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19 **UNITED STATES BANKRUPTCY COURT**
20 **NORTHERN DISTRICT OF CALIFORNIA**
21 **SAN FRANCISCO DIVISION**

22 **In re:**

23 **PG&E CORPORATION,**

24 **Debtor.**

25 **Tax I.D. No. 94-3234914**

26 Case Nos. 19-_____()
27 19-_____()

28 Chapter 11

**MOTION OF DEBTORS PURSUANT TO
11 U.S.C. §§ 105(A) AND 362 FOR INTERIM
AND FINAL ORDERS ESTABLISHING
NOTIFICATION PROCEDURES AND
APPROVING RESTRICTIONS ON
CERTAIN TRANSFERS OF STOCK OF,
AND CLAIMS AGAINST, THE DEBTORS**

29 **In re:**

30 **PACIFIC GAS AND ELECTRIC
31 COMPANY,**

32 **Debtor.**

33 **Tax I.D. No. 94-0742640**

34 Date:
35 Time:
36 Place:

1 PG&E Corporation (“**PG&E Corp.**”) and Pacific Gas and Electric Company (the “**Utility**”), as
2 debtors and debtors in possession (collectively, “**PG&E**” or the “**Debtors**”) in the above-captioned
3 chapter 11 cases (the “**Chapter 11 Cases**”), hereby submit this Motion (the “**Motion**”), pursuant to
4 sections 105(a) and 362 of title 11 of the United States Code (the “**Bankruptcy Code**”), for entry of
5 interim and final orders authorizing the Debtors to establish procedures (the “**Procedures**”) to protect
6 the potential value of the Debtors’ consolidated net operating loss carryforwards (“**NOLs**”) and other
7 tax benefits (collectively, the “**Tax Attributes**”) for use in connection with the reorganization of the
8 Debtors. The Procedures apply to (a) common stock of PG&E Corp. (the “**Common Stock**”) and
9 preferred stock of Utility (“**Preferred Stock**”) (together with the Common Stock, the “**PG&E Stock**”) and
10 any options or similar rights (within the meaning of applicable Treasury Regulations) to acquire
11 such stock (the “**Options**”), and (b) claims (each, as defined in section 101(5) of the Bankruptcy Code)
12 against one or more of the Debtors (a “**Claim**”). The Debtors request relief effective *nunc pro tunc* to
13 the date hereof.

14 A proposed form of order granting the relief requested herein on an interim basis (the “**Proposed**
15 **Interim Order**”) is annexed hereto as Exhibit A. A proposed form of order granting the relief requested
16 herein on a final basis (the “**Proposed Final Order**” and, together with the Proposed Interim Order,
17 the “**Proposed Orders**”) is annexed hereto as Exhibit B.

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1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I. JURISDICTION**

3 The Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334, the
4 *Order Referring Bankruptcy Cases and Proceedings to Bankruptcy Judges*, General Order 24 (N.D.
5 Cal.), and Rule 5011-1(a) of the Bankruptcy Local Rules for the United States District Court for the
6 Northern District of California (the “**Bankruptcy Local Rules**”). This is a core proceeding pursuant to
7 28 U.S.C. § 157(b). Venue is proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409.

8 **II. BACKGROUND**

9 On the date hereof (the “**Petition Date**”), the Debtors commenced with the Court voluntary cases
10 under chapter 11 of the Bankruptcy Code. The Debtors continue to operate their businesses and manage
11 their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.
12 No trustee, examiner, or statutory committee has been appointed in either of the Chapter 11 Cases.

13 Additional information regarding the circumstances leading to the commencement of the Chapter
14 11 Cases and information regarding the Debtors’ businesses and capital structure is set forth in the
15 Declaration of Jason P. Wells, Senior Vice President and Chief Financial Officer of PG&E Corp., filed
16 contemporaneously herewith in support of the Debtors’ chapter 11 petitions and related first day relief
17 (the “**Wells Declaration**”).

18 **III. SUBJECT OF MOTION**

19 **A. The Debtors’ Tax Attributes**

20 The Debtors possess certain Tax Attributes, including, as of the Petition Date, estimated federal
21 NOLs of approximately \$4 billion and certain tax credits (including investment tax credits and research
22 and development tax credits) of approximately \$115 million. The Tax Attributes are valuable assets.

23 Title 26 of the United States Code (the “**Tax Code**”) generally permits a corporation to carry
24 forward its NOLs to reduce future taxable income, thereby reducing, along with available tax credits,
25 such corporation’s tax liability in future periods. *See, e.g.*, 26 U.S.C. §§ 38 and 172. Accordingly,
26 absent any intervening limitations and depending on future operating results and the consummation of
27 taxable asset dispositions by the Debtors, the Tax Attributes could substantially reduce the Debtors’ U.S.
28 federal income tax liability for current and future periods, including during the pendency of these chapter

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1 11 cases. The Tax Attributes are available to reduce the Debtors’ federal income tax liability through
2 the taxable year that includes the effective date of a chapter 11 plan and potentially thereafter, depending
3 on the consequences of the restructuring. The Tax Attributes, therefore, could translate into future tax
4 savings over time, and any such savings could enhance the Debtors’ cash position for the benefit of all
5 parties in interest and contribute to the Debtors’ efforts toward a successful reorganization.

6 The Debtors’ ability to utilize the Tax Attributes to reduce future tax liability is subject to certain
7 statutory limitations. Sections 382 and 383 of the Tax Code limit a corporation’s ability to utilize its
8 NOLs, tax credits, and certain other tax benefits to offset future income once that corporation has
9 undergone an “ownership change” within the meaning of section 382 of the Tax Code (an “**Ownership**
10 **Change**”). Pursuant to section 382 of the Tax Code, an Ownership Change generally occurs when the
11 percentage of a corporation’s equity held by one or more of its “5-percent shareholders” (each, as that
12 term is used in section 382 of the Tax Code, a “**5-Percent Shareholder**”) increases by more than fifty
13 (50) percentage points above the lowest percentage of the corporation’s equity owned by such
14 shareholder(s) at any time during the relevant testing period (usually three years). *See id.* § 382(g).

15 The Debtors do not believe that PG&E Corp. has undergone an Ownership Change prior to the
16 Petition Date. Accordingly, the Debtors believe that they have significant Tax Attributes that would be
17 severely impaired by the occurrence of an Ownership Change during the pendency of these chapter 11
18 cases. Therefore, it is in the best interests of the Debtors and their stakeholders (including a customer
19 base of over 16 million residential and non-residential customers) to restrict acquisitions of PG&E Stock
20 that could result in an Ownership Change occurring *before* the effective date of a chapter 11 plan or any
21 applicable bankruptcy court order. Such a restriction would protect the Debtors’ ability to use the Tax
22 Attributes during the pendency of these chapter 11 cases or, potentially, in the event of a future
23 transaction, to offset gain or other income recognized in connection with the Debtors’ sale or ownership
24 of their assets, which may be significant in amount. In the event a pre-effective date Ownership Change
25 occurred, the resulting limitation on the Debtors’ Tax Attributes primarily depends on the value of the
26 PG&E Stock at such time, and thus becomes increasingly severe as the value of the PG&E Stock
27 declines. Although (as described below) the limitations imposed by section 382 of the Tax Code may
28 be significantly less restrictive when an Ownership Change occurs *pursuant* to a confirmed chapter 11

1 plan (or any applicable bankruptcy court order), the benefits available under section 382 of the Tax Code
2 in connection with a confirmed chapter 11 plan (or any applicable bankruptcy court order) are not applied
3 retroactively to reduce the limitations imposed on a corporation’s ability to utilize its tax benefits
4 resulting from a *previous* Ownership Change (such as an Ownership Change occurring during the
5 pendency of a chapter 11 case). *See id.* § 382(l)(5), (6).

6 A chapter 11 plan that contemplates a reorganization of the Debtors may involve the issuance of
7 new common stock in the Debtors (or any successor to the Debtors) and the distribution of such stock to
8 certain creditors in satisfaction, in whole or in part, of their respective Claims. This issuance and
9 distribution could potentially result in an Ownership Change. In such event, it is possible that the special
10 relief afforded by section 382(l)(5) of the Tax Code could be both available and beneficial to the Debtors;
11 the Debtors, in that circumstance, may seek to qualify the restructuring for such relief. Such relief,
12 however, may become unavailable to the Debtors if the trading and accumulation of certain Claims prior
13 to the effective date of a chapter 11 plan is left unrestricted.

14 **B. The Proposed Procedures Relating to PG&E Stock¹**

15 By establishing procedures for monitoring acquisitions of PG&E Stock (the “**Stock**
16 **Procedures**”), the Debtors can preserve their ability to seek the necessary relief if it appears that any
17 such acquisition(s) may impair the Debtors’ ability to utilize their Tax Attributes. Therefore, the Debtors
18 propose the following Stock Procedures:

19 (1) Definitions. For purposes of these Stock Procedures, the following terms have
20 the following meanings:

21 (a) “**Acquiring Group**” shall mean any group of persons (including any
22 Entity) that has a plan or arrangement to acquire beneficial ownership of the stock of more than one
23 Debtor within the meaning of Treasury Regulations section 1.1502-92(c)(3)(i).

24 (b) “**Beneficial ownership**” of PG&E Stock and Options to acquire PG&E
25 Stock shall be determined in accordance with section 382 of the Tax Code, the regulations promulgated
26 by the U.S. Department of the Treasury under the Tax Code (the “**Treasury Regulations**”), and rulings
27

28 ¹ The Stock Procedures delineated herein summarize the relevant portion of Exhibit 1 to the Proposed
Orders, which sets forth the Procedures.

1 issued by the Internal Revenue Service (the “**IRS**”), and as described herein, and, thus, to the extent
2 provided in those sources, from time to time shall include, without limitation, (A) direct and indirect
3 ownership (but determined without regard to any rule that treats stock of an entity as to which the
4 constructive ownership rules apply as no longer owned by that entity) e.g., a holding company would be
5 considered to beneficially own all stock owned or acquired by its subsidiaries, (B) ownership by a
6 holder’s family members, (C) ownership by any Entity, and (D) to the extent set forth in Treasury
7 Regulations section 1.382-4, the ownership of an Option to acquire PG&E Stock.

8 (c) “**Entity**” shall mean any “entity” as such term is defined in Treasury
9 Regulations section 1.382-3(a), including any group of persons acting pursuant to a formal or informal
10 understanding among themselves to make a coordinated acquisition of PG&E Stock.

11 (d) “**Substantial Stockholder**” shall mean any person (including any Entity)
12 or Acquiring Group that beneficially owns at least 24.6 million shares of Common Stock (representing
13 approximately 4.75% of all issued and outstanding shares of Common Stock).

14 (2) Notice of Substantial Ownership. Any person (including any Entity) or Acquiring
15 Group that beneficially owns, at any time on or after the Petition Date, PG&E Stock in an amount
16 sufficient to qualify such person or Acquiring Group as a Substantial Stockholder shall file with this
17 Court and serve upon (i) PG&E Corporation, 77 Beale Street, P.O. Box 770000 San Francisco, California
18 94177 (Attn: Mark Caron); (ii) Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York
19 10153 (Attn: Stephen Karotkin, Esq.; Jessica Liou, Esq.; and Matthew Goren, Esq.), as proposed counsel
20 to the Debtors; (iii) counsel to any statutory committees appointed in the Chapter 11 Cases (each, an
21 “**Official Committee**”); and (iv) counsel to the lenders under the Debtors’ proposed debtor in possession
22 financing facilities (the “**DIP Lenders**”) (collectively, the “**Disclosure Parties**”) a notice of such
23 person’s or Acquiring Group’s substantial ownership (a “**Substantial Stock Ownership Notice**”), in
24 substantially the form annexed to the Proposed Orders as Exhibit 2, which describes specifically and in
25 detail such person’s or Acquiring Group’s ownership of PG&E Stock, on or before the date that is the
26 later of (x) twenty (20) calendar days after the entry of the order granting the requested relief or (y) ten
27 (10) business days after such person or Acquiring Group qualifies as a Substantial Stockholder. At the
28 election of the filing person or Acquiring Group, the Substantial Stockholder Ownership Notice to be

1 filed with this Court (but not the Substantial Stock Ownership Notice that is served upon the Debtors,
2 the attorneys for the Debtors, and the attorneys for any Official Committee) may be redacted to exclude
3 the taxpayer identification number and the amount of PG&E Stock beneficially owned.

4 (3) Acquisition of PG&E Stock. At least twenty (20) business days prior to the
5 proposed date of any transfer of PG&E Stock or exercise of any Option to acquire PG&E Stock that
6 would result in an increase in the amount of PG&E Stock beneficially owned by any person (including
7 any Entity) or Acquiring Group that currently is or, as a result of the proposed transaction, would be a
8 Substantial Stockholder (a “**Proposed Acquisition Transaction**”), such person, Acquiring Group or
9 Substantial Stockholder (a “**Proposed Transferee**”) shall file with this Court and serve upon the
10 Disclosure Parties a notice of such Proposed Transferee’s intent to purchase, acquire, or otherwise
11 accumulate PG&E Stock (an “**Acquisition Notice**”), in substantially the form annexed to the Proposed
12 Orders as Exhibit 3, which describes specifically and in detail the Proposed Acquisition Transaction.
13 At the election of the filing person or Acquiring Group, the Acquisition Notice to be filed with this Court
14 (but not the Acquisition Notice that is served upon the Debtors, the attorneys for the Debtors, and the
15 attorneys for any Official Committee) may be redacted to exclude the taxpayer identification number
16 and the amount of PG&E Stock beneficially owned.

17 (4) Objection Procedures. The Debtors and any Official Committee shall have fifteen
18 (15) business days after the filing of an Acquisition Notice (the “**Objection Period**”) to file with this
19 Court and serve on a Proposed Transferee, an objection (each, an “**Objection**”) to any Proposed
20 Acquisition Transaction described in such Acquisition Notice. If the Debtors or any Official Committee
21 files an Objection by the expiration of the Objection Period (the “**Objection Deadline**”), then the
22 applicable Proposed Acquisition Transaction shall not be effective unless approved by a final and
23 nonappealable order of this Court. If neither the Debtors nor any Official Committee file an Objection
24 by the Objection Deadline or if the Debtors and any and all Official Committees provide written
25 authorization to the Proposed Transferee, approving the Proposed Acquisition Transaction then such
26 Proposed Acquisition Transaction may proceed solely as specifically described in the applicable
27 Acquisition Notice. Any further Proposed Acquisition Transaction must be the subject of an additional
28 Acquisition Notice and Objection Period.

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C. The Proposed Procedures Relating to Claims

The procedures relating to the trading of Claims (the “**Claims Procedures**”), which only will become effective upon entry of the order granting the requested relief on a final basis, permit the full trading of Claims until the Debtors or another Plan Proponent (as hereinafter defined) decides to pursue a plan of reorganization contemplating the potential utilization of section 382(l)(5) of the Tax Code, at which point, if necessary for the Debtors to utilize that provision, a purchaser of certain Claims on or after the Petition Date may be required to resell some or all of such Claims. The following are certain principal provisions of the proposed Claims Procedures:²

(1) Disclosure of 382(l)(5) Plan

If the proponent of a Plan (a “**Plan Proponent**”) determines that the reorganized Debtors likely will benefit from the application of section 382(l)(5) of the Tax Code and reasonably anticipates that the reorganized Debtors (or any successors thereto) (the “**Post-Emergence PG&E**”) will invoke such section (a “**382(l)(5) Plan**”), then the Plan Proponent shall disclose the following in its proposed disclosure statement or, in the case of items (c) through (e) described below, a later, separate notice (collectively, the “**Proposed 382(l)(5) Disclosure Statement**”):

(a) Adequate information about the incremental tax benefits anticipated to be realized through the use of section 382(l)(5) of the Tax Code that, taking into account the Debtors’ anticipated net unrealized built-in gains or net unrealized built-in losses, would not otherwise be available;

(b) A summary of any restrictions expected to be imposed on the transferability of securities issued under the Plan in order to preserve such incremental tax benefits;

(c) The (A) dollar amount of Claims (by class or other applicable classification) expected to result in a one-percent (1%) interest in the equity of Post-Emergence PG&E (the “**New PG&E Stock**”) and (B) number of any of the specified interests (the “**Owned Interests**”) in the Debtors expected to result in a one-percent (1%) interest in the New PG&E Stock, in each case based upon then-available information;

² The complete proposed Claims Procedures are set forth in **Exhibit 1** to the Proposed Final Order, which sets forth the Procedures.

1 (d) A specified date (the “**Determination Date**”) that is not less than ten (10)
2 calendar days after the service of the notice of the hearing with respect to the Proposed 382(1)(5)
3 Disclosure Statement; and

4 (e) A specified date (the “**Reporting Deadline**”) that is not less than five (5)
5 calendar days after the Determination Date, by which persons (including Entities, which for purposes of
6 the Claims Procedures also includes an “entity” within the meaning of Treasury Regulations section
7 1.382-3(a)) must serve on various parties the Notice of Substantial Claim Ownership (as defined in
8 paragraph B(3) of **Exhibit 1** to Proposed Final Order) required by these Claims Procedures.

9 (2) Claims Trading Before and After the Determination Date

10 (a) Any person generally may trade freely and make a market in Claims until
11 the Determination Date.

12 (b) After the Determination Date, any acquisition of Claims by a person
13 (including any Entity) who filed or was required to file a Notice of Substantial Claim Ownership or by
14 a person who would be required to file a Notice of Substantial Claim Ownership as a result of the
15 consummation of the contemplated transaction if the proposed acquisition date had been the
16 Determination Date (each such person, a “**Proposed Claims Transferee**”), shall not be effective unless
17 consummated in compliance with the Claims Procedures.

18 (c) At least ten (10) business days prior to the proposed date of any acquisition
19 of Claims by a Proposed Claims Transferee (each acquisition, a “**Proposed Claims Acquisition**
20 **Transaction**”), such Proposed Claims Transferee shall serve upon the Plan Proponent and its counsel
21 (and the Debtors and their counsel if not the Plan Proponent), counsel to the DIP Lenders, and counsel
22 to any Official Committee a notice of such Proposed Claims Transferee’s request to purchase, acquire,
23 or otherwise accumulate a Claim (a “**Claims Acquisition Request**”), in substantially the form annexed
24 to the Proposed Final Order as **Exhibit 6**, which describes specifically and in detail the Proposed Claims
25 Acquisition Transaction, regardless of whether such transfer would be subject to the filing, notice, and
26 hearing requirements set forth in Bankruptcy Rule 3001.

