not be for an unknown,  
18 unliquidated, or indefinite amount.

19 **D. The Reorganized Debtors' Response to a Counteroffer**

20 The Reorganized Debtors must respond in writing within twenty-one (21) days after the  
21 receipt of a counteroffer (the "**Counteroffer Response**"). The Counteroffer Response shall  
22 indicate that the Reorganized Debtors (i) accept the counteroffer, (ii) reject the counteroffer, or (iii)  
23 make a Revised Settlement Offer (defined below).<sup>2</sup>

24  
25  
26  
27 <sup>2</sup> Nothing herein shall preclude the Reorganized Debtors from making a Revised Settlement Offer  
28 (as defined herein) even where the Settlement Offer is rejected and no counteroffer is provided.

1                   1.       *Acceptance of the Counteroffer*

2                   If the Reorganized Debtors accept the Counteroffer, the Reorganized Debtors will provide  
3 written confirmation to the Subordinated Securities Claimant.

4                   2.       *Rejection*

5                   If the Reorganized Debtors reject the counteroffer, they may make a revised settlement  
6 offer (a “**Revised Settlement Offer**”). In that case, the process shall continue as long as the parties  
7 desire. Alternatively, the Reorganized Debtors may terminate the Offer Procedures.

8                   If the Reorganized Debtors reject the Counteroffer without making a Revised Settlement  
9 Offer, the Reorganized Debtors will provide written notification of their rejection to the  
10 Subordinated Securities Claimant and the Subordinated Securities Claim will, in the Reorganized  
11 Debtors’ sole discretion, either be (i) submitted to nonbinding, mandatory mediation, or  
12 (ii) resolved through the claims reconciliation and objection process before the Bankruptcy Court,  
13 including the Securities Omnibus Objection Procedures set forth in Securities Claims Procedures  
14 Order.

15                   **E.       Termination of Offer Procedures**

16                   The Reorganized Debtors may, in their sole discretion, terminate the Offer Procedures and  
17 either (i) submit the claim to nonbinding, mandatory mediation, or (ii) seek to resolve the claim in  
18 the claims reconciliation and objection process before the Bankruptcy Court, including the  
19 Securities Omnibus Objection Procedures set forth in Securities Claims Procedures Order.

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

24                   **F.       Extension of Claim Objection Deadline**

25                   In the event that these Offer Procedures have been invoked as to a Subordinated Securities  
26 Claim but have not resolved the Subordinated Securities Claim by the deadline to object to the  
27 Subordinated Securities Claim under Section 7.1 of the Plan, as extended by the Court, then such  
28



1 deadline shall be automatically extended until sixty (60) days after the termination of the Offer  
2 Procedures to allow the Reorganized Debtors to either (i) submit the Subordinated Securities Claim  
3 to nonbinding, mandatory mediation, or (ii) object to a Subordinated Securities Claim under  
4 section 502 of the Bankruptcy Code, consistent with Rule 3007 of the Federal Rules of Bankruptcy  
5 Procedure, as well as pursuant to the Securities Omnibus Objection Procedures set forth in the  
6 Securities Claims Procedures Order. For the avoidance of doubt, this provision in no way shortens  
7 the deadline to object to Subordinated Securities Claims under Section 7.1 of the Plan.

8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**Weil, Gotshal & Manges LLP**  
767 Fifth Avenue  
New York, NY 10153-0119

### 1 III. THE SECURITIES MEDIATION PROCEDURES

2 The Securities Mediation Procedures are designed to consensually resolve Subordinated  
3 Securities Claims without the cost and expense of formal litigation or the need for claimants to hire  
4 attorneys or incur attorneys' fees.

5 The Securities Mediation Procedures create two separate processes for mandatory, non-  
6 binding mediation: (i) the Abbreviated Mediation Process, presumptively for claims where the  
7 amounts at issue do not justify a more comprehensive mediation process; and (ii) the Standard  
8 Mediation Process, typically for larger claims. Each process involves specified procedures  
9 appropriate to the size of the claim at issue. The Reorganized Debtors, in their sole discretion, may  
10 designate a Subordinated Securities Claim for mandatory participation in either mediation process.

11 The Abbreviated Mediation Process is described in Section III.A, below. The Standard  
12 Mediation Process is described in Section III.B below. For the avoidance of doubt, Section IV  
13 below applies to all aspects of the Securities ADR Procedures.

