

1 **LABATON KELLER SUCHAROW LLP**
THOMAS A. DUBBS (*pro hac vice*)
2 MICHAEL P. CANTY (*pro hac vice*)
THOMAS G. HOFFMAN, JR. (*pro hac vice*)
3 140 Broadway
New York, New York 10005
4 Telephone: (212) 907-0700
Facsimile: (212) 818-0477
5 Email: tdubbs@labaton.com
mcanty@labaton.com
6 thoffman@labaton.com

7 *Counsel for Lead Plaintiff the Public Employees*
Retirement Association of New Mexico and Lead
8 *Counsel for the Class*

9 **ADAMSKI, MORISKI, MADDEN,**
CUMBERLAND & GREEN LLP
10 JAMES M. WAGSTAFFE (#95535)
6633 Bay Laurel Place
11 Avila Beach, CA 93424
Telephone: (805) 543-0990
12 Facsimile: (805) 543-0980
Email: wagstaffe@ammcglaw.com

13 *Liaison Counsel for Lead Plaintiff the Public*
14 *Employees Retirement Association of New Mexico*
and the Class

15 *[Additional counsel appear on signature page]*

16 **UNITED STATES DISTRICT COURT**
17 **NORTHERN DISTRICT OF CALIFORNIA**
18 **SAN JOSE DIVISION**

19
20 IN RE PG&E CORPORATION
21 SECURITIES LITIGATION

Civil Action No. 5:18-cv-03509-EJD

**LEAD PLAINTIFF’S MOTION FOR
FINAL APPROVAL OF PROPOSED
CLASS ACTION SETTLEMENT AND
PLAN OF ALLOCATION AND
MEMORANDUM OF POINTS AND
AUTHORITIES IN SUPPORT THEREOF**

Date: August 25, 2026
Time: 9:00 a.m.
Judge: Hon. Edward J. Davila
Courtroom: 4, 5th Floor

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NOTICE OF MOTION

PLEASE TAKE NOTICE that on August 25, 2026, at 9:00 a.m., in Courtroom 4, 5th Floor of the Robert F. Peckham Federal Building & United States Courthouse, 280 South 1st Street, San Jose, CA 95113, before the Honorable Edward J. Davila of the United States District Court, Northern District of California, Lead Plaintiff Public Employees Retirement Association of New Mexico (“Lead Plaintiff” or “PERA”), on behalf of itself and named plaintiff York County on behalf of the County of York Retirement Fund, City of Warren Police and Fire Retirement System, and Defined Benefit Plan of the Mid-Jersey Trucking Industry and Teamsters Local 701 Pension and Annuity Fund (collectively, “Securities Act Plaintiffs,” and with Lead Plaintiff, “Plaintiffs”), will move the Court, pursuant to Federal Rule of Civil Procedure 23(e)(2), for entry of a judgment granting final approval of the proposed Settlement and entry of an order granting approval of the proposed Plan of Allocation.¹

The Motion is supported by the following memorandum of points and authorities, and the accompanying Declaration of Thomas G. Hoffman, Jr. in Support of (I) Lead Plaintiff’s Motion for Final Approval of Class Action Settlement and Plan of Allocation and (II) Lead Counsel’s Motion for an Award of Attorneys’ Fees and Expenses, dated June 18, 2026 (“Hoffman Declaration” or “Hoffman Decl.”), with annexed exhibits.²

Pursuant to the Court’s Preliminary Approval Order (ECF No. 347), any objections to the

¹ The terms of the Settlement are set forth in the Stipulation and Agreement of Settlement, dated December 31, 2025 (the “Settlement Agreement” or “Stipulation,” ECF No. 332-2). Capitalized terms used herein are defined in the Settlement Agreement and have the same meanings as set forth therein. Unless otherwise noted, citations and internal quotations have been omitted.

² All exhibits referenced herein are attached to the Hoffman Declaration. For clarity, citations to exhibits that themselves have attached exhibits will be referenced as “Ex. __ - __.” The first numerical reference is to the designation of the entire exhibit attached to the Hoffman Declaration and the second reference is to the exhibit designation within the exhibit itself.

1 Settlement and/or the Plan of Allocation must be filed by July 6, 2026. A proposed Judgment,
2 negotiated by the Parties, and a proposed order approving the Plan of Allocation will be submitted
3 with Lead Plaintiff’s reply submission on or before August 11, 2026, after the deadlines for
4 objecting or seeking exclusion from the Settlement Class have passed.

5 **STATEMENT OF ISSUES TO BE DECIDED**

6 1. Whether the Court should approve the proposed Settlement as fair, reasonable, and
7 adequate pursuant to Rule 23(e)(2).

8 2. Whether the Court should finally certify the Settlement Class and appoint Lead
9 Plaintiff as Class Representative and Lead Counsel as Class Counsel, for purposes of settlement
10 only.

11 3. Whether the Court should approve the proposed Plan of Allocation as fair and
12 reasonable.

13 4. Whether the notice provided to the Settlement Class satisfied Rule 23 and due
14 process.

15 **MEMORANDUM OF POINTS AND AUTHORITIES**

16 **PRELIMINARY STATEMENT**

17 Lead Plaintiff, through its counsel, respectfully submits this memorandum, on behalf of
18 Plaintiffs and the proposed Settlement Class, in support of final approval of the proposed
19 Settlement in the amount of \$100,000,000, in cash, pursuant to the terms set forth in the
20 Settlement Agreement. The Settlement resolves all claims in the above-captioned Class Action
21 and related claims, including those in the Chapter 11 Cases, against the Officer Defendants,
22 Director Defendants, Underwriter Defendants (collectively, the “District Court Defendants”), and
23 PG&E Corporation and Pacific Gas and Electric Company (collectively, “PG&E,” the
24 “Company,” “Debtors,” and “Reorganized Debtors,” and together with the District Court
25 Defendants, the “Released PG&E Parties”).
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1 As described below and in the accompanying Hoffman Declaration,³ the Settlement is a
2 very favorable result for the Settlement Class that brings to a close eight years of contentious
3 litigation in multiple fora. In choosing to settle, Lead Plaintiff and Lead Counsel took into
4 consideration the substantial challenges associated with advancing the claims through trial, as
5 well as the duration and complexity of the legal proceedings that remained ahead. As discussed
6 in detail below, had the Settlement not been reached, there were considerable barriers to a greater
7 recovery, or any recovery at all. The decision to settle was informed by a comprehensive years-
8 long investigation into the claims and defenses, substantive motion practice and discovery, as
9 well as contentious arm's-length negotiations over the span of five years, and with multiple
10 mediators, after consultation with experienced legal counsel.

11 The claims—which were litigated creatively and aggressively until the agreement to
12 settle—were settled only after Plaintiffs, among other things: (i) conducted an extensive years-
13 long investigation of the claims and defenses at issue; (ii) prepared and filed four separate
14 amended complaints, which expanded the scope of the initial complaint by adding detailed
15 allegations in support of Plaintiffs' claims; (iii) opposed the District Court Defendants' extensive
16 motions to dismiss the Third Amended Complaint through two rounds of briefing; (iv) vigorously
17 represented and advocated on behalf of the Settlement Class with respect to the unusually
18 complex Chapter 11 Cases, including efforts to extend the claims bar date, to protect claimants'
19 procedural rights, to seek certification of a proposed class, object to confirmation of PG&E's plan
20 of reorganization, pursue two appeals to the Ninth Circuit Court of Appeals, and oppose the
21 Reorganized Debtors' securities claims omnibus objections, including their sufficiency objection;

22 _____
23 ³ The Hoffman Declaration is an integral part of this submission and, for the sake of brevity
24 in this memorandum, the Court is respectfully referred to it for a detailed description of, *inter*
25 *alia*: the history of the Action and Plaintiffs' efforts in the Chapter 11 Cases; the nature of the
26 claims asserted; litigation efforts; negotiations leading to the Settlement; and the risks and
27 uncertainties of continued litigation, among other things. Citations to “¶” and “¶¶” in this
28 memorandum refer to paragraphs in the Hoffman Declaration, unless otherwise indicated.