27 (d) The Plan Proponent may determine, in consultation with the Debtors (if
28 not the Plan Proponent), counsel to any Official Committee and counsel to the DIP Lenders, whether to

1 approve a Claims Acquisition Request. If the Plan Proponent does not approve a Claims Acquisition
2 Request in writing within eight (8) business days after the Claims Acquisition Request is filed with the
3 Court, the Claims Acquisition Request shall be deemed rejected.

4 (3) Creditor Conduct and Sell-Downs

5 (a) Following the Determination Date, if the Plan Proponent determines that
6 certain persons holding Claims must sell or transfer all or a portion of their beneficial ownership of
7 Claims so that the requirements of section 382(l)(5) of the Tax Code will be satisfied, the Plan Proponent
8 may request—after notice to counsel to any Official Committee, counsel to the DIP Lenders, and the
9 relevant claimholder(s), and a hearing—that this Court enter an order approving the issuance of a notice
10 (a “**Sell-Down Notice**”) that such claimholder(s) must sell, cause to sell, or otherwise transfer a specified
11 amount of its beneficial ownership of Claims. Notwithstanding anything to the contrary in this Motion,
12 no claimholder shall be required to sell, cause to sell, or otherwise transfer any beneficial ownership of
13 Claims if such sale or transfer would result in the claimholder’s beneficial ownership of an aggregate
14 amount of Claims (by class or other applicable classification) that is less than such claimholder’s
15 “Protected Amount” (as defined in paragraph B(1)(p) of Exhibit 1 to the Proposed Final Order).

16 (b) Each Sell-Down Notice shall direct such claimholder to sell, cause to sell,
17 or otherwise transfer its beneficial ownership of the amount of Claims specified in the Sell-Down Notice
18 to certain permitted transferees.

19 (c) Any person (including any Entity) that violates its obligations under the
20 Claims Procedures shall be precluded from receiving, directly or indirectly, any consideration consisting
21 of a beneficial ownership of New PG&E Stock that is attributable to the “Excess Amount of Claims” (as
22 defined in paragraph B(5)(b) of Exhibit 1 to the Proposed Final Order) for such person, including any
23 consideration in lieu thereof, *provided* that such person may be entitled to receive any other consideration
24 to which such person may be entitled by virtue of holding Claims.

1 **IV. BASIS FOR RELIEF REQUESTED**

2 **A. The Automatic Stay Bars Any Equity Transfer that Would Diminish or Limit the**
3 **Debtors' Interests in the Tax Attributes**

4 In furtherance of the automatic stay provisions of section 362 of the Bankruptcy Code and
5 pursuant to section 105 of the Bankruptcy Code, the Debtors seek authority to monitor and approve (or
6 disapprove) certain acquisitions of PG&E Stock to protect against the occurrence of an Ownership
7 Change during the pendency of these chapter 11 cases, and thereby to preserve the potential value of the
8 Tax Attributes. The Debtors also seek authority to monitor and approve (or disapprove) certain transfers
9 of Claims and to require the sell down of certain Claims acquired during these chapter 11 cases to
10 preserve the Debtors' ability to avail themselves of relief under section 382(I)(5) of the Tax Code, if
11 such relief is determined to be desirable and otherwise available.

12 Section 362 of the Bankruptcy Code enjoins all entities from, among other things, taking any
13 action to obtain possession of property of or from the estate or to exercise control over property of the
14 estate. Section 541 of the Bankruptcy Code defines "property of the estate" to include all legal or
15 equitable interests of a debtor in property as of the Petition Date of a chapter 11 case, including tax
16 benefits.

17 The Tax Attributes are valuable property of the Debtors' estates and thus are protected, by
18 operation of the automatic stay, from actions that would diminish their value, including transfers that
19 would effect an Ownership Change. It is well established that a debtor's NOLs are property of the
20 debtor's estate protected by the automatic stay. *See United States v. Towers (In re Feiler)*, 230 B.R. 164,
21 168 (B.A.P. 9th Cir. 1999) ("An NOL is a tax attribute of the debtor that is part of the bankruptcy estate");
22 *Official Comm. of Unsecured Creditors v. PSS S.S. Co. (In re Prudential Lines Inc.)*, 928 F.2d 565, 574
23 (2d Cir. 1991) ("[W]here a non-debtor's action with respect to an interest that is intertwined with that of
24 a bankrupt debtor would have the legal effect of diminishing or eliminating property of the bankrupt
25 estate, such action is barred by the automatic stay."); *Nisselson v. Drew Indus., Inc. (In re White Metal*
26 *Rolling & Stamping Corp.)*, 222 B.R. 417, 424 (Bankr. S.D.N.Y. 1998) ("It is beyond peradventure that
27 NOL carrybacks and carryovers are property of the estate of the loss corporation that generated them.");
28 *In re Grossman's Inc.*, No. 97-695 (PJW), 1997 WL 33446314 (Bankr. D. Del. Oct. 9, 1997). The

1 United States Court of Appeals for the Second Circuit, in its seminal *In re Prudential Lines Inc.* decision,
2 affirmed the application of the automatic stay to a debtor’s tax benefits and upheld a permanent
3 injunction prohibiting a parent corporation from taking a worthless stock deduction that would have
4 adversely affected the ability of the parent corporation’s subsidiary to utilize its NOLs under the special
5 relief provisions of section 382 of the Tax Code. *See* 928 F.2d at 573. As the Second Circuit stated:

6 Including NOL carryforwards as property of a corporate debtor’s estate is
7 consistent with Congress’ intention to “bring anything of value that the debtors
8 have into the estate.” Moreover, . . . [i]ncluding the right to a NOL carryforward
as property of [a debtor’s] bankruptcy estate furthers the purpose of facilitating
the reorganization of [the debtor].

9 *Id.* (quoting H.R. Rep. No. 95-595, at 176 (1978)) (citations omitted); *see also In re Fruehauf Trailer*
10 *Corp.*, 444 F.3d 203, 211 (3d Cir. 2006) (“Property of the estate ‘includes all interests, such as . . .
11 contingent interests and future interests, whether or not transferable by the debtor.’” (quoting *Prudential*
12 *Lines*, 928 F.2d at 572) (alteration in original)); *Gibson v. United States (In re Russell)*, 927 F.2d 413,
13 417 (8th Cir. 1991) (concluding that the “right to carry forward the [debtor’s] NOLs” was a “property
14 interest” of the estate).

15 In *Prudential Lines*, the Second Circuit determined that, if the parent corporation were permitted
16 to take a worthless stock deduction, its subsidiary’s ability to carry forward its NOLs would be adversely
17 impacted. The Second Circuit concluded that “despite the fact that the [parent corporation’s] action
18 [was] not directed specifically at [the debtor subsidiary], it [nonetheless was] barred by the automatic
19 stay as an attempt to exercise control over property of the estate.” *Prudential Lines*, 928 F.2d at 573–
20 574.

21 In addition to finding that a debtor’s NOLs are protected by the automatic stay, the Second Circuit
22 also held that, pursuant to its equitable powers under section 105(a) of the Bankruptcy Code, a
23 bankruptcy court may issue a permanent injunction to protect such NOLs. *Id.* at 574.

24 In *In re Phar-Mor, Inc.*, 152 B.R. 924 (Bankr. N.D. Ohio 1993), the bankruptcy court applied
25 similar reasoning and granted the debtors’ motion to prohibit transfers of their stock that could have had
26 an adverse effect on their ability to utilize their NOLs, even though the debtors’ stockholders had not
27 stated any intent to sell their stock and the debtors had not shown that a sale that would trigger an
28 Ownership Change was pending. *See id.* at 927. Despite the “ethereal” nature of the situation, the court

1 observed that “[w]hat is certain is that the *NOL has a potential value, as yet undetermined*, which will
2 be of benefit to creditors and will assist debtors in their reorganization process. This asset is entitled to
3 protection while [the d]ebtors move forward toward reorganization.” *Id.* (emphasis added).

4 The bankruptcy court in *Phar-Mor* also concluded that, because the debtors were seeking to
5 enforce the automatic stay, they did not have to meet the more stringent requirements for preliminary
6 injunctive relief:

7 The requirements for enforcing an automatic stay under 11 U.S.C. § 362(a)(3) do
8 not involve such factors as lack of an adequate remedy at law, or irreparable
9 injury, or loss and a likelihood of success on the merits. The key elements for a
stay . . . are the existence of property of the estate and the enjoining of all efforts
by others to obtain possession or control of property of the estate.

10 *Id.* at 926 (quoting *In re Golden Distribs., Inc.*, 122 B.R. 15, 19 (Bankr. S.D.N.Y. 1990)).

11 Bankruptcy courts (including this Court) have regularly approved restrictions on equity and/or
12 claims trading to protect a debtor against the possible loss of valuable tax attributes. *See, e.g., In re Blue*
13 *Earth, Inc.*, Case No. 10 16-30296 (DM), ECF Doc. 30 (Bankr. N.D. Cal. March 23, 2016) and ECF
14 Doc. 112 (Bankr. N.D. Cal. April 28, 2016) (interim order and final order, respectively, establishing
15 notification, objection and hearing procedures for transfers of equity securities); *In re Aéropostale, Inc.*,
16 Case No. 16-11275 (SHL), ECF Doc. 240 (Bankr. S.D.N.Y. June 3, 2016) (approving notification
17 procedures and restrictions on certain transfers of equity interests in the debtors); *In re The Great Atl. &*
18 *Pac. Tea Co.*, Case No. 15-23007 (RDD), ECF Doc. 501 (Bankr. S.D.N.Y. Aug. 11, 2015) (approving
19 notification procedures and restrictions on certain transfers of claims against and equity interests in the
20 debtors); *In re AMR Corp.*, Case No. 11-15463 (SHL), ECF Doc. 890 (Bankr. S.D.N.Y. Jan. 27, 2012)
21 (same); *In re Delta Air Lines, Inc.*, Case No. 05-17923 (PCB), ECF Doc. 1640 (Bankr. S.D.N.Y. Dec.
22 20, 2005) (approving notification procedures and restrictions on certain transfers of equity interests in
23 the debtors); *In re WorldCom, Inc.*, Case No. 02-13533 (AJG), ECF Doc. 3613 (Bankr. S.D.N.Y. Mar.
24 5, 2003) (restricting acquisitions of stock above a certain threshold and establishing notification
25 requirements for certain acquisitions of claims); *In re Metrocall, Inc.*, Case No. 02-11579, ECF Doc.
26 290 (Bankr. D. Del. July 8, 2002) (approving procedures by which the debtor would provide five
27 business days’ notice to object to proposed transfers of stock that would result in a transferee’s holding
28 5 percent or more of the debtor’s stock or a reduction in the ownership interest of an existing 5-percent

1 shareholder); *In re Reliance Acceptance Grp. Inc.*, Case No. 98-288 (PJW), ECF Doc. 270 (Bankr. D.
2 Del. Apr. 28, 1998) (providing debtor with thirty-days' notice to object to proposed transfers that would
3 result in a transferee holding five percent or more of debtor's common stock).

4 As these cases demonstrate, it is well settled that, pursuant to section 362(a)(3) of the Bankruptcy
5 Code, the automatic stay enjoins actions that would adversely affect a debtor's ability to utilize its NOLs
6 and other tax benefits.

7 **B. The Procedures Are Necessary and in the Best Interests of the Debtors, Their**
8 **Estates, and Their Creditors**

9 The Procedures are necessary to avoid severely impairing the Debtors' ability to utilize their Tax
10 Attributes. The Debtors' ability to preserve their Tax Attributes may be seriously impaired unless the
11 Stock Procedures are established immediately and *nunc pro tunc* to the Petition Date to ensure that the
12 acquisition of PG&E Stock is either precluded or closely monitored and made subject to Court approval.

13 Depending on the Debtors' future earnings and the consequences of a restructuring, the Debtors'
14 ability to utilize the Tax Attributes may enhance the Debtors' prospects for a successful emergence from
15 chapter 11. The relief requested herein is narrowly tailored to permit certain stock and Claims trading
16 to continue, subject to Bankruptcy Rule 3001(e) and applicable securities, corporate, and other laws.

17 The Stock Procedures must be implemented as soon as possible. Even if a transfer were to be
18 null and void under section 362 of the Bankruptcy Code or as a result of a final order of the Court that
19 prohibited such a transfer retroactively to the Petition Date, under federal income tax law, such transfer
20 nevertheless may be regarded as having occurred for tax purposes, in which event the Debtors' estates
21 could suffer an irrevocable loss of value. Accordingly, if a transfer occurs that limits the Debtors' ability
22 to utilize their Tax Attributes under section 382 of the Tax Code, the Debtors' ability to realize the value
23 of their Tax Attributes may be permanently lost. The relief requested, therefore, is crucial to prevent an
24 irrevocable diminution of the value of the Debtors' estates.

25 The Claims Procedures permit the full trading of Claims until the Debtors or another Plan
26 Proponent decides to pursue a Plan that contemplates the potential utilization of section 382(l)(5) of the
27 Tax Code, at which point, if necessary for the Debtors' ability to utilize that provision, a purchaser of
28 certain Claims on or after the Petition Date may be required to resell some or all of such Claims.

1 It is in the best interests of the Debtors and their stakeholders to restrict stock acquisitions that
2 could result in an Ownership Change *before* the effective date of a chapter 11 plan or any applicable
3 bankruptcy court order. This restriction would permit the Debtors to utilize the Tax Attributes, if
4 necessary, to offset gain or other income recognized in connection with the Debtors' ownership of their
5 assets and operation of their business.

6 As they relate to an Ownership Change that occurs *pursuant to* a confirmed chapter 11 plan or
7 any applicable bankruptcy court order, however, the limitations imposed by section 382 of the Tax Code
8 are significantly less restrictive than those applicable to an Ownership Change that occurs before the
9 effective date of (or otherwise outside of) a chapter 11 plan. *See* 26 U.S.C. § 382(l)(5), (6). Under
10 section 382(l)(5) of the Tax Code (the "**Section 382(l)(5) Safe Harbor**"), a corporation is not subject to
11 the annual limitation ordinarily imposed by section 382 of the Tax Code with respect to an Ownership
12 Change, provided that the Ownership Change resulted from the consummation of a chapter 11 plan or
13 pursuant to any applicable bankruptcy court order and that the debtor's pre-Ownership Change
14 shareholders and/or "qualified creditors" (as hereinafter defined) emerge from the reorganization owning
15 at least fifty percent (50%) of the total value and voting power of the reorganized debtor's stock
16 immediately after the Ownership Change. *Id.* § 382(l)(5)(A). Under section 382(l)(5)(E) of the Tax
17 Code and the applicable Treasury Regulations, a creditor whose Claim is exchanged for stock of the
18 reorganized debtor under a chapter 11 plan or pursuant to any applicable bankruptcy court order is, for
19 purposes of section 382 of the Tax Code, a "qualified creditor" (each, a "**Qualified Creditor**") if such
20 creditor's Claim either (a) has been owned by such creditor for eighteen (18) or more months prior to
21 Petition Date or (b) arose in the ordinary course of the debtor's business and was at all times beneficially
22 owned by such creditor. Creditors also may be classified as Qualified Creditors, despite not satisfying
23 either of these conditions, if such creditors meet the criteria set forth in Treasury Regulations section
24 1.382-9(d)(3) (the "**De Minimis Rule**").

25 Under the De Minimis Rule, a debtor may, for purposes of the Section 382(l)(5) Safe Harbor,
26 "treat indebtedness as always having been owned by the beneficial owner of the indebtedness
27 immediately before the [O]wnership [C]hange if the beneficial owner is not, immediately after the
28 [O]wnership [C]hange, either a 5-[P]ercent [S]hareholder or an [E]ntity through which a 5-[P]ercent

1 [S]hareholder owns an indirect ownership interest” in the debtor. 26 C.F.R. § 1.382-9(d)(3). If a creditor
2 is treated as having continuously owned its Claim(s) under the De Minimis Rule, such creditor will be
3 regarded as a Qualified Creditor so long as the particular Claim(s) that it holds either (a) arose in the
4 ordinary course of the debtor’s business or (b) came into existence at least eighteen (18) months prior to
5 the Petition Date.

6 Although there can be no assurance that the Section 382(l)(5) Safe Harbor ultimately will be
7 available to the Debtors, and recognizing that the Debtors have not yet been able to determine whether
8 the Section 382(l)(5) Safe Harbor, even if available, would yield significant benefits in the context of
9 the Debtors’ restructuring, it is important that the Debtors preserve their ability to propose a chapter 11
10 plan that could take advantage of the Section 382(l)(5) Safe Harbor. Because the determination of
11 whether a creditor is a Qualified Creditor, in whole or in part, depends on the nature of its Claims and
12 whether it has held its Claims (within the meaning of the applicable Treasury Regulations) until the
13 effective date of the chapter 11 plan, transfers of Claims by creditors before such date pose a threat to
14 the Debtors’ ability to satisfy the requirements of the Section 382(l)(5) Safe Harbor. The requested relief
15 will ensure that the Debtors will have flexibility, if the Debtors determine it to be desirable, to structure
16 a chapter 11 plan or other distributions to comply with the requirements of the Section 382(l)(5) Safe
17 Harbor and thus to preserve the Tax Attributes to the fullest extent possible.

18 Even if it is ultimately determined that either the Section 382(l)(5) Safe Harbor is unavailable to
19 the Debtors or the relief provided thereby would not materially benefit the Debtors in the context of their
20 restructuring, section 382(l)(6) of the Tax Code provides a second, alternative rule that applies when an
21 Ownership Change occurs pursuant to a confirmed chapter 11 plan or any applicable bankruptcy court
22 order. Specifically, section 382(l)(6) of the Tax Code provides that, if a debtor undergoes an Ownership
23 Change pursuant to a chapter 11 plan and the Section 382(l)(5) Safe Harbor does not apply, then the
24 appropriate value of the Debtors for purposes of calculating the annual limitation under section 382 of
25 the Tax Code shall reflect the increase in value of the Debtors resulting from any surrender or
26 cancellation of creditors’ Claims. Generally, under section 382 of the Tax Code, the taxable income of
27 a loss corporation available for offset by pre-Ownership Change Tax Attributes is annually limited to an
28 amount equal to the long-term tax-exempt bond rate times the value of the loss company’s stock

1 *immediately before* the Ownership Change. Thus, assuming the equity value of the Debtors increases as
2 a result of the reorganization, section 382(l)(6) of the Tax Code will provide for a higher (and therefore
3 less restrictive) annual limitation than would result under the general rules of section 382 of the Tax
4 Code, thereby preserving the Debtors' ability to utilize a greater portion of their otherwise available Tax
5 Attributes to offset any post-Ownership Change income. In all circumstances, it is in the best interest of
6 the Debtors and their stakeholders for the Court to grant the requested relief in order to prevent an
7 Ownership Change prior to the effective date of a chapter 11 plan or any applicable bankruptcy court
8 order.