#### 14 A. The Abbreviated Mediation Process

15 The Abbreviated Mediation Process is meant to be more efficient and less costly than  
16 formal mediation and briefing. The Abbreviated Mediation Process begins when the Reorganized  
17 Debtors, in their sole discretion, send a Subordinated Securities Claimant the following materials  
18 (collectively, the "**Abbreviated Mediation Materials**"): (i) notice that the Subordinated Securities  
19 Claim has been submitted to the Abbreviated Mediation Process (a "**Notice of Abbreviated**  
20 **Mediation**"); (ii) a copy of the Subordinated Securities Claimant's applicable proof(s) of claim  
21 and; and (iii) a copy of these Securities ADR Procedures.<sup>3</sup>

##### 22 1. *The Notice of Abbreviated Mediation*

23 The Notice of Abbreviated Mediation shall provide the applicable Subordinated Securities  
24 Claimant with notice of the date, time, identity of the Mediator and a reference or link to the posted  
25 biographical information regarding the Mediator, and the estimated duration of the mediation (the  
26

---

27 <sup>3</sup> For transferred claims, the Reorganized Debtors will also serve a copy of the Offer Materials on the  
28 transferee identified in the notice of transfer of claim.

1 “**Abbreviated Mediation**”) at least twenty-eight (28) days prior to the mediation date, unless  
2 otherwise agreed to by the parties.

3 If the chosen date and/or time of the Abbreviated Mediation is not agreeable to the  
4 Subordinated Securities Claimant, the Subordinated Securities Claimant may so inform the  
5 Mediator (defined below) so that the parties, and the Mediator, may find a mutually agreeable date  
6 and time.

7 All Abbreviated Mediations shall be conducted virtually via videoconference over Zoom.  
8 Subordinated Securities Claimants without videoconferencing capabilities may nevertheless  
9 participate in Abbreviated Mediation via telephonic conference.

## 10 2. *Appointment of Mediator*

11 The Reorganized Debtors will, upon notice, present to the Bankruptcy Court for approval a  
12 panel of qualified and experienced mediators (the “**Panel of Mediators for Abbreviated**  
13 **Mediations**”). As part of their submission(s), the Reorganized Debtors shall seek from each  
14 proposed Mediator and disclose information regarding any current or past work that the proposed  
15 Mediator has performed for, or on behalf of, the Debtors or Reorganized Debtors and their primary  
16 legal counsel (Weil, Gotshal & Manges LLP, Keller Benvenuti Kim LLP, or Cravath, Swaine &  
17 Moore LLP) in the past five years, and other potential conflicts, disclosed by the Mediator to the  
18 Reorganized Debtors, that, in the Mediator’s view, could create a reasonable inference of bias. The  
19 Reorganized Debtors will work with the Panel of Mediators for Abbreviated Mediations to develop  
20 a process of fair distribution of Abbreviated Mediations among the Mediators. The Reorganized  
21 Debtors will also post biographical information regarding each Mediator on Prime Clerk’s website.

22 A person appointed as a Mediator must (i) be an impartial, neutral person, (ii) have no  
23 financial or personal interest in the proceedings or, except when otherwise agreed by the parties, in  
24 any related matter, and (iii) disclose any circumstances likely to create a reasonable inference of  
25 bias. In the event a Mediator discloses any circumstances likely to create a reasonable inference of  
26 bias with respect to a particular Abbreviated Mediation, such Mediator shall withdraw from the  
27 assignment and shall be replaced prior to the commencement of the Abbreviated Mediation.  
28

1                   3.       *Fees and Costs*

2                   The Reorganized Debtors shall pay the Mediator's fees and expenses. The parties shall  
3 each bear their own costs of the Abbreviated Mediation Process.

4                   4.       *Appearance at Abbreviated Mediation*

5                   The Subordinated Securities Claimant and any counsel must appear at the Abbreviated  
6 Mediation. The Reorganized Debtors shall make all arrangements for the Abbreviated Mediation to  
7 be held over Zoom (or a similar web-based video interface) and/or telephonic conference and  
8 advise the Subordinated Securities Claimant and any of the Subordinated Securities Claimant's  
9 representatives of such arrangements. The Subordinated Securities Claimant shall make  
10 arrangements to ensure that the Subordinated Securities Claimant will be able to participate in the  
11 Abbreviated Mediation, including by ensuring a proper internet connection is available. If a  
12 Subordinated Securities Claimant that is a natural person has a hardship preventing that individual  
13 from attending an Abbreviated Mediation, the Reorganized Debtors, the Subordinated Securities  
14 Claimant, and the Mediator will meet and confer in good faith to resolve the issue and, if  
15 necessary, either party may ask the Bankruptcy Court for relief.