1 (v) propounded discovery requests on the Reorganized Debtors, and others, and responded to their
2 discovery requests, including defending four depositions of Plaintiffs; (vi) reviewed tens of
3 thousands of documents provided by the Reorganized Debtors and others; (vii) consulted with
4 experts in the fields of, among others, damages, loss causation and market efficiency, ethics and
5 bankruptcy to oppose the motion to stay before the District Court, D&O Insurance, wildfires and
6 vegetation management, and an expert to oppose the Reorganized Debtors' motion to approve the
7 ADR Procedures in the Chapter 11 Cases; and (viii) engaged in vigorous and lengthy mediated
8 settlement discussions over the span of several years and with multiple mediators. *See generally*
9 Hoffman Decl. at §§III.-IV. Additionally, the efforts and views of counsel for the Securities Act
10 Plaintiffs, Robbins Geller Rudman & Dowd LLP ("Robbins Geller"), are provided in the
11 Declaration of Willow E. Radcliffe in Support of Final Approval of Class Action Settlement and
12 an Award of Attorneys' Fees and Expenses ("Radcliffe Decl."), Exhibit 5, filed herewith.

13 Lead Plaintiff and Lead Counsel believe the \$100 million recovery is a very favorable
14 result for the Settlement Class under the circumstances before the Court and in comparison to
15 securities class action industry trends. For example, the Settlement is nearly six times greater than
16 the \$17.3 million median recovery, and more than twice the \$40 million average settlement value,
17 for securities class actions in 2025. *See* Edward Flores, Svetlana Starykh & Ivelina Velikova,
18 *Recent Trends in Securities Class Action Litigation: 2025 Full-Year Review* (NERA Economic
19 Research Assoc. Jan. 2026), Ex. 6 at 22-24. The Settlement provides a certain result and avoids
20 further risk, delay, and expenses associated with continued litigation.

21 Plaintiffs were actively involved throughout the litigation, diligently representing the
22 Settlement Class, and have approved the Settlement. *See* Declaration of Anthony V. Montoya on
23 Behalf of Public Employees Retirement Association of New Mexico, dated June 18, 2026
24 (Exhibit 1, hereto); Declaration of Gregory Bower on Behalf of York County on Behalf of County
25 of York Retirement Fund, dated June 18, 2026 (Exhibit 2, hereto); Declaration of Jennifer
26 Essenmacher on Behalf of City of Warren Police and Fire Retirement System, dated June 18,
27 2026 (Exhibit 3, hereto); and Declaration of Giancarlo Prezioso on Behalf of Defined Benefit
28

1 Plan of the Mid-Jersey Trucking Industry and Teamsters Local 701 Pension and Annuity Fund,
2 dated June 17, 2026 (Exhibit 4, hereto). The Settlement Class’s reaction to date similarly reflects
3 approval of the Settlement. Notice was provided to the Settlement Class beginning on March 12,
4 2026. *See* Declaration of Adam D. Walter Regarding (A) Mailing of the Postcard Notice (B)
5 Publication of the Summary Notice; and (C) Report on Requests for Exclusion and Objections
6 Received to Date, dated June 18, 2026 (“Mailing Decl.”), Ex. 8. While the July 6, 2026 deadline
7 to object to the Settlement or request exclusion has not yet passed, to date, no objections have
8 been received by Lead Counsel or docketed and only eight invalid requests for exclusion have
9 been received. Lead Plaintiff respectfully requests that the Court approve the Settlement.

10 In addition, the Plan of Allocation for the distribution of the proceeds of the Settlement,
11 which was developed by Lead Counsel with the assistance of Lead Plaintiff’s damages expert, is
12 a fair and reasonable method for distributing the Net Settlement Fund to eligible claimants and
13 should also be approved by the Court. To date, there have been no objections to the Plan.

14 Given the foregoing considerations and the factors addressed below, Lead Plaintiff
15 respectfully submits that: (i) the Settlement meets the standards for final approval under Rule 23
16 and is a fair, reasonable and adequate result for the Settlement Class; (ii) the proposed Settlement
17 Class meets all of the requirements of Rules 23(a) and (b)(3) and is appropriate for certification
18 for purposes of the Settlement; and (iii) the Plan of Allocation is a fair and reasonable method for
19 allocating the Net Settlement Fund to Settlement Class Members who submit valid Claim Forms.

20 **PRELIMINARY APPROVAL AND THE NOTICE PROGRAM**

21 On February 26, 2026, the Court entered an order preliminarily approving the Settlement
22 and approving the proposed forms and methods of providing notice to the Settlement Class (the
23 “Preliminary Approval Order,” ECF No. 347).⁴ Pursuant to and in compliance with the
24 Preliminary Approval Order, beginning on March 12, 2026, the Court-appointed Claims

25
26 ⁴ In the Preliminary Approval Order, the Court provisionally certified the proposed Settlement
27 Class pursuant to Fed. R. Civ. P. 23(a) and (b)(3). Nothing has occurred to alter the propriety of
28 that determination.

1 Administrator A.B. Data, Ltd. (“A.B. Data”), caused the Postcard Notice to be mailed by first-
2 class mail to all potential Settlement Class Members then identified. *See* Mailing Decl., Ex. 8 at
3 ¶¶2-10. In total, the Claims Administrator provided 513,433 potential Settlement Class Members
4 and their Nominees with copies of the Postcard Notices, pursuant to the instructions set forth in
5 the Preliminary Approval Order. *Id.* at ¶10. On March 26, 2026, the Summary Notice was
6 published in *The Wall Street Journal* and was disseminated over the internet using *PR Newswire*.
7 *Id.* at ¶11 and Exhibits D & E attached thereto. The Claim Form and the long-form Notice, along
8 with other Settlement related documents, were posted on the website maintained for the
9 Settlement, www.PGECorporationSecuritiesLitigation.com. *Id.* at ¶12. In addition to containing
10 the notices and Claim Form, the website provides information concerning the case and important
11 dates and deadlines in connection with the Settlement, as well as access to downloadable copies
12 of relevant documents, including the Fourth Amended Consolidated Class Action Complaint for
13 Violation of the Federal Securities Laws (“Fourth Amended Complaint” or “FAC”), the
14 Settlement Agreement, and the Preliminary Approval Order. *Id.* Copies of these Settlement
15 related documents are also available on Lead Counsel’s website, www.labaton.com. ¶128. The
16 website also provides an online claim portal and information about submitting a claim.

17 The notices describe, *inter alia*, the claims asserted in the Class Action and the Chapter
18 11 Cases, the contentions of the Parties, the course of the litigation, the terms of the Settlement,
19 the amount of the recovery, maximum amounts that would be sought in attorneys’ fees and
20 expenses, the Plan of Allocation, the right to object to the Settlement, and the right to request
21 exclusion from the Settlement Class. *See generally* Ex. 8-A through E. The notices also advised
22 potential Settlement Class Members of the scheduled final approval hearing before this Court. *Id.*
23 To date, the Settlement Class’s reaction to the proposed Settlement has been positive. While the
24 deadline (July 6, 2026) for objecting to the Settlement has not yet passed, to date there have been
25 no objections to the proposed Settlement, and no objections to the Plan of Allocation.⁵

26
27 ⁵ Should any objections be received, Lead Plaintiff will address them in its reply papers, which
28 are due to be filed with the Court on August 11, 2026.

