

50-275/323

1 JAMES L. LOPES (No. 63678)
2 GARY M. KAPLAN (No. 155530)
3 JULIE B. LANDAU (No. 162038)
4 HOWARD, RICE, NEMEROVSKI, CANADY,
5 FALK & RABKIN
6 A Professional Corporation
7 Three Embarcadero Center, 7th Floor
8 San Francisco, California 94111-4065
9 Telephone: 415/434-1600
10 Facsimile: 415/217-5910

11 Attorneys for Debtor and Debtor in Possession
12 PACIFIC GAS AND ELECTRIC COMPANY

13 UNITED STATES BANKRUPTCY COURT
14 NORTHERN DISTRICT OF CALIFORNIA
15 SAN FRANCISCO DIVISION

16 In re
17 PACIFIC GAS AND ELECTRIC
18 COMPANY, a California corporation,
19 Debtor.

20 Federal I.D. No. 94-0742640

21 Case No. 01-30923 DM
22 Chapter 11 Case
23 Date: November 14, 2002
24 Time: 9:30 a.m.
25 Place: 235 Pine Street, 22nd Floor
26 San Francisco, California
27 Judge: Hon. Dennis Montali

28 NOTICE OF MOTION AND MOTION FOR AUTHORITY
29 TO ENTER INTO CERTAIN POWER PROCUREMENT
30 CONTRACTS; MEMORANDUM OF POINTS
31 AND AUTHORITIES IN SUPPORT THEREOF

32 [SUPPORTING DECLARATION OF
33 ERIC SCOTT FILED SEPARATELY]

34 A001 Add: Kids Ogermail Center

HOWARD
RICE
NEMEROVSKI
CANADY
FALK
& RABKIN
A Professional Corporation

TABLE OF CONTENTS

Page

NOTICE OF MOTION AND MOTION

1

MEMORANDUM OF POINTS AND AUTHORITIES

2

I. FACTUAL BACKGROUND.

2

A. CPUC's August 22, 2002 Order.

4

1. Interim Procurement Contracts.

4

2. Renewable Energy Contracts.

5

3. QF Contracts.

5

B. Proposed Interim Procurement and Renewable Energy Contracts.

6

1. Interim Procurement Contracts.

6

a. Terms and Conditions.

6

b. Bidding and Selection Process; Review by Procurement Review Group.

7

2. Renewable Energy Contracts.

8

C. Proposed QF Contracts.

9

II. PG&E SHOULD BE AUTHORIZED TO ENTER INTO THE CONTRACTS PURSUANT TO BANKRUPTCY CODE SECTION 363(B)(1).

10

A. Interim Procurement Contracts.

11

B. Renewable Energy Contracts.

11

C. QF Contract Extensions.

12

CONCLUSION

13

TABLE OF AUTHORITIES

Page(s)

Cases

1	Committee of Equity Sec. Holders v. Lionel Corp. (In re Lionel Corp.), 722 F.2d 1063 (2d Cir. 1983)	11
2		
3		
4		
5		
6	Official Comm. of Subordinated Bondholders v. Integrated Res., Inc. (In re Integrated Res., Inc.), 147 B.R. 650 (S.D.N.Y. 1992)*	11
7		
8	Smith v. Van Gorkom, 488 A.2d 858 (Del. 1985)	11
9	Stephens Indus., Inc. v. McClung, 789 F.2d 386 (6th Cir. 1986)	11
10		

Statutes

11	11 U.S.C.	
12	§363(b)(1)	1, 10
13	§1107	1
14	§1108	1
15	Cal. Pub. Util. Code	
16	§§399.11-399.15	5
17	§399.15(b)(1)	5
18	§399.25	5
19	§454.5	5
20	§454.5(a)(9)(A)	5

Rules

20	Fed. R. Bankr. P. 9018	7
21	N.D. Cal. Local Bankr. R. 9014-1(c)(2)	1
22		

Other Authorities

23	3 Lawrence P. King, <u>Collier on Bankruptcy</u> ¶363.02[1][g] (15th ed. rev. 1998)	11
24		
25		
26		
27		
28		

