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*Proposed Special Counsel for VidAngel, Inc.*

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**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF UTAH, CENTRAL DIVISION**

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In re:

VIDANGEL, INC.,

Debtor.

Case No. 17-29073

Chapter 11

Judge Kevin R. Anderson

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**DECLARATION OF JAIME W. MARQUART IN SUPPORT  
OF MOTION TO EMPLOY BAKER MARQUART LLP AS  
SPECIAL COUNSEL UNDER SECTION 327(e) OF THE  
BANKRUPTCY CODE**

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I, Jaime W. Marquart, declare:

1. I make this verified statement pursuant to Fed. R. Bankr. P. 2014 in support of the motion of VidAngel, Inc. (the “**Debtor**”) to employ Baker Marquart LLP as special counsel in the Debtor’s Chapter 11 case.

2. Baker Marquart is a boutique law firm located in Los Angeles, California that specializes in intellectual property and commercial litigation. Baker Marquart has represented the Debtor in connection with copyright infringement and antitrust actions in the Central District of

California and the District of Utah. The claims brought against the Debtor in those actions are stayed, but the Debtor's claims remain active. Baker Marquart continues to be counsel of record in those actions.

3. I understand that the Debtor is the subject of a pending bankruptcy case.

4. The Debtor wishes to employ Baker Marquart as special counsel in its bankruptcy case because, among other reasons, Baker Marquart has extensive experience and expertise in intellectual property and antitrust law and is uniquely positioned to advise the Debtor with respect to the legal issues facing the Debtor in its strategy regarding its reorganization.

5. The professional services that the Debtor may request Baker Marquart to provide could include:

- a. Representing the Debtor in the action captioned *Disney Enterprises, Inc., et al v. VidAngel, Inc.*, Case No. CV 16-04109-AB (PLAx), United States District Court, Central District of California, and any further related proceedings in any forum;
- b. Representing the Debtor in the action captioned *VidAngel, Inc. v. Sullivan Entertainment Group, Inc., et al.*, Case No. 2:17-cv-00989, United States District Court, District of Utah, and any further related proceedings in any forum; and
- c. Otherwise advising the Debtor on related matters including intellectual property issues.

6. To the best of my knowledge and belief, formed after a conflict check of the Debtor's creditors, contract parties, and equity holders in the Debtor's case, Baker Marquart does not have any connections that should be disclosed to the Court. I am unaware of any conflicts

that would cause Baker Marquart to lose disinterested status or to hold material interests adverse to the Debtor.

7. Baker Marquart does not represent or hold any interest adverse to the Debtor of the estate with respect to the intellectual property and related matters on which Baker Marquart will be employed as special counsel and has no current direct or indirect relationship to, connection with or interest in the Debtor, any of the Debtor's creditors, any other party in interest, or any of their respective attorneys or accountants, the United States Trustee, or any person employed in the office of the United States Trustee.

8. Baker Marquart's engagement agreement with Debtor gave it the contractual right to receive certain options in Debtor stock as part of its compensation, but Baker Marquart has never exercised any such right. The agreement provided that Baker Marquart may receive "an option to acquire 30,000 shares of common stock of Debtor with full voting rights at a price of \$0.50 per share of common stock" upon certain conditions. The options were to accrue at the rate of one per dollar value of Baker Marquart's discounted attorney time, and were not to vest until 90 days following a ruling on a motion for entry of a preliminary injunction, and were to apply to Baker Marquart's legal services. One thirty-sixth of the of the shares of common stock subject to the option were to accrue each month such that all options would be vested at the end of the 36<sup>th</sup> month following the commencement date of the agreement. Baker Marquart would then have the right to purchase and exercise any or all vested options at any time within three calendar years of the vesting date. As of the time of the petition, some of the options would have accrued and vested under these terms, but Baker Marquart has not attempted to purchase or exercise any such options and has not received any such options or any stock.

9. I believe that Baker Marquart is qualified to serve as a professional in the capacity of special counsel in this case, and that the best interests of the Debtor and its creditors would be

served if Baker Marquart is authorized by the Court to be employed as special counsel for the Debtor for intellectual property and related matters arising from the Debtor's potential dissolution and winding up.

10. Baker Marquart's customary hourly rates in matters of this type are subject to change in accordance with the firm's general billing procedures. The range of current hourly billing rates for attorneys anticipated to perform the majority of the services on behalf of the Debtor is \$292.50 to \$463.50. Baker Marquart's paraprofessional hourly rates range from \$157.50 to \$243.00. In particular, Baker Marquart's currently hourly rates, with a ten percent discount applied, for those currently anticipated to render services on this case are: Jaime W. Marquart, currently billing at \$463.50 per hour; Ryan G. Baker, currently billing at \$463.50 per hour; Scott M. Malzahn, currently billing at \$436.50 per hour; Brian T. Grace, currently billing at \$292.50 per hour; Tiffany Olson, currently billing at \$243.00 per hour; and Lisa Jung, currently billing at \$157.50 per hour.

11. As of the Petition Date (for services from October 1 through October 17, 2017), Baker Marquart was owed a total of \$27,494.10 for unpaid work, and held a total of \$7,827.45 as a retainer for previous engagements. Accounting for the retainer, Baker Marquart is owed \$19,666.65 for services from October 1 to October 17, 2017. If the Court approves Baker Marquart's appointment as special counsel, Baker Marquart will apply the remaining retainer amount toward its services rendered for the Debtor herein and seek payment of its remaining \$19,666.65 for these services.

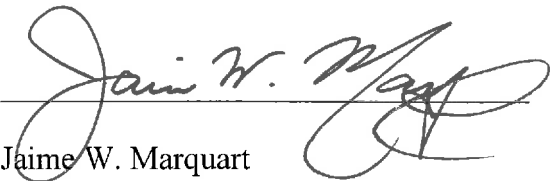
12. Baker Marquart keeps detailed records of any actual and necessary expenses for which it may seek reimbursement. The professionals rendering services will also keep detailed records in connection with such services as required by the Bankruptcy Code.

13. Baker Marquart has not agreed to share compensation that may be awarded to it in this case with any other person, attorney, or entity.

14. In seeking compensation in this case, Baker Marquart will comply with the applicable provisions of the Bankruptcy Code, the Federal Bankruptcy Rules, the Local Bankruptcy Rules, any orders of this Court establishing procedures for compensation of professionals, and guidelines of the Office of the United States Trustee.

I declare under penalty of perjury, pursuant to 28 U.S.C. § 1746, that based on the information I have reviewed and the reasonable inquiry I have made, the foregoing statements are true and correct.

Dated: November 2, 2017

  
Jaime W. Marquart