

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

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

*Attorneys for Debtors
and Debtors in Possession*

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

16 **In re:**

17 **PG&E CORPORATION,**

18 **- and -**

19 **PACIFIC GAS AND ELECTRIC
COMPANY,**

20 **Debtors.**

- 21 Affects PG&E Corporation
22 Affects Pacific Gas and Electric
Company
23 Affects both Debtors

24 ** All papers shall be filed in the Lead
Case, No. 19-30088 (DM).*

Bankruptcy Case
No. 19-30088 (DM)

Chapter 11
(Lead Case)
(Jointly Administered)

**MOTION PURSUANT TO 11 U.S.C. §§ 105(a) AND 363(b) AND
FED. R. BANKR. P. 2002 AND 6004(h) FOR AN ORDER (A)
AUTHORIZING DEBTORS TO ESTABLISH AND FUND
PROGRAM TO ASSIST WILDFIRE CLAIMANTS WITH
ALTERNATIVE LIVING EXPENSES AND OTHER URGENT
NEEDS AND (B) GRANTING RELATED RELIEF
("WILDFIRE ASSISTANCE PROGRAM MOTION")**

Date: May 22, 2019
Time: 9:30am (Pacific Time)
Place: United States Bankruptcy Court
Courtroom 17, 16th Floor
San Francisco, CA 94102

Objection Deadline: May 15, 2019
4:00 p.m. (Pacific Time)

1 PG&E Corporation (“**PG&E Corp.**”) and Pacific Gas and Electric Company (the
2 “**Utility**”), as debtors and debtors in possession (collectively, “**PG&E**” or the “**Debtors**”) in the above-
3 captioned chapter 11 cases (the “**Chapter 11 Cases**”), hereby submit this Motion (the “**Motion**”)
4 pursuant to sections 105(a) and 363(b) of title 11 of the United States Code (the “**Bankruptcy Code**”)
5 and Rules 2002 and 6004(h) of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”)
6 for entry of an order (a) authorizing the Debtors to establish and fund a program to assist those displaced
7 by the 2017 and 2018 Wildfires (as defined below) with alternative living expenses and other urgent
8 needs and (b) granting related relief.

9 A proposed form of order granting the relief requested herein is annexed hereto as **Exhibit A**
10 (the “**Proposed Order**”).
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

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

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,
4 the *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 January 29, 2019 (the “**Petition Date**”), the Debtors commenced with the Court
10 voluntary cases under chapter 11 of the Bankruptcy Code. The Debtors continue to operate their
11 businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108
12 of the Bankruptcy Code. The Debtors’ Chapter 11 Cases are being jointly administered for procedural
13 purposes only pursuant to Bankruptcy Rule 1015(b).

14 On February 12, 2019, the United States Trustee (the “**U.S. Trustee**”) appointed an
15 Official Committee of Unsecured Creditors (the “**Creditors Committee**”). On February 15, 2019, the
16 U.S. Trustee appointed an Official Committee of Tort Claimants (the “**Tort Claimants Committee**”
17 and, together with the Creditors Committee, the “**Committees**”).

18 Additional information regarding the circumstances leading to the commencement of the
19 Chapter 11 Cases and information regarding the Debtors’ businesses and capital structure is set forth in
20 the *Amended Declaration of Jason P. Wells in Support of the First Day Motions and Related Relief*
21 [Docket No. 263] (the “**Wells Declaration**”).

22 **III. THE 2017 AND 2018 NORTHERN CALIFORNIA WILDFIRES**

23 The background to the 2017 and 2018 Northern California wildfires is set out in further
24 detail in the Wells Declaration. A brief summary of the relevant background is outlined below.

25 **A. The 2017 Fires and 2018 Camp Fire**

26 Beginning on October 8, 2017, multiple wildfires spread throughout Northern California.
27
28

1 Cal Fire reported that 21 major fires (the “**2017 Fires**”)¹ burned over 245,000 acres and destroyed an
2 estimated 8,900 structures.