HOWARD
RICE
NEMEROVSKI
CANADY
FALK
& RABKIN
A Professional Corporation

1 petition, including the downgrading of its credit ratings and resulting loss of its investment-
2 grade status, PG&E became unable to obtain wholesale power in early 2001.² In January
3 2001, DWR was authorized to purchase power to maintain the continuity of supply to retail
4 customers of PG&E and other investor owned utilities (collectively, the "IOUs"). In
5 February 2001, California Assembly Bill No. 1 of the first extraordinary session ("AB 1X")
6 was enacted into law, authorizing DWR to enter into contracts for the purchase of electric
7 power. AB 1X also required PG&E to deliver the power purchased by DWR over its
8 distribution systems and act as a billing agent on behalf of DWR, but did not make PG&E
9 legally or financially responsible for DWR's contracts. Significantly, AB 1X prohibited
10 DWR from entering into new contracts to purchase energy on and after January 1, 2003.

11 Despite the large number of power contracts already entered into by DWR, there
12 remains a net short position³ for PG&E in 2003 and beyond, particularly during the hours of
13 each month with the highest customer demand ("peak hours"). An agreement with DWR
14 under which DWR will enter into new power purchase contracts, subject to PG&E taking
15 responsibility for such contracts if and when it becomes investment-grade, along with
16 extending certain pre-existing QF contracts, will allow PG&E to call upon power during the
17 peak hours to reduce its reliance on the "spot market," thereby mitigating electric price and
18 volume volatilities for PG&E's net short position and thus stabilizing rates for its customers.
19 At the same time, PG&E's financial and legal risks under the contracts will be minimized,
20 because DWR will be the financially and legally responsible party under the new contracts
21 until such time as PG&E is investment-grade again, and DWR's costs will be recovered
22 directly from retail customers rather than from PG&E's estate.

23
24
25 ² For additional background regarding PG&E's inability to purchase wholesale
26 power, see Section IV.B of the Disclosure Statement for Plan of Reorganization Under
27 Chapter 11 of the Bankruptcy Code for Pacific Gas and Electric Company Proposed by
28 Pacific Gas and Electric Company and PG&E Corporation dated April 19, 2002 (Docket No. 6054).

³ The net short or net open position is the amount of energy needed to serve a
utilities' customers net of existing resources, including those supplied by DWR.

1 A. CPUC's August 22, 2002 Order.

2 The CPUC issued its Decision 02-08-071 on August 22, 2002 in the proceedings
3 entitled "Order Instituting Rulemaking to Establish Policies and Cost Recovery Mechanisms
4 for Generation Procurement and Renewable Resource Development" (the "CPUC
5 Decision").⁴ The CPUC Decision sets forth procedures for PG&E (and the other IOUs) to
6 follow for an expedited procurement process in order to facilitate electric procurement for
7 the period from January 1, 2003 until such time as PG&E regains an investment-grade credit
8 rating. Specifically, the CPUC Decision addresses three types of procurement contracts, as
9 explained below.

10 1. Interim Procurement Contracts.

11 The CPUC Decision acknowledges the need to minimize exposure of the IOUs'
12 customers to volatile electricity spot market prices and authorizes the IOUs, on an interim
13 basis through the end of 2002, to jointly enter into new power purchase contracts with DWR
14 (the "Interim Procurement Contracts") to meet the utilities' remaining net short position.
15 DWR would have all legal and financial responsibility for these contracts and, under AB 1X,
16 would be authorized to recover the costs of the contracts in its own rates under its own
17 statutory authority, rather than through PG&E's rates or from PG&E. Under the terms of the
18 joint contracts, at such time as PG&E regains its investment-grade credit rating from both
19 Standard and Poor's and Moody's Investors Service, PG&E would assume all legal and
20 financial responsibility for the contracts and DWR's further obligations would be
21 extinguished. Pursuant to the CPUC Decision, if the IOUs choose to enter into such interim
22 contracts, the IOUs are required to hold a competitive solicitation for the Interim
23 Procurement Contracts, to consult with a group of non-market participants (referred to as the
24 "Procurement Review Group") on the results of the solicitation and to submit proposed
25 contracts to the CPUC for expedited approval after the winning bidders are selected.
26

27
28 ⁴ The CPUC Decision is attached as Exhibit A to the Scott Declaration.

1 2. Renewable Energy Contracts.

