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RE: Case # 19-30088-DM

Tort Claimant Committee Members and Fire Claimant Professionals:

Given that my recent motion for reconsideration of the disclosure statement order [Dkt. 6488] was denied without a hearing, I wanted to send this note to you directly to implore you to reconsider the implications of the current course. I hope you agree that there is no chance the material issues that still need to be resolved (trust management, registration rights agreement, etc.) will be at all favorable for victims if the vote continues unobstructed by facts and full disclosure. I know from your recently filed motions that you agree that these yet to be resolved issues will have profound implications regarding the efficacy of the plan, settlement and degree to which it will be beneficial to victims. Given this, I do not understand how any TCC members or other victim attorneys could be in support of this approach of vote first and renegotiate after. Clearly, if this path continues to be pursued, you will have no leverage in negotiations with the debtors as the votes come in and certainly PG&E has not demonstrated that “doing the right thing” is part of their DNA. I know we can agree that the only reason they conceded to ensure the manslaughter penalty was not out of the victim trust was because of the public optics and not out of any sense of corporate morality. The argument that this \$3.48M is relatively small compared to the overarching numbers involved misses the point. **The point is that without leverage we cannot assume the debtors will be motivated by any notion of fairness or justice.**

The June 30, 2020 AB1054 date which I worked to amend while the legislation was being drafted is certainly driving urgency now. However, we should make sure that this date puts pressure on PG&E and not on victims to concede major issues. **The added risks (COVID, market fluctuations, increased PG&E liabilities/debt, etc.) should provide more impetus to get these material items addressed first.** This notion described at prior hearings that later disclosures after a vote will provide an opportunity for a re-vote seems fanciful to me to provide the appearance of fairness without being practical. For certain, the victim trust and associated shares will be leveraged by the debtors to buffer the interests of the other entrenched investors. As you are aware, Mr. Johnson, CEO articulated under cross-examination at the CPUC that his expectation is that hedge funds and other entrenched investors will exit the stock after bankruptcy. Also, under cross examination Mr. Wells, CFO reluctantly agreed that the post-bankruptcy credit rating will be “junk”. Given these facts, the debtors notion that they will be able to attract “traditional utility investors” after this stock exodus must either be a ploy or wishful thinking given that all indications are that this wildfire season and beyond will be a time period of a dramatic conflagration of risks. As an aside, I am not sure why TCC members signed an RSA that prevented them from cross-examining the PG&E executives in this forum which would have helped them gain ground for their clients but I am hoping this does not preclude you from leveraging the information that came out during these hearings.

Yes, the bondholders, subrogation claimants and other savvy investors know these facts and have positioned themselves accordingly given the risks. I know you agree that the victims should not be the only class of claimants left exposed to these risks. Given this shared sentiment, **I urge you to please resolve these items BEFORE you ask your clients to vote on the plan. Given**

that liquidity analysis, range of settlement and other usually disclosed information was not provided in the disclosure statement, it should be even more of an imperative to get these material issues resolved before the vote. The disclosure statement in its current form reads as a one-sided document to encourage a YES vote and again I can only assume that the TCC concessions and lack of disclosure in this document is due to a premature execution of the TCC RSA well before the detrimental impacts of this plan came to light.

Despite the evidence to the contrary, I sincerely hope that PG&E is successful going forward. Like many of you, I have been working within the CPUC, through legislative efforts and in this proceeding to promote changes to their plan that will align their financial structures with their risks. I know we will all work over the remaining weeks to ensure there are substantial changes to the plan along these lines. That said, I know that some may be counting on the PG&E implosion this summer or fall as an opportunity for a public takeover or some other ownership structure that may or may not be beneficial to PG&E victims or the public. Despite the public safety risks this strategy portends, the assumption that victims will be “made whole” through that process seems similarly ill-conceived. As other investors cash out or are bought out through that process, it will not leave current or future PG&E victims in a good place. **These types of risks and others are why material issues like stock dilution, liquidation prioritization, stock sale restrictions and other matters MUST be resolved BEFORE the vote.** The fact that the Bondholder RSA was executed after the TCC RSA complicates these issues but it should NOT prevent the TCC from protecting victims through this deal. **Unless we have a solid executed agreement on these issues with the debtors, we must assume that PG&E will delay as long as possible any payments to victims and will do everything in their power to leverage the victim trust to mitigate their corporate risks and the risks to their more entrenched investors.** I believe these are huge risks that are being unfairly and unjustly passed along to victims. **However, even if you disagree with my assessment of the severity of these risks, you should still want these issues resolved BEFORE the vote. Regardless of whether or not you plan to urge your clients to vote for or against this plan, I urge you to hold the voting till the end of this time-period or until these issues are resolved (whichever comes first) so these issues have a chance of being resolved to the benefit of your clients.**

I appreciate and respect the work of the TCC, Fire Claimant Professionals and others in this case and hope that my engagement in this proceeding helps to support your work on behalf of victims. I only want to improve the plan so that victims are more financially secure going into this wildfire season and so that families like mine are less likely to be running from more PG&E caused wildfires. I appreciate that there are complexities regarding the negotiations not necessarily represented in this letter. Similarly, I would ask you to appreciate that there are complexities for your clients who are struggling to rebuild homes and lives that are not represented in the current path of this proceeding. I know and appreciate that any deal such as this contains compromises from all parties. That said, I believe it is safe to assume that a vote first and resolve material issues after approach is imprudent and will lead to detrimental implications. Thank you very much for considering this sentiment as you work on behalf of your clients.

Respectfully submitted,



William B. Abrams