9 **C. The Relief Requested Should Be Granted on an Interim Basis**

10 Granting the relief requested herein on an interim basis will benefit the Debtors and their
11 stakeholders by preventing the severe impairment of the Debtors' ability to utilize the Tax Attributes
12 pending final approval of the Procedures, while allowing holders of PG&E Stock and/or Claims against
13 the Debtors and other parties in interest ample time to consider the Procedures. Absent the interim relief,
14 the Debtors may be irreparably harmed due to stock acquisitions that may follow immediately after
15 persons receive notice of this Motion. Persons may rush to acquire PG&E Stock before the Court
16 imposes any restrictions on acquisitions, and such acquisitions may be regarded as occurring for tax
17 purposes even if such acquisitions were to be null and void under section 362 of the Bankruptcy Code
18 or as a result of a final order of this Court prohibiting such acquisitions *nunc pro tunc* to the Petition
19 Date. Such acquisitions could seriously impair the Debtors' ability to utilize the Tax Attributes and
20 would be counterproductive to the Debtors' objectives in seeking the relief requested herein.
21 Accordingly, the Debtors request that the Stock Procedures proposed herein be approved on an interim
22 basis and that a hearing be scheduled to consider entry of the Proposed Final Order.

23 **V. RESERVATION OF RIGHTS**

24 Nothing contained herein is intended to be or shall be construed as (i) an admission as to the
25 validity of any Claim, (ii) a waiver of the Debtors' or any appropriate party in interest's rights to dispute
26 any Claim, or (iii) an approval or assumption of any agreement, contract, program, policy, or lease under
27 section 365 of the Bankruptcy Code. Likewise, if the Court grants the relief sought herein, any payment
28 made pursuant to the Court's order is not intended to be and should not be construed as an admission to

1 the validity of any Claim or a waiver of the Debtors' rights to dispute such Claim subsequently.

2 **VI. NOTICE**

3 Notice of this Motion will be provided to (i) the Office of the United States Trustee for Region
4 17 (Attn: James L. Snyder, Esq. and Timothy Laffredi, Esq.); (ii) the Debtors' fifty (50) largest unsecured
5 creditors; (iii) the Securities and Exchange Commission; (iv) the Internal Revenue Service; (v) the Office
6 of the California Attorney General; (vi) the California Public Utilities Commission; (vii) the Nuclear
7 Regulatory Commission; (viii) the Federal Energy Regulatory Commission; (ix) the Office of the United
8 States Attorney for the Northern District of California; (x) counsel for the agent under the Debtors'
9 proposed debtor in possession financing facilities; and (xi) those persons who have formally appeared
10 in these Chapter 11 Cases and requested service pursuant to Bankruptcy Rule 2002. Based on the
11 urgency of the circumstances surrounding this Motion and the nature of the relief requested herein, the
12 Debtors respectfully submit that no further notice is required.

13 No previous request for the relief sought herein has been made by the Debtors to this or any other
14 Court.

15 WHEREFORE the Debtors respectfully request entry of the Proposed Interim Order and
16 Proposed Final Order granting the relief requested herein and such other and further relief as the Court
17 may deem just and appropriate.

18 Dated: January 29, 2019

19 **WEIL, GOTSHAL & MANGES LLP**

20 **KELLER & BENVENUTTI LLP**

21 By: /s/ Tobias S. Keller
22 Tobias S. Keller

23 *Proposed Attorneys for Debtors*
24 *and Debtors in Possession*

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

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Exhibit A

[PROPOSED] Interim Order

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14 *Proposed Attorneys for Debtors
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15 **UNITED STATES BANKRUPTCY COURT**
16 **NORTHERN DISTRICT OF CALIFORNIA**
17 **SAN FRANCISCO DIVISION**

18 **In re:**
19 **PG&E CORPORATION,**
20 **Debtor.**
21 **Tax I.D. No. 94-3234914**

Case Nos. 19-_____()
19-_____()

Chapter 11

**[PROPOSED] INTERIM ORDER
PURSUANT TO 11 U.S.C. §§ 105(A) AND
362 ESTABLISHING NOTIFICATION
PROCEDURES AND APPROVING
RESTRICTIONS ON CERTAIN
TRANSFERS OF STOCK OF, AND
CLAIMS AGAINST, THE DEBTORS**

22 **In re:**
23 **PACIFIC GAS AND ELECTRIC**
24 **COMPANY,**
25 **Debtor.**
26 **Tax I.D. No. 94-0742640**

Date:
Time:
Place:

1 Upon the Motion, dated _____, 2019 (the “**Motion**”),¹ of PG&E Corporation (“**PG&E**
2 **Corp.**”) and Pacific Gas and Electric Company (the “**Utility**”), as debtors and debtors in possession
3 (collectively, “**PG&E**” or the “**Debtors**”) in the above-captioned chapter 11 cases (the “**Chapter 11**
4 **Cases**”), pursuant to sections 105(a) and 362 of title 11 of the United States Code (the “**Bankruptcy**
5 **Code**”), for entry of interim and final orders establishing procedures to protect the potential value of the
6 Debtors’ consolidated net operating loss carryforwards (the “**NOLs**”) and other tax benefits
7 (collectively, the “**Tax Attributes**”) for use in connection with the reorganization of the Debtors, all as
8 more fully set forth in the Motion; and this Court having jurisdiction to consider the Motion and the
9 relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334, the *Order Referring Bankruptcy Cases*
10 *and Proceedings to Bankruptcy Judges*, General Order 24 (N.D. Cal.) and Rule 5011-1(a) of the
11 Bankruptcy Local Rules for the United States District Court for the Northern District of California
12 (the “**Bankruptcy Local Rules**”); and consideration of the Motion and the requested relief being a core
13 proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28
14 U.S.C. §§ 1408 and 1409; and the Court having found and determined that notice of the Motion as
15 provided to the parties listed therein is reasonable and sufficient under the circumstances, and it
16 appearing that no other or further notice need be provided; and this Court having reviewed the Motion
17 and the Wells Declaration; and this Court having held a hearing on the Motion; and this Court having
18 determined that the legal and factual bases set forth in the Motion establish just cause for the relief
19 granted herein; and it appearing that the relief requested in the Motion is necessary to avoid immediate
20 and irreparable harm to the Debtors and their estates as contemplated by Bankruptcy Rule 6003, and is
21 in the best interests of the Debtors, their estates, creditors, shareholders, and all parties in interest; and
22 upon all of the proceedings had before this Court and after due deliberation and sufficient cause
23 appearing therefor,

24 **IT IS HEREBY ORDERED THAT:**

- 25 1. The Motion is granted on an interim basis, as provided herein.
- 26 2. The provisions of this Interim Order shall be effective *nunc pro tunc* to the Petition Date.
- 27

28 ¹ Capitalized terms used but not otherwise herein defined shall have the meanings ascribed to such terms in the Motion.

1 3. The restrictions, notification requirements, and other procedures annexed hereto as
2 **Exhibit 1** (the “**Procedures**”) are hereby approved and shall apply to all trading and transfers of PG&E
3 Stock.

4 4. Until further order of this Court to the contrary, any acquisition or trading of PG&E Stock
5 in violation of the Procedures shall be null and void *ab initio* as an act in violation of the automatic stay
6 under section 362 of the Bankruptcy Code and pursuant to this Court’s equitable powers under section
7 105(a) of the Bankruptcy Code.

8 5. Any person (including any Entity) or Acquiring Group that acquires PG&E Stock in
9 violation of this Interim Order or the Procedures or that otherwise fails to comply with their
10 requirements, shall be subject to such sanctions as this Court may consider appropriate pursuant to this
11 Court’s equitable power under section 105(a) of the Bankruptcy Code.

12 6. The notices substantially in the forms annexed hereto as **Exhibit 2**, and **Exhibit 3** are
13 hereby approved.

14 7. Within three (3) business days of the entry of this Interim Order, the Debtors shall send
15 the notice of this Interim Order (the “**Notice of Interim Order**”) annexed hereto as **Exhibit 4** to all
16 parties that were served with notice of the Motion, publish the Notice of Interim Order once in the
17 national edition of *The New York Times* and the *San Francisco Chronicle*, and post the Procedures to the
18 website established by Prime Clerk for these chapter 11 cases (which website address shall be identified
19 in the Notice of Interim Order), such notice being reasonably calculated to provide notice to all parties
20 that may be affected by the Procedures, whether known or unknown, and no further notice of the
21 Procedures shall be necessary.

22 8. Nothing herein shall preclude any person desirous of acquiring any PG&E Stock from
23 requesting relief from this Interim Order from this Court, subject to the Debtors’ rights to oppose such
24 relief.

25 9. Notice of the Motion as provided therein shall be deemed good and sufficient notice of
26 the Motion.

27 10. The relief granted in this Interim Order is intended solely to permit the Debtors to protect,
28 preserve, and maximize the value of their Tax Attributes; accordingly, other than to the extent that this

1 Interim Order expressly conditions or restricts trading in PG&E Stock, nothing in this Interim Order or
2 in the Motion shall, or shall be deemed to, prejudice, impair, or otherwise alter or affect the rights of any
3 holders of PG&E Stock, including in connection with the treatment of any such stock under any chapter
4 11 plan or any applicable bankruptcy court order.

5 11. The requirements set forth in this Interim Order are in addition to the requirements of
6 Bankruptcy Rule 3001(e) and applicable securities, corporate and other laws and do not excuse
7 noncompliance therewith.

8 12. The Debtors are authorized to take all steps necessary or appropriate to carry out this
9 Interim Order.

10 13. A final hearing to consider the relief requested in the Motion shall be held on _____,
11 ____ at _____ (Prevailing Pacific Time) and any objections or responses to the Motion shall be filed
12 and served so as to be actually received on or prior to _____, ____ at 4:00 p.m. (Prevailing Pacific
13 Time).

14 14. This Court shall retain jurisdiction to hear and determine all matters arising from or
15 related to the implementation, interpretation, or enforcement of this Interim Order.

16 ** END OF ORDER **

Exhibit 1 to Interim Order

Procedures

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

1 UNITED STATES BANKRUPTCY COURT
2 NORTHERN DISTRICT OF CALIFORNIA
3 SAN FRANCISCO DIVISION

4 **In re:**
5 **PG&E CORPORATION,**
6 **Debtor.**
7 **Tax I.D. No. 94-3234914**

Case Nos. 19-____()
19-____()

Chapter 11

**NOTICES, RESTRICTIONS, AND OTHER
PROCEDURES REGARDING
OWNERSHIP AND ACQUISITIONS OF
STOCK OF THE DEBTORS**

8 **In re:**
9 **PACIFIC GAS AND ELECTRIC
COMPANY,**
10 **Debtor.**
11 **Tax I.D. No. 94-0742640**

Date:
Time:
Place:

12
13
14 **TO ALL PERSONS (INCLUDING ENTITIES) THAT OWN STOCK OF THE**
15 **DEBTORS:**

16 Pursuant to that certain *Interim Order Establishing Notification Procedures and Approving*
17 *Restrictions on Certain Transfers of Stock of, and Claims Against, the Debtors* (the “**Interim Order**”)
18 entered by the United States Bankruptcy Court for the Northern District of California (the “**Bankruptcy**
19 **Court**”) on _____, 2019, Docket No. _____, the following restrictions, notification requirements,
20 and/or other procedures (collectively, the “**Procedures**”) apply to all trading and transfers of stock of
21 the Debtors.¹

22 **A. PG&E Stock Restrictions**

23 (1) Definitions. For purposes of these Procedures, the following terms have the following
24 meanings:

25 (a) “**PG&E Corp.**” shall mean PG&E Corporation.

26 (b) “**Utility**” shall mean Pacific Gas and Electric Company.

27
28 ¹ Capitalized terms used but not defined herein (in particular, see definitions in paragraphs A(1) below)
shall have the meanings ascribed to them in the Interim Order.

1 (c) “**Common Stock**” shall mean common stock issued by PG&E Corp.
2 (d) “**Preferred Stock**” shall mean preferred stock issued by Utility.
3 (e) “**Option**” shall mean any contingent purchase, warrant, convertible debt, put,
4 stock subject to risk of forfeiture, contract to acquire stock, or similar interest regardless of whether it is
5 contingent or otherwise not currently exercisable.

6 (f) “**PG&E Stock**” shall mean, collectively, Common Stock and Preferred Stock.
7 For the avoidance of doubt, by operation of the definition of beneficial ownership, an owner of an Option
8 to acquire PG&E Stock may be treated as the owner of such PG&E Stock.

9 (g) “**Beneficial ownership**” of PG&E Stock and Options to acquire PG&E Stock
10 shall be determined in accordance with section 382 of the title 26 of the United States Code (the “**Tax**
11 **Code**”), the regulations promulgated by the U.S. Department of Treasury under the Tax Code (the
12 “**Treasury Regulations**”), and rulings issued by the Internal Revenue Service (the “**IRS**”), and as
13 described herein, and, thus, to the extent provided in those sources, from time to time shall include,
14 without limitation, (i) direct and indirect ownership (but determined without regard to any rule that treats
15 stock of an entity as to which the constructive ownership rules apply as no longer owned by that entity),
16 e.g., a holding company would be considered to beneficially own all stock owned or acquired by its
17 subsidiaries, (ii) ownership by a holder’s family members, (iii) ownership by any Entity, and (iv) to the
18 extent set forth in Treasury Regulations section 1.382-4, the ownership of an Option to acquire PG&E
19 Stock.

20 (h) “**Acquiring Group**” shall mean any group of persons (including any Entity) that
21 has a plan or arrangement to acquire beneficial ownership of the stock of more than one Debtor within
22 the meaning of Treasury Regulations section 1.1502-92(c)(3)(i).

23 (i) “**Entity**” shall mean any “entity” as such term is defined in Treasury Regulations
24 section 1.382-3(a), including any group of persons acting pursuant to a formal or informal understanding
25 among themselves to make a coordinated acquisition of PG&E Stock.

26 (j) “**Substantial Stockholder**” shall mean any person (including any Entity) or
27 Acquiring Group that beneficially owns at least 24.6 million shares of Common Stock (representing
28

1 approximately 4.75% of all issued and outstanding shares of Common Stock).

2 (2) Notice of Substantial Ownership. Any person (including any Entity) or Acquiring Group
3 that beneficially owns, at any time on or after the Petition Date, PG&E Stock in an amount sufficient to
4 qualify such person or Acquiring Group as a Substantial Stockholder shall file with the Bankruptcy
5 Court, and serve upon (a) PG&E Corporation, 77 Beale Street, P.O. Box 770000 San Francisco,
6 California 94177 (Attn: Mark Caron); (b) Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York,
7 New York 10153 (Attn: Stephen Karotkin, Esq.; Jessica Liou, Esq.; Matthew Goren, Esq.; Kevin Bostel,
8 Esq.), as proposed counsel to the Debtors; (c) counsel to any statutory committees appointed in the
9 Chapter 11 Cases (each an “**Official Committee**”); and (d) counsel to the lenders under the Debtors’
10 proposed debtor in possession financing facility (the “**DIP Lenders**”) (collectively, the “**Disclosure**
11 **Parties**”) a notice of such person’s or Acquiring Group’s substantial ownership (a “**Substantial Stock**
12 **Ownership Notice**”), in substantially the form annexed to the Interim Order as Exhibit 2, which
13 describes specifically and in detail such person’s or Acquiring Group’s ownership of PG&E Stock, on
14 or before the date that is the later of (x) twenty (20) calendar days after the entry of the order granting
15 the requested relief or (y) ten (10) business days after such person or Acquiring Group qualifies as a
16 Substantial Stockholder. At the election of the filing person or Acquiring Group, the Substantial Stock
17 Ownership Notice to be filed with the Bankruptcy Court (but not the Substantial Stock Ownership Notice
18 that is served upon the Debtors, the attorneys for the Debtors, and the attorneys for any Official
19 Committee) may be redacted to exclude the taxpayer identification number and the amount of PG&E
20 Stock beneficially owned.

21 (3) Acquisition of PG&E Stock. At least twenty (20) business days prior to the proposed
22 date of any transfer of PG&E Stock or exercise of any Option to acquire PG&E Stock that would result
23 in an increase in the amount of PG&E Stock beneficially owned by any person (including any Entity) or
24 Acquiring Group that currently is or, as a result of the proposed acquisition transaction, would be a
25 Substantial Stockholder (a “**Proposed Acquisition Transaction**”), such person, Acquiring Group or
26 Substantial Stockholder (a “**Proposed Transferee**”) shall file with the Bankruptcy Court and serve upon
27 the Disclosure Parties a notice of such Proposed Transferee’s intent to purchase, acquire, or otherwise
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1 accumulate PG&E Stock (an “**Acquisition Notice**”), in substantially the form annexed to the Interim
2 Order as **Exhibit 3**, which describes specifically and in detail the Proposed Acquisition Transaction. At
3 the election of the filing person or Acquiring Group, the Acquisition Notice to be filed with the
4 Bankruptcy Court (but not the Acquisition Notice that is served upon the Debtors, the attorneys for the
5 Debtors, and the attorneys for any Official Committee) may be redacted to exclude the taxpayer
6 identification number and the amount of PG&E Stock beneficially owned.

7 (4) Objection Procedures. The Debtors and any Official Committee shall have fifteen (15)
8 business days after the filing of an Acquisition Notice (the “**Objection Period**”) to file with the
9 Bankruptcy Court and serve on a Proposed Transferee, an objection (each, an “**Objection**”) to any
10 Proposed Acquisition described in such Acquisition Notice. If the Debtors or any Official Committee
11 files an Objection by the expiration of the Objection Period (the “**Objection Deadline**”), then the
12 applicable Proposed Acquisition Transaction shall not be effective unless approved by a final and
13 nonappealable order of the Bankruptcy Court. If neither the Debtors nor any Official Committee file an
14 Objection by the Objection Deadline or if the Debtors and any and all Official Committees provide
15 written authorization to the Proposed Transferee approving the Proposed Acquisition Transaction prior
16 to the Objection Deadline, then such Proposed Acquisition Transaction may proceed solely as
17 specifically described in the applicable Acquisition Notice. Any further Proposed Acquisition
18 Transaction must be the subject of an additional Acquisition Notice and Objection Period.