ARGUMENT

I. THE SETTLEMENT WARRANTS FINAL APPROVAL

A. Standards Governing Approval of Class Action Settlements

The Ninth Circuit recognizes a “strong judicial policy that favors settlements, particularly where complex class action litigation is concerned.” *Campbell v. Facebook, Inc.*, 951 F.3d 1106, 1121 (9th Cir. 2020). It is well established in the Ninth Circuit that “voluntary conciliation and settlement are the preferred means of dispute resolution.” *Officers for Justice v. Civil Serv. Comm’r*, 688 F.2d 615, 625 (9th Cir. 1982). Settlements of complex cases, such as this one, greatly contribute to the efficient utilization of scarce judicial resources and achieve the speedy resolution of claims. *See, e.g., Garner v. State Farm Mut. Auto Ins. Co.*, 2010 WL 1687832, at *10 (N.D. Cal. Apr. 22, 2010) (“Settlement avoids the complexity, delay, risk and expense of continuing with the litigation and will produce a prompt, certain, and substantial recovery for the Plaintiff class.”).

Rule 23(e)(2) provides that a court may approve a proposed class settlement “only after a hearing and only on finding that it is fair, reasonable, and adequate” after considering whether:

- (A) the class representatives and class counsel have adequately represented the class;
- (B) the proposal was negotiated at arm’s length;
- (C) the relief provided for the class is adequate, taking into account:
 - (i) the costs, risks, and delay of trial and appeal;
 - (ii) the effectiveness of any proposed method of distributing relief to the class, including the method of processing class-member claims;
 - (iii) the terms of any proposed award of attorney’s fees, including timing of payment; and
 - (iv) any agreement required to be identified under Rule 23(e)(3);⁶ and

⁶ Rule 23(e)(2)(C)(iv) requires the disclosure of any agreement between the parties in connection with a proposed settlement. In addition to the Settlement Agreement, on December 31, 2025, the Parties entered into a confidential Supplemental Agreement Regarding Requests for Exclusion and Claims Against the Settlement Fund (the “Supplemental Agreement”). The Supplemental Agreement sets forth the circumstances under which the Reorganized Debtors may terminate the Settlement if a certain threshold of Requests for Exclusion is received or if a certain threshold of claims is not received.

1 (D) the proposal treats class members equitably relative to each other.
2 Fed. R. Civ. P. 23(e)(2). Rule 23, as amended in December 2018, has not changed the established
3 overall standard for approving a proposed class settlement, *i.e.*, evaluating whether it is fair,
4 adequate, and reasonable. Fed. R. Civ. P. 23(e)(2).

5 In considering final approval, the Court may also consider the Ninth Circuit’s long-
6 standing approval factors, many of which overlap with the Rule 23 considerations: “(1) the
7 strength of the plaintiffs’ case; (2) the risk, expense, complexity, and likely duration of further
8 litigation; (3) the risk of maintaining class action status throughout the trial; (4) the amount
9 offered in settlement; (5) the extent of discovery completed and the stage of the proceedings;
10 (6) the experience and views of counsel; (7) the presence of a governmental participant; and
11 (8) the reaction of the class members of the proposed settlement.” *Churchill Vill., L.L.C. v. Gen.*
12 *Elec.*, 361 F.3d 566, 575 (9th Cir. 2004); *see also Hanlon v. Chrysler Corp.*, 150 F.3d 1011, 1026
13 (9th Cir. 1998). The Advisory Committee Notes to the 2018 amendments to Rule 23 explain that
14 the four Rule 23(e)(2) factors are not intended to “displace” any factor previously adopted by the
15 courts, but “rather to focus the court and the lawyers on the core concerns of procedure and
16 substance that should guide the decision whether to approve the proposal.” Fed. R. Civ. P. 23
17 Advisory Committee Notes to 2018 Amendments, Subdivision (e)(2). All of these factors,
18 whether in Rule 23 or Ninth Circuit jurisprudence, favor approval of the Settlement.

19 **B. Rule 23(e)(2)(A): The Settlement Class Has Been Adequately Represented**

20 In determining whether to approve a class action settlement, courts consider whether “the
21 class representative and class counsel have adequately represented the class.” Fed. R. Civ. P.
22 23(e)(2)(A). “Resolution of two questions determines legal adequacy: (1) do the named plaintiffs
23 and their counsel have any conflicts of interest with other class members, and (2) will the named
24 plaintiffs and their counsel prosecute the action vigorously on behalf of the class?” *Hanlon v.*
25 *Chrysler Corp.*, 150 F.3d at 1027.

26 Here, Lead Plaintiff’s claims are based on the same common course of alleged conduct by
27 PG&E and the District Court Defendants. Thus, Lead Plaintiff’s claims are typical of all other
28

1 Settlement Class Members, and Lead Plaintiff has no interests antagonistic to the Settlement
2 Class. *See In re Stable Rd. Acquisition Corp.*, 2024 WL 3643393, at *6 (N.D. Cal. Apr. 23, 2024)
3 (finding lead plaintiff adequately represented the class where lead plaintiff’s claims are typical of
4 and coextensive with the claims of the settlement class with no antagonistic interests).

5 Since their appointment, Lead Plaintiff and Lead Counsel have adequately represented the
6 Settlement Class in both their vigorous and creative prosecution of the claims in two forums and
7 in their extensive efforts to negotiate the Settlement. Lead Plaintiff and Lead Counsel developed
8 a deep understanding of the facts of the case and merits of the claims by, *inter alia*: (i) conducting
9 an extensive investigation of the claims and defenses at issue; (ii) preparing and filing four
10 separate amended complaints, which expanded the scope of the initial complaint by adding
11 particularized allegations in support of Plaintiffs’ claims; (iii) opposing the District Court
12 Defendants’ extensive motions to dismiss the Third Amended Complaint (“TAC”) through two
13 rounds of briefing; (iv) advocating on behalf of the Settlement Class with respect to the Chapter
14 11 Cases, including efforts to extend the claims bar date, to protect claimants’ procedural rights,
15 to seek certification of a proposed class, two appeals to the Ninth Circuit Court of Appeals, and
16 opposing the Reorganized Debtors’ securities claims omnibus objections, including their
17 sufficiency objection; (v) propounding discovery requests on the Reorganized Debtors; (vi)
18 obtaining and analyzing approximately 8,524,000 documents (approximately 28,846,500 pages)
19 produced by the Reorganized Debtors and third parties in formal discovery; (vii) defending
20 depositions; (viii) consulting with experts in the fields of damages, loss causation and market
21 efficiency, ethics and bankruptcy procedures to oppose the motion to stay before the District
22 Court, and an expert to oppose the Reorganized Debtors’ motion to approve the ADR Procedures
23 in the Chapter 11 Cases; and (ix) engaging in vigorous and lengthy mediated settlement
24 discussions over the span of several years and with multiple mediators. *See generally* Hoffman
25 Decl. at §§III.-IV; Radcliffe Decl.; *see also In re Bofl Holding, Inc. Sec. Litig.*, 2022 WL 9497235,
26 at *5 (S.D. Cal. Oct. 14, 2022) (finding plaintiff and counsel adequately represented the class by
27
28

1 having “litigated this case through several iterations of the Complaint, numerous motions to
2 dismiss, an appeal to the Ninth Circuit, remand, and discovery before arriving at a settlement”).

3 Lead Plaintiff regularly consulted with Lead Counsel and reviewed material filings in the
4 case, such as the complaints, the briefing on the District Court Defendants’ motions to dismiss,
5 and similar motions in the Bankruptcy Court (*e.g.*, Reorganized Debtors’ sufficiency objection,
6 akin to a motion to dismiss). Lead Plaintiff also responded to discovery requests, including
7 collecting and producing potentially relevant information and sitting for a deposition. *See* Ex. 1.
8 Furthermore, Lead Plaintiff played an active role in the settlement discussions, including
9 attending the mediation session in February 2022. *See, e.g.*, Ex. 1 at ¶4(g). With an informed
10 understanding, Lead Plaintiff agreed to the Settlement.

11 Likewise, Lead Counsel Labaton Keller Sucharow LLP, a firm that is highly experienced
12 in prosecuting and trying complex class actions, had a clear view of the strengths and challenges
13 in the case and was equipped to make an informed decision regarding the reasonableness of a
14 potential settlement. *See Jiangchen v. Rentech, Inc.*, 2019 WL 5173771, at *5 (C.D. Cal. Oct. 10,
15 2019) (finding this factor satisfied where counsel “has significant experience in securities class
16 action lawsuits”); *see also* Ex. 12-E (firm profile). Accordingly, the Settlement Class has been,
17 and remains, well represented.