3 On November 8, 2018, a wildfire began near the city of Paradise, Butte County, California
4 (the “**2018 Camp Fire**”, and together with the 2017 Fires, the “**2017 and 2018 Wildfires**”). Cal Fire
5 reported that the 2018 Camp Fire consumed approximately 153,336 acres, and caused the destruction of
6 13,972 residences.

7 It is important to note that, as of the date of this Motion, there has been no legal
8 determination that the Debtors are liable for any claims associated with the 2017 and 2018 Wildfires.
9 The filing of this Motion shall not constitute or be deemed to constitute an acknowledgement or
10 admission of liability.

11 **IV. THE PROPOSED WILDFIRE ASSISTANCE PROGRAM**

12 **A. Background**

13 Many of those who lost their homes in the 2017 and 2018 Wildfires (the “**Wildfire**
14 **Claimants**”) continue to struggle to find affordable alternative housing. It is the Debtors’ understanding
15 that, although many of the Wildfire Claimants expect to have the costs of substitute or temporary housing
16 (known as “**Alternative Living Expenses**”) for twelve (12) to twenty-four (24) months covered through
17 their insurance companies, others are uninsured or have exhausted their insurance.

18 To provide some relief from the financial stress and burden many of the displaced
19 Wildfire Claimants are experiencing, the Debtors have developed, and by this Motion seek approval to
20 establish and fund, a program that will assist certain Wildfire Claimants with their Alternative Living
21 Expenses and other urgent needs (the “**Wildfire Assistance Program**”). The Wildfire Assistance
22 Program is intended to aid certain Wildfire Claimants who are either uninsured or still in need of
23 assistance for Alternative Living Expenses or other urgent needs.
24
25
26

27 ¹ The 2017 Fires are the Atlas, Adobe, Blue, Cascade, Cherokee, Honey, LaPorte, Lobo, Macaama,
28 McCourtney, Nuns, Norrbom, Partrick, Pocket, Point, Pressley, Pythian, Redwood, Sulphur, Tubbs
and 37 fires.

1 **B. Proposed Terms of the Wildfire Assistance Program**

2 The Debtors propose to provide support to those Wildfire Claimants who have been
3 displaced from their primary residence as a result of the 2017 and 2018 Wildfires.

4 The Debtors propose depositing \$105 million into a segregated account (the “**Wildfire**
5 **Assistance Fund**”) to be controlled by an independent third-party administrator, who will disburse and
6 administer the funds (the “**Administrator**”). The Debtors will engage in discussions with the
7 Committees regarding a suitable person to be appointed as the Administrator as expeditiously as
8 possible, and upon agreement, will file a notice with the Court disclosing the identity and qualifications
9 of the person selected to serve as Administrator. If, however, the Debtors and the Committees cannot
10 agree upon an appropriate individual to serve as the Administrator, the Debtors will file a further motion
11 with the Court seeking the appointment of an appropriate individual as the Administrator.

12 The Administrator will be responsible for developing the specific eligibility requirements
13 and application procedures for the distribution of the Wildfire Assistance Fund to eligible Wildfire
14 Claimants (the “**Program Terms**”). The Program Terms will be consistent with the following principles
15 and guidelines:

16 **1. Eligibility Criteria**

- 17 a) The Administrator will determine the eligibility criteria for participation
18 in and receipt of funds from the Wildfire Assistance Program, including
19 the types of expenses Wildfire Claimants can obtain financial assistance
20 for and the amount of assistance to be provided to each eligible Wildfire
21 Claimant (the “**Eligibility Criteria**”).
- 22 b) In developing the Eligibility Criteria, the Administrator must ensure that
23 the Wildfire Assistance Fund is distributed in a fair and equitable manner,
24 and assistance is prioritized to those eligible Wildfire Claimants who are
25 most in need, including those who are currently without adequate shelter
26 (*e.g.*, living in tents). The Administrator shall consult with the Federal
27 Emergency Management Agency (“**FEMA**”) as to the Eligibility Criteria
28 to ensure eligible Wildfire Claimants do not receive funds from both
FEMA and the Wildfire Assistance Program for the same expenses.