2 In addition, the CPUC Decision and recently-enacted legislation⁵ require the
3 IOUs to procure renewable energy to ensure that an additional one percent (1%) per year of
4 the IOUs' annual electricity sales (approximately 750 GWh for PG&E) is generated from
5 renewable resources. The CPUC Decision directs that each IOU hold a competitive
6 solicitation to procure the renewable energy required (the "Renewable Energy Contracts")
7 and to submit the proposed contracts to the CPUC for approval after the winning bidders are
8 selected. As with the Interim Procurement Contracts, the Renewable Energy Contracts will
9 be the legal and financial responsibility of DWR until PG&E regains its investment-grade
10 credit rating.

11 3. QF Contracts.

12 The CPUC Decision also requires that the IOUs offer to extend the term of
13 certain QF contracts whose prices are established under federal law and whose costs are
14 fully recoverable in PG&E's rates under that law. Specifically, the CPUC Decision provides
15 that the IOUs are required to offer Standard Offer 1 contract extensions to any QFs meeting
16 the following conditions: (i) the QF must have been in operation and under contract to
17 provide power with an IOU at any point between January 1, 1998 and the effective date of
18 the CPUC Decision; and (ii) the QF contract must be set to expire before January 1, 2004,
19 have already expired or have already been terminated. The CPUC Decision requires PG&E
20 to submit the proposed QF contract extensions ("QF Contract Extensions") to the CPUC for
21 approval.

22
23
24 ⁵ The legislation consists of newly-enacted California Public Utilities Code Sections
25 454.5 (AB 57, 2002 Cal. Stat. ch. 835) and Sections 399.11-399.15 and 399.25 (SB 1078,
26 2002 Cal. Stat. ch. 516). AB 57 became effective in September 2002 and SB 1078 will
27 become effective on January 1, 2003. Both statutes, although different in certain respects,
28 require the IOUs to procure additional renewable resources with the objective of reaching
certain minimum portfolio thresholds. The annual requirement under these statutes is to
purchase power from new renewables resources equal to 1% of the IOUs' total retail electric
load. See Pub. Util. Code §§454.5(a)(9)(A); id. §399.15(b)(1).

1 **B. Proposed Interim Procurement and Renewable Energy Contracts.**

2 PG&E submitted the Interim Procurement Contracts to the CPUC for approval on
3 October 22, 2002⁶ and anticipates submitting the Renewable Energy Contracts to the CPUC
4 for approval by November 5, 2002. Under the CPUC Decision, PG&E anticipates that
5 CPUC approval will be obtained within thirty days of submission. PG&E's obligation to
6 enter into these contracts is conditioned upon: (i) CPUC approval, in a form satisfactory to
7 PG&E in its sole discretion, of the contracts with timely cost recovery and no
8 "reasonableness" review, thereby ensuring that PG&E will be entitled to rate recovery for
9 the cost of the power purchased thereunder for the entire term of the contracts;⁷ and (ii)
10 PG&E having no immediate legal or financial obligation under the contracts because DWR
11 will participate as a contracting party with the full legal and financial responsibility for the
12 contracts until PG&E regains its investment-grade credit rating. The contract terms and
13 bidding process are described in more detail below.

14 1. Interim Procurement Contracts.

15 a. Terms and Conditions. The general terms and conditions applicable to
16 the Interim Procurement Contracts are set forth in Exhibits C, D, E and F attached to the
17 Scott Declaration.⁸

18 PG&E is requesting approval to enter into the Interim Procurement Contracts
19 without the necessity of disclosing certain material terms, including the specific suppliers
20 with whom PG&E will contract, the contract prices and contract quantities, due to the
21

22 ⁶ PG&E's advice letter dated October 22, 2002 to the CPUC is attached (without
23 confidential exhibits) as Exhibit B to the Scott Declaration (the "Advice Letter").

24 ⁷ CPUC approval of the contracts will constitute a determination that the costs
25 incurred by PG&E under the contracts are "reasonable" and "prudent" for purposes of
26 recovery in retail rates under the California Public Utilities Code for the full term of the
27 contracts. See CPUC Decision (Scott Decl. Ex. A) at 19.

28 ⁸ Exhibit C includes 5 Confirmation Letters, representing terms applicable to each of
the products that PG&E was authorized to solicit bids for (system tolling, unit tolling, firm
energy, seasonal exchange and weekly exchange products). Exhibit D includes the Master
Power Purchase and Sale Agreement. Exhibit E includes the form of Guaranty Agreement
and Exhibit F includes the form of Surety Bond.