19 **B. Noncompliance with the Procedures**

20 Any transfer of PG&E Stock in violation of these Procedures shall be null and void *ab initio* as
21 an act in violation of the automatic stay under section 362 of the Bankruptcy Code and pursuant to the
22 Bankruptcy Court’s equitable powers under section 105(a) of the Bankruptcy Code. Furthermore, any
23 person (including any Entity) or Acquiring Group that acquires PG&E Stock in violation of these
24 Procedures shall be subject to sanctions as provided by law.

25 **C. Debtors’ Right to Waive**

26 **The Debtors may waive, in writing, any and all restrictions, stays, and notification**
27 **Procedures contained in this Notice.**

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

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Dated: San Francisco, California

BY ORDER OF THE COURT

_____, 2019

Exhibit 2 to Interim Order
Notice of Substantial Stock Ownership

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

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

In re:
PG&E CORPORATION,
Debtor.
Tax I.D. No. 94-3234914

Case Nos. 19-
19-

Chapter 11

NOTICES OF SUBSTANTIAL STOCK OWNERSHIP

In re:
PACIFIC GAS AND ELECTRIC COMPANY,
Debtor.
Tax I.D. No. 94-0742640

Date: DATE
Time: TIME
Dept.: DEPT
Judge: Honorable NAME

PLEASE TAKE NOTICE that, pursuant to that certain *Interim Order Establishing Notification Procedures and Approving Restrictions on Certain Transfers of Stock of, and Claims Against, the Debtors*, dated [____], 2019, Docket No. [] (with all exhibits thereto, the “**Interim Order**”), [Name of Filer] (the “**Filer**”) hereby provides notice that, as of the date hereof, the Filer beneficially owns:

- (i) _____ shares of Common Stock, ¹
- (ii) _____ shares of Preferred Stock, and/or
- (iii) Options to acquire _____ shares of PG&E Stock,

PLEASE TAKE FURTHER NOTICE that the taxpayer identification number of the Filer is _____.

PLEASE TAKE FURTHER NOTICE that the following table sets forth the following information:

For Common Stock, Preferred Stock and/or Options to acquire PG&E Stock that are owned directly by the Filer, the table sets forth (a) the number of such shares, the number of such interests

¹ Capitalized terms used but not defined herein shall have the meanings ascribed to them in **Exhibit 1** to the Interim Order.

1 and/or the number of shares underlying Options beneficially owned by such Filer and (b) the date(s) on
 2 which such shares and/or Options were acquired (categorized by class, as applicable).

3 In the case of Common Stock or Preferred Stock and/or Options to acquire PG&E Stock that are
 4 not owned directly by the Filer but are nonetheless beneficially owned by the Filer or owned by an
 5 Acquiring Group of which the Filer is a member, the table sets forth (a) the name(s) of each record or
 6 legal owner of such shares of Common Stock, Preferred Stock and/or Options to acquire PG&E Stock
 7 that are beneficially owned by the Filer, (b) the number of shares of Common Stock, the number of
 8 shares of Preferred Stock and/or the number of shares of PG&E Stock underlying Options beneficially
 9 owned by such Filer, and (c) the date(s) on which such Common Stock, Preferred Stock and/or Options
 10 were acquired (categorized by class, as applicable). Any shares that are included solely as a result of the
 11 Filer being a member of an Acquiring Group are designated with an asterisk (*).

<i>Class</i>	<i>Name of Owner</i>	<i>Shares Owned</i>	<i>Shares Underlying Options Owned</i>	<i>Date(s) Acquired</i>
Common Stock				
Preferred Stock				

12 (Attach additional pages if necessary.)

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 17 [[IF APPLICABLE:] The Filer is represented by [name of law firm], [address], [phone], (Attn:
 18 [name of attorney]).]

19 Respectfully submitted,

20
 21 _____
 [Name of Filer]

22
 23 By: _____
 Name: _____

24
 25 Address: _____
 Telephone: _____
 Facsimile: _____
 26 Date: _____

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

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Exhibit 3 to Interim Order

Notice of Intent to Purchase, Acquire, or Otherwise Accumulate PG&E Stock

1 UNITED STATES BANKRUPTCY COURT
2 NORTHERN DISTRICT OF CALIFORNIA
3 SAN FRANCISCO DIVISION

4 **In re:**
5 **PG&E CORPORATION,**
6 **Debtor.**
7 **Tax I.D. No. 94-3234914**

Case Nos. 19-
19-

Chapter 11

**NOTICE OF INTENT TO PURCHASE,
ACQUIRE, OR OTHERWISE
ACCUMULATE PG&E STOCK**

8 **In re:**
9 **PACIFIC GAS AND ELECTRIC**
10 **COMPANY,**
11 **Debtor.**
12 **Tax I.D. No. 94-0742640**

Date: DATE
Time: TIME
Dept.: DEPT
Judge: Honorable NAME

13 PLEASE TAKE NOTICE that, pursuant to that certain *Interim Order Establishing Notification*
14 *Procedures and Approving Restrictions on Certain Transfers of Stock of, and Claims Against, the*
15 *Debtors*, dated [____], 2019, Docket No. [] (with all exhibits thereto, the “**Interim Order**”),
16 [Name of Filer] (the “**Filer**”) hereby provides notice of (i) its intention to purchase, acquire, or otherwise
17 accumulate directly one or more shares of Common Stock, Preferred Stock and/or Options to acquire
18 PG&E Stock and/or (ii) a proposed purchase or acquisition of Common Stock,¹ Preferred Stock and/or
19 Options to acquire PG&E Stock that would result in an increase in the number of shares of Common
20 Stock, Preferred Stock and/or number of shares of PG&E Stock underlying Options that are beneficially
21 owned by the Filer (any proposed transaction described in (i) or (ii), a “**Proposed Acquisition**”).

22 PLEASE TAKE FURTHER NOTICE that the following table sets forth the following
23 information:

24 1. If the Proposed Acquisition involves the purchase or acquisition directly by the Filer of
25 Common Stock, Preferred Stock and/or Options to acquire PG&E Stock, the table sets forth (a) the
26

27 _____
28 ¹ Capitalized terms used but not defined herein shall have the meanings ascribed to them in **Exhibit 1**
to the Interim Order.

1 number of shares of Common Stock, Preferred Stock and/or the number of shares of PG&E Stock
 2 underlying Options proposed to be purchased or acquired and (b) the date(s) of such Proposed
 3 Acquisition (categorized by class, as applicable).

4 2. If the Proposed Acquisition involves the purchase or acquisition of Common Stock,
 5 Preferred Stock and/or Options to acquire PG&E Stock by a person (including any Entity) or Acquiring
 6 Group other than the Filer, but the Proposed Acquisition nonetheless would increase the number of
 7 shares of Common Stock, Preferred Stock and/or number of shares of PG&E Stock underlying Options
 8 that are beneficially owned by the Filer or owned by an Acquiring Group of which the Filer is a member,
 9 the table sets forth (a) the name(s) of each such person or Acquiring Group that proposes to purchase or
 10 acquire such shares of Common Stock, Preferred Stock and/or Options, (b) the number of shares of
 11 Common Stock, Preferred Stock and/or number of shares of PG&E Stock underlying Options proposed
 12 to be purchased or acquired, and (c) the date(s) of such Proposed Acquisition (categorized by class, as
 13 applicable).

<i>Class</i>	<i>Name of Purchaser or Acquirer</i>	<i>Shares to be Purchased or Acquired</i>	<i>Shares Underlying Options to be Purchased or Acquired</i>	<i>Date(s) of Proposed Acquisition</i>
Common Stock				
Preferred Stock				

14 (Attach additional page if necessary.)

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 19 PLEASE TAKE FURTHER NOTICE that the following table summarizes the Filer's beneficial
 20 ownership of Common Stock, Preferred Stock and/or Options to acquire PG&E Stock assuming that the
 21 Proposed Acquisition is approved and consummated as described above. The table sets forth, as of
 22 immediately following the consummation of the Proposed Acquisition, the number of shares of Common
 23 Stock, Preferred Stock and/or the number of shares of PG&E Stock underlying Options (a) that would
 24 be owned directly by the Filer and, (b) in the case of any beneficial ownership by the Filer of Common
 25 Stock, Preferred Stock and/or Options that would be owned by another person (including any Entity) or
 26 Acquiring Group as record or legal owner, the name(s) of each prospective record or legal owner and
 27 the number of shares of Common Stock, Preferred Stock and/or the number of shares of PG&E Stock
 28

1 underlying Options that would be owned by each such record or legal owner (categorized by class, as
 2 applicable):

<i>Class</i>	<i>Name of Owner</i>	<i>Shares to Be Owned</i>	<i>Shares Underlying Options to Be Owned</i>
Common Stock			
Preferred Stock			

(Attach additional page if necessary.)

8 PLEASE TAKE FURTHER NOTICE that if the Proposed Acquisition involves a purchase or
 9 acquisition of Common Stock, Preferred Stock and/or Options to acquire PG&E Stock directly by the
 10 Filer and such Proposed Acquisition would result in (a) an increase in the beneficial ownership of
 11 Common Stock, Preferred Stock and/or Options to acquire PG&E Stock by a person (including any
 12 Entity) or Acquiring Group (other than the Filer) that currently is a Substantial Stockholder or (b) a
 13 person's or Acquiring Group's (other than the Filer) becoming a Substantial Stockholder, the following
 14 table sets forth (i) the name of each such person or Acquiring Group, (ii) the number of shares of
 15 Common Stock, Preferred Stock and/or the number of shares of PG&E Stock underlying Options that
 16 are beneficially owned by such person or Acquiring Group currently (i.e., prior to the Proposed
 17 Acquisition), and (iii) the number of shares of Common Stock, Preferred Stock and/or the number of
 18 shares of PG&E Stock underlying Options that would be beneficially owned by such person or Acquiring
 19 Group immediately following the Proposed Acquisition (categorized by class, as applicable).

<i>Class</i>	<i>Name of Beneficial Owner</i>	<i>Shares Owned Currently (i.e., Prior to Proposed Acquisition)</i>	<i>Shares to Be Owned Following Proposed Acquisition</i>	<i>Shares Underlying Options Owned Currently (i.e., Prior to Proposed Acquisition)</i>	<i>Shares Underlying Options to Be Owned Following Proposed Acquisition</i>
Common Stock					
Preferred Stock					

(Attach additional page if necessary.)

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For each of the tables above, a Filer that is a member of an Acquiring Group shall indicate the shares of PG&E Stock treated as owned or to be owned by the members of such Acquiring Group by including an asterisk next to each entry made above.

PLEASE TAKE FURTHER NOTICE that the taxpayer identification number of the Filer is _____.

PLEASE TAKE FURTHER NOTICE that, under penalty of perjury, the Filer hereby declares that it has examined this Notice and accompanying attachments (if any), and, to the best of its knowledge and belief, this Notice and any attachments which purport to be part of this Notice are true, correct, and complete.

[[IF APPLICABLE:] The Filer is represented by [name of law firm], [address], [phone], (Attn: [name of attorney]).]

Respectfully submitted,

[Name of Filer]

By: _____

Name: _____

Address: _____

Telephone: _____

Facsimile: _____

Date: _____

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

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Exhibit 4 to Interim Order

Interim Publication Notice

1 **ATTENTION DIRECT AND INDIRECT HOLDERS OF, AND PROSPECTIVE HOLDERS OF,**
2 **(I) STOCK ISSUED BY PG&E CORPORATION OR PACIFIC GAS & ELECTRIC COMPANY**
3 **AND (II) CERTAIN CLAIMS AGAINST PG&E CORPORATION OR PACIFIC GAS &**
4 **ELECTRIC COMPANY:**

5 Upon the motion (the “**Motion**”) of PG&E Corporation (“**PG&E Corp.**”) and Pacific Gas &
6 Electric Company (“**Utility**”) (together with PG&E Corp., the “**Debtors**”), on [●], 2019, the United
7 States Bankruptcy Court for the Northern District of California (the “**Bankruptcy Court**”), having
8 jurisdiction over the chapter 11 cases of the Debtors, captioned as *In re PG&E Corporation, et al.*, Case
9 No. ____ (the “**Chapter 11 Cases**”), entered an interim order establishing procedures (the
10 “**Procedures**”) with respect to direct and indirect trading and transfers of stock of the Debtors and
11 scheduling a hearing on a final order with respect to such Procedures.

12 In certain circumstances, the Procedures restrict transactions involving, and require notices of
13 the holdings of and proposed transactions by, any person or group of persons that is or, as a result of
14 such a transaction, would become, a Substantial Stockholder of the common stock issued by PG&E
15 Corp. (the “**Common Stock**”). For purposes of the Procedures, a “**Substantial Stockholder**” is any
16 person or, in certain cases, group of persons that beneficially own, directly or indirectly (and/or owns
17 options to acquire) at least 24.6 million shares of Common Stock (representing approximately 4.75% of
18 all issued and outstanding shares of Common Stock).” *Any prohibited transfer of stock of the Debtors*
19 *will be null and void ab initio and may lead to contempt, compensatory damages, punitive damages,*
20 *or sanctions being imposed by the Bankruptcy Court.*

21 In addition, the Debtors have requested approval of additional procedures (the “**Claims**
22 **Procedures**”) as part of the final order that set forth (i) certain future circumstances under which any
23 person, group of persons, or entity holding, or which as a result of a proposed transaction may hold, a
24 substantial amount of certain claims against the Debtors may be required to file notice of its holdings of
25 such claims and of proposed transactions, which transactions may be restricted, and (ii) certain limited
26 circumstances thereafter under which such person(s) may be required to sell, by a specified date
27 following the confirmation of a chapter 11 plan of the Debtors, all or a portion of any such claims
28 acquired during the Chapter 11 Cases.

1 *The Procedures, as approved on an interim basis and as requested on a final basis (inclusive*
2 *of the Claims Procedures), are available on the website of Prime Clerk LLC, the Debtors' Court-*
3 *approved claims agent, located at <https://primeclerk.com>, and on the docket of the Chapter 11 Cases,*
4 *Docket No. _____, which can be accessed via PACER at <https://www.pacer.gov>.*

5 **A direct or indirect holder of, or prospective holder of, stock issued by the Debtors that**
6 **may be or become a Substantial Stockholder or a direct or indirect holder of, or prospective holder**
7 **of, a substantial amount of claims against the Debtors should consult the Procedures.**

8 PLEASE TAKE NOTICE that the final hearing on the Motion shall be held on _____,
9 **2019**, at _____ (**Pacific Time**), and any objections or responses to the Motion shall be in writing, filed
10 with the Court (with a copy delivered to Chambers), and served upon (i) Weil, Gotshal & Manges LLP,
11 767 Fifth Avenue, New York, NY 10153 (Attn: Stephen Karotkin, Esq.; Jessica Liou, Esq.; Matthew
12 Goren, Esq.; Kevin Bostel, Esq.), as proposed counsel to the Debtors, and (ii) the Office of the United
13 States Trustee for Region 17 (Attn: Tracy Hope Davis, Esq. and Timothy Lafreddi, Esq.), in each case
14 so as to be received no later than **4:00 p.m. (Pacific Time) on _____, 2019.**

15 PLEASE TAKE FURTHER NOTICE that the requirements set forth in the Procedures are in
16 addition to the requirements of Bankruptcy Rule 3001(e) and applicable securities, corporate, and other
17 laws and do not excuse non-compliance therewith.

19 Dated: San Francisco, California
 [●], 2019

BY ORDER OF THE COURT

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

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Exhibit B
[PROPOSED] Final Order

1 WEIL, GOTSHAL & MANGES LLP
2 Stephen Karotkin (*pro hac vice pending*)
3 (stephen.karotkin@weil.com)
4 Jessica Liou (*pro hac vice pending*)
5 (jessica.liou@weil.com)
6 Matthew Goren (*pro hac vice pending*)
7 (matthew.goren@weil.com)
8 767 Fifth Avenue
9 New York, NY 10153-0119
10 Tel: 212 310 8000
11 Fax: 212 310 8007

8 KELLER & BENVENUTTI LLP
9 Tobias S. Keller (#151445)
10 (tkeller@kellerbenvenutti.com)
11 Jane Kim (#298192)
12 (jkim@kellerbenvenutti.com)
13 650 California Street, Suite 1900
14 San Francisco, CA 94108
15 Tel: 415 496 6723
16 Fax: 650 636 9251

17 *Proposed Attorneys for Debtors
18 and Debtors in Possession*

19 **UNITED STATES BANKRUPTCY COURT**
20 **NORTHERN DISTRICT OF CALIFORNIA**
21 **SAN FRANCISCO DIVISION**

22 **In re:**
23 **PG&E CORPORATION,**
24 **Debtor.**
25 **Tax I.D. No. 94-3234914**

26 Case Nos. 19-____ ()
27 19-____ ()

28 Chapter 11

**[PROPOSED] FINAL ORDER PURSUANT
TO PURSUANT TO 11 U.S.C. §§ 105(A)
AND 362 ESTABLISHING NOTIFICATION
PROCEDURES AND CERTAIN
RESTRICTIONS REGARDING
OWNERSHIP AND ACQUISITIONS OF
STOCK OF, AND CLAIMS AGAINST, THE
DEBTORS**

22 **In re:**
23 **PACIFIC GAS AND ELECTRIC**
24 **COMPANY,**
25 **Debtor.**
26 **Tax I.D. No. 94-0742640**

Date:
Time:
Place:

DEBTORS' MOTION FOR NOTIFICATION
PROCEDURES AND TRANSFER RESTRICTIONS

1 Upon the Motion, dated _____, 2019 (the “**Motion**”),¹ of PG&E Corporation (“**PG&E**
2 **Corp.**”) and Pacific Gas and Electric Company (the “**Utility**”), as debtors and debtors in possession
3 (collectively, “**PG&E**” or the “**Debtors**”) in the above-captioned chapter 11 cases (the “**Chapter 11**
4 **Cases**”), pursuant to sections 105(a) and 362 of title 11 of the United States Code (the “**Bankruptcy**
5 **Code**”), for entry of interim and final orders establishing procedures to protect the potential value of the
6 Debtors’ consolidated net operating loss carryforwards (the “**NOLs**”) and other tax benefits
7 (collectively, the “**Tax Attributes**”) for use in connection with the reorganization of the Debtors, all as
8 more fully set forth in the Motion; and this Court having jurisdiction to consider the Motion and the
9 relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334, *Order Referring Bankruptcy Cases and*
10 *Proceedings to Bankruptcy Judges*, General Order 24 (N.D. Cal.), and Rule 5011-1(a) of the Bankruptcy
11 Local Rules for the United States District Court for the Northern District of California (the “**Bankruptcy**
12 **Local Rules**”); and consideration of the Motion and the requested relief being a core proceeding pursuant
13 to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409;
14 and the Court having found and determined that notice of the Motion as provided to the parties listed
15 therein is reasonable and sufficient under the circumstances, and it appearing that no other or further
16 notice need be provided; and this Court having reviewed the Motion and the Wells Declaration; and this
17 Court having held a hearing on the Motion; and this Court having determined that the legal and factual
18 bases set forth in the Motion establish just cause for the relief granted herein, and is in the best interests
19 of the Debtors, their estates, creditors, shareholders, and all parties in interest; and upon all of the
20 proceedings had before this Court and after due deliberation and sufficient cause appearing therefor,

21 **IT IS HEREBY ORDERED THAT:**

- 22 1. The Motion is granted on a final basis, as provided herein.
- 23 2. The provisions of this Order shall be effective *nunc pro tunc* to the Petition Date.
- 24 3. The restrictions, notification requirements, and other procedures annexed hereto as

25 **Exhibit 1** (the “**Procedures**”) are hereby approved and shall apply to all trading and transfers of stock
26

27 ¹ Capitalized terms used but not otherwise herein defined shall have the meanings ascribed to such
28 terms in the Motion.