26 **2. The Administrator’s Authority and Obligations**

- 27 a) The Administrator will be authorized to engage (i) a claims management
28 firm, (ii) a legal advisor, (iii) an accounting firm, and (iv) in consultation
with the Debtors and with the consent of the Committees or by further

1 Court order, any other professional the Administrator deems necessary or
2 appropriate to assist in administering the Wildfire Assistance Program in
3 accordance with these principles and guidelines (collectively, the
4 “**Program Professionals**”). The Administrator may also partner with
5 local housing agencies and community organizations with relevant
6 experience and expertise (the “**Local Organizations**”) to assist with the
7 administration of the Wildfire Assistance Program. The costs of
8 administering the Wildfire Assistance Program, including the
9 Administrator’s fees, the fees of the Program Professionals and costs
10 associated with partnering with Local Organizations (collectively, the
11 “**Fund Expenses**”) will be paid from the Wildfire Assistance Fund. The
12 Fund Expenses shall not exceed \$5 million in total.

13 b) The Administrator must prepare and, within 30 days after the end of a
14 quarterly period (or such longer period as may be agreed to by the
15 Administrator and the Committees or as authorized by Court order), file
16 quarterly reports with the Court and serve such reports on counsel to the
17 Debtors and the Committees. These reports must include (i) the number
18 of applications submitted to and processed by the Wildfire Assistance
19 Program during the preceding quarter, and (ii) an account of the receipts
20 and disbursements from the Wildfire Assistance Fund during the
21 preceding quarter.

22 c) The Administrator must keep adequate administrative and financial
23 records of the Wildfire Assistance Program, including a record of to whom
24 disbursements from the Wildfire Assistance Fund are made and in what
25 amounts. The Debtors and the Committees may inspect all the Wildfire
26 Assistance Program’s records upon request.

27 V. BASIS FOR RELIEF REQUESTED

28 Section 363(b) of the Bankruptcy Code provides, in relevant part, that “[t]he [debtor],
after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property
of the estate.” 11 U.S.C. § 363(b)(1). Under section 363 of the Bankruptcy Code, a court may authorize
a debtor to use estate funds where a sound business purpose exists for doing so. *See In re Ionosphere
Clubs, Inc.*, 98 B.R. 174, 175 (Bankr. S.D.N.Y. 1989). The business judgment rule is satisfied where
“the directors of a corporation acted on an informed basis, in good faith and in the honest belief that the
action taken was in the best interests of the company.” *See, e.g., Official Comm. of Subordinated
Bondholders v. Integrated Res., Inc. (In re Integrated Res., Inc.)*, 147 B.R. 650, 656 (S.D.N.Y. 1992)
(quoting *Smith v. Van Gorkom*, 488 A.2d 858, 872 (Del. 1985)); *see also F.D.I.C. v. Castetter*, 184 F.3d
1040, 1043 (9th Cir. 1999) (the business judgment rule “requires directors to perform their duties in good

1 faith and as an ordinarily prudent person in a like circumstance would”). “Where the debtor articulates
2 a reasonable basis for its business decisions (as distinct from a decision made arbitrarily or capriciously),
3 courts will generally not entertain objections to the debtor’s conduct.” *Comm. of Asbestos-Related*
4 *Litigants v. Johns-Manville Corp. (In re Johns-Manville Corp.)*, 60 B.R. 612, 616 (Bankr. S.D.N.Y.
5 1986). Courts construing California law have consistently declined to interfere with corporate decisions
6 absent a showing of bad faith, self-interest, or gross negligence, and have upheld a board’s decisions as
7 long as such decisions were made in good faith. *Scouler & Co., LLC v. Schwartz*, No. 11-CV-06377
8 NC, 2012 WL 1502762, at *4 (N.D. Cal. Apr. 23, 2012); *Berg & Berg Enterprises, LLC v. Boyle*, 178
9 Cal. App. 4th 1020, 1046 (2009).

10 The Court may also rely on its equitable powers under section 105 of the Bankruptcy
11 Code to grant the relief requested in this Motion. Section 105(a) of the Bankruptcy Code empowers the
12 Court to “issue any order, process, or judgment that is necessary or appropriate to carry out the provisions
13 of this title.” 11 U.S.C. § 105(a).