16                  If a person or entity, other than the Subordinated Securities Claimant, filed the  
17 Subordinated Securities Claim on behalf of the Subordinated Securities Claimant, that person or  
18 entity must also appear at the Abbreviated Mediation. If the Subordinated Securities Claimant is  
19 not a natural person, an authorized representative must appear at the Abbreviated Mediation (the  
20 "**Authorized Representative**"). Unless otherwise agreed by the Reorganized Debtors, the  
21 Authorized Representative must have complete (and not limited) authority to settle without  
22 reversion to others not attending the Abbreviated Mediation.

23                  5.       *Abbreviated Mediation Procedures*

24                  Unless the parties agree otherwise, the following deadlines apply:

25                  **Twenty-one (21) days before the Abbreviated Mediation.** The Reorganized Debtors  
26 must e-mail the Mediator and the Subordinated Securities Claimant the following:

- 27                  • A settlement offer (the "Abbreviated Mediation Settlement Offer"); and  
28

- A confidential background statement (the “**Background Statement**”). The Background Statement must not exceed five (5) pages.

**Seven (7) days before the Abbreviated Mediation.** The Subordinated Securities Claimant may, but is not required to, e-mail the Mediator and the Reorganized Debtors with a response. For example, the Subordinated Securities Claimant may accept the Abbreviated Mediation Settlement Offer, in which case the Reorganized Debtors shall notify the Mediator and the Subordinated Securities Claimant that the Abbreviated Mediation Settlement Offer has been accepted and that the Subordinated Securities Claim(s) at issue will be paid promptly.

If the Subordinated Securities Claimant rejects the Abbreviated Mediation Settlement Offer, the claimant may include the following:

- A counteroffer to the Abbreviated Mediation Settlement Offer; and
- A confidential response to the Background Statement (the “**Response Statement**”), which should include a short and plain statement of the facts and law upon which the Subordinated Securities Claimant relies for recovery and maintains entitle it to relief. The Subordinated Securities Claimant may, but is not required to, attach to the Response Statement exhibits, annexes, or other documents that the Subordinated Securities Claimant believes support its claim. The Response Statement must not exceed five (5) pages, excluding any attachments.

If a Subordinated Securities Claimant rejects the Abbreviated Mediation Settlement Offer, but elects not to make a counteroffer, the Subordinated Securities Claimant or, if applicable, the Authorized Individual, shall come prepared with and be expected to make a counteroffer at the Abbreviated Mediation.

#### 6. *Termination of the Abbreviated Mediation*

The Abbreviated Mediation may only be terminated by the Mediator. Subject to Section IV.B, *infra*, either the Reorganized Debtors or the Subordinated Securities Claimant may request the Mediator to terminate the Abbreviated Mediation, and the Mediator shall do so if the Mediator believes an impasse has been reached with respect to the Subordinated Securities Claim(s) at issue

1 and, in the judgment of the Mediator, there is no reasonable opportunity to settle the claim in  
2 mediation.

3 7. *Next Steps*

4 If any Subordinated Securities Claims is not settled through the Abbreviated Mediation  
5 Process, the Reorganized Debtors may (i) only with the written consent of the Subordinated  
6 Securities Claimant, designate the Subordinated Securities Claim(s) for the Standard Mediation  
7 Process, or (ii) seek to resolve the claim in the claims reconciliation and objection process before  
8 the Bankruptcy Court, including the Securities Omnibus Objection Procedures set forth in  
9 Securities Claims Procedures Order.

