



Signed and Filed: April 7, 2020

*Dennis Montali*

DENNIS MONTALI  
U.S. Bankruptcy Judge

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF CALIFORNIA

In re:	)	Bankruptcy Case
	)	No. 19-30088-DM
PG&E CORPORATION,	)	
	)	Chapter 11
- and -	)	
	)	Jointly Administered
PACIFIC GAS AND ELECTRIC COMPANY,	)	
	)	Date: April 7, 2020
Debtors.	)	Time: 10:00 AM
	)	Place: Courtroom 17
<input type="checkbox"/> Affects PG&E Corporation	)	450 Golden Gate Ave.
<input type="checkbox"/> Affects Pacific Gas and	)	16th Floor
Electric Company	)	San Francisco, CA
<input checked="" type="checkbox"/> Affects both Debtors	)	
	)	
<i>* All papers shall be filed in</i>	)	
<i>the Lead Case, No. 19-30088 (DM).</i>	)	

**ORDER DENYING MOTION FOR ENTRY OF AN ORDER DIRECTING  
SUPPLEMENTAL DISCLOSURE IN THE FORM OF A LETTER FROM THE TCC**

The court has considered on an expedited basis the motion of the Official Committee of Tort Claimants ("TCC") for authority of the court to authorize supplemental disclosures in the form of a letter from the TCC to the class of creditors known as the Fire Claimants ("Motion"). More specifically, what the TCC wants is for the court to permit it to advise members of

1 that class, impaired under the pending Debtors' Plan, to  
2 withhold their votes at least until the end of the month, by  
3 which time the TCC hopes and believes there will be further  
4 developments in the plan negotiation process to inform the class  
5 members more fully.

6 Apart from the logistical and practical problems presented  
7 by the time pressures presented in this case by the looming June  
8 30, 2020, deadline of AB 1054, and the tragic worldwide pandemic  
9 brought about by COVID-19, what the TCC seeks is not  
10 appropriate.

11 The court has already approved the Debtors' Disclosure  
12 Statement and virtually all of the issues raised by the TCC in  
13 the Motion and proposed letter were well-known at the time of  
14 the final hearing on the Disclosure Statement. The court  
15 approved that Disclosure Statement as containing "adequate  
16 information" on March 17, 2020 (Dkt. No. 6340). These include  
17 the fact that an anticipated rights offering had not yet been  
18 finalized then (and has not been finalized now). Also, there  
19 were changes in the anticipated equity/debt structure of the  
20 reorganized companies that differed from what had been described  
21 in the Restructuring Support Agreement ("RSA") negotiated  
22 between Debtors and the TCC. The TCC is also complaining about  
23 a formula in the RSA for calculating the value of the  
24 reorganized companies and wants the Debtors to "guarantee that  
25 the stock issued to the Fire Victim Trust will be 'funded with  
26 \$6.75 billion in cash and PG&E stock valued at 6.75 billion'".  
27 These problems could have been flagged for insertion in the  
28 Disclosure Statement then. At the very least the statement

1 could have included the very typical disclaimers such as  
2 "Debtors contend...(and)TCC contends...". The proposed TCC letter  
3 is not the proper place to debate the terms of the RSA. It says  
4 what it says and the disclosures were deemed adequate just over  
5 three weeks ago.

6 A massive undertaking for sending voluminous materials and  
7 soliciting votes on the Plan is well-underway. Hundreds, if not  
8 thousands, of members of the class have already voted. The TCC  
9 apparently does not want to upset those votes, but it is beyond  
10 doubt that confusion will reign if the court permits the  
11 proposed letter to go out, leaving countless fire victims  
12 confused even more than they might be now. Are their cast votes  
13 valid? Should they ask to withdraw them? And what happens if  
14 there is a pause, and voters do not recast their votes in time?

15 On top of that, in the very course of the hearing today  
16 there was disagreement among various parties about what the  
17 letter should or should not say. And a little over an hour  
18 after the hearing counsel for the TCC uploaded a new version of  
19 its letter, to be followed by an email to the Courtroom Deputy  
20 that Debtors would be responding. This is no way for this  
21 process to proceed and no way for the court to be involved in  
22 condoning the process. This promotes more disorder and  
23 confusion than certainty.

24 The court is satisfied that agreeing to the TCC's request  
25 will cause more harm than good, and court-approval of its  
26 proposal is ill-advised and must be rejected.

27 What little law there is on the subject makes clear that  
28 once a disclosure statement is approved, parties are free to

1 attempt to persuade voters to vote for or against a plan. But  
2 that is not the same as asking the court to approve a post-  
3 approval plea to delay a vote while future events unfold, if  
4 indeed they do at all within the time frame suggested. If the  
5 TCC chooses to proceed, it does so without this court's approval  
6 or disapproval.

7 The Motion is DENIED.

8 \*\*\*END OF ORDER\*\*\*