14 The Debtors believe that funding and establishing the Wildfire Assistance Program to aid
15 those displaced by the 2017 and 2018 Wildfires represents a sound exercise of their business judgment.
16 Although no determination has been made that the Debtors are legally responsible for the 2017 and 2018
17 Wildfires, Cal Fire has issued determinations that the Utility’s equipment was involved with the ignition
18 of 18 of the 2017 Fires. In addition, although the cause of the 2018 Camp Fire remains under
19 investigation and no determination has been made that the Debtors are legally responsible, based on
20 information which has been reported to the California Public Utilities Commission and other agencies,
21 the Debtors believe it is probable that the Utility’s equipment will be determined to be an ignition point
22 of the 2018 Camp Fire.²

23 Under these circumstances, the Debtors’ senior management and their Boards of
24 Directors determined that it would be appropriate to establish the Wildfire Assistance Program to provide
25

26 ² Disbursements made under the Wildfire Assistance Program to eligible Wildfire Claimants might
27 otherwise be entitled to be claimed by such individuals as damages arising from the 2017 and 2018
28 Wildfires. It is the Debtors’ expectation that those who receive financial assistance under the Wildfire
Assistance Program will not later seek a double recovery on account of any reimbursed or covered
expenses.

1 some relief to the people who lost their homes and are currently in need of temporary housing or have
2 other urgent needs. Without in any way minimizing the loss and suffering incurred by others, these
3 individuals are currently undergoing significant hardship in their day to day lives and the Debtors believe
4 it is appropriate and a justified expenditure of assets to address this need as provided in the Motion.

5 As stated above, the Wildfire Assistance Fund will be administered and disbursed by an
6 independent third party, consistent with the Program Terms, and in a manner designed to assure that the
7 purposes of the Motion are achieved, and that the needs of those Wildfire Claimants most in need of
8 temporary housing or who have other urgent needs are addressed. The Administrator will be required
9 to maintain appropriate records of the funds' operations and disbursements, including disbursements
10 made to eligible Wildfire Claimants, and to file regular reports with the Court.

11 Under these circumstances, the Debtors believe that establishing and funding the Wildfire
12 Assistance Program clearly represents a sound and reasonable exercise of their business judgment and
13 that, accordingly, the relief requested in this Motion should be granted.

14 **VI. REQUEST FOR BANKRUPTCY RULE 6004(h) WAIVER**

15 To meet the temporary housing and other urgent needs of those eligible Wildfire
16 Claimants impacted by the 2017 and 2018 Wildfires, it is important the Wildfire Assistance Program be
17 established and available to distribute funds as soon as possible. Thus, the Debtors request a waiver of
18 the 14-day stay of an order authorizing the use, sale, or lease of property outside the ordinary course of
19 business under Bankruptcy Rule 6004(h) and the Court find that ample cause exists to grant a waiver of
20 Bankruptcy Rule 6004(h).

21 **VII. RESERVATION OF RIGHTS**

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

1 such claim subsequently. Moreover, as stated, neither the filing of this Motion nor the entry of an order
2 granting the relief requested shall constitute or be deemed to constitute an acknowledgement or
3 admission by the Debtors of liability or responsibility for any of the 2017 and 2018 Wildfires or for any
4 claims related thereto.

5 **VIII. NOTICE**

6 Notice of this Motion will be provided to (i) the Office of the United States Trustee for
7 Region 17 (Attn: James L. Snyder, Esq. and Timothy Laffredi, Esq.); (ii) counsel to the Creditors
8 Committee; (iii) counsel to the Tort Claimants Committee; (iv) the Securities and Exchange
9 Commission; (v) the Internal Revenue Service; (vi) the Office of the California Attorney General; (vii)
10 the California Public Utilities Commission; (viii) the Nuclear Regulatory Commission; (ix) the Federal
11 Energy Regulatory Commission; (x) the Office of the United States Attorney for the Northern District
12 of California; (xi) counsel for the agent under the Debtors' debtor in possession financing facility; and
13 (xii) those persons who have formally appeared in these Chapter 11 Cases and requested service pursuant
14 to Bankruptcy Rule 2002. The Debtors respectfully submit that no further notice is required.