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

Weil, Gotshal & Manges LLP  
767 Fifth Avenue  
New York, NY 10153-0119

14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

1           **B.       The Standard Mediation Process**

2           The Standard Mediation Process begins when the Reorganized Debtors send a Subordinated  
3 Securities Claimant the following materials (collectively, the “**Standard Mediation Materials**”):  
4 (i) notice that the Subordinated Securities Claim has been submitted to the Standard Mediation  
5 Process (a “**Notice of Standard Mediation**”); (ii) a copy of the Subordinated Securities Claimant’s  
6 applicable proof(s) of claim; and (iii) a copy of these Securities ADR Procedures.<sup>4</sup>

7                       1.       *Notice of Standard Mediation*

8           The Reorganized Debtors shall provide the applicable Subordinated Securities Claimant  
9 with notice of the date, time, location, identity of the Mediator and a reference or link to the posted  
10 biographical information regarding the Mediator, and the estimated duration of the mediation (the  
11 “**Standard Mediation**”) at least forty-two (42) days prior to the mediation date (the “**Standard**  
12 **Mediation Scheduling Notice**”), unless otherwise agreed to by the parties.

13           If the chosen date and/or time of the Standard Mediation is not agreeable to the  
14 Subordinated Securities Claimant, the Subordinated Securities Claimant may so inform the  
15 Mediator (defined below) so that the parties, and the Mediator, may find a mutually agreeable date  
16 and time.

17           Absent further order from the Bankruptcy Court, all Standard Mediations shall be  
18 conducted virtually via videoconference over Zoom. Subordinated Securities Claimants without  
19 videoconferencing capabilities may nevertheless participate in Standard Mediation via telephonic  
20 conference.

21                       2.       *Appointment of Mediator*

22           The Reorganized Debtors will, upon notice, present to the Bankruptcy Court for approval a  
23 panel of qualified and experienced mediators for the Standard Mediations (the “**Panel of**  
24 **Mediators for Standard Mediations**”). As part of their submission(s), the Reorganized Debtors  
25 shall seek from each proposed Mediator and disclose information regarding any current or past  
26

---

27 <sup>4</sup> For transferred claims, the Reorganized Debtors will also serve a copy of the Offer Materials on the  
28 transferee identified in the notice of transfer of claim.

1 work that the proposed Mediator has performed for, or on behalf of, the Debtors or Reorganized  
2 Debtors and other potential conflicts, disclosed by the Mediator to the Reorganized Debtors, that,  
3 in the Mediator's view, could create a reasonable inference of bias. The Reorganized Debtors will  
4 work with the Panel of Mediators for Standard Mediations to develop a process of fair distribution  
5 of Standard Mediations among the Mediators. The Reorganized Debtors will also post biographical  
6 information regarding each Mediator on Prime Clerk's website.

7 A person appointed as a Mediator must (i) be an impartial, neutral person, (ii) have no  
8 financial or personal interest in the proceedings or, except when otherwise agreed by the parties, in  
9 any related matter, and (iii) disclose any circumstances likely to create a reasonable inference of  
10 bias. In the event a Mediator discloses any circumstances likely to create a reasonable inference of  
11 bias with respect to a particular Standard Mediation, such Mediator shall withdraw from the  
12 assignment and shall be replaced prior to the commencement of the Standard Mediation.

### 13 3. *Fees and Costs*

14 The Reorganized Debtors shall pay the mediator's fees and expenses. The parties shall  
15 each bear their own costs of the Standard Mediation Process.

### 16 4. *Appearance at Standard Mediation*

17 The Subordinated Securities Claimant and any counsel must appear at the Standard  
18 Mediation. The Reorganized Debtors shall make all arrangements for the Standard Mediation to be  
19 held over Zoom (or a similar web-based video interface) and/or telephonic conference and advise  
20 the Subordinated Securities Claimant and any of the Subordinated Securities Claimant's  
21 representatives of such arrangements. The Subordinated Securities Claimant shall make  
22 arrangements to ensure that the Subordinated Securities Claimant will be able to participate in the  
23 Standard Mediation, including by ensuring a proper internet connection is available. If a  
24 Subordinated Securities Claimant that is a natural person has a hardship preventing that individual  
25 from attending a Standard Mediation, the Reorganized Debtors, the Subordinated Securities  
26 Claimant, and the Mediator will meet and confer in good faith to resolve the issue and, if  
27 necessary, either party may ask the Bankruptcy Court for relief.  
28



1 If a person or entity, other than the Subordinated Securities Claimant, filed the  
2 Subordinated Securities Claim on behalf of the Subordinated Securities Claimant, that person or  
3 entity must also appear at the Standard Mediation. If the Subordinated Securities Claimant is not a  
4 natural person, an authorized representative must appear at the Standard Mediation (the  
5 “**Authorized Representative**”). Unless otherwise agreed by the Reorganized Debtors, the  
6 Authorized Representative must have complete (and not limited) authority to settle without  
7 reversion to others not attending the Standard Mediation.