18 Through their efforts on behalf of the Settlement Class, Lead Counsel and Lead Plaintiff
19 have concluded that the proposed Settlement is fair, reasonable, and adequate. As often observed
20 in this Circuit, “significant weight should be attributed to counsel’s belief that settlement is in the
21 best interest of those affected by the settlement.” *See In re NVIDIA Corp. Derivative Litig.*, 2008
22 WL 5382544, at *4 (N.D. Cal. Dec. 22, 2008).

23 **C. Rule 23(e)(2)(B): The Settlement Is the Product of Arm’s-Length**
24 **Negotiations Between Experienced Counsel**

25 Rule 23(e)(2)(B) asks whether “the [settlement] proposal was negotiated at arm’s length.”
26 This consideration (and Rule 23(e)(2)(A) discussed above) “overlaps with certain *Hanlon* factors,
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1 such as the non-collusive nature⁷ of negotiations, the extent of discovery completed, and the stage
2 of proceedings.” *In re Extreme Networks, Inc. Sec. Litig.*, 2019 WL 3290770, at *7 (N.D. Cal.
3 July 22, 2019). Courts afford “a presumption of fairness and reasonableness” to settlements that
4 were “the product of non-collusive, arms’ length negotiations conducted by capable and
5 experienced counsel.” *In re Netflix Privacy Litig.*, 2013 WL 1120801, at *4 (N.D. Cal. Mar. 18,
6 2013). Courts have also reasoned that “one important factor [to consider] is that the parties
7 reached the settlement ... with a third-party mediator.” *In re Banc of Cal. Sec. Litig.*, 2019 WL
8 6605884, at *2 (C.D. Cal. Dec. 4, 2019).

9 As detailed in the Hoffman Declaration, the Settlement was achieved only after four
10 separate formal mediations over the course of six years, which included the exchange of robust
11 mediation materials, and additional negotiations with the assistance of multiple mediators. During
12 the negotiations, PG&E and the District Court Defendants, represented by well-regarded law
13 firms with deep expertise in the defense of securities class actions, forcefully asserted arguments
14 against liability and damages. With the Parties still meaningfully apart in their respective
15 settlement positions after the final formal mediation on October 16, 2025, they agreed to continue
16 negotiations through the mediator. After additional arm’s-length negotiations over the course of
17 a few weeks, the Parties agreed, in principle, to a settlement amount of \$100 million, subject to
18 the negotiation of a mutually acceptable stipulation of settlement, which was to include other
19 material terms still subject to negotiations. *See* Hoffman Decl. at §IV. These negotiations were at
20 all times adversarial and at arm’s-length. *See Longo v. OSI Sys., Inc.*, 2022 WL 22995096, at *4
21 (C.D. Cal. Aug. 31, 2022) (finding settlement was negotiated at arm’s-length where “the parties
22 thoroughly investigated and considered their own and the opposing parties’ positions’ and had a
23 sound basis for measuring the terms of the settlement”).

24
25
26 ⁷ The Settlement has none of the indicia of possible collusion identified by the Ninth Circuit.
27 *See In re Bluetooth Headset Prods. Liab. Litig.*, 654 F.3d 935, 947 (9th Cir. 2011); *see also*
28 Stipulation at ¶14.

1 **D. Rule 23(e)(2)(C): The Relief Provided by the Settlement Is Adequate**

2 In determining whether a settlement is “fair, reasonable, and adequate,” the Court must
3 consider whether “the relief provided for the class is adequate, taking into account . . . the costs,
4 risks, and delay of trial and appeal.” Fed. R. Civ. P. 23(e)(2)(C). This factor overlaps with the
5 Ninth Circuit factors that consider “the strength of the plaintiffs’ case,” “amount offered in the
6 settlement,” and “the risk, expense, complexity, and likely duration of further litigation” and the
7 risk of maintaining class action status[.]” *Churchill*, 361 F.3d at 575; *Hanlon*, 150 F.3d at 1026.

8 Here, the \$100 million Settlement Amount presents a very favorable and certain recovery
9 for the Settlement Class. As discussed below and in the Hoffman Declaration, the Settlement
10 recovers approximately 10% to 35% of the Settlement Class’s potential recoverable damages,
11 which totaled approximately \$279 million to \$1 billion based on various scenarios, as estimated
12 by Lead Plaintiffs’ consulting expert, if liability were established with respect to the two loss
13 causation events that survived the MTD Order. ¶¶11, 107, 123; *see also In re PG&E Corp. Sec.*
14 *Litig.*, 806 F. Supp. 3d 962, 1001 (N.D. Cal. 2025) (dismissing all loss causation events pled in
15 TAC, except for the May 25, 2018 and June 11, 2018 disclosures).⁸

16 Courts have regularly approved settlements with comparable or lower percentage
17 recoveries than obtained here. *See, e.g., In re Biolase, Inc. Sec. Litig.*, 2015 WL 12720318, at *4
18 (C.D. Cal. Oct. 13, 2015) (finding settlement recovering 8% of estimated damages “equals or
19 surpasses the recovery in many other securities class actions”); *In re Snap Inc. Sec. Litig.*, 2021
20 WL 667590, at *1 (C.D. Cal. Feb. 18, 2021) (finding the relief adequate where the settlement
21 amount represents 7.8% of class’s maximum potential aggregate damages, which is “similar to
22 the percent recovered in other court-approved securities settlements”). According to NERA’s full-
23 year 2025 report, for cases with total NERA-defined investor losses of between \$1 billion and
24 \$4.9 billion, the median percentage of recovery from 2016 to 2025 was 1.3% of estimated losses.
25 *See Ex. 6 at 27.* For cases with NERA-defined losses of \$5 billion to \$9.999 billion, the median

26 _____
27 ⁸ The Court’s September 30, 2025 order granting the District Court Defendants’ motions to
28 dismiss the TAC is also herein referred to as the “MTD Order.” (ECF No. 315).

1 percentage of recovery was 0.7%. *Id.* According to Cornerstone Research, “In 2025, the median
2 settlement as a percentage of plaintiff-style damages was 6.5%.” *See* Ex. 7 at 7.

3 Moreover, the \$100 million Settlement is approximately six times greater than the \$17.3
4 million median reported recovery, and more than double the \$40 million average settlement value,
5 for securities class actions in 2025. *See* Edward Flores, Svetlana Starykh & Ivelina Velikova,
6 *Recent Trends in Securities Class Action Litigation: 2025 Full-Year Review* (NERA Economic
7 Research Assoc. Jan. 2026), Ex. 6 at 22-24 (NERA Report).

8 While Lead Plaintiff believes its claims are strong and that it would defeat the District
9 Court Defendants’ motions to dismiss the FAC, prevail at class certification in this Court, and
10 succeed in opposing anticipated motions for summary judgment and at trial, this certain and near-
11 term recovery should be balanced against the numerous uncertainties in continuing to litigate and
12 proceeding to trial in a case that has been pending for nearly eight years, as discussed below.

13 **1. Rule 23(e)(2)(C)(i): Risks of Continued Litigation**

14 It is well-recognized that “[s]ecurities actions in particular are often long, hard-fought,
15 complicated, and extremely difficult to win.” *Plumbers & Pipefitters Loc. Union #295 Pension*
16 *Fund v. CareDx, Inc.*, 2025 WL 3546227, at *6 (N.D. Cal. Dec. 4, 2025) (citing *In re Extreme*
17 *Networks, Inc. Sec. Litig.*, 2019 WL 3290770, at *8). Here, there can be little doubt that the
18 “[d]ifficulties and risks in litigating weigh in favor of approving a class action settlement.” *In re*
19 *Splunk Inc. Sec. Litig.*, 2024 WL 923777, at *5 (N.D. Cal. Mar. 4, 2024). Although Lead Plaintiff
20 and Lead Counsel believe that the claims asserted against PG&E and the District Court
21 Defendants are strong, they recognize the significant challenges and risks they would face moving
22 forward, as well as the expense and length of continued litigation through motions to dismiss in
23 the Class Action, class certification in the Class Action, motions for summary judgment, trial, and
24 undoubtedly appeals of even successful verdicts. As set forth below, the benefits conferred on the
25 Settlement Class by the \$100 million Settlement far outweigh the costs, risks, and delay of further
26 litigation, and confirm the adequacy of and reasonableness of the Settlement.