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

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

Exhibit A
Proposed Order

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

25 **PACIFIC GAS AND ELECTRIC**
26 **COMPANY,**

27 **Debtors.**

- 28 Affects PG&E Corporation
 Affects Pacific Gas and Electric Company
 Affects both Debtors

* *All papers shall be filed in the Lead Case,*
No. 19-30088 (DM).

Bankruptcy Case
No. 19 -30088 (DM)

Chapter 11

(Lead Case)

(Jointly Administered)

[PROPOSED] ORDER PURSUANT TO 11
U.S.C. §§ 105(a) AND 363(b) AND FED. R.
BANKR. P. 2002 AND 6004(h) FOR AN
ORDER (A) AUTHORIZING DEBTORS TO
ESTABLISH AND FUND PROGRAM TO
ASSIST WILDFIRE CLAIMANTS WITH
ALTERNATIVE LIVING EXPENSES AND
OTHER URGENT NEEDS AND (B)
GRANTING RELATED RELIEF

1 Upon the Motion, dated _____, 2019 [Docket No. #] (the “**Motion**”),¹ of PG&E
2 Corporation (“**PG&E Corp.**”) and Pacific Gas and Electric Company (the “**Utility**”), as debtors and
3 debtors in possession (collectively, “**PG&E**” or the “**Debtors**”) in the above-captioned chapter 11
4 cases (the “**Chapter 11 Cases**”), pursuant to sections 105(a) and 363(b) of title 11 of the United States
5 Code (the “**Bankruptcy Code**”) and Rules 2002 and 6004(h) of the Federal Rules of Bankruptcy
6 Procedure (the “**Bankruptcy Rules**”), for entry of an order (a) authorizing the Debtors to establish
7 and fund a program to assist those displaced by the 2017 and 2018 Wildfires with Alternative Living
8 Expenses and other urgent needs and (b) granting related relief, all as more fully set forth in the
9 Motion; and this Court having jurisdiction to consider the Motion and the relief requested therein
10 pursuant to 28 U.S.C. §§ 157 and 1334, *Order Referring Bankruptcy Cases and Proceedings to*
11 *Bankruptcy Judges*, General Order 24 (N.D. Cal.), and Rule 5011-1(a) of the Bankruptcy Local Rules
12 for the United States District Court for the Northern District of California (the “**Bankruptcy Local**
13 **Rules**”); and consideration of the Motion and the requested relief being a core proceeding pursuant to
14 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409;
15 and the Court having found and determined that notice of the Motion as provided to the parties listed
16 therein is reasonable and sufficient under the circumstances, and it appearing that no other or further
17 notice need be provided; and this Court having reviewed the Motion and the Wells Declaration (as
18 amended on February 2, 2019 [Docket No. 263]); and this Court having held a hearing on the Motion;
19 and this Court having determined that the legal and factual bases set forth in the Motion establish just
20 cause for the relief granted herein; and it appearing that the relief requested in the Motion is in the best
21 interests of the Debtors, their estates, creditors, shareholders, and all parties in interest; and upon all
22 of the proceedings had before this Court and after due deliberation and sufficient cause appearing
23 therefor,

24 **IT IS HEREBY ORDERED THAT:**

- 25 1. The Motion is granted as provided herein.

26
27
28 _____
¹ Capitalized terms used but not otherwise herein defined shall have the meanings ascribed to such terms in the Motion.

1 2. The Debtors are authorized, pursuant to sections 105(a) and 363(b) of the
2 Bankruptcy Code, to establish the Wildfire Assistance Program as provided herein and in the Motion.

3 3. The Debtors are further authorized, pursuant to sections 105(a) and 363(b) of
4 the Bankruptcy Code, to deposit \$105 million into a segregated account (the “**Wildfire Assistance**
5 **Fund**”) to be controlled by an independent third-party administrator (the “**Administrator**”) who shall
6 be responsible for disbursing and administering the Wildfire Assistance Fund in accordance with the
7 Program Terms (as defined below). The Debtors shall have no obligation to deposit any additional
8 funds into the Wildfire Assistance Fund.