8 5. *Standard Securities Mediation Procedures*

9 Unless the parties agree otherwise, the following deadlines apply:

10 **Twenty-one (21) days before the Standard Mediation.** The Subordinated Securities  
11 Claimant must e-mail the Mediator and the Reorganized Debtors the following:

- 12 • A settlement demand (the “**Settlement Demand**”); and
- 13 • A confidential pre-mediation statement (the “**Opening Statement**”). The Opening  
14 Statement must not exceed fifteen (15) pages, excluding any attachments, and  
15 identify each cause of action or theory the Subordinated Securities Claimant asserts,  
16 including a short and plain statement of the facts and law upon which the  
17 Subordinated Securities Claimant relies for recovery and maintains entitle it to relief.  
18 The Opening Statement shall include, as exhibits or annexes, all documents (or  
19 summaries of voluminous documents), affidavits, and other materials on which the  
20 Subordinated Securities Claimant relies.

21 **Seven (7) days before the Standard Mediation.** The Reorganized Debtors must e-mail  
22 the mediator and the Subordinated Securities Claimant the following:

- 23 • A response to the settlement demand (the “**Settlement Demand Response**”); and
- 24 • A confidential response statement (the “**Rebuttal Statement**”). The Rebuttal  
25 Statement must not exceed fifteen (15) pages, excluding any attachments.

26 If the Settlement Demand Response contains a counteroffer to the Settlement Demand, the  
27 Subordinated Securities Claimant or, if applicable, the Authorized Individual, shall come prepared  
28

1 with and be expected to make a counter-counteroffer at the Standard Mediation.

2                   6.       *Mediators-Eyes-Only*

3                   At the Mediator’s discretion and direction, the parties may submit additional, confidential  
4 letters or statements to the Mediator that will not be exchanged with each other, which shall receive  
5 “Mediator’s-eyes-only” treatment.

6                   7.       *Termination of the Standard Mediation*

7                   The Standard Mediation may only be terminated by the Mediator. Subject to Section IV.B  
8 below, either the Reorganized Debtors or the Subordinated Securities Claimant may request the  
9 Mediator to terminate the Standard Mediation, and the Mediator shall do so if the Mediator  
10 believes an impasse has been reached with respect to the Subordinated Securities Claim(s) at issue  
11 and, in the judgment of the Mediator, there is no reasonable opportunity to settle the claim in  
12 mediation.

13                   8.       *Next Steps*

14                   If any Subordinated Securities Claims is not settled through the Standard Mediation Process  
15 and the mediation is terminated by the Mediator, then the Subordinated Securities Claim shall be  
16 resolved through the claims reconciliation and objection process before the Bankruptcy Court,  
17 including the Securities Omnibus Objection Procedures set forth in Securities Claims Procedures  
18 Order.

19                   **C.       Extension of Claim Objection Deadline**

20                   In the event that these Securities ADR Procedures have been invoked as to a Subordinated  
21 Securities Claim but have not resolved the Subordinated Securities Claim, the deadline to object to  
22 the Subordinated Securities Claim under Section 7.1 of the Plan shall be automatically extended  
23 until sixty (60) days after the termination of the Securities ADR Procedures. For the avoidance of  
24 doubt, this provision in no way shortens the deadline to object to Subordinated Securities Claims  
25 under Section 7.1 of the Plan.

26  
27  
28

1 **IV. MISCELLANEOUS PROVISIONS APPLICABLE TO THE SECURITIES ADR**  
2 **PROCEDURES**

3 **A. Settlement in Securities ADR Procedures**

4 If a Subordinated Securities Claim is settled through the Securities ADR Procedures, the  
5 parties will execute a settlement agreement.

6 **B. Duty to Negotiate in Good Faith**

7 The Subordinated Securities Claimants and the Reorganized Debtors shall negotiate in good  
8 faith in an attempt to reach an agreement for the settlement of the Subordinated Securities Claims.