1 of, and Claims against, the Debtors.

2 4. Any transfer of PG&E Stock or Claims against the Debtor in violation of the Procedures
3 shall be null and void *ab initio* as an act in violation of the automatic stay under section 362 of the
4 Bankruptcy Code and pursuant to this Court’s equitable powers under section 105(a) of the Bankruptcy
5 Code.

6 5. Any person (including any Entity) or Acquiring Group that acquires PG&E Stock or
7 transfers Claims against the Debtor in violation of this Order or the Procedures or that otherwise fails to
8 comply with their requirements, shall be subject to such sanctions as this Court may consider appropriate
9 pursuant to this Court’s equitable power under section 105(a) of the Bankruptcy Code.

10 6. The notices substantially in the forms annexed hereto as Exhibit 2, Exhibit 3, Exhibit 4,
11 Exhibit 5, Exhibit 6 and Exhibit 7 are hereby approved.

12 7. Within three (3) business days of the entry of this Order, the Debtors shall send the notice
13 of this Order (the “**Notice of Final Order**”) annexed hereto as Exhibit 7 to all parties that were served
14 with notice of the Motion, publish the Notice of Final Order once in the national edition of *The New*
15 *York Times* and the *San Francisco Chronicle*, and post the Procedures to the website established by
16 Prime Clerk LLC for these chapter 11 cases (which website address shall be identified in the Notice of
17 Final Order), such notice being reasonably calculated to provide notice to all parties that may be affected
18 by the Procedures, whether known or unknown, and no further notice of the Procedures shall be
19 necessary.

20 8. Nothing herein shall preclude any person (including any Entity) or Acquiring Group
21 desirous of purchasing or transferring any interest in, or Claims against, the Debtors from requesting
22 relief from this Order from this Court, subject to the Debtors’ rights to oppose such relief.

23 9. Notice of the Motion as provided therein shall be deemed good and sufficient notice of
24 the Motion.

25 10. The relief granted in this Order is intended solely to permit the Debtors to protect,
26 preserve, and maximize the value of their Tax Attributes; accordingly, other than to the extent that this
27 Order expressly conditions or restricts trading and transfers of stock of, or Claims against, the Debtor,
28

1 nothing in this Order or in the Motion shall, or shall be deemed to, prejudice, impair, or otherwise alter
2 or affect the rights of any holders of stock of, or Claims against, the Debtors, including in connection
3 with the treatment of any such stock or claims under any chapter 11 plan or any applicable bankruptcy
4 court order.

5 11. The requirements set forth in this Order are in addition to the requirements of Bankruptcy
6 Rule 3001(e) and applicable securities, corporate and other laws and do not excuse noncompliance
7 therewith.

8 12. The entry of this Order shall in no way be deemed a determination that entry of a Sell-
9 Down Notice is necessary or warranted in this chapter 11 cases, and this Court's review of any future
10 request for entry of a Sell-Down Notice shall be without regard to the entry of this Order.

11 13. The entry of this Order shall in no way prejudice the rights of any party to oppose the
12 entry of a Sell-Down Notice, on any grounds, and all such rights are expressly preserved hereby.

13 14. Nothing contained in this Order or in the Motion is intended to be or shall be construed
14 as (a) an admission as to the validity of any claim against the Debtors, (b) a waiver of the Debtors' or
15 any appropriate party in interest's rights to dispute any claim, or (c) an approval or assumption of any
16 agreement, contract, program, policy, or lease under section 365 of the Bankruptcy Code. Likewise any
17 payment made pursuant to this Order is not intended to be and shall not be construed as an admission of
18 the validity of any claim or a waiver of the Debtors' rights to dispute such claim subsequently.

19 15. Notwithstanding entry of this Order, nothing herein shall create, nor is intended to create,
20 any rights in favor of or enhance the status of any claim held by, any party.

21 16. The Debtors are authorized to take all steps necessary or appropriate to carry out this
22 Order.

23 17. The Court shall retain jurisdiction to hear and determine all matters arising from or related
24 to the implementation, interpretation, and/or enforcement of this Order.

25 ** END OF ORDER **

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

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Exhibit 1 to Final Order
Procedures

1 UNITED STATES BANKRUPTCY COURT
2 NORTHERN DISTRICT OF CALIFORNIA
3 SAN FRANCISCO DIVISION

4 **In re:**
5 **PG&E CORPORATION,**
6 **Debtor.**
7 **Tax I.D. No. 94-3234914**

Case Nos. 19-
19-
Chapter 11

**NOTICES, RESTRICTIONS, AND OTHER
PROCEDURES REGARDING
OWNERSHIP AND TRANSFERS OF
STOCK OF, AND CLAIMS AGAINST, THE
DEBTORS**

8 **In re:**
9 **PACIFIC GAS AND ELECTRIC**
10 **COMPANY,**
11 **Debtor.**
12 **Tax I.D. No. 94-0742640**

Date:
Time:
Place:

13 **TO ALL PERSONS (INCLUDING ENTITIES) WITH CLAIMS AGAINST OR STOCK**
14 **OWNERSHIP OF THE DEBTORS:**

15 Pursuant to that certain *Final Order Establishing Notification Procedures and Approving*
16 *Restrictions on Certain Transfers of Stock of, and Claims Against, the Debtors* (the “**Final Order**”)
17 entered by the United States Bankruptcy Court for the Northern District of California (the “**Bankruptcy**
18 **Court**”) on _____, 2019, Docket No. [____], the following restrictions, notification
19 requirements, and/or other procedures (collectively, the “**Procedures**”) apply to all trading and transfers
20 of stock of, and Claims¹ against, the Debtors.

21 **A. PG&E Stock Restrictions**

22 (1) Definitions. For purposes of these Procedures, the following terms have the following
23 meanings:

- 24 (a) “**PG&E Corp.**” shall mean PG&E Corporation.
25 (b) “**Utility**” shall mean Pacific Gas and Electric Company.
26 (c) “**Common Stock**” shall mean common stock issued by PG&E Corp.

27 _____
28 ¹ Capitalized terms used but not defined herein (in particular, see definitions in paragraphs A(1) and B(1) below) shall have the meanings ascribed to them in the Final Order.

DEBTORS’ MOTION FOR NOTIFICATION
PROCEDURES AND TRANSFER RESTRICTIONS

- 1 (d) **“Preferred Stock”** shall mean preferred stock issued by Utility.
- 2 (e) **“Option”** shall mean any contingent purchase, warrant, convertible debt, put,
3 stock subject to risk of forfeiture, contract to acquire stock, or similar interest regardless of whether it is
4 contingent or otherwise not currently exercisable.
- 5 (f) **“PG&E Stock”** shall mean, collectively, Common Stock and Preferred Stock.
6 For the avoidance of doubt, by operation of the definition of beneficial ownership, an owner of an Option
7 to acquire PG&E Stock may be treated as the owner of such PG&E Stock.
- 8 (g) **“Beneficial ownership”** of PG&E Stock and Options to acquire PG&E Stock
9 shall be determined in accordance with section 382 of the title 26 of the United States Code (the **“Tax**
10 **Code”**), the regulations promulgated by the U.S. Department of Treasury under the Tax Code (the
11 **“Treasury Regulations”**), and rulings issued by the Internal Revenue Service (the **“IRS”**), and as
12 described herein, and, thus, to the extent provided in those sources, from time to time shall include,
13 without limitation, (i) direct and indirect ownership (but determined without regard to any rule that treats
14 stock of an entity as to which the constructive ownership rules apply as no longer owned by that entity),
15 e.g., a holding company would be considered to beneficially own all stock owned or acquired by its
16 subsidiaries, (ii) ownership by a holder’s family members, (iii) ownership by any Entity, and (iv) to the
17 extent set forth in Treasury Regulations section 1.382-4, the ownership of an Option to acquire PG&E
18 Stock.
- 19 (h) **“Acquiring Group”** shall mean any group of persons (including any Entity) that
20 has a plan or arrangement to acquire beneficial ownership of the stock of more than one Debtor within
21 the meaning of Treasury Regulations section 1.1502-92(c)(3)(i).
- 22 (i) **“Entity”** shall mean any “entity” as such term is defined in Treasury Regulations
23 section 1.382-3(a), including any group of persons acting pursuant to a formal or informal understanding
24 among themselves to make a coordinated acquisition of PG&E Stock.
- 25 (j) **“Substantial Stockholder”** shall mean any person (including any Entity) or
26 Acquiring Group that beneficially owns at least 24.6 million shares of Common Stock (representing
27 approximately 4.75% of all issued and outstanding shares of Common Stock).

1 (2) Notice of Substantial Ownership. Any person (including any Entity) or Acquiring Group
2 that beneficially owns, at any time on or after the Petition Date, PG&E Stock in an amount sufficient to
3 qualify such person or Acquiring Group as a Substantial Stockholder shall file with the Bankruptcy
4 Court, and serve upon (a) PG&E Corporation, 77 Beale Street, P.O. Box 770000 San Francisco,
5 California 94177 (Attn: Mark Caron); (b) Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York,
6 New York 10153 (Attn: Stephen Karotkin, Esq.; Jessica Liou, Esq.; Matthew Goren, Esq.; Kevin Bostel,
7 Esq.), as proposed counsel to the Debtors; (c) counsel to any statutory committees appointed in the
8 Chapter 11 Cases (each an “**Official Committee**”); and (d) counsel to the lenders under the Debtors’
9 proposed debtor in possession financing facility (the “**DIP Lenders**”) (collectively, the “**Disclosure**
10 **Parties**”) a notice of such person’s or Acquiring Group’s substantial ownership (a “**Substantial Stock**
11 **Ownership Notice**”), in substantially the form annexed to the Final Order as Exhibit 2, which describes
12 specifically and in detail such person’s or Acquiring Group’s ownership of PG&E Stock, on or before
13 the date that is the later of (x) twenty (20) calendar days after the entry of the order granting the requested
14 relief or (y) ten (10) business days after such person or Acquiring Group qualifies as a Substantial
15 Stockholder. At the election of the filing person or Acquiring Group, the Substantial Stock Ownership
16 Notice to be filed with the Bankruptcy Court (but not the Substantial Stock Ownership Notice that is
17 served upon the Debtors, the attorneys for the Debtors, and the attorneys for any Official Committee)
18 may be redacted to exclude the taxpayer identification number and the amount of PG&E Stock
19 beneficially owned.

20 (3) Acquisition of PG&E Stock. At least twenty (20) business days prior to the proposed
21 date of any transfer of PG&E Stock or exercise of any Option to acquire PG&E Stock that would result
22 in an increase in the amount of PG&E Stock beneficially owned by any person (including any Entity) or
23 Acquiring Group that currently is or, as a result of the proposed acquisition transaction, would be a
24 Substantial Stockholder (a “**Proposed Acquisition Transaction**”), such person, Acquiring Group or
25 Substantial Stockholder (a “**Proposed Transferee**”) shall file with the Bankruptcy Court and serve upon
26 the Disclosure Parties a notice of such Proposed Transferee’s intent to purchase, acquire, or otherwise
27 accumulate PG&E Stock (an “**Acquisition Notice**”), in substantially the form annexed to the Final Order
28

1 as **Exhibit 3**, which describes specifically and in detail the Proposed Acquisition Transaction. At the
2 election of the filing person or Acquiring Group, the Acquisition Notice to be filed with the Bankruptcy
3 Court (but not the Acquisition Notice that is served upon the Debtors, the attorneys for the Debtors, and
4 the attorneys for any Official Committee) may be redacted to exclude the taxpayer identification number
5 and the amount of PG&E Stock beneficially owned.

6 (4) Objection Procedures. The Debtors and any Official Committee shall have fifteen (15)
7 business days after the filing of an Acquisition Notice (the “**Objection Period**”) to file with the
8 Bankruptcy Court and serve on a Proposed Transferee, an objection (each, an “**Objection**”) to any
9 Proposed Acquisition described in such Acquisition Notice. If the Debtors or any Official Committee
10 files an Objection by the expiration of the Objection Period (the “**Objection Deadline**”), then the
11 applicable Proposed Acquisition Transaction shall not be effective unless approved by a final and
12 nonappealable order of the Bankruptcy Court. If neither the Debtors nor any Official Committee file an
13 Objection by the Objection Deadline or if the Debtors and any and all Official Committees provide
14 written authorization to the Proposed Transferee approving the Proposed Acquisition Transaction prior
15 to the Objection Deadline, then such Proposed Acquisition Transaction may proceed solely as
16 specifically described in the applicable Acquisition Notice. Any further Proposed Acquisition
17 Transaction must be the subject of an additional Acquisition Notice and Objection Period.

18 **B. Claims Restrictions**

19 (1) Definitions. For purposes of these Procedures, the following terms have the following
20 meanings:

- 21 (a) “**PG&E Corp.**” shall mean PG&E Corporation.
- 22 (b) “**Post-Emergence PG&E**” means the reorganized Debtors or any successor
23 thereto.
- 24 (c) “**New PG&E Stock**” means the common stock and any other equity securities
25 (including securities that are treated as equity securities for U.S. federal income tax purposes) of Post-
26 Emergence PG&E, including Options to acquire the same.
- 27 (d) “**Entity**” has the meaning as such term is defined in section 1.382-3(a) of title 26
- 28

1 of the Code of Federal Regulations (the “**Treasury Regulations**”), including any group of persons acting
2 pursuant to a formal or informal understanding among themselves to make a coordinated acquisition of
3 Claims or New PG&E Stock.

4 (e) A “**Claim**” means any claim, as defined in section 101(5) of the Bankruptcy Code,
5 against any of the Debtors, whether secured or unsecured, other than claims under or in connection with
6 the Debtors’ proposed debtor in possession financing facility (the “**DIP Loan**”).

7 (f) An “**Option**” includes any contingent purchase, warrant, convertible debt, put,
8 stock subject to risk of forfeiture, contract to acquire stock, or similar interest, regardless of whether it
9 is contingent or otherwise not currently exercisable.

10 (g) A “**382(l)(5) Plan**” means a plan of reorganization (a “**Plan**”) that contemplates
11 the use of section 382(l)(5) of the title 26 of the United States Code (the “**Tax Code**”) by a reorganized
12 debtor to obtain certain incremental tax benefits.

13 (h) “**Beneficial ownership**” of a Claim or Owned Interest means:

14 (i) the beneficial ownership of a Claim or Owned Interest (as hereinafter
15 defined) as determined in accordance with applicable rules under section 382 of the Tax Code, the
16 Treasury Regulations, and rulings issued by the Internal Revenue Service (the “**IRS**”) and as described
17 herein (for such purpose, a Claim is treated as if it were stock) and, thus, to the extent provided in those
18 sources, from time to time, shall include, without limitation, (A) direct and indirect ownership (but
19 determined without regard to any rule that treats stock of an entity as to which the constructive ownership
20 rules apply as no longer owned by that entity), e.g., a holding company would be considered to
21 beneficially own all Claims or Owned Interests owned or acquired by its subsidiaries, (B) ownership by
22 a holder’s family members, and (C) ownership by any Entity, Owned Interests, and/or stock; and

23 (ii) the beneficial ownership of an Option (irrespective of the purpose for
24 which such Option was issued, created, or acquired) with respect to a Claim or Owned Interest.

25 (iii) For the avoidance of doubt, beneficial ownership of a Claim or Owned
26 Interests also includes the beneficial ownership of any right to receive any equity consideration to be
27 distributed in respect of a Claim or Owned Interests pursuant to a Plan or any applicable bankruptcy
28

1 court order.

2 (i) “**Threshold Amount**” means an amount of Claims that, when taking into account
3 the Owned Interests beneficially owned by a holder of Claims (including under the applicable
4 aggregation rules), could result in such holder of Claims holding the Applicable Percentage of New
5 PG&E Stock. For this purpose, the beneficial ownership of an Option to acquire Owned Interests shall
6 be considered beneficial ownership of Owned Interests.

7 Notwithstanding the foregoing, if a beneficial owner of Claims does not agree to refrain
8 from acquiring beneficial ownership of additional Owned Interests (and Options to acquire the same) or
9 to dispose of immediately any such Owned Interests or Options (if acquired on or after the Petition Date
10 but prior to submitting its Notice of Substantial Claim Ownership (as hereinafter defined)), the Threshold
11 Amount for such beneficial owner of Claims shall be the “**Minimum Threshold Amount**,” which shall
12 be the amount of Claims beneficially owned by a holder of Claims continuously from the Petition Date
13 to the Sell-Down Date (as hereinafter defined).

14 (j) A “Substantial Claimholder” means any person (including any Entity) that
15 beneficially owns an aggregate dollar amount of Claims against the Debtors, or any Entity controlled by
16 such person through which such person beneficially owns Claims against the Debtors, of more than the
17 Threshold Amount, excluding Claims under or in connection with the DIP Loan.