27 **False or Misleading Misstatements:** As an initial matter, the Court granted the District
28

1 Court Defendants’ motions to dismiss the TAC with leave for Plaintiffs to file the Fourth
2 Amended Complaint, which they filed. With respect to Plaintiffs’ Exchange Act claims, the Court
3 found that the TAC did not adequately plead that Defendant Kane was the “maker” of the
4 misstatements attributed to her in accordance with the Supreme Court’s decision in *Janus Cap.*
5 *Grp., Inc. v. First Derivative Traders*, 564 U.S. 135, 142–43 (2011) (“[T]he maker of a statement
6 is the person or entity with ultimate authority over the statement, including its content and whether
7 and how to communicate it.”). *PG&E Corp.*, 806 F. Supp. 3d at 989-92 (finding TAC fails to
8 adequately allege that Kane made Statements 2, 4, 5, 9, and 12-19). Plaintiffs attempted to bolster
9 their allegations regarding the “maker” of the misstatements by pleading information obtained
10 from the Reorganized Debtors during discovery in the Bankruptcy Court. However, the District
11 Court Defendants have already argued that these documents do not demonstrate that any of the
12 Individual Defendants were the “maker” of the misstatements alleged in the FAC. *See* ECF No.
13 328-2 at 9-14 (arguing the Court should once again reject the FAC’s “conclusory” allegations that
14 certain Individual Defendants were required to review and approve the misstatements before they
15 were publicly issued). ¶¶94-95.

16 In the MTD Order, the Court dismissed fifteen of the nineteen challenged statements in
17 the TAC, holding that the majority were either inactionable puffery or were not adequately alleged
18 to be false when made. ECF No. 315 at 24-33. With respect to puffery, the Court held that
19 statements characterizing PG&E’s “progress” and “improvements” in safety were “generalized,
20 optimistic assessment[s] of PG&E’s efforts rather than . . . factual assertion[s] capable of objective
21 verification,” and therefore not actionable. *Id.* at 32. The Court also found statements about
22 PG&E’s “focus” on compliance to be “vague, highly subjective claims as opposed to specific,
23 detailed factual assertions.” *Id.* at 30. While Plaintiffs believed these holdings could be overcome
24 with the additional allegations in the FAC, including information obtained through discovery in
25 the Chapter 11 Cases, there was a genuine risk that the Court would reach the same conclusions
26 on the repleaded statements. Indeed, in moving to dismiss the FAC, the Officer Defendants argued
27 that ten of the fourteen statements in the FAC were statements the Court “previously held” to be
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1 “either inactionable puffery or . . . not alleged to be misleading,” and that the FAC “adds no
2 allegations sufficient to plead these statements were false.” ECF No. 328-2 at 14. ¶96.

3 The Officer Defendants further relied on *Barnes v. Edison International*, 2021 WL
4 2325060 (C.D. Cal. Apr. 27, 2021), *aff’d*, 2022 WL 822191 (9th Cir. Mar. 18, 2022) and *Bhangal*
5 *v. Hawaiian Electric Industries, Inc.*, 2024 WL 4505465 (N.D. Cal. Oct. 15, 2024), in which
6 courts dismissed securities claims by shareholders of utilities whose equipment caused
7 catastrophic wildfires, on the ground that the utilities had adequately disclosed their wildfire risks.
8 ECF No. 284 at 3; ECF No. 328-2 at 30. The Director and Underwriter Defendants similarly
9 argued that PG&E’s Offering Documents disclosed the very wildfire risks and safety deficiencies
10 Plaintiffs alleged were concealed—including the risk of wildfires caused by PG&E equipment,
11 and Cal Fire’s conclusion that the Butte Fire was caused by PG&E’s “failure . . . to identify certain
12 potential hazards during its vegetation management program.” ECF No. 286 at 10-14; ECF No.
13 327 at 21-34; *see also* ECF No. 315 at 45-47 (“Since 2014, PG&E had publicly disclosed
14 instances where its safety violations caused fires, so the investing public knew that risk affected
15 PG&E.”). ¶97.

16 The Court dismissed the Securities Act claims finding that the negligence claims sounded
17 in fraud and that the statements alleged to be materially false and misleading with respect to the
18 Note Offerings were not actionable because, *inter alia*, the allegedly concealed risks were
19 publicly disclosed. *PG&E Corp.*, 806 F. Supp. 3d at 1005-06 (concerning “adequacy of PG&E’s
20 disclosure[s]”). The Court also found that standing was not sufficiently pled for certain offerings.
21 *Id.* at 1009-14. ¶101; *see generally* Radcliff Decl.

22 **Scienter:** While Lead Plaintiff believes the evidence will be sufficient to sustain its fraud
23 claims, scienter (and other elements) may be difficult to prove with documents alone and
24 witnesses may not be able to recall specific evidence or events that occurred nearly a decade ago
25 in 2017 and 2018. ¶100. To that end, the District Court Defendants have raised significant
26 challenges to Plaintiffs’ scienter allegations. ¶¶98-100. Although the MTD Order sustained those
27 allegations as to all Officer Defendants except Hogan with respect to the surviving statements, it
28

1 did so on the narrow ground of the core operations doctrine, reasoning that it would be “absurd”
2 to suggest that the Officer Defendants “were not acutely aware of the non-compliance data” given
3 PG&E’s criminal history and the magnitude of its vegetation management violations. ECF No.
4 315 at 37. In moving to dismiss the FAC, the Officer Defendants argued that this “absurdity
5 prong” of the core operations doctrine was limited to vegetation management issues and did not
6 extend to the Camp Fire allegations, because “there are no allegations that any Officer Defendant
7 had access to any information, or otherwise had any reason to be concerned about, tower
8 inspection and maintenance, or the establishment or execution of the shutoff protocol.” ECF No.
9 328-2 at 22. The Officer Defendants further argued that the FAC “does not plead any fact as to
10 any Officer Defendant’s specific knowledge of compliance violations or individualized motive to
11 deceive.” *Id.* at 22-23. Had the Court accepted these arguments, its scienter finding would have
12 been confined to a subset of the surviving claims, further narrowing potential liability. While
13 Plaintiffs believed these arguments were without merit and that the evidence of PG&E’s criminal
14 conviction and guilty plea provided a strong basis for scienter as to all claims, the risk that the
15 Court might limit the scienter finding to vegetation management–related statements was real.
16 ¶¶98-99.

17 The District Court Defendants would likely seek to introduce evidence that they were
18 unaware of the Company’s alleged non-compliance with relevant wildfire safety regulations and
19 rules and, thus, they did not act with the requisite fraudulent intent required for the Exchange Act
20 claims. The District Court Defendants would likely argue that they believed PG&E was doing its
21 best to balance wildfire safety with environmental stewardship when trimming or removing trees
22 and vegetation surrounding PG&E equipment. ¶100. Likewise, as to the Securities Act claims,
23 the Officer and Underwriter Defendants would undoubtedly reply on defenses of good faith and
24 due diligence in an effort to avoid liability.