9 **C. Confidentiality of Negotiations**

10 The settlement and mediation process is confidential and the Reorganized Debtors, the  
11 Mediator, and the Subordinated Securities Claimants, including their respective advisors, agents, and  
12 representatives, shall not disclose any offers or communications made in connection with any  
13 settlement offers or the mediation, as applicable, to anyone other than the aforementioned parties  
14 involved in the settlement or mediation process (each, a “**Permitted Party**”). Absent express  
15 agreement between the parties, no person may rely on, seek discovery of, or introduce as evidence in  
16 connection with any judicial or other proceeding, any offer, counteroffer, discussions or negotiations  
17 between the parties, or any other aspect of the Securities ADR Procedures.

18 **D. Modification of the Securities ADR Procedures**

19 The Reorganized Debtors and a Subordinated Securities Claimant may enter into a written  
20 agreement, without further approval of the Bankruptcy Court, to modify the foregoing Securities  
21 ADR Procedures at their mutual discretion.

22 **E. Failure to Comply with the Securities ADR Procedures**

23 If a Subordinated Securities Claimant or the Reorganized Debtors fail to comply with the  
24 Securities ADR Procedures, negotiate in good faith, or cooperate as may be necessary to effectuate  
25 the Securities ADR Procedures, the Bankruptcy Court may, after notice and hearing, find such  
26 conduct to be in violation of the Securities Claims Procedures Order or, with respect to a  
27 Subordinated Securities Claimant, an abandonment of or failure to prosecute the Subordinated  
28

1 Securities Claim, or both. Upon such findings, the Bankruptcy Court may, among other things,  
2 disallow and expunge the Subordinated Securities Claim, in whole or in part, or grant such other or  
3 further remedy deemed just and appropriate under the circumstances, including, without limitation,  
4 awarding attorneys' fees, other fees, and costs to the other party.

5 Notwithstanding anything herein, no Mediator appointed to mediate any Subordinated  
6 Securities Claim(s) may disclose any offers, counteroffers, or communications made in connection  
7 with the mediation or any of the Mediator's views concerning such mediation to anyone other than  
8 a Permitted Party unless so-ordered by the Bankruptcy Court, or another court of competent  
9 jurisdiction on its own motion, and neither the Reorganized Debtors nor the Subordinated  
10 Securities Claimant may seek or request such an order.

11 **F. Prioritization and Referral of Subordinated Securities Claims to Mediation**

12 Given the number of Subordinated Securities Claims, the Reorganized Debtors shall have  
13 the discretion to prioritize the initiation of mandatory mediations as they see fit.

14 **G. Mandatory Mediation Rules**

15 Mandatory mediation shall be governed by the Mediator's regular procedures, except where  
16 expressly modified in the Securities ADR Procedures. In the event of a conflict, the Securities  
17 ADR Procedures shall control. Any party to a mandatory mediation that fails to participate in good  
18 faith, on the terms described herein, may be subject to sanctions under section IV.E above.

19 **H. Securities ADR Procedures Not a Prerequisite to Objection**

20 Notwithstanding anything herein, the Reorganized Debtors may elect to resolve a  
21 Subordinated Securities Claim in the claims reconciliation and objection process before the  
22 Bankruptcy Court at any time, regardless as to whether or not the Reorganized Debtors have  
23 previously sought to resolve such Subordinated Securities Claim through the Securities ADR  
24 Procedures prior to filing any such objection. Notwithstanding the foregoing, the Reorganized  
25 Debtors shall not file an objection (other than an Omnibus Objection) to any Subordinated  
26 Securities Claim while any Securities Mediation Procedures are scheduled or pending with respect  
27 to that claim.  
28

**I. Computing Time for Deadlines**

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

**J. Materials to be Provided to Mediator**

Prior to any Mediation, the Reorganized Debtors shall provide each Mediator with a copy of: (i) the *Third Amended Consolidated Class Action Complaint for Violation of the Federal Securities Laws* (the “TAC”) filed in *In re PG&E Corp. Securities Litigation*, No. 3:18-cv-03509-EJD (N.D. Cal.) [ECF No. 121]; (ii) all briefs filed in support of or in opposition to the defendant Directors and Underwriters motions to dismiss the TAC; and (iii) any opinions or further briefings filed in connection with the motions to dismiss the TAC.

Weil, Gotshal & Manges LLP  
767 Fifth Avenue  
New York, NY 10153-0119

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28