18 For the avoidance of doubt, section 382 of the Tax Code, the Treasury Regulations, and
19 all relevant IRS and judicial authority shall apply in determining whether the Claims of several persons
20 and/or Entities must be aggregated when a person’s (including an Entity’s) status as a Substantial
21 Claimholder (for such purpose, a Claim is treated as if it were stock).

22 (k) “**Applicable Percentage**” means, if only one class of New PG&E Stock is to be
23 issued pursuant to the terms of a 382(l)(5) Plan and holders within each class of Claims receiving New
24 PG&E Stock will receive a pro rata distribution of the New PG&E Stock, 4.75% of the number of shares
25 of New PG&E Stock that the Debtors reasonably estimate will be outstanding immediately after the
26 effective date of such 382(l)(5) Plan, as determined for U.S. federal income tax purposes. If more than
27 one class of New PG&E Stock is to be distributed pursuant to the terms of a 382(l)(5) Plan or if holders
28

1 within a class of Claims may receive a disproportionate distribution of New PG&E Stock relative to
2 other holders in the same class, the Applicable Percentage shall be determined by the Debtors in their
3 reasonable judgment in a manner consistent with the estimated range of values for the equity to be
4 distributed (as reflected in the valuation analysis set forth in the 382(I)(5) Plan and disclosure statement)
5 and shall be expressed in a manner that makes clear the number of shares or other interests in each class
6 of New PG&E Stock that would constitute the Applicable Percentage.

7 (l) “**Holdings Report**” means a Notice of Substantial Claim Ownership (as
8 hereinafter defined) received by the Debtors with respect to the Determination Date.

9 (m) “**Maximum Amount**” means the maximum amount of Claims (by class or other
10 applicable classification of Claims) that may be held, as of the effective date of the 382(I)(5) Plan, by a
11 Substantial Claimholder that was a Substantial Claimholder as of the Determination Date, which the
12 Debtors shall calculate as follows:

13 (i) Based upon the information provided by the Substantial Claimholders in
14 the Holdings Reports, the Debtors shall calculate the aggregate amount of Claims that all such
15 Substantial Claimholders must sell as a group to effectuate the 382(I)(5) Plan (the “**Sell-Down**
16 **Amount**”);

17 (ii) The Debtors shall calculate for each Substantial Claimholder the amount
18 of such Substantial Claimholder’s *pro rata* share of the Sell-Down Amount (*i.e.*, the Sell-Down Amount
19 multiplied by a fraction, (x) the numerator of which is the amount, if any, of Claims identified in such
20 Substantial Claimholder’s Holdings Report minus the greater of (A) the applicable Threshold Amount
21 and (B) the Protected Amount for such Substantial Claimholder, and (y) the denominator of which is the
22 aggregate amount of Claims identified in all of the Substantial Claimholders’ Holdings Reports minus
23 the greater of (A) the aggregate applicable Threshold Amount for all Substantial Claimholders and (B)
24 the aggregate Protected Amount of all Substantial Claimholders; and

25 (iii) For each such Substantial Claimholder, the Debtors shall subtract from the
26 total Claims held by such Substantial Claimholder (as reported in the Holdings Report) such Substantial
27 Claimholder’s *pro rata* share of the Sell-Down Amount. The difference shall be the Maximum Amount.

1 (n) “**Newly Traded Claims**” means Claims (i) with respect to which a person
2 (including any Entity) acquired beneficial ownership after the date that was eighteen (18) months prior
3 to the Petition Date and (ii) that are not “ordinary course” Claims, within the meaning of Treasury
4 Regulations section 1.382-9(d)(2)(iv), of which the same person (including any Entity) always has had
5 beneficial ownership.

6 (o) A “**Permitted Transferee**” with respect to a Substantial Claimholder is a person
7 (including any Entity) whose holding of a Claim would not result in such Substantial Claimholder having
8 beneficial ownership of such Claim.

9 (p) “**Protected Amount**” means the amount of Claims (by class or other applicable
10 classification) of which a holder had beneficial ownership on the Petition Date *plus* the amount of Claims
11 of which such holder acquires, directly or indirectly, beneficial ownership pursuant to trades entered into
12 prior to the Petition Date, but that had not yet closed as of the Petition Date, and the amount of Claims
13 of which such holder acquires, directly or indirectly, beneficial ownership pursuant to trades entered into
14 after the Petition Date that have been approved by the Debtors in accordance with these Procedures
15 minus the amount of Claims of which such holder sells, directly or indirectly, beneficial ownership
16 pursuant to trades entered into prior to the Petition Date, but that had not yet closed as of the Petition
17 Date.

18 (2) Disclosure of 382(l)(5) Plan. If the proponent of a Plan (a “**Plan Proponent**”) determines
19 that the reorganized Debtors likely will benefit from the application of section 382(l)(5) of the Tax Code
20 and reasonably anticipates that Post-Emergence PG&E will invoke such section, then the Plan
21 Proponent, in proposing a 382(l)(5) Plan, shall disclose in its proposed disclosure statement or, in the
22 case of items (c) through (e) below, a later separate notice (collectively, the “**Proposed 382(l)(5)**
23 **Disclosure Statement**”):

24 (a) Adequate information about the incremental tax benefits anticipated to be realized
25 through the use of section 382(l)(5) of the Tax Code that, taking into account the Debtors’ anticipated
26 net unrealized built-in gains or net unrealized built-in losses, would not otherwise be available;

27 (b) A summary of any restrictions expected to be imposed on the transferability of
28

1 securities issued under the Plan in order to preserve such incremental tax benefits;

2 (c) The (i) dollar amount of Claims (by class or other applicable classification)
3 expected to result in a one-percent (1%) interest in New PG&E Stock and (ii) the number of any of the
4 specified interests (“**Owned Interests**”) in the Debtors expected to result in a one-percent (1%) interest
5 in New PG&E Stock, in each case based upon then-available information;

6 (d) A specified date (the “**Determination Date**”) that is not less than ten (10) calendar
7 days after the service of the notice of the hearing with respect to the Proposed 382(l)(5) Disclosure
8 Statement; and

9 (e) A specified date (the “**Reporting Deadline**”) that is not less than five (5) calendar
10 days after the Determination Date, by which persons (including Entities, which for purposes of the
11 Claims Procedures also includes an “entity” within the meaning of Treasury Regulations section 1.382-
12 3(a)) must serve on various parties the notice required by these Procedures (the “**Notice of Substantial**
13 **Claim Ownership**”).

14 In the event that items (c) through (e) above are disclosed in a separate notice after the
15 filing of the proposed disclosure statement, such items shall also be disclosed in a separate filing with
16 the Securities and Exchange Commission on Form 8-K.

17 (3) Notice of Substantial Claim Ownership.

18 (a) Any person (including any Entity) that beneficially owns either (i) more than a
19 specified amount of Claims² or (ii) a lower amount of Claims that (based on the applicable information
20 set forth in the Proposed 382(l)(5) Disclosure Statement), when taking into account any Owned Interests
21 beneficially owned by a holder of Claims (including pursuant to the applicable aggregation rules), could
22 result in such holder of Claims holding the Applicable Percentage of New PG&E Stock, in each case as
23 of the Determination Date, shall serve upon the Plan Proponent and its counsel (and the Debtors and
24 their counsel if not the Plan Proponent), counsel to the lenders under the Debtors’ proposed debtor in
25 possession financing facility (the “**DIP Lenders**”), and counsel to any statutory committees appointed
26

27 ² This “specified amount” is to be reasonably established by the Plan Proponent, taking into account
28 the terms of the 382(l)(5) Plan, and disclosed in the Proposed 382(l)(5) Disclosure Statement. The
“specified amount” may be expressed by class or type of Claim(s), if applicable.

1 in the Chapter 11 Cases (each, an “**Official Committee**”) a Notice of Substantial Claim Ownership, in
2 substantially the form annexed to the Final Order as **Exhibit 5** (or as adjusted and annexed to the
3 Proposed 382(l)(5) Disclosure Statement) on or before the Reporting Deadline. Such person also shall
4 set forth in the Notice of Substantial Claim Ownership its beneficial ownership, if any, of any Owned
5 Interests and whether it agrees to refrain from acquiring beneficial ownership of additional Owned
6 Interests (and Options to acquire the same) until after the effective date of the 382(l)(5) Plan and to
7 immediately dispose of any Owned Interests or Options (if acquired on or after the Petition Date and
8 prior to submitting its Notice of Substantial Claim Ownership). A person (including any Entity) that is
9 required to file a Notice of Substantial Claim Ownership may or may not be a Substantial Claimholder.
10 The standard for a person’s (including an Entity’s) being required to file a Notice of Substantial Claim
11 Ownership is different than the definition of a Substantial Claimholder. At the election of the Substantial
12 Claimholder, the Notice of Substantial Claim Ownership to be filed with the Bankruptcy Court (but not
13 the Notice of Substantial Claim Ownership that is served upon the Debtors, the attorneys for the Debtors,
14 and the attorneys for any Official Committee) may be redacted to exclude the Substantial Claimholder’s
15 taxpayer identification number.

16 (b) In order to assist in determining their eligibility to avail themselves of the relief
17 set forth in section 382(l)(5) of the Tax Code, the Debtors may request³ from any person (including any
18 Entity) that beneficially owns either (i) more than a specified amount of Claims (which may be expressed
19 by class or type of Claim(s), if applicable) or (ii) a lower amount of Claims that, when taking into account
20 the Owned Interests beneficially owned by a holder of Claims (including pursuant to the applicable
21 aggregation rules), could result in such holder of Claims holding the Applicable Percentage of New
22 PG&E Stock, in each case as of the date specified in such request, information regarding its beneficial
23 ownership of Claims and Owned Interests (and Options to acquire the same) prior to the filing of the
24 Proposed 382(l)(5) Disclosure Statement, in a manner consistent with these Procedures. In addition, the
25 Debtors shall disclose such request in a separate filing with the Securities and Exchange Commission on
26 _____

27 ³ For purposes of making this determination, such request shall include information comparable to the
28 information that would be required in a Proposed 382(l)(5) Disclosure Statement pursuant to these
Procedures.

1 Form 8-K.

2 (c) Any person (including any Entity) that fails to comply with its notification
3 obligations set forth in this paragraph shall, in addition to the consequences set forth in paragraph B(5)(g)
4 below, be subject to such remedy as the Bankruptcy Court may find appropriate upon motion by the
5 Debtors, after service of the motion upon such person and a hearing on the motion in accordance with
6 the Federal Rules of Bankruptcy Procedure, including, without limitation, ordering such noncompliant
7 person (including any Entity) to divest itself promptly of any beneficial ownership of Claims to the
8 extent of such person’s ownership of an Excess Amount (as defined herein) and imposing monetary
9 damages for any costs reasonably incurred by the Debtors that were caused by the violation and
10 enforcement of this paragraph.

11 (4) Claims Trading Before and After Determination Date.

12 (a) Any person (including any Entity) generally may trade freely and make a market
13 in Claims until the Determination Date.

14 (b) After the Determination Date, any acquisition of Claims by a person who filed or
15 was required to file a Notice of Substantial Claim Ownership or by a person who would be required to
16 file a Notice of Substantial Claim Ownership as a result of the consummation of the contemplated
17 transaction if the proposed acquisition date had been the Determination Date (each, a “**Proposed Claims**
18 **Transferee**”) shall not be effective unless consummated in compliance with these Procedures.

19 (c) At least ten (10) business days prior to the proposed date of any acquisition of
20 Claims by a Proposed Claims Transferee (a “**Proposed Claims Acquisition Transaction**”), such
21 Proposed Claims Transferee shall serve upon the Plan Proponent and its counsel (and the Debtors and
22 their counsel if not the Plan Proponent), counsel to the DIP Lenders, and counsel to any Official
23 Committee a notice of such Proposed Claims Transferee’s request to purchase, acquire, or otherwise
24 accumulate a Claim (a “**Claims Acquisition Request**”), in substantially the form annexed to the Final
25 Order as Exhibit 6, which describes specifically and in detail the Proposed Claims Acquisition
26 Transaction, regardless of whether such transfer would be subject to the filing, notice, and hearing
27 requirements set forth in Bankruptcy Rule 3001. At the election of the Substantial Claimholder, the
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1 Claims Acquisition Request to be filed with the Bankruptcy Court (but not the Claims Acquisition
2 Request that is served upon the Debtors, the attorneys for the Debtors, and the attorneys for the Official
3 Committee) may be redacted to exclude the Substantial Claimholder's taxpayer identification number.

4 (d) The Plan Proponent may determine, in consultation with the Debtors (if not the
5 Plan Proponent), counsel to any Official Committee and counsel to the DIP Lenders, whether to approve
6 a Claims Acquisition Request. If the Plan Proponent does not approve a Claims Acquisition Request in
7 writing within eight (8) business days after the Claims Acquisition Request is filed with the Court, the
8 Claims Acquisition Request shall be deemed rejected.

9 (5) Creditor Conduct and Sell-Down.

10 (a) To permit reliance by the Debtors on Treasury Regulations section 1.382-9(d)(3),
11 upon the entry of the Final Order, any Substantial Claimholder that participates in formulating any
12 chapter 11 plan of or on behalf of the Debtors (which shall include, without limitation, making any
13 suggestions or proposals to the Debtors or their advisors with regard to such a Plan) shall not disclose or
14 otherwise make evident to the Debtors that any Claims in which such Substantial Claimholder has a
15 beneficial ownership are Newly Traded Claims, unless compelled to do so by an order of a court of
16 competent jurisdiction or some other applicable legal requirement, *provided, however*, that the following
17 activities shall not constitute participation in formulating a Plan *if*, in pursuing such activities, the
18 Substantial Claimholder does not disclose or otherwise make evident (unless compelled to do so by an
19 order of a court of competent jurisdiction or some other applicable legal requirement) to the Debtors that
20 such Substantial Claimholder has beneficial ownership of Newly Traded Claims: filing an objection to
21 a proposed disclosure statement or to confirmation of a proposed Plan; voting to accept or reject a
22 proposed Plan; reviewing or commenting on a proposed business plan; providing information on a
23 confidential basis to counsel to the Debtors; holding general membership on an official committee or an
24 ad hoc committee; or taking any action required by an order of the Bankruptcy Court.

25 (b) Following the Determination Date, if the Plan Proponent determines that
26 Substantial Claimholders must sell or transfer all or a portion of their beneficial ownership of Claims in
27 order that the requirements of section 382(l)(5) of the Tax Code will be satisfied, the Plan Proponent
28

1 may file a motion with the Bankruptcy Court for entry of an order—after notice to counsel to any Official
2 Committee, counsel to the DIP Lenders, and the relevant Substantial Claimholder(s) and a hearing—
3 approving the issuance of a notice (each, a “**Sell-Down Notice**”) that such Substantial Claimholder must
4 sell, cause to sell, or otherwise transfer a specified amount of its beneficial ownership of Claims (by
5 class or other applicable classification) equal to the excess of (x) the amount of Claims beneficially
6 owned by such Substantial Claimholder over (y) the Maximum Amount for such Substantial
7 Claimholder (such excess amount, an “**Excess Amount**”). The motion shall be heard on expedited basis
8 such that the Bankruptcy Court can render a decision on the motion at or before the hearing on
9 confirmation of the 382(l)(5) Plan. If the Bankruptcy Court approves the Plan Proponent’s motion for
10 the issuance of a Sell-Down Notice, the Plan Proponent shall provide the Sell-Down Notice to the
11 relevant Substantial Claimholder(s).

12 (c) Notwithstanding anything to the contrary in these Procedures, no Substantial
13 Claimholder shall be required to sell, cause to sell, or otherwise transfer any beneficial ownership of
14 Claims if such sale would result in the Substantial Claimholder’s beneficial ownership of an aggregate
15 amount of Claims (by class or other applicable classification) that is less than such Substantial
16 Claimholder’s Protected Amount.

17 (d) Each Sell-Down Notice shall direct the Substantial Claimholder to sell, cause to
18 sell, or otherwise transfer its beneficial ownership of the amount of Claims specified in the Sell-Down
19 Notice to Permitted Transferees (each sale or transfer, a “**Sell-Down**”), *provided, however*, that such
20 Substantial Claimholder shall not have a reasonable basis to believe that any such Permitted Transferee
21 would own, immediately after the contemplated transfer, an Excess Amount of Claims and *provided,*
22 *further*, that a Substantial Claimholder that has properly notified the Permitted Transferee of its Claims
23 under these Procedures shall not be treated as having such reasonable basis in the absence of notification
24 or actual knowledge that such Permitted Transferee would own, after the transfer, an Excess Amount of
25 Claims.

26 (e) By the date that is the later of (i) five (5) business days after the entry of an order
27 confirming the 382(l)(5) Plan and (ii) such other date specified in the Sell-Down Notice, as applicable,
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1 but before the effective date of the 382(l)(5) Plan (the “**Sell-Down Date**”), each Substantial Claimholder
2 subject to a Sell-Down Notice shall, as a condition to receiving New PG&E Stock, serve upon the Plan
3 Proponent and its counsel (and the Debtors and their counsel if not the Plan Proponent), counsel to the
4 DIP Lenders, and counsel to any Official Committee a notice substantially in the form annexed to the
5 Final Order as **Exhibit 7** that such Substantial Claimholder has complied with the terms and conditions
6 set forth in these Procedures and that such Substantial Claimholder does not and will not hold an Excess
7 Amount of Claims as of the Sell-Down Date and at all times through the effective date of the 382(l)(5)
8 Plan (each, a “**Notice of Compliance**”). Any Substantial Claimholder who fails to comply with this
9 provision shall not receive New PG&E Stock with respect to any Excess Amount of Claims. At the
10 election of the Substantial Claimholder, the Notice of Compliance to be filed with the Bankruptcy Court
11 (but not the Notice of Compliance that is served upon the Debtors, the attorneys for the Debtors, and the
12 attorneys for any Official Committee) may be redacted to exclude the Substantial Claimholder’s taxpayer
13 identification number.

