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**From:** Karen Hinton [karen@hintoncommunications.com]  
**Sent:** 5/24/2011 2:01:19 PM  
**To:** Steven Donziger [sdonziger@gmail.com]; Andrew M. Woods [awoods@donzigerandassociates.com]  
**Subject:** FW: NY State investor statement urging Chevron to end litigation, consider settling case  
**Attachments:** TrilliumpressreleaseSECinvestigate.docx; ProxyStatement2011.pdf; pressreleaseshareholderreport0511.docx

You may have all of this straight in your mind, but in case, this is what is happening and what, I think, our press release should include:

- 1) NY State Comptroller's Office is sending the press statement **below** out this afternoon (hopefully). The Comptroller's office, along with Trillium, and other investors have submitted resolution like last year. Total shareholder value around \$150 billion. (See attached, p. 74 of proxy statement.)
- 2) Trillium requested a SEC investigation into Chevron's statements to shareholders versus statements in court. (See attached press release.)
- 3) Simon investor report findings. (See attached.)

Just heard from NY State that the Comptroller office's sign-on investor statement urging the company to consider ending the litigation and seeking a settlement in the case — and the press release about same — is getting final approval from Albany and will be out by 3pm EDT.

Below is the statement, currently under embargo. We understand it will likely have signatories representing more than \$150 billion in assets under management.

Investor Statement On Chevron And *Aguinda V. Texaco*  
May 2011

The undersigned shareholders of Chevron collectively represent \$XX billion in assets under management. We are long term shareholders of Chevron stock.

We urge Chevron to use the occasion of the *Aguinda v. Texaco* verdict earlier this year to take a fresh look at its options to address Texaco's legacy in the Ecuadorian rainforest.

In February 2011, the Ecuadorian Provincial Court found Chevron liable for over \$18 billion in compensatory and punitive damages for polluting vast areas of the Amazonian rainforest from oil drilling and its waste products.[1] This is a historically high judgment comparable in size only to BP's promised \$20 billion compensation fund for the victims its 2010 Gulf of Mexico oil spill.

Chevron has appealed *Aguinda* in Ecuador, and the company's public statements since the verdict assert management's intention to challenge it at every opportunity in every available forum. While Chevron has obtained a preliminary injunction from the U.S. District Court in Manhattan barring the enforcement any judgment in the *Aguinda* case, it appears unlikely that this injunction could be enforced outside the United States to prevent seizures of Chevron's assets based abroad even if the injunction survives appeal.

The original lawsuits that were later consolidated into *Aguinda v. Texaco* made their first appearance nearly two decades ago, and in that time, Chevron has suffered grave reputation damage from its attempts to defend Texaco's limited pollution remediation efforts. Chevron has admitted in sworn legal statements that the company is at risk of "irreparable injury to [its] business reputation and business relationships" from potential enforcement of the Ecuadorian court judgment[2]. In fact, that injury has already been incurred and grows more severe every day that the company delays the adoption of a new approach to this case and keeps *Aguinda v. Texaco* in the public eye with last-ditch attempts to undo the verdict.

In failing to negotiate a reasonable settlement prior to the Ecuadorian court's ruling against the company, Chevron displayed poor judgment that has led investors to question whether our company's leadership can properly manage the array of environmental and human rights challenges and risks that it faces. We call upon Chevron to fully disclose to shareholders the risks to its operations and business from the potential enforcement of the *Aguinda* verdict, and we call upon the company to reevaluate whether endless litigation is the best strategy for the company and its shareholders, or whether a more productive approach, such as reaching a settlement, could be employed to begin to provide for a proper remediation for past environmental damages. In so doing, Chevron can once and for all put this controversy behind it.

Signed,

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[1] "Summary of Judgment Entered in *Aguinda et al v. Chevron Corporation*"

<http://chevrontoxico.com/assets/docs/2011-02-14-summary-of-judgment-Aguinda-v-ChevronTexaco.pdf>  
<<http://chevrontoxico.com/assets/docs/2011-02-14-summary-of-judgment-Aguinda-v-ChevronTexaco.pdf>>

[2] Declaration of Chevron Deputy Comptroller Rex Mitchell in support of Chevron Corporation Motion for a Preliminary Injunction, filed 2/5/11, p. 4.

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blog: [www.ChevroninEcuador.com](http://www.ChevroninEcuador.com) <<http://www.ChevroninEcuador.com>>

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# Trillium Asks Securities and Exchange Commission to Investigate Chevron Corporation's Disclosures Re Historic Ecuadorian Judgment

mailto:

mailto:

Contact:

Shelley Alpern, Trillium (617) 292-8026, x 248

Jonas Kron, Esq., Trillium (503) 592-0864

Sanford Lewis, Esq. (413) 549-7333

**Boston, MA, May 23, 2011** – Trillium Asset Management (“Trillium”) has requested that the Securities and Exchange Commission (SEC) undertake a staff review to examine whether Chevron Corp. has appropriately disclosed to its shareholders the scope and magnitude of financial and operational risk from a recent adverse legal judgment in Ecuador. In its letter, Trillium states its belief that the issues raised may have “the potential to rise to the level of materiality under the securities laws.”

After nearly two decades of litigation, on February 14, 2011, the Ecuadorian Provincial Court issued its final judgment in which it found Chevron liable for just over \$18 billion in compensatory and punitive damages for environmental pollution by Texaco in the 1970s and 1980s. (Chevron acquired Texaco in 2001.) The judgment, now under appeal, constitutes one of the largest court judgments for environmental damage in history, comparable in size only to BP’s promised \$20 billion fund to compensate victims of the 2010 Gulf of Mexico oil spill.

Chevron has obtained a preliminary injunction from the U.S. Second District Court that purports to bar the plaintiffs and their lawyers from seeking enforcement of any judgment of the Ecuadorian court. However, the letter states, it not clear how this injunction court would protect Chevron from enforcement efforts by the plaintiffs aimed at Chevron’s assets outside the United States. Moreover, the injunction is subject to appeal.

The Trillium letter highlights the disparities between Chevron’s recent statements to shareholders those made in sworn testimony in connection with the company’s RICO suit against the plaintiffs. In its most recent annual reported, published 10 days following the judgment, the company states:

The ultimate outcome of the foregoing matters, including any financial effect on Chevron, remains uncertain. Management does not believe an estimate of a reasonably possible loss (or a range of loss) can be made in this case. . . . Moreover, the highly uncertain legal environment surrounding the case provides no basis for management to estimate a reasonably possible loss (or a range of loss).<sup>[1]</sup>

However, in the RICO testimony, Chevron Deputy Comptroller Rex Mitchell stated:

Defendants’ campaign to seek seizures anywhere around the world and generate maximum publicity for such acts would cause significant, irreparable damage to Chevron. Unless it is stopped, Defendants’ announced plan to cause disruption to Chevron’s supply chain is likely to cause **irreparable injury to Chevron’s business reputation and business relationships that would not be remediable by money damages.**<sup>[2]</sup> (emphasis added)

The Trillium letter also questions whether certain statements made to shareholders have been misleading, concerning Chevron’s opinion that the Ecuadorian courts lack jurisdiction in the case, and whether Chevron was released from liability by virtue of certain releases granted by the government of Ecuador following remedial work completed in 1998. The Trillium letter states:

Chevron is entitled to disagreements with the plaintiffs about points of contention in the lawsuit; indeed, that is why a lawsuit exists. However, some of the preceding statements, taken in aggregate, could create the misleading perception that the Ecuadorian lawsuit is fraudulent and without legal merit. The reality is that these are disputed issues on which Chevron holds a position, which is not the same as the position held by the plaintiffs or the Ecuadorian court.

In the letter’s conclusion, Trillium urged the Commission to “analyze these omissions in light of the standards governing materiality, SEC rules and guidance, and any other applicable requirements, and to take any actions the Staff deems appropriate.”

The letter was signed by Jonas Kron, Deputy Director for ESG Research and Shareholder Advocacy, and Sanford Lewis, an attorney whose practices specializes on corporate accountability. Earlier this month, Mr.

Lewis released the report (co-authored with corporate responsibility consultant Simon Billenness) *An Analysis of the Financial and Operational Risks to Chevron Corporation from Aguinda v. ChevronTexaco. Related Shareholder Proposal*

Trillium is a co-proponent of a related shareholder proposal filed by the New York State Office of the Comptroller that will be voted on at Wednesday's Chevron stockholder meeting in San Ramon, CA. The proposal requests that Chevron nominate for its Board of Directors at least one independent candidate who has a high level of expertise and experience in environmental matters relevant to hydrocarbon exploration and production and who is widely recognized in the business and environmental communities as an authority in such field. Last year, the resolution received approximately 27 percent of the vote.

Related Investor Statement

In a statement expected to be released separately this week by the New York State Office of the Comptroller, a number of institutional investors in Chevron will be calling upon the company to explore a negotiated settlement with the plaintiffs.

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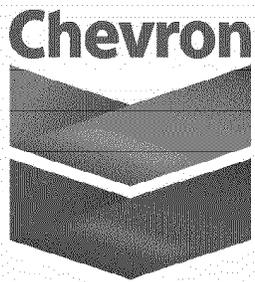
About Trillium Asset Management

Trillium Asset Management manages equity, balanced and fixed income portfolios for high net worth individuals, foundations, endowments, religious institutions and other non-profits. Our investment approach emphasizes quality growth at a reasonable price, with integrated ESG (environmental, social, and governance) analysis. Trillium has offices in Boston, Durham and San Francisco.

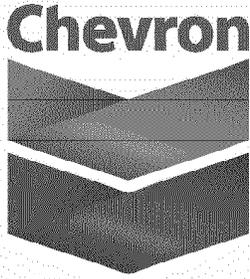
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[1] Chevron Corporation, 2010 Annual Report, p. 25

[2] Declaration of Chevron Deputy Comptroller Rex Mitchell in support of Chevron Corporation Motion for a Preliminary Injunction, Filed 2/5/11, p. 4.



# **Notice of the 2011 Annual Meeting and the 2011 Proxy Statement**



## Notice of the 2011 Annual Meeting of Stockholders

**Meeting Date:** Wednesday, May 25, 2011  
**Meeting Time:** 8:00 a.m., PDT  
**Location:** Chevron Park Auditorium  
6001 Bollinger Canyon Road  
San Ramon, California 94583-2324  
**Record Date:** Friday, April 1, 2011

### Agenda

- Elect 13 Directors;
- Ratify the appointment of the independent registered public accounting firm;
- Hold an advisory vote on named executive officer compensation;
- Hold an advisory vote on the frequency of future advisory votes on named executive officer compensation;
- Take action on seven stockholder proposals, if properly presented at the Annual Meeting; and
- Transact any other business that may be properly brought before the Annual Meeting.

### Admission

All stockholders are invited to attend the Annual Meeting. To be admitted, you will need a form of photo identification and an admission ticket, valid proof of ownership of Chevron common stock, or a valid legal proxy. Please refer to pages 6 and 7 of this Proxy Statement for information about attending the Annual Meeting. Seating at the Annual Meeting will be available on a first-come basis.

### Voting

Stockholders owning Chevron common stock at the close of business on Friday, April 1, 2011, or their legal proxy holders, are entitled to vote at the Annual Meeting. Please refer to pages 1 through 4 of this Proxy Statement for information about voting at the Annual Meeting.

On or about Thursday, April 14, 2011, we will mail to our stockholders either (1) a copy of this Proxy Statement, a proxy card and our Annual Report or (2) a Notice of Internet Availability of Proxy Materials, which will indicate how to access our proxy materials and vote on the Internet.

By Order of the Board of Directors,

A handwritten signature in cursive script that reads "Lydia I. Beebe".

Lydia I. Beebe  
Corporate Secretary and  
Chief Governance Officer