9 4. The Debtors shall consult with the Committees regarding the appointment of an
10 Administrator. If the Debtors and the Committees agree upon a suitable person to serve as
11 Administrator, the Debtors shall file a notice with the Court disclosing the identity and qualifications
12 of such person. If the Debtors and the Committees cannot agree upon a suitable person to serve as
13 Administrator, the Debtors shall file a motion with the Court seeking authority to appoint an
14 Administrator.

15 5. The Administrator shall be responsible for developing the specific eligibility
16 requirements and application procedures for the distribution of the Wildfire Assistance Fund to eligible
17 Wildfire Claimants (the “**Program Terms**”) consistent with the following principles and guidelines:

18 **(1) Eligibility Criteria**

- 19 a) The Administrator shall determine the eligibility criteria for
20 participation in and receipt of funds from the Wildfire Assistance
21 Program, including the types of expenses Wildfire Claimants can obtain
22 financial assistance for and the amount of assistance to be provided to
23 each eligible Wildfire Claimant (the “**Eligibility Criteria**”).
- 24 b) In developing the Eligibility Criteria, the Administrator shall ensure that
25 the Wildfire Assistance Fund is distributed in a fair and equitable
26 manner, and assistance is prioritized to those eligible Wildfire
27 Claimants who are most in need, including those who are currently
28 without adequate shelter (*e.g.*, living in tents). The Administrator shall
consult with the Federal Emergency Management Agency (“**FEMA**”) as to the Eligibility Criteria to ensure eligible Wildfire Claimants do not receive funds from both FEMA and the Wildfire Assistance Program for the same expenses.

1 (2) **The Administrator’s Authority and Obligations**

- 2 a) The Administrator shall be authorized to engage (i) a claims
3 management firm, (ii) a legal advisor, (iii) an accounting firm, and (iv)
4 in consultation with the Debtors and with the consent of the Committees
5 or by further Court order, any other professional the Administrator
6 deems necessary or appropriate to assist in administering the Wildfire
7 Assistance Program in accordance with these principles and guidelines
8 (collectively, the “**Program Professionals**”). The Administrator may
9 also partner with local housing agencies and community organizations
10 with relevant experience and expertise (the “**Local Organizations**”) to
11 assist with the administration of the Wildfire Assistance Program. The
12 costs of administering the Wildfire Assistance Program, including the
13 Administrator’s fees, the fees of the Program Professionals and costs
14 associated with partnering with Local Organizations (collectively, the
15 “**Fund Expenses**”) shall be paid from the Wildfire Assistance Fund.
16 The Fund Expenses shall not exceed \$5 million in total.
- 17 b) The Administrator shall prepare and, within 30 days after the end of a
18 quarterly period (or such longer period as may be agreed to by the
19 Administrator and the Committees or as authorized by Court order), file
20 quarterly reports with the Court and serve such reports on counsel to the
21 Debtors and the Committees. These reports shall include (i) the number
22 of applications submitted to and processed by the Wildfire Assistance
23 Program during the preceding quarter, and (ii) an account of the receipts
24 and disbursements from the Wildfire Assistance Fund during the
25 preceding quarter.
- 26 c) The Administrator shall keep adequate administrative and financial
27 records of the Wildfire Assistance Program, including a record of to
28 whom disbursements from the Wildfire Assistance Fund are made and
in what amounts. The Debtors and the Committees may inspect all the
Wildfire Assistance Program’s records upon request.

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

7. Nothing in this Order or the Motion constitutes or shall be deemed to constitute

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

an acknowledgement or admission by the Debtors of any liability or responsibility for any of the 2017 and 2018 Wildfires or for any claims related thereto.

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

9. Notwithstanding the provisions of Bankruptcy Rule 6004(h), this Order shall be immediately effective and enforceable upon its entry.

10. The Debtors and the Administrator are authorized to take all steps necessary or appropriate to carry out this Order and effectuate the relief granted herein.

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

** END OF ORDER **