14 (f) Other than information that is public or in connection with an audit or other
15 investigation by the IRS or other taxing authority, the Plan Proponent shall keep all Notices of
16 Compliance and any additional information provided by a Substantial Claimholder pursuant to these
17 Procedures (the “**Confidential Information**”) strictly confidential and shall not disclose the
18 Confidential Information to any other person (including any Entity), *provided, however*, that the Plan
19 Proponent may disclose the identity of the Substantial Claimholder to its counsel and professional
20 financial advisors, counsel to and the professional financial advisors of any Official Committee or the
21 DIP Lenders, and of any other person(s) that are subject to a nondisclosure agreement with the Plan
22 Proponent, each of whom shall keep all Confidential Information strictly confidential, subject to further
23 order of the Bankruptcy Court, and *provided, further*, that to the extent the Plan Proponent reasonably
24 determines such Confidential Information is necessary to demonstrate to the Bankruptcy Court the need
25 for the issuance of a Sell-Down Notice, such Confidential Information (determined by, among other
26 things, whether such information was redacted in any public filing) shall be filed with the Bankruptcy
27 Court under seal.

1 (g) Any person (including any Entity) that violates its obligations under these
2 Procedures applicable to Claims or, if applicable, its agreement not to acquire beneficial ownership of
3 Owned Interests (and Options to acquire the same) or to immediately dispose of any Owned Interests (if
4 acquired on or after the Petition Date but prior to submitting its Notice of Substantial Claim Ownership)
5 in its Notice of Substantial Claim Ownership shall, pursuant to these Procedures, be precluded from
6 receiving, directly or indirectly, any consideration consisting of a beneficial ownership of New PG&E
7 Stock that is attributable to the Excess Amount of Claims for such person and, if applicable, to the Owned
8 Interests acquired (or not immediately disposed of) in violation of such agreement by such person (or if
9 the Owned Interests acquired (or not immediately disposed of) in violation of such agreement become
10 beneficial ownership of New PG&E Stock without the need to receive new equity interests, such person
11 shall be precluded as a result of such violation (and, thus, in addition to any other amounts otherwise
12 precluded hereunder) from receiving, directly or indirectly, any consideration consisting of a beneficial
13 ownership of New PG&E Stock attributable to such person's Claims up to and including an amount
14 equivalent to that represented by such Owned Interests), in each case including any consideration in lieu
15 thereof, *provided, however*, that such person may be entitled to receive any other consideration to which
16 such person may be entitled by virtue of holding Claims (this provision, the "**Equity Forfeiture**
17 **Provision**"). Any purported acquisition of, or other increase in the beneficial ownership of, New PG&E
18 Stock that is precluded by the Equity Forfeiture Provision will be an acquisition of "**Forfeited Equity.**"
19 Any acquirer of Forfeited Equity shall, promptly upon becoming aware of such fact, return or cause to
20 return the Forfeited Equity to the Debtors (or any successor to the Debtors, including Post-Emergence
21 PG&E) or, if all of the equity consideration properly issued to such acquirer and all or any portion of
22 such Forfeited Equity have been sold prior to the time such acquirer becomes aware of such fact, such
23 acquirer shall return or cause to return to the Debtors (or any successor to the Debtors, including Post-
24 Emergence PG&E) (i) any Forfeited Equity still held by such acquirer and (ii) the proceeds attributable
25 to the sale of Forfeited Equity, calculated by treating the most recently sold equity as Forfeited Equity.
26 Any acquirer that receives Forfeited Equity and deliberately fails to comply with the preceding sentence
27 shall be subject to such additional sanctions as the Bankruptcy Court may determine. Any Forfeited
28

1 Equity returned to the Debtors, including Post-Emergence PG&E, shall be distributed (including a
2 transfer to charity) or extinguished, in the Debtors' sole discretion, in furtherance of the 382(l)(5) Plan.

3 (h) In effecting any sale or other transfer of Claims pursuant to a Sell-Down Notice,
4 a Substantial Claimholder shall, to the extent that it is reasonably feasible to do so within the normal
5 constraints of the market in which such sale takes place, notify the acquirer of such Claims of the
6 existence of these Procedures and the Equity Forfeiture Provision (it being understood that, in all cases
7 in which there is direct communication between a salesperson and a customer, including, without
8 limitation, communication via telephone, e-mail, and instant messaging, the existence of these
9 Procedures and the Equity Forfeiture Provision shall be included in such salesperson's summary of the
10 transaction).

11 (6) Exceptions.

12 (a) No person (including any Entity) shall be subject to the approval provisions of
13 paragraph B(4)(b)–(d) above or, in the case of Claims that are part of the transferor's Protected Amount,
14 the sell-down provisions of paragraph B(5) above with respect to any transfer described in Treasury
15 Regulations section 1.382-9(d)(5)(ii) so long as such transfer is not for a principal purpose of obtaining
16 New PG&E Stock or permitting the transferee to benefit from the losses of the Debtors within the
17 meaning of Treasury Regulations section 1.382-9(d)(5)(iii), *provided, however*, that any such transferee
18 who becomes a Substantial Claimholder following the filing of a Proposed 382(l)(5) Disclosure
19 Statement shall serve upon the Plan Proponent and its counsel (and the Debtors and their counsel if not
20 the Plan Proponent), counsel to the DIP Lenders, and counsel to any Official Committee, a notice of
21 such status, substantially in the form annexed to the Final Order as Exhibit 5, as provided in these
22 Procedures.

23 (b) For the avoidance of doubt, the trustee of any trust, any indenture trustee,
24 subordination agent, registrar, paying agent, transfer agent, loan or collateral agent, or any other entity
25 serving in a similar capacity however designated, in each case for any Claim or any Ownership Interests,
26 notes, bonds, debentures, property, or other debt securities or obligations (collectively, the "**Debt**
27 **Securities**") (i) issued by any of the Debtors, (ii) secured by assets of any of the Debtors or agreements
28

1 with respect to such assets, or (iii) secured by assets leased to any of the Debtors shall not be treated as
2 a Substantial Claimholder solely to the extent that such entities are acting in the capacity described
3 above, *provided, however*, that neither any transferee of Claims nor any equity or beneficial owner of a
4 trust shall be excluded from these Procedures solely by reason of this provision.

5 **C. Noncompliance with the Procedures**

6 Any transfer of PG&E Stock in violation of these Procedures shall be null and void *ab initio* as
7 an act in violation of the automatic stay under section 362 of the Bankruptcy Code and pursuant to the
8 Bankruptcy Court’s equitable powers under section 105(a) of the Bankruptcy Code. Any acquisition,
9 disposition, or trading of Claims against the Debtors in violation of these Procedures shall be null and
10 void *ab initio* as an act in violation of the automatic stay under section 362 of the Bankruptcy Code and
11 pursuant to the Bankruptcy Court’s equitable powers under section 105(a) of the Bankruptcy Code.
12 Furthermore, any person (including any Entity) that acquires PG&E Stock or acquires, disposes of or
13 trades Claims against the Debtors in violation of these Procedures shall be subject to sanctions as
14 provided by law.

15 **D. Debtors’ Right to Waive**

16 **The Debtors may waive, in writing, any and all restrictions, stays, and notification**
17 **Procedures contained in this Notice, *provided, however*, that after a 382(l)(5) Plan has been**
18 **properly filed by a Plan Proponent (other than by, or jointly with, the Debtors) and is still actively**
19 **being pursued before this Court, the consent of such Plan Proponent also shall be necessary for**
20 **any subsequent waiver to be effective.**

21
22 Dated: San Francisco, California

BY ORDER OF THE COURT

23 _____, 2019
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New York, NY 10153-0119

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Exhibit 2 to Final Order
Notice of Substantial Stock Ownership

1 UNITED STATES BANKRUPTCY COURT
2 NORTHERN DISTRICT OF CALIFORNIA
3 SAN FRANCISCO DIVISION

4 **In re:**
5 **PG&E CORPORATION,**
6 **Debtor.**
7 **Tax I.D. No. 94-3234914**

Case Nos. 19-
19-

Chapter 11

NOTICE OF SUBSTANTIAL STOCK OWNERSHIP

8 **In re:**
9 **PACIFIC GAS AND ELECTRIC**
10 **COMPANY,**
11 **Debtor.**
12 **Tax I.D. No. 94-0742640**

Date:
Time:
Place:

13 PLEASE TAKE NOTICE that, pursuant to that certain *Final Order Establishing Notification*
14 *Procedures and Approving Restrictions on Certain Transfers of Stock of, and Claims Against, the*
15 *Debtors*, dated [____], 2019, Docket No. [____] (with all exhibits thereto, the “**Final Order**”), [Name
16 of Filer] (the “**Filer**”) hereby provides notice that, as of the date hereof, the Filer beneficially owns:

- 17 (i) _____ shares of Common Stock,¹
18 (ii) _____ shares of Preferred Stock, and/or
19 (iii) Options to acquire _____ shares of PG&E Stock,

20 PLEASE TAKE FURTHER NOTICE that the taxpayer identification number of the Filer is

21 _____.

22 PLEASE TAKE FURTHER NOTICE that the following table sets forth the following
23 information:

24 For Common Stock, Preferred Stock and/or Options to acquire PG&E Stock that are owned
25 directly by the Filer, the table sets forth (a) the number of such shares and/or the number of shares
26

27 ¹ Capitalized terms used but not defined herein shall have the meanings ascribed to them in **Exhibit 1**
28 to the Final Order.

1 underlying Options beneficially owned by such Filer and (b) the date(s) on which such shares, Preferred
 2 Stock and/or Options were acquired (categorized by class, as applicable).

3 In the case of Common Stock, Preferred Stock and/or Options to acquire PG&E Stock that are
 4 not owned directly by the Filer but are nonetheless beneficially owned by the Filer or owned by an
 5 Acquiring Group of which the Filer is a member, the table sets forth (a) the name(s) of each record or
 6 legal owner of such shares of Common Stock, Preferred Stock and/or Options to acquire shares of PG&E
 7 Stock that are beneficially owned by the Filer, (b) the number of shares of Common Stock, the number
 8 of Preferred Stock and/or the number of shares of PG&E Stock underlying Options beneficially owned
 9 by such Filer, and (c) the date(s) on which such Common Stock, Preferred Stock and/or Options were
 10 acquired (categorized by class, as applicable). Any shares that are included solely as a result of the Filer
 11 being a member of an Acquiring Group are designated with an asterisk (*).

<i>Class</i>	<i>Name of Owner</i>	<i>Shares Owned</i>	<i>Shares Underlying Options Owned</i>	<i>Date(s) Acquired</i>
Common Stock				
Preferred Stock				
Preferred Stock				

(Attach additional pages if necessary.)

18 [[IF APPLICABLE:] The Filer is represented by [name of law firm], [address], [phone], (Attn:
 19 [name of attorney]).]

20 Respectfully submitted,

21 _____
 22 [Name of Filer]

23 By: _____
 24 Name: _____

25 Address: _____
 26 _____

27 Telephone: _____
 28 Facsimile: _____
 Date: _____

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Exhibit 3 to Final Order

Notice of Intent to Purchase, Acquire, or Otherwise Accumulate PG&E Stock

1 UNITED STATES BANKRUPTCY COURT
2 NORTHERN DISTRICT OF CALIFORNIA
3 SAN FRANCISCO DIVISION

4 **In re:**
5 **PG&E CORPORATION,**
6 **Debtor.**
7 **Tax I.D. No. 94-3234914**

Case Nos. 19-
19-

Chapter 11

**NOTICE OF INTENT TO PURCHASE,
ACQUIRE, OR OTHERWISE
ACCUMULATE PG&E STOCK**

8 **In re:**
9 **PACIFIC GAS AND ELECTRIC**
10 **COMPANY,**
11 **Debtor.**
12 **Tax I.D. No. 94-0742640**

Date:
Time:
Place:

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

13
14 PLEASE TAKE NOTICE that, pursuant to that certain Final Order Establishing Notification
15 Procedures and Approving Restrictions on Certain Transfers of Stock of, and Claims Against, the
16 Debtors, dated [____], 2019, Docket No. [___] (with all exhibits thereto, the “**Final Order**”), [Name
17 of Filer] (the “**Filer**”) hereby provides notice of (i) its intention to purchase, acquire, or otherwise
18 accumulate directly one or more shares of Common Stock¹, Preferred Stock and/or Options to acquire
19 PG&E Stock and/or (ii) a proposed purchase or acquisition of Common Stock, Preferred Stock and/or
20 Options to acquire PG&E Stock that would result in an increase in the number of shares of Common
21 Stock, Preferred Stock and/or number of shares of PG&E Stock underlying Options that are beneficially
22 owned by the Filer (any proposed transaction described in (i) or (ii), a “**Proposed Acquisition**”).

23 PLEASE TAKE FURTHER NOTICE that the following table sets forth the following
24 information:

- 25 1. If the Proposed Acquisition involves the purchase or acquisition directly by the Filer of
26

27 ¹ Capitalized terms used but not defined herein shall have the meanings ascribed to them in **Exhibit 1**
28 to the Final Order.

1 Common Stock, Preferred Stock and/or Options to acquire PG&E Stock, the table sets forth (a) the
 2 number of shares of Common Stock, Preferred Stock and/or the number of shares of PG&E Stock
 3 underlying Options proposed to be purchased or acquired and (b) the date(s) of such Proposed
 4 Acquisition (categorized by class, as applicable).

5 2. If the Proposed Acquisition involves the purchase or acquisition of Common Stock,
 6 Preferred Stock and/or Options to acquire PG&E Stock by a person (including any Entity) or Acquiring
 7 Group other than the Filer, but the Proposed Acquisition nonetheless would increase the number of
 8 shares of Common Stock, the number of Preferred Stock and/or number of shares of PG&E Stock
 9 underlying Options that are beneficially owned by the Filer, the table sets forth (a) the name(s) of each
 10 such person or Acquiring Group that proposes to purchase or acquire such shares of Common Stock,
 11 Preferred Stock and/or Options, (b) the number of shares of Common Stock, Preferred Stock and/or
 12 number of shares of PG&E Stock underlying Options proposed to be purchased or acquired, and (c) the
 13 date(s) of such Proposed Acquisition (categorized by class, as applicable).

<i>Class</i>	<i>Name of Purchaser or Acquirer</i>	<i>Shares to be Purchased or Acquired</i>	<i>Shares Underlying Options to be Purchased or Acquired</i>	<i>Date(s) of Proposed Acquisition</i>
Common Stock				
Preferred Stock				

(Attach additional page if necessary.)

19
 20 PLEASE TAKE FURTHER NOTICE that the following table summarizes the Filer's beneficial
 21 ownership of Common Stock, Preferred Stock and/or Options to acquire PG&E Stock assuming that the
 22 Proposed Acquisition is approved and consummated as described above. The table sets forth, as of
 23 immediately following the consummation of the Proposed Acquisition, the number of shares of Common
 24 Stock, Preferred Stock and/or the number of shares of PG&E Stock underlying Options (a) that would
 25 be owned directly by the Filer and, (b) in the case of any beneficial ownership by the Filer of Common
 26 Stock, Preferred Stock and/or Options that would be owned by another person (including any Entity) or
 27 Acquiring Group as record or legal owner, the name(s) of each prospective record or legal owner and
 28

1 the number of shares of Common Stock, Preferred Stock and/or the number of shares of PG&E Stock
 2 underlying Options that would be owned by each such record or legal owner (categorized by class, as
 3 applicable):

<i>Class</i>	<i>Name of Owner</i>	<i>Shares to Be Owned</i>	<i>Shares Underlying Options to Be Owned</i>
Common Stock			
Preferred Stock			

(Attach additional page if necessary.)

9 PLEASE TAKE FURTHER NOTICE that if the Proposed Acquisition involves a purchase or
 10 acquisition of Common Stock, Preferred Stock and/or Options to acquire PG&E Stock directly by the
 11 Filer and such Proposed Acquisition would result in (a) an increase in the beneficial ownership of
 12 Common Stock, Preferred Stock and/or Options to acquire PG&E Stock by a person (including any
 13 Entity) or Acquiring Group (other than the Filer) that currently is a Substantial Stockholder or (b) a
 14 person's or Acquiring Group's (other than the Filer) becoming a Substantial Stockholder, the following
 15 table sets forth (i) the name of each such person or Acquiring Group, (ii) the number of shares of
 16 Common Stock, Preferred Stock and/or the number of shares of PG&E Stock underlying Options that
 17 are beneficially owned by such person or Acquiring Group currently (i.e., prior to the Proposed
 18 Acquisition), and (iii) the number of shares of Common Stock, Preferred Stock and/or the number of
 19 shares of PG&E Stock underlying Options that would be beneficially owned by such person or Acquiring
 20 Group immediately following the Proposed Acquisition (categorized by class, as applicable).

<i>Class</i>	<i>Name of Beneficial Owner</i>	<i>Shares Owned Currently (i.e., Prior to Proposed Acquisition)</i>	<i>Shares to Be Owned Following Proposed Acquisition</i>	<i>Shares Underlying Options Owned Currently (i.e., Prior to Proposed Acquisition)</i>	<i>Shares Underlying Options to Be Owned Following Proposed Acquisition</i>
Common Stock					
Preferred Stock					

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(Attach additional page if necessary.)

For each of the tables above, a Filer that is a member of an Acquiring Group shall indicate the shares of PG&E Stock treated as owned or to be owned by the members of such Acquiring Group by including an asterisk next to each entry made above.

PLEASE TAKE FURTHER NOTICE that the taxpayer identification number of the Filer is _____.

PLEASE TAKE FURTHER NOTICE that, under penalty of perjury, the Filer hereby declares that it has examined this Notice and accompanying attachments (if any), and, to the best of its knowledge and belief, this Notice and any attachments which purport to be part of this Notice are true, correct, and complete.

[[IF APPLICABLE:] The Filer is represented by [name of law firm], [address], [phone], (Attn: [name of attorney]).]

Respectfully submitted,

[Name of Filer]

By: _____

Name: _____

Address: _____

Telephone: _____

Facsimile: _____

Date: _____

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Exhibit 4 to Final Order
Notice of Substantial Claim Ownership

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

In re:
PG&E CORPORATION,

Debtor.

Tax I.D. No. 94-3234914

Case Nos. 19-____()
19-____()

Chapter 11

NOTICE OF SUBSTANTIAL CLAIM OWNERSHIP

In re:
PACIFIC GAS AND ELECTRIC COMPANY,

Debtor.

Tax I.D. No. 94-0742640

Date:
Time:
Place:

PLEASE TAKE NOTICE that, pursuant to that certain Final Order Establishing Notification Procedures and Approving Restrictions on Certain Transfers of Stock of, and Claims Against, the Debtors, dated [____], 2019, Docket No. [__] (with all exhibits thereto, the “Final Order”), [person (including any Entity)] (the “Filer”) hereby provides notice that the Filer beneficially owns either (i) more than \$[] million of Claims¹ against the Debtors or (ii) a lesser amount of Claims that (based on the applicable information set forth in the Proposed 382(l)(5) Disclosure Statement), when taking into account any Owned Interests beneficially owned by a holder of Claims (including under the aggregation rules described in the definition of Substantial Claimholder), could result in such holder of Claims holding the Applicable Percentage of New PG&E Stock.

