



March 12, 2024

I am delighted to share that the Fire Victim Trust is increasing the *pro rata* payment percentage to 66% effective April 25, 2024. This increase is possible now that the Trust has reached two critical milestones: (1) issuance of 100% of Determination Notices with 97% now accepted and final; and (2) the final sale of PG&E stock on December 13, 2023.



As Trustee, it is my fiduciary duty to pay fire survivors as much as the Trust is able as soon as we are able, and the increase to 66% enables us to make an additional *pro rata* payment.

I also have a duty to reserve sufficient funds to comply with the *pro rata* requirement. The bankruptcy rules require that everyone is paid the same percentage of their award. These rules apply no matter when a claim is determined and accepted, or its dollar value. There will be at least one additional *pro rata* increase as we finalize the remaining claims, achieve certainty regarding the Trust's total payment obligations, and wind down the program.

Before providing a more general update on the Road to Completion, I want to answer a few questions you may have about this *pro rata* increase and the related release requirement.

Q: How much money will be available as part of this *pro rata* increase and when will payments be made? With \$1.2 billion in additional liquidity from our final stock sales and 97% of claims now accepted and final, we are confident we can safely increase the *pro rata* payment percentage for all fire survivors by six percent. On April 25, 2024, the Trust will begin bringing prior payments up from 60% to 66%. After that, the Trust will pay all *pro rata* payments at 66% of the final award amount.

Q: Are releases required to receive a 66% *pro rata* payment? Yes. Only claimants whose claims have been finalized and who have signed and submitted both releases will be eligible to receive payments following this *pro rata* increase. While your next *pro rata* payment is not conditioned on whether other claimants have signed their releases, your payment is conditioned on whether you have signed your releases.

We encourage attorneys and *pro se* claimants to submit releases to the Trust by April 1. Doing so will ensure that we receive and have time to review your releases before finalizing the April 25 payment list. Payments to eligible claimants whose releases are not received in time for the April 25 disbursement will be included in the next payment cycle after the Trust receives and confirms their releases. As a reminder, the Trust issues payments twice monthly, generally on the 15th and on the last day of the month.

Q: Will there be future increases in *pro rata* payments? Yes. The timing of future *pro rata* increases depends on resolution of the remaining 3% of claims. All of these claims are in Reconsideration review, have Reconsideration Notices to which the claimants have not yet responded, or have been appealed. Resolving these remaining claims efficiently and

fairly is critical to determining the Trust's total payment obligations and providing certainty on the final *pro rata* payment percentage available to all fire survivors.

The Road to Completion

In addition to announcing April's *pro rata* payment percentage increase, I want to update you on the remaining work to do as we look forward to winding down the Trust in 2024.

- ▶ **Notices and Payments:** Having issued Determination Notices on 100% of Claims Questionnaires by December 31, 2023, 97% of determinations are now accepted and final with \$11.21 billion paid to claimants. The April *pro rata* increase will further increase claimant payments.

There remain roughly 1,000 determinations not yet accepted. These are in various stages of Reconsideration and Appeal. As a result of tightening deadlines and curtailing extensions, we have finalized an additional 900 determinations already this year, and we continue working with attorneys and *pro se* claimants to move 100% of claims to acceptance without delay.

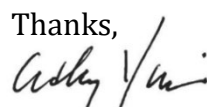
- ▶ **Releases:** The Trust has been seeking release signatures since September 2023 and has received signed releases from almost 70% of eligible claimants. We encourage all claimants to submit their releases before the April *pro rata* payment increase, as release submission will be a prerequisite to payment going forward.

As you will recall, before the Trust was created, the Bankruptcy Court approved a comprehensive Plan of Reorganization that mandated, in part, that each Fire Victim Claimant execute two releases – either an Individual Release or Entity Release (depending on Claimant type) and an Insurance Mutual Made Whole Release. The Trust's public website includes FAQs ([here](#)) regarding these required releases.

- ▶ **Minors Compromises:** The Honorable Ellen Sickles James (Ret.), was appointed Special Master to review claims determinations and disbursement measures for all awards to minors and incapacitated adults. We highlighted this process in an interview with Special Master James last year (available [here](#)). To streamline the process, we have increased the threshold for awards requiring a hearing via Zoom to \$56,000 for represented claimants. As before, all *pro se* claimants get a hearing, and represented claimants whose awards are below \$56,000 may request a hearing.

Roughly 2,600 claimants (35%) have completed the Special Master approval process. We encourage everyone still requiring approval to submit their petitions and initiate the process as soon as possible. We will be sending reminders to firms and *pro se* claimants who still need to take these steps.

We have worked diligently from the beginning to compensate fire survivors for their losses, and we will continue to do so to bring closure to this process for each of you.

Thanks,

Cathy Yanni