25 **Loss Causation and Damages:** Loss causation and damages are decidedly challenging
26 elements in even the strongest securities case. Indeed, this Court has noted that in “any securities
27 litigation case, it [is] difficult for [plaintiff] to prove loss causation and damages at trial.” *In re*
28

1 *Celera Corp. Sec. Litig.*, 2015 WL 1482303, at *5 (N.D. Cal. Mar. 31, 2015). While Lead
2 Plaintiff’s consulting damages expert estimated that damages were approximately \$279 million
3 to \$1 billion—assuming liability were established with respect to the loss causation events that
4 survived the MTD Order—PG&E and the District Court Defendants, along with their experts,
5 would have argued that there were no damages whatsoever based on the remaining misstatements
6 and loss causation events. ¶¶103-10. Specifically, the District Court Defendants will likely argue
7 that the remaining loss causation events are not related to the alleged misstatements and that the
8 prices of PG&E Securities declined for reasons other than those alleged in the FAC. ¶¶106, 108.

9 For example, the two loss causation events pled in the TAC that were not dismissed in the
10 Court’s MTD Order relate solely to the North Bay Fires. Specifically, the May 25, 2018 and June
11 8, 2018 loss causation events stated, *inter alia*, that (i) Cal Fire’s investigation with respect to the
12 North Bay Fires indicated that PG&E had failed to ensure clearance between trees and power
13 lines in violation of relevant regulations; and (ii) due to alleged evidence of state law violations,
14 Cal Fire had referred its investigations for the North Bay Fires to county district attorneys. *See*
15 MTD Order at 39 (dismissing all loss causation events pled in the TAC, except for the May 25,
16 2018 and June 8, 2018 disclosures). ¶105.

17 The four misstatements that were found to be actionable by the Court (Misstatement 9,
18 12-14) were made from October 31, 2017 to June 8, 2018 after the North Bay Fires began in early
19 October 2017. *See* ECF No. 315 at 33 (“Plaintiffs have met this first element as to only Statements
20 9 and 12-14.”). While Plaintiffs believe they have strong arguments in support of their positions,
21 the District Court Defendants will likely argue that Misstatements 9, 12-14 in the TAC—which
22 discuss PG&E’s compliance with relevant safety and vegetation requirements— related solely to
23 PG&E’s compliance at the time the statements were made, and thus they did not provide investors
24 with any assurances as to PG&E’s compliance prior to the alleged misstatements or at the time of
25 the North Bay Fires. Accordingly, the upheld loss causation events cannot be corrective of the
26 alleged misstatements. ¶106.

27 That said, if liability were established with respect to these two loss causation events, Lead
28

1 Plaintiff's consulting damages expert has estimated class-wide maximum aggregate damages
2 recoverable at trial, based on the entire stock price declines on these two disclosure dates, to be
3 approximately \$1 billion, without netting out gains on pre-Class Period purchases. (Damages for
4 the Section 11 claims were a fraction of the Exchange Act claims.) Under a more conservative
5 approach using the date of the first misstatement that the Court found to be materially false and
6 misleading as the start date for the Class Period (October 31, 2017, Misstatement 9 in the TAC),
7 Lead Plaintiff's damages expert has estimated that class-wide maximum damages recoverable at
8 trial using the same (entire) stock price declines to be approximately \$279 million, without netting
9 of pre-Class Period gains. Accordingly, the Settlement recovers a range of approximately 10% to
10 35% of these estimated damages. These estimates do not, however, exclude the losses of class
11 members who have already settled their claims and could not recover from a verdict in the Class
12 Action. ¶107.

13 The damages estimates also assume that Plaintiffs would be able to prove damages based
14 on the full alleged loss causation events and that they would not need to "disaggregate," or parse
15 out, confounding inactionable information on those dates. Had the case proceeded, the
16 Reorganized Debtors and District Court Defendants would have strenuously argued that a
17 significant portion of the stock price declines on the May 25 and June 8, 2018 corrective
18 disclosure dates was attributable to factors unrelated to the falsity of the specific compliance
19 statements, thereby reducing recoverable damages. For example, the Officer Defendants argued
20 that the stock price declines reflected not only the disclosure of PG&E's regulatory violations but
21 also the market's reassessment of PG&E's massive potential financial liability under California's
22 inverse condemnation doctrine—a strict-liability regime that imposed financial responsibility on
23 utilities regardless of whether they complied with safety regulations. ECF No. 315 at 39 (noting
24 that "California follows the inverse condemnation doctrine, which imposes liability on utilities
25 like PG&E even if they followed all safety regulations" and that "the subsequent drop in stock
26 prices reflect that PG&E could be held financial[ly] responsible regardless of whether the Utility
27 had committed any violations"). The Officer Defendants and Reorganized Debtors argued that
28

1 the portion of the stock decline caused by the market’s reaction to inverse condemnation liability,
2 the sheer number of fires caused by PG&E equipment, the criminal referrals to district attorneys,
3 and the prospect of billions of dollars in tort liability were non-fraud-related components of the
4 price decline that would need to be excluded from any damages calculation. *See* ECF No. 284 at
5 31-35; ECF No. 328-2 at 26-33. In other words, PG&E and the District Court Defendants would
6 argue that the recoverable damages were limited to only portions of the stock price declines on
7 those two dates, rather than the catastrophic declines associated with the Camp Fire and its
8 aftermath. At summary judgment and trial, the disaggregation of these confounding factors from
9 actionable fraud-related losses would have been the subject of expert testimony and could have
10 resulted in substantial reductions to recoverable damages. ¶108.

11 While Plaintiffs strongly believed, and continue to believe, that the dismissed loss
12 causation events should have been sustained under the Ninth Circuit's decision in *Mineworkers'*
13 *Pension Scheme v. First Solar Inc.*, 881 F.3d 750, 753-54 (9th Cir. 2018), there was a genuine
14 risk that the Court would again confine loss causation to just two relatively minor events.

15 **Class Certification:** Even if Lead Plaintiff prevailed with respect to the pending motions
16 to dismiss, there remained hurdles with respect to class certification. ¶¶111-15. For example, in
17 the event that the Court decided to dismiss all of the FAC’s misstatements and loss causation
18 events for the Exchange Act Claims, except for those sustained in the MTD Order, the District
19 Court Defendants would undoubtedly have raised a “mismatch” argument under *Goldman Sachs*
20 *Group, Inc. v. Arkansas Teacher Retirement System*, 594 U.S. 113 (2021). Under *Goldman*,
21 defendants may rebut the presumption of class-wide reliance under *Basic Inc. v. Levinson*, 485
22 U.S. 224, 242 (1988), by demonstrating that the alleged misrepresentations did not actually
23 maintain inflation in the stock price — and one way to make this showing is to demonstrate a lack
24 of correspondence, or “mismatch,” between the content of the alleged front-end misstatements
25 and the content of the back-end corrective disclosures. *Goldman*, 594 U.S. at 124-25. Arguably,
26 the *Goldman* mismatch problem would be acute in this case given the nature of the surviving
27 claims. ¶113.

28

1 The upheld misstatements were specific compliance representations — for example, that
2 PG&E “meets or exceeds” vegetation clearance and pole integrity management requirements.
3 ECF No. 315 at 28-30. The upheld corrective disclosures, however, were CalFire press releases
4 that revealed a broad range of information: not only that PG&E had violated specific safety
5 regulations, but also the number of fires PG&E caused, the scale of destruction, referrals of cases
6 to district attorneys, and the magnitude of PG&E’s potential financial liability. *Id.* at 39. The
7 District Court Defendants would have argued that the stock price declines on the corrective
8 disclosure dates were driven primarily by this broader, non-matching information — the market’s
9 reaction to the sheer scale of PG&E’s wildfire liability and the prospect of criminal prosecution.
10 Indeed, some market commentary attributed the stock declines to concerns about PG&E’s
11 potential financial liability and its ability to meet the “prudent manager” standard for recovering
12 costs from ratepayers — not to the specific falsity of any compliance statement. *See, e.g.*, FAC at
13 ¶146 (Citigroup analyst observing that it would be “tough to meet” the “prudent manager”
14 standard). Had the Court accepted this argument, the *Basic* presumption of reliance would have
15 been rebutted and class certification denied, precluding any class-wide recovery. ¶114.

16 While Plaintiffs believe they had strong arguments that the corrective disclosures were
17 closely connected to the misrepresentations — because the CalFire findings directly contradicted
18 the specific compliance assurances that PG&E had made — there was a genuine risk that the
19 Court would find the mismatch sufficient to defeat class certification, particularly given the
20 breadth of non-compliance-related information contained in the corrective disclosures. Even aside
21 from class certification, these matters would likely have continued to be litigated through
22 summary judgment, *in limine* motions, trial, and in post-trial motions and appeals.

23 In contrast to the above, the Settlement represents a prompt and substantial tangible
24 recovery, without the considerable risk, expense, and delay of summary judgment, trial, and post-
25 trial litigation. *See, e.g., In re LinkedIn User Priv. Litig.*, 309 F.R.D. 573, 587 (N.D. Cal. 2015)
26 (“Generally, unless the settlement is clearly inadequate, its acceptance and approval are preferable
27 to lengthy and expensive litigation with uncertain results.”). At each of these stages, there would
28

1 be significant risks attendant to the continued prosecution of the Class Action and Chapter 11
 2 Cases, and there was no guarantee that further litigation would have resulted in a higher recovery,
 3 or any recovery at all. Accordingly, in light of all the substantial risks of continued litigation, and
 4 compared to the certain recovery of \$100,000,000, the Settlement is a very favorable result.

5 **2. Rule 23(e)(2)(C)(ii): Effective Process for Distributing**
 6 **Relief to the Settlement Class**

7 Rule 23(e)(2)(C)(ii) instructs courts to consider whether the relief provided to the class is
 8 adequate in light of the “effectiveness of any proposed method of distributing relief to the class,
 9 including the method of processing class-member claims.”

10 Here, the proceeds of the Settlement will be distributed with the assistance of an
 11 experienced claims administrator, A.B. Data, Ltd. The Claims Administrator will employ a well-
 12 tested protocol for the processing of claims in a securities class action. Specifically, a Claimant
 13 will submit, either by mail or online using the case website, the Court-approved Claim Form.
 14 Based on the trade information provided by Claimants, the Claims Administrator will determine
 15 each Claimant’s eligibility to recover by, among other things, calculating their respective
 16 “Recognized Claim” based on the Court-approved Plan of Allocation, and ultimately determine
 17 each eligible Claimant’s *pro rata* portion of the Net Settlement Fund. ¶135. Plaintiffs’ claims will
 18 be reviewed in the same manner. Claimants will be notified of any defects or conditions of
 19 ineligibility and be given the chance to contest the rejection of their claims. Stipulation at ¶30(d)-
 20 (e). Any claim disputes that cannot be resolved will be presented to the Court. *Id.*

21 After the Settlement reaches its Effective Date (*id.* at ¶42) and the claims process is
 22 completed, Authorized Claimants will be issued payments. If there are unclaimed funds after the
 23 initial distribution, and it would be feasible and economical to conduct a further distribution, the
 24 Claims Administrator will conduct a further distribution of remaining funds (less the estimated
 25 expenses for the additional distribution, Taxes, and unpaid Notice and Administration Expenses).
 26 Additional distributions will proceed in the same manner until it is no longer economical to
 27 conduct further distributions. Thereafter, Lead Plaintiff recommends that any *de minimis* balance
 28 that remains in the Net Settlement Fund, after payment of any outstanding Notice and

1 Administration Expenses, be donated to the Consumer Federation of America (“CFA”), a non-
2 profit, non-sectarian organization, or such other organization approved by the Court.⁹ *Id* at ¶27;
3 Ex. 8-B at ¶133.

4 **3. Rule 23(2)(C)(iii): Anticipated Legal Fees and Expenses**

5 Rule 23(e)(2)(C)(iii) addresses “the terms of any proposed award of attorneys’ fees,
6 including timing of payment.” Fed. R. Civ. P. 23(e)(2)(C)(iii). As discussed in Lead Counsel’s
7 Motion for an Award of Attorneys’ Fees and Payment of Expenses and Memorandum of Points
8 and Authorities in Support Thereof, submitted herewith, Lead Counsel, on behalf of Plaintiffs’
9 Counsel, seeks an award of attorneys’ fees of 21% of the Settlement Fund and Litigation Expenses
10 of \$4,432,711.53. Lead Counsel’s Fee Memorandum also includes a request by Lead Plaintiff for
11 \$22,970 in connection with its efforts during the course of the proceedings, pursuant to the
12 PSLRA. Approval of attorneys’ fees is entirely separate from approval of the Settlement, is not
13 part of any agreement with the Released PG&E Parties, and the Settlement cannot be terminated
14 based on any ruling on the fees or expenses. *See* Stipulation at ¶19.

15 **E. Rule 23(e)(2)(D): Class Members Are Treated Equitably**

16 The Settlement does not improperly grant preferential treatment to Plaintiffs or any
17 segment of the Settlement Class. Rather, all members of the Settlement Class, including Plaintiffs,
18 will receive a distribution from the Net Settlement Fund pursuant to the Plan of Allocation
19 approved by the Court, which is discussed below.¹⁰ All Settlement Class Members that were
20

21 ⁹ CFA was established in 1968 to advance consumer interests through research, advocacy,
22 and education. With respect to victims of financial fraud, CFA has an Investor Protection program
23 that works to promote consumer-oriented policies that safeguard investors against fraud. It has
24 been approved as a *cy pres* beneficiary by this Court in *In re Intuitive Surgical Sec. Litig.*, Case
25 No. 13-cv-01920-EJD (N.D. Cal.) and in *In re Ubiquiti Networks, Inc. Sec. Litig.*, No. 12-cv-
26 04677-YGR (N.D. Cal.). Neither the Parties nor their counsel have a relationship with CFA.

27 ¹⁰ Lead Plaintiff’s request for reimbursement directly related to its participation in this
28

1 allegedly harmed as a result of the alleged violations of the Exchange Act and the Securities Act,
 2 and that submit an eligible claim pursuant to the Plan of Allocation, will receive their *pro rata*
 3 share of the Net Settlement Fund based on their Recognized Claim under the plan. *See* ¶133; *see*
 4 *also* Stipulation at ¶¶24, 30.

5 **II. THE COURT SHOULD APPROVE THE PLAN OF ALLOCATION**

6 In addition to seeking final approval of the Settlement, Lead Plaintiff also seeks final
 7 approval of the Plan of Allocation. The Plan of Allocation, drafted with the assistance of Lead
 8 Plaintiff’s damages expert, is a fair, reasonable, and adequate method for allocating the proceeds
 9 of the Settlement among eligible claimants and treats all Settlement Class Members equitably, as
 10 required by Rule 23(e)(2)(D). Each Authorized Claimant, including Plaintiffs, will receive a
 11 distribution pursuant to the Plan, and Plaintiffs will be subject to the same formula for distribution
 12 of the Settlement as other class members.

13 The standard for approval of a plan of allocation in a class action under Rule 23 of the
 14 Federal Rules of Civil Procedure is the same as the standard applicable to the settlement as a
 15 whole – the plan must be fair, reasonable, and adequate. *See Class Plaintiffs v. City of Seattle*,
 16 955 F.2d 1268, 1284 (9th Cir. 1992); *see also Vataj v. Johnson*, 2021 WL 1550478, at *10 (N.D.
 17 Cal. Apr. 20, 2021); *In re Omnivision Techs., Inc.*, 559 F. Supp. 2d 1036, 1045 (N.D. Cal. 2008)
 18 (a plan of allocation “is governed by the same standards of review applicable to approval of the
 19 settlement as a whole: the plan must be fair, reasonable and adequate.”). An allocation formula
 20 need only have a “reasonable, rational basis, particularly if recommended by experienced and
 21 competent class counsel.” *Vataj*, 2021 WL 1550478, at *10.

22 Plaintiffs’ claims pursuant to Section 10(b) of the Exchange Act and Section 11 of the
 23 Securities Act serve as the bases for the calculation of a Recognized Loss Amount, under the Plan,
 24 for each properly documented purchase/acquisition of PG&E Securities. Claimants’ Recognized
 25 Loss Amounts will be calculated using the transactional information provided by Claimants in

26 _____
 27 litigation would not constitute preferential treatment. *See* 15 U.S.C. §78u-4(a)(4) (reimbursement
 28 of plaintiffs’ costs explicitly contemplated by the PSLRA in addition to *pro rata* recovery).

1 their Claim Forms. An Authorized Claimant’s *pro rata* share of the Net Settlement Fund will be
2 based upon each Authorized Claimant’s Recognized Equity Claim and/or Recognized Debt
3 Claim. Overall, PG&E Equity Claims will be allocated at least 83.85% of the Settlement Fund
4 and PG&E Debt Claims will be allocated 16.15% of the Settlement Fund. ¶133. *See CareDx*,
5 2025 WL 3546227, at *9 (“Courts routinely approve of allocation plans in securities class actions
6 that distribute *pro rata* payments to Authorized Claimants based on the ‘recognized loss’ for each
7 share during the Class Period.”).

8 Claimants that filed a Rescission or Damage Claim in the Chapter 11 Cases will have their
9 overall Recognized Claim increased by 25%, in recognition of their preservation of claims against
10 the Reorganized Debtors. Claimants with Recognized Loss Amounts under Section 11 will have
11 those loss amounts increased by 25%, in recognition of the fact that proving scienter is not an
12 element of those claims. ¶134. “[A] plan of allocation . . . fairly treats class members by awarding
13 a *pro rata* share to every Authorized Claimant, even as it sensibly makes interclass distinctions
14 based upon, *inter alia*, the relative strengths and weaknesses of class members’ individual claims
15 and the timing of purchases of the securities at issue.” *Bernstein v. Ginkgo Bioworks Holdings*,
16 *Inc.*, 2024 WL 5112227, at *5 (N.D. Cal. Dec. 13, 2024) (citing *Redwen v. Sino Clean Energy*,
17 *Inc.*, 2013 WL 12303367, at *8 (C.D. Cal. July 9, 2013)).

18 The Plan of Allocation was fully described in the long-form Notice and, to date, there has
19 been no objection to the proposed plan. *See* Ex. 8-B at ¶¶97-135. It is respectfully submitted that
20 the proposed Plan of Allocation will result in a fair distribution of the available proceeds among
21 Settlement Class Members who submit valid claims.

22 **III. THE NOTICE PROGRAM AND REACTION OF THE** 23 **SETTLEMENT CLASS TO DATE**

24 Notice of a class action settlement must be directed “in a reasonable manner to all class
25 members who would be bound” by the Settlement. Fed. R. Civ. P. 23(e)(1)(B). In granting
26 preliminary approval of the Settlement, the Court approved Lead Plaintiff’s proposed notice plan.
27 *See* ECF No. 347. The notice program’s combination of individually mailed Postcard Notices to
28 all Settlement Class Members who could be identified with reasonable effort, supplemented by

1 the Summary Notice in a widely circulated publication, transmission over a business newswire,
2 and publication on internet websites, satisfied all requirements of Rule 23, due process, the
3 PSLRA, and the Northern District’s Guidance. *See, e.g., CareDx*, 2025 WL 3546227, at *8
4 (finding that mailing or emailing postcard notices, publishing summary notice on *WSJ* and *PR*
5 *Newswire*, and maintaining a settlement website, a toll-free telephone number, and a dedicated
6 email address for the Settlements was “the best practicable notice to the Class”).

7 As detailed in the Mailing Declaration of A.B. Data, as of June 18, 2026, it has provided
8 513,433 potential Settlement Class Members and their Nominees with copies of the notice. *See*
9 Ex. 8 at ¶¶2-10. In addition, the Summary Notice was published in *The Wall Street Journal* and
10 transmitted over the *PR Newswire*. *Id.* at ¶11. The Claims Administrator also maintained a
11 dedicated website, www.PGECorporationSecuritiesLitigation.com, to provide potential
12 Settlement Class Members with information concerning the Class Action, the Settlement, and
13 access to copies of the Postcard Notices, long-form Notice, Claim Form, Settlement Agreement,
14 Preliminary Approval Order, and other case-related documents. *Id.* at ¶12. Claim Forms can be
15 submitted to the Claims Administrator by mail or using the case website. *Id.* at ¶13.

16 While the July 6, 2026 deadline to object to the Settlement or request exclusion has not
17 yet passed, to date, no objections have been received by Lead Counsel or docketed and only eight
18 invalid requests for exclusion have been received. Ex. 8 at ¶17. The reaction to date supports
19 approval of the Settlement and the proposed Plan of Allocation. *See Pardi v. Tricida, Inc.*, 2025
20 WL 2988737, at *8 (N.D. Cal. Oct. 23, 2025) (“[T]he absence of a large number of objections to
21 a proposed class action settlement raises a strong presumption that the terms of a proposed class
22 settlement action are favorable to the class members.”). Lead Plaintiff will address any objections,
23 if any, in its reply submission.

24 CONCLUSION

25 For all the foregoing reasons, Lead Plaintiff respectfully requests that the Court grant final
26 approval of the proposed Settlement and approve the Plan of Allocation for the distribution of the
27
28

1 Net Settlement Fund. Proposed orders will be submitted with Lead Plaintiff’s reply papers on
2 August 11, 2026, after the deadline for seeking exclusion and objecting has passed.

3 Dated: June 19, 2026

Respectfully submitted,

4 **LABATON KELLER SUCHAROW LLP**

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6 By: /s/ Thomas G. Hoffman, Jr.
7 Thomas A. Dubbs (*pro hac vice*)
8 Michael P. Canty (*pro hac vice*)
9 Thomas G. Hoffman, Jr. (*pro hac vice*)
10 140 Broadway
11 New York, NY 10005
12 Telephone: (212) 907-0700
13 Facsimile: (212) 818-0477
14 tdubbs@labaton.com
15 mcanty@labaton.com
16 thoffman@labaton.com

17 *Counsel for Lead Plaintiff the Public Employees
18 Retirement Association of New Mexico and Lead
19 Counsel for the Class*

20 **JAMES M. WAGSTAFFE (#95535)**
21 **ADAMSKI, MORISKI, MADDEN,**
22 **CUMBERLAND & GREEN LLP**
23 Mailing Address: P.O. Box 3835
24 San Luis Obispo, CA 93403-3835
25 Physical Address: 6633 Bay Laurel Place
26 Avila Beach, CA 93424
27 Telephone: (805) 543-0990
28 Facsimile: (805) 543-0980
wagstaffe@ammcglaw.com

Liaison Counsel for PERA and the Class

21 **WILLOW E. RADCLIFFE (#200089)**
22 **KENNETH J. BLACK (#291871)**
23 **HADIYA K. DESHMUKH (#328118)**
24 **HAILEY S. ZANUTTO (#358143)**
25 **ROBBINS GELLER RUDMAN**
26 **& DOWD LLP**
27 Post Montgomery Center
28 One Montgomery Street, Suite 1800
San Francisco, California 94104
Telephone 415-288-4545
willowr@rgrdlaw.com
kennyb@rgrdlaw.com
hdeshmukh@rgrdlaw.com

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27
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hzanutto@rgrdlaw.com

Additional Counsel for the Securities Act Subclass

**THOMAS C. MICHAUD
VANOVERBEKE, MICHAUD &
TIMMONY, P.C.**

79 Alfred Street
Detroit, MI 48201
Telephone: (313) 578-1200
Facsimile: (313)578-1201
tmichaud@vmtlaw.com

Additional Counsel for the Securities Act Subclass

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CERTIFICATE OF SERVICE

I hereby certify that on June 19, 2026, I authorized the electronic filing of the foregoing with the Clerk of the Court using the CM/ECF system, which will send notification of such filing to all registered participants only.

I certify under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on June 19, 2026

/s/ Thomas G. Hoffman, Jr.
Thomas G. Hoffman, Jr.