PLEASE TAKE FURTHER NOTICE that the following table sets forth the following information:

1. In the case of Claims that are owned directly by the Filer, the table sets forth the dollar amount of all Claims beneficially owned (as hereinafter defined) by the Filer (categorized by class or

¹ Capitalized terms used but not defined herein shall have the meanings ascribed to them in **Exhibit 1** to the Final Order.

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1 other applicable classification).

2 2. In the case of Claims that are not owned directly by the Filer but nonetheless are
3 beneficially owned by the Filer, the table sets forth (a) the name(s) of each record or legal owner of such
4 Claims that are beneficially owned by the Filer and (b) the dollar amount of all Claims beneficially
5 owned by such Filer (categorized by class or other applicable classification).

<i>Class</i>	<i>Description of Claim</i>	<i>Name of Owner</i>	<i>Dollar Amount Owned</i>

(Attach additional page if necessary.)

10
11 PLEASE TAKE FURTHER NOTICE that the following table sets forth a summary of the
12 Protected Amount for each class (or other applicable classification) of Claims beneficially owned by the
13 Filer (whether owned by the Filer directly or indirectly) and that Filer will provide any additional
14 information in respect of such Claims that the Debtors reasonably request.

<i>Class</i>	<i>Description of Claim</i>	<i>Name of Owner</i>	<i>Protected Amount</i>

(Attach additional page if necessary.)

19
20 PLEASE TAKE FURTHER NOTICE that the following table sets forth the following
21 information:

22 1. In the case of Owned Interests that are owned directly by the Filer, the table sets forth (a)
23 the type and number of any Owned Interests beneficially owned (or that are subject to Options that are
24 beneficially owned) by the Filer and (b) the date(s) on which such Owned Interests (and Options to
25 acquire the same) were acquired (categorized by class or other applicable classification);

26 2. In the case of Owned Interests that are not owned directly by the Filer but nonetheless are
27 beneficially owned by the Filer, the table sets forth (a) the name(s) of each record or legal owner of such
28

1 Owned Interests that are beneficially owned by the Filer, (b) the type and number of any such Owned
2 Interests beneficially owned (or that are subject to Options that are beneficially owned) by such Filer,
3 and (c) the date(s) on which such Owned Interests (and Options to acquire the same) were acquired
4 (categorized by class or other applicable classification).

5 The Filer will provide any additional information in respect of such Owned Interests that the
6 Debtors reasonably request.

<i>Name of Owner</i>	<i>Type and Number of Owned Interests Owned</i>	<i>Type and Number of Owned Interests Subject to Options Owned</i>	<i>Date Acquired</i>

11 (Attach additional page if necessary.)

12
13 PLEASE TAKE FURTHER NOTICE that, under penalty of perjury, the Filer hereby [agrees
14 / does not agree — PLEASE CHECK AS APPLICABLE] that it will not acquire beneficial ownership
15 of additional Owned Interests (and Options to acquire the same) before PG&E’s emergence from
16 bankruptcy protection and that it immediately will dispose of any Owned Interests (and Options to
17 acquire the same) that were acquired on or after the Petition Date and prior to submitting this Notice.

18 PLEASE TAKE FURTHER NOTICE that the taxpayer identification number of the Filer is
19 _____.

20 PLEASE TAKE FURTHER NOTICE that, under penalty of perjury, the Filer hereby declares
21 that it has examined this Notice and accompanying attachments (if any) and, to the best of its knowledge
22 and belief, this Notice and any attachments which purport to be part of this Notice are true, correct, and
23 complete.

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[[IF APPLICABLE:] The Filer is represented by [name of law firm], [address], [phone], (Attn: [name of attorney]).]

Respectfully submitted,

[Name of Filer]

By: _____

Name: _____

Address: _____

Telephone: _____

Facsimile: _____

Date: _____

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Exhibit 5 to Final Order

Notice of Request to Purchase, Acquire, or Otherwise Accumulate a Claim

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

In re:
PG&E CORPORATION,

Debtor.
Tax I.D. No. 94-3234914

Case Nos. 19-
19-

Chapter 11

**NOTICE OF REQUEST TO PURCHASE,
ACQUIRE, OR OTHERWISE
ACCUMULATE A CLAIM AGAINST THE
DEBTOR**

In re:
**PACIFIC GAS AND ELECTRIC
COMPANY,**

Debtor.
Tax I.D. No. 94-0742640

Date: DATE
Time: TIME
Dept.: DEPT
Judge: Honorable NAME

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

PLEASE TAKE NOTICE that, pursuant to that certain *Final Order Establishing Notification Procedures and Approving Restrictions on Certain Transfers of Stock of, and Claims Against, the Debtors*, dated [____], 2019, Docket No. [___] (with all exhibits thereto, the “**Final Order**”), [person (including any Entity)] (the “**Filer**”) hereby provides notice of (i) its intent to purchase, acquire, or otherwise accumulate directly a Claim¹ or Claims against the Debtors and/or (ii) a proposed purchase or acquisition of Claims that, following the proposed acquisition, would be beneficially owned by the Filer (any proposed transaction described in (i) or (ii), a “**Proposed Transfer**”).

PLEASE TAKE FURTHER NOTICE that, if applicable, on [prior date(s)], the Filer served a Notice of Substantial Claim Ownership with the Plan Proponent, counsel to the Plan Proponent, counsel to the DIP Lenders, and counsel to any Official Committee.

PLEASE TAKE FURTHER NOTICE that the Filer is filing this notice as (check one):

<i>A person (including any Entity) that filed or was required to file a Notice of Substantial Claim Ownership</i>	
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¹ Capitalized terms used but not defined herein shall have the meanings ascribed to them in **Exhibit 1** to the Final Order.

A person (including any Entity) that, upon consummation of the Proposed Transfer, would have been required to file a Notice of Substantial Claim Ownership (if the proposed acquisition date had been the Determination Date)

PLEASE TAKE FURTHER NOTICE that the following tables set forth the following information:

1. In the case of Claims and/or Owned Interests that are owned directly by the Filer, the tables set forth (a) the dollar amount of all Claims and the type and number of Owned Interests (and Options to acquire the same) beneficially owned by the Filer (categorized by class or other applicable classification) and, (b) if applicable, the date such Owned Interests (or Options to acquire the same) were acquired.

2. In the case of Claims and/or Owned Interests that are not owned directly by the Filer but nonetheless are beneficially owned by the Filer, the tables set forth (a) the name(s) of each record or legal owner of the Claims and/or Owned Interests (and Options to acquire the same) that are beneficially owned by the Filer, (b) the dollar amount of all Claims and the type and number of Owned Interests beneficially owned by the Filer (categorized by class or other applicable classification), and, (c) if applicable, the date such Owned Interests (and Options to acquire the same) were acquired.

The Filer will provide any additional information in respect of such Claims and/or Owned Interests that the Debtors reasonably request.

<i>Class</i>	<i>Description of Claim</i>	<i>Name of Owner</i>	<i>Dollar Amount Owned</i>

(Attach additional page if necessary.)

<i>Name of Owner</i>	<i>Type and Number of Owned Interests Owned</i>	<i>Type and Number of Owned Interests Subject to Options Owned</i>	<i>Date Acquired</i>

(Attach additional page if necessary.)

1 PLEASE TAKE FURTHER NOTICE that the following table sets forth a summary of the
2 Protected Amount for each class (or other applicable classification) of Claims beneficially owned by the
3 Filer (whether owned by the Filer directly or indirectly).

4 The Filer will provide any additional information in respect of such Claims that the Debtors
5 reasonably request.

<i>Class</i>	<i>Description of Claim</i>	<i>Name of Owner</i>	<i>Protected Amount</i>

(Attach additional page if necessary.)

11 PLEASE TAKE FURTHER NOTICE that the following table sets forth the following
12 information:

13 1. If the Proposed Transfer involves the purchase or acquisition of Claims directly by the
14 Filer, the table sets forth the dollar amount of all Claims (categorized by class or other applicable
15 classification) proposed to be purchased or acquired.

16 2. If the Proposed Transfer involves the purchase or acquisition of Claims by a person
17 (including any Entity) other than the Filer, but the Proposed Transfer nonetheless would increase the
18 dollar amount of Claims that are beneficially owned by the Filer, the table sets forth (a) the name(s) of
19 each such person that proposes to purchase or acquire such Claims and (b) the dollar amount of all
20 Claims (categorized by class or other applicable classification) proposed to be purchased or acquired.

<i>Class</i>	<i>Description of Claim</i>	<i>Name of Owner</i>	<i>Dollar Amount to be Acquired</i>

(Attach additional page if necessary.)

26 PLEASE TAKE FURTHER NOTICE that if the Proposed Transfer involves a purchase or
27 acquisition of Claims directly by the Filer and such Proposed Transfer would result in (a) an increase in
28 the beneficial ownership of Claims by a person (including any Entity) (other than the Filer) that currently

1 is a Substantial Claimholder or (b) a person's or Acquiring Group's (other than the Filer) becoming a
 2 Substantial Claimholder, the following tables set forth (i) the name of each such person, (ii) the dollar
 3 amount of all Claims beneficially owned by such person currently (i.e., prior to the Proposed Transfer)
 4 (categorized by class or other applicable classification), (iii) the dollar amount of all Claims that would
 5 be beneficially owned by such person immediately following the Proposed Transfer (categorized by
 6 class or other applicable classification), (iv) the number and type of Owned Interests (and Options to
 7 acquire the same) beneficially owned by such person as of the date of the Proposed Transfer (categorized
 8 by class or other applicable classification), and (v) the date such Owned Interests (and Options to acquire
 9 the same) were acquired:

<i>Class</i>	<i>Description of Claim</i>	<i>Name of Owner</i>	<i>Dollar Amount of Claims Owned Currently (i.e., Prior to Proposed Transfer)</i>	<i>Dollar Amount of Claims to be Owned Following Proposed Transfer</i>

(Attach additional page if necessary.)

<i>Name of Owner</i>	<i>Type and Number of Owned Interests Owned</i>	<i>Type and Number of Owned Interests Subject to Options Owned</i>	<i>Date Acquired</i>

(Attach additional page if necessary.)

22 PLEASE TAKE FURTHER NOTICE that the Filer [agreed / did not agree — **PLEASE**
 23 **CHECK AS APPLICABLE**] in its Notice of Substantial Claim Ownership filed with the Court that it
 24 would not acquire beneficial ownership of additional Owned Interests (and Options to acquire the same)
 25 before PG&E Corp.'s emergence from bankruptcy protection and that it immediately would dispose of
 26 any Owned Interests (and Options to acquire the same) that were acquired on or after the Petition Date
 27 and prior to submitting its Notice of Substantial Claim Ownership, and the Filer has complied with and
 28

1 intends to continue to comply with such statement.

2 PLEASE TAKE FURTHER NOTICE that, if the Plan Proponent approves the Proposed Transfer
3 and the Filer did not previously file a Notice of Substantial Claim Ownership, the Filer, under penalty
4 of perjury, hereby [agrees / does not agree — **PLEASE CHECK AS APPLICABLE**] that it will
5 not acquire beneficial ownership of additional Owned Interests (and Options to acquire the same) before
6 PG&E Corp.’s emergence from bankruptcy protection and that it immediately will dispose of any Owned
7 Interests (and Options to acquire the same) that were acquired on or after the Petition Date and prior to
8 submitting this Notice.

9 PLEASE TAKE FURTHER NOTICE that the taxpayer identification number of the Filer is
10 _____.

11 PLEASE TAKE FURTHER NOTICE that, under penalty of perjury, the Filer hereby declares
12 that it has examined this Notice and accompanying attachments (if any), and, to the best of its knowledge
13 and belief, this Notice and any attachments which purport to be part of this Notice are true, correct, and
14 complete.

15 PLEASE TAKE FURTHER NOTICE that the Filer hereby acknowledges that, if the Plan
16 Proponent does not approve the Proposed Transfer in writing within **eight (8) business days** after the
17 filing of this Notice, such Proposed Transfer shall be deemed rejected. If the Plan Proponent provides
18 written authorization approving the Proposed Transfer prior to the end of such eight-business-day period,
19 then such Proposed Transfer may proceed solely as specifically described in this Notice.

20 This Notice is given in addition to, and not as a substitute for, any requisite notice under Rule
21 3001(e) of the Federal Rules of Bankruptcy Procedure.

22 [IF APPLICABLE] the Filer is represented by [name of the law firm], [address], [phone], (Attn:
23 [name]).

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

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[IF APPLICABLE:] The Filer is represented by [name of law firm], [address], [phone], (Attn: [name of attorney]).

Respectfully submitted,

[Name of Filer]

By: _____

Name: _____

Address: _____

Telephone: _____

Facsimile: _____

Date: _____

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New York, NY 10153-0119

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Exhibit 6 to Final Order
Notice of Compliance

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

In re:
PG&E CORPORATION,
Debtor.
Tax I.D. No. 94-3234914

Case Nos. 19-
19-

Chapter 11

**NOTICE OF REQUEST TO PURCHASE,
ACQUIRE, OR OTHERWISE
ACCUMULATE A CLAIM AGAINST THE
DEBTOR**

In re:
**PACIFIC GAS AND ELECTRIC
COMPANY,**
Debtor.
Tax I.D. No. 94-0742640

Date: DATE
Time: TIME
Dept.: DEPT
Judge: Honorable NAME

PLEASE TAKE NOTICE that, pursuant to that certain *Final Order Establishing Notification Procedures and Approving Restrictions on Certain Transfers of Stock of, and Claims Against, the Debtors*, dated [____], 2019, Docket No. [___] (with all exhibits thereto, the “**Final Order**”), [person (including any Entity)] (the “**Filer**”) hereby provides notice that Filer has complied in full with the terms and conditions set forth in the Final Order and as further set forth in the Sell-Down Notice¹ issued to Filer, such that (i) Filer does not and will not beneficially own an Excess Amount of Claims as of the Sell-Down Date and at all times through the effective date of the 382(l)(5) Plan and (ii) if Filer so agreed in its Notice of Substantial Claim Ownership, Filer does not and will not beneficially own any Owned Interests (and Options to acquire the same) unless acquired prior to the Petition Date.

PLEASE TAKE FURTHER NOTICE that the taxpayer identification number of Filer is _____.

¹ Capitalized terms used but not defined herein shall have the meanings ascribed to them in **Exhibit 1** to the Final Order.

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New York, NY 10153-0119

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[IF APPLICABLE:] The Filer is represented by [name of law firm], [address], [phone], (Attn: [name of attorney]).

Respectfully submitted,

[Name of Filer]

By: _____

Name: _____

Address: _____

Telephone: _____

Facsimile: _____

Date: _____

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Exhibit 7 to Final Order
Final Publication Notice

DEBTORS' MOTION FOR NOTIFICATION

1 **ATTENTION DIRECT AND INDIRECT HOLDERS OF, AND PROSPECTIVE HOLDERS OF,**
2 **(I) STOCK ISSUED BY PG&E CORPORATION OR PACIFIC GAS & ELECTRIC COMPANY**
3 **AND (II) CERTAIN CLAIMS AGAINST PG&E CORPORATION OR PACIFIC GAS &**
4 **ELECTRIC COMPANY:**

5 Upon the motion (the “**Motion**”) of PG&E Corporation (“**PG&E Corp.**”) and Pacific Gas &
6 Electric Company (“**Utility**” and together with PG&E Corp. the “**Debtors**”), on [_____, 2019],
7 the United States Bankruptcy Court for the Northern District of California (the “**Bankruptcy Court**”),
8 having jurisdiction over the chapter 11 cases of the Debtors, captioned as *In re PG&E Corporation, et*
9 *al.*, Case No. ____ (the “**Chapter 11 Cases**”), entered a final order establishing procedures (the
10 “**Procedures**”) with respect to direct and indirect trading and transfers of stock of, and claims against,
11 the Debtors.

12 In certain circumstances, the Procedures restrict transactions involving, and require notices of
13 the holdings of and proposed transactions by, any person or group of persons that is or, as a result of
14 such a transaction, would become a Substantial Stockholder of the common stock issued by PG&E Corp.
15 (the “**Common Stock**”). For purposes of the Procedures, a “**Substantial Stockholder**” is any person
16 or, in certain cases, group of persons that beneficially own, directly or indirectly (and/or owns options
17 to acquire) at least 24.6 million shares of Common Stock (representing approximately 4.75% of all issued
18 and outstanding shares of Common Stock).” *Any prohibited transfer of the stock of the Debtors will*
19 *be null and void ab initio and may lead to contempt, compensatory damages, punitive damages, or*
20 *sanctions being imposed by the Bankruptcy Court.*

21 In addition, the Procedures set forth (i) certain future circumstances under which any person,
22 group of persons, or entity holding, or which as a result of a proposed transaction may hold, a substantial
23 amount of certain claims against the Debtors may be required to file notice of its holdings of such claims
24 and of proposed transactions, which transactions may be restricted, and (ii) certain limited circumstances
25 thereafter under which such person(s) may be required to sell, by a specified date following the
26 confirmation of a chapter 11 plan of the Debtors, all or a portion of any such claims acquired during the
27 Chapter 11 Cases. *Any prohibited transfer of claims against the Debtors in violation of the claims*
28 *procedures set forth in the Procedures will be null and void ab initio and/or may lead to contempt,*

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compensatory damages, punitive damages, or sanctions being imposed by the Bankruptcy Court.

The Procedures are available on the website of Prime Clerk LLC, the Debtors' Court-approved claims agent, located at <https://primeclerk.com>, and on the docket of the Chapter 11 Cases, Docket No. _____, which can be accessed via PACER at <https://www.pacer.gov>.

The requirements set forth in the Procedures are in addition to the requirements of Bankruptcy Rule 3001(e) and applicable securities, corporate, and other laws and do not excuse noncompliance therewith.

A direct or indirect holder of, or prospective holder of, stock of the Debtors that may be or become a Substantial Stockholder or a direct or indirect holder of, or prospective holder of, a substantial amount of claims against the Debtors should consult the Procedures.

Dated: San Francisco, California **BY ORDER OF THE COURT**
[], 2019