1 commercially sensitive nature of this information.⁹ However, PG&E notes that the terms of
2 the Interim Procurement Contracts range from one to three years commencing on and after
3 January 1, 2003. Furthermore, PG&E estimates that the total costs to be incurred under the
4 Interim Procurement Contracts will not exceed \$42 million in 2003, \$37 million in 2004, and
5 \$33 million in 2005.

6 b. Bidding and Selection Process; Review by Procurement Review
7 Group. As set forth in more detail in the Advice Letter, PG&E attempted to obtain the
8 largest possible number of bids in the procurement process. In developing its list of
9 potential bidders, PG&E contacted current California market participants, suppliers with
10 whom PG&E has previously contracted, suppliers with DWR contracts and other potential
11 participants. PG&E also worked with industry groups, including Independent Energy
12 Producers, to identify additional potential suppliers. As a result of this process, PG&E
13 received and evaluated fifty-nine bids for the Interim Procurement Contracts.

14 All bids that were timely received were explicitly modeled and a market value
15 was calculated. PG&E reviewed each of the bids to ensure that each transaction met certain
16 basic commercial and non-commercial terms, eliminating those that did not meet the basic
17 terms. PG&E examined the characteristics of the existing portfolio to determine its
18 sensitivity to various risk factors such as electric price, gas price, hydro conditions and
19 variations to load. The proposed transactions were evaluated, including calculations of value
20 under a wide range of scenarios. A short list of proposed suppliers with higher market
21 values and higher cost/benefit ratios was selected and the Interim Procurement Contracts
22 were negotiated with the proposed suppliers.

23 _____
24 ⁹ In recognition of the proprietary and/or confidential nature of the power
25 procurement information, the CPUC issued a protective order dated May 1, 2002 that
26 governs access to and use of all "Protected Materials" of the IOUs in connection with the
27 approval process for the power procurement contracts (the "Protective Order"). PG&E's
28 Advice Letter was submitted in accordance with the terms of the Protective Order, with the
contract documents submitted under seal in order to protect the proprietary information
contained therein. To the extent necessary, PG&E requests that the Court protect the
proprietary and commercially sensitive nature of this information pursuant to Rule 9018 of
the Federal Rules of Bankruptcy Procedure.

1. In addition, the CPUC Decision required that PG&E establish a Procurement
2 Review Group ("PRG") to ensure that the Interim Procurement Contracts would be subject
3 to sufficient review before being submitted to the CPUC. In addition to ex officio members,
4 CPUC Energy Division and the Office of Ratepayer Advocates ("ORA"), the PRG included
5 The Utility Reform Network ("TURN"), the California Energy Commission ("CEC"), the
6 Natural Resources Defense Council ("NRDC") and California Utility Employees ("CUE").
7 Subject to non-disclosure agreements, the PRG members had the right to consult with PG&E
8 and review the details of PG&E's interim procurement strategy, proposed procurement
9 contracts and procurement processes. After participating in this process, none of the PRG
10 members oppose CPUC approval of the Interim Procurement Contracts and TURN
11 affirmatively supports CPUC approval.¹⁰

12 2. Renewable Energy Contracts.

13 The general terms and conditions applicable to the Renewable Energy Contracts
14 are substantially the same as those applicable to the Interim Procurement Contracts, with two
15 material exceptions: (i) the contracts will be for 5, 10 and 15-year terms, commencing on
16 and after January 1, 2003; and (ii) there will be a liquidated damages provision in the
17 amount of \$15,000 for each megawatt ("MW") specified in the contract documents if a unit
18 covered thereby is not operable and deliverable to PG&E by December 31, 2003. Suppliers
19 under the Renewable Energy Contracts will be required to post a letter of credit or a surety
20 bond to secure their obligations.¹¹

21 After conducting a competitive bidding process for the Renewable Energy
22 Contracts, PG&E received responses representing approximately ten times the volume
23 needed to satisfy the requirements in the CPUC Decision for 2003. Evaluations of the offers

24
25 ¹⁰ NRDC, CEC and CUE neither support nor oppose CPUC approval of the Interim
26 Procurement Contracts. ORA and CPUC Energy Division are not taking any position at this
27 time.

28 ¹¹ The general contract terms for the Interim Procurement Contracts are applicable to
the Renewable Energy Contracts with the exception of the Confirmation Letters; the 2
Confirmation Letters applicable to the Renewable Energy Contracts (for unit-firm and
intermittent renewable products) are attached as Exhibit G to the Scott Declaration.

1 and discussions with potential suppliers are currently ongoing (some of the offers were
2 eliminated based on non-compliance with the terms of the offer). PG&E expects to
3 negotiate final contracts that will meet the 1% requirement discussed above. The CPUC
4 Decision also set a provisional benchmark price of 5.37 cents per kilowatt hour ("KWh"), at
5 or below which any Renewable Energy Contract would be deemed reasonable by the CPUC.
6 PG&E anticipates that the aggregate of the Renewable Energy Contracts should be within
7 the range of this benchmark and should not exceed 6 cents per KWh; based thereon, it is
8 estimated that the total costs for 2003 will not exceed \$45 million.

9 PG&E is also requesting approval to enter into the Renewable Energy Contracts
10 without necessity of disclosing certain material terms, including the specific suppliers with
11 whom PG&E will contract, the contract prices and contract quantities, due to the
12 commercially sensitive nature of this information. As with the Interim Procurement
13 Contracts, the Renewable Energy Contracts will be subject to the PRG review process.

14 In the event that the conditions PG&E has placed on its willingness to enter into
15 the contracts are not met (*i.e.*, acceptable commercial terms, DWR agreement to assume full
16 legal and financial liability until PG&E is investment-grade, and CPUC approval of the
17 reasonableness of the contracts for ratemaking purposes), PG&E retains the discretion not to
18 enter into the Interim Procurement Contracts and the Renewable Energy Contracts.

19
20 **C. Proposed QF Contracts.**

21 PG&E has identified twelve (12) QFs that qualify for contract extensions under
22 the terms set forth in the CPUC Decision and have expressed a willingness to enter into the
23 contract extensions. In accordance with the CPUC Decision, PG&E intends to request
24 CPUC approval for the QF Contract Extensions by November 5, 2002. The QF Contract
25 Extensions will be executed in substantially the form attached as Exhibit H to the Scott
26 Declaration. Generally, the QF Contract Extensions will provide for a term ending no later
27
28

1 than December 31, 2003.¹² The total estimated costs for 2003 under the QF Contract
2 Extensions is not likely to exceed \$59.5 million.¹³

3
4
5 **II.**
6 **PG&E SHOULD BE AUTHORIZED TO ENTER INTO THE CONTRACTS**
7 **PURSUANT TO BANKRUPTCY CODE SECTION 363(b)(1).**

8 As the Court is aware, PG&E's inability to recover its wholesale power costs was
9 a major cause of this bankruptcy filing. Since the bankruptcy filing, DWR has been
10 responsible for procuring the full net short position for PG&E's retail customers and DWR is
11 financially and legally responsible for the costs of all such power purchases. As explained
12 above, PG&E will assume financial responsibility for the Interim Procurement Contracts and
13 Renewable Energy Contracts only if and when its investment-grade credit rating is restored.
14 Therefore, the Contracts are subject to specific conditions precedent to protect PG&E
15 financially. Since the Contracts represent initial steps toward an eventual shift in
16 responsibility for future electric procurement to PG&E once PG&E is again financially
17 healthy, PG&E is seeking this Court's approval to enter into the Contracts under Section
18 363(b)(1) of the Bankruptcy Code.

19 In determining whether to authorize the use, sale or lease of property of the estate
20 under Section 363(b)(1), courts require a debtor to show that a sound business purpose
21 justifies such actions, applying essentially the same "business judgment" test that is used in
22 determining whether to approve the assumption or rejection of an executory contract. See,

23 ¹² The CPUC Decision provides for the term of the applicable QF contracts to be
24 extended to the date on which PG&E fully implements its long term procurement plan
approved by the CPUC or to December 31, 2003, whichever occurs first.

25 ¹³ The pricing under the QF Contract Extensions consists of variable energy and fixed
26 capacity components. The fixed capacity component is currently set at \$62 per kilowatt-
27 year. The variable energy payment will be the Short-Run Avoided Cost, a formulaic price
28 based upon an index of natural gas prices that is recalculated and published monthly. The
twelve QFs represent an installed capacity of approximately 212 MW and are estimated to
generate approximately 860 GWh in 2003, or approximately 1.1% of PG&E's annual
electricity sales.

1 e.g., Stephens Indus., Inc. v. McClung, 789 F.2d 386, 389-90 (6th Cir. 1986); Committee of
2 Equity Sec. Holders v. Lionel Corp. (In re Lionel Corp.), 722 F.2d 1063, 1070-71 (2d Cir.
3 1983); 3 Lawrence P. King, Collier on Bankruptcy ¶363.02[1][g] (15th ed. rev. 1998).

4 The burden of establishing a valid business purpose for the use of property of the
5 estate outside the ordinary course of business falls upon the debtor. See In re Lionel Corp.,
6 722 F.2d at 1070-71. Once the debtor has articulated a rational business justification,
7 however, a presumption attaches that the decision was made on an informed basis, in good
8 faith and in the honest belief that the action was in the best interest of the debtor. See, e.g.,
9 Official Comm. of Subordinated Bondholders v. Integrated Res., Inc. (In re Integrated Res.,
10 Inc.), 147 B.R. 650, 656 (S.D.N.Y. 1992) (citing Smith v. Van Gorkom, 488 A.2d 858, 872
11 (Del. 1985)).

12 A. Interim Procurement Contracts.

13 PG&E believes that the terms of the Interim Procurement Contracts are favorable
14 and that these contracts are necessary to provide a reliable supply of power to its customers
15 at stabilized prices, assuming that the conditions precedent to PG&E's legal obligations
16 under the contracts are maintained. PG&E will not enter into the Interim Procurement
17 Contracts without CPUC approval and the protections that such approval will provide,
18 including the finding that the costs incurred under the contracts are reasonable and prudent
19 for rate recovery purposes for the full term of the contracts. It is noteworthy that none of the
20 PRG members (which include several parties who have opposed other PG&E proposals,
21 including its Plan of Reorganization) oppose CPUC approval of these contracts. Also, the
22 contracts will be the legal and financial responsibility of DWR until PG&E regains its
23 investment-grade credit rating. Given all of these circumstances, sound business
24 justifications support PG&E's decision to enter into the Interim Procurement Contracts.

25 B. Renewable Energy Contracts.

26 The Renewable Energy Contracts should allow PG&E to meet the 1% renewable
27 energy requirement described above. PG&E will not enter into the Renewable Energy
28 Contracts without CPUC approval and the protections that such approval will provide,

1 including the finding that the costs incurred under the contracts are reasonable and prudent
2 for rate recovery purposes. As with the Interim Procurement Contracts, these contracts will
3 be the legal and financial responsibility of DWR until PG&E regains its investment-grade
4 credit rating. Given all of these circumstances, sound business justifications support
5 PG&E's decision to enter into the Renewable Energy Contracts.

6 C. QF Contract Extensions.

7 The QF Contract Extensions are necessary for PG&E to comply with its PURPA
8 obligations (as discussed in the CPUC Decision) and to ensure that power supplies from
9 these 12 QFs remain available to PG&E through 2003 or until PG&E's long-term
10 procurement plan is approved by the CPUC. PG&E will not enter into the QF Contract
11 Extensions without CPUC approval. Together with the Interim Procurement Contracts and
12 the Renewable Energy Contracts, the QF Contract Extensions will allow PG&E to meet its
13 power procurement needs for 2003. Furthermore, PG&E believes that it has the financial
14 capability to make payments under the QF Contract Extensions without causing any
15 detriment to its creditors. Given all of these circumstances, sounds business justifications
16 support PG&E's decision to enter into the QF Contract Extensions.

1 **CONCLUSION**

2 For all of the foregoing reasons, PG&E respectfully requests that the Court
3 authorize PG&E to enter into the Contracts on the terms and conditions set forth above, and
4 grant such other and further relief as may be just and appropriate.

5 DATED: October 25, 2002

6 Respectfully,

7 HOWARD, RICE, NEMEROVSKI, CANADY,
8 FALK & RABKIN
9 A Professional Corporation

10 By:  _____
11 JULIE B. LANDAU

12 Attorneys for Debtor and Debtor in Possession
13 PACIFIC GAS AND ELECTRIC COMPANY

14 WD 102502/1-1419905/1032463/v1

15 HOWARD
16 RICE
17 NEMEROVSKI
18 CANADY
19 FALK
20 & RABKIN
21 A Professional Corporation