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Proposed Attorneys for VidAngel, Inc.

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

In re:

VIDANGEL, INC.,

Debtor.

Case No. 17-29073

Chapter 11

Judge Kevin R. Anderson

**DEBTOR'S MOTION TO EMPLOY TANNER LLC AS
AUDITOR AND ADVISOR UNDER SECTION 327(b) OF
THE BANKRUPTCY CODE**

VidAngel, Inc., the above-captioned debtor and debtor-in-possession (the “**Debtor**” or “**VidAngel**”), hereby moves the Court (the “**Motion**”) for entry of an order, under sections 327(b) and 328(a) of title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (the “**Bankruptcy Code**”), Federal Rules of Bankruptcy Procedure 2014(a) