



December 15, 2023

On December 13th, we sold the remaining 67.7 million shares of PG&E stock held by the Fire Victim Trust. This represents the final sale of the original 477 million shares of PG&E stock placed in the Trust when it was created. There are a couple of points I'd like to emphasize:



First, when the Fire Victim Trust was created in July of 2020, it was intended to have \$13.5 billion in assets: half in cash from PG&E, half in PG&E stock. Unfortunately, the value of the stock delivered to the Trust was lower than intended. In fact, the stock value on July 1, 2020, was \$4.314 billion, compared to the \$6.75 billion promised, which would have left the Trust \$2.435 billion short of the \$13.5 billion anticipated by the bankruptcy plan. The low value of the stock in July of 2020 meant that the Trust was forced to sell blocks of stock at key points when the share prices rose to maximize the amounts available to pay fire victims.

The second point is that, with this final stock sale, the total stock proceeds brought into the Trust are \$7.25 billion – and the net funding from all sources (including from lawsuits we filed against third parties) is \$14.25 billion. In other words, we have grown the value of the Trust over \$750 million more than the amount anticipated by the bankruptcy agreement.

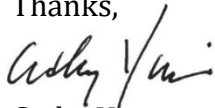
Third, we have issued initial Determination Notices on nearly all the claims submitted to the Trust. The value of those determinations to date is over \$19 billion. It follows then that \$14.25 billion we monetized was never going to be enough to cover the \$19 billion in losses proven by fire victims. That unfortunately is what bankruptcy is. A company seeks bankruptcy protection when it does not have enough assets to cover its debts.

Fourth, I wanted to address the questions surrounding the administrative costs associated with our Trust. The administrative costs are about 2.46% of the \$14.25 billion fund devoted to fire victims. For comparison, most large settlement funds have expenses ranging from 3-6%, and on average when organizations contract with the state of California the state authorizes between 10-15% for administrative overhead. We have worked hard for fire victims to maximize how much we could pay to you, in issuing fair and equitable determinations as fast as possible while keeping costs as low as we could.

Finally, I want to address the relationship between the next *pro rata* payment and the release requirements. It is not true that 100% of claimants need to sign the releases before anyone gets their next *pro rata* payment. Your payments are not conditioned on whether other claimants have signed their releases. When we have all the claims data and are ready to make the next *pro rata* increase, it will go to each eligible claimant whose claims have been finalized and who has submitted both releases.

As of December 15th, we have issued Determination Notices on more than 99% of submitted Claims Questionnaires, and 94% of all Claims Questionnaires have an accepted, final determination. The Trust has paid more than \$10.92 billion to Claimants.

Thanks,



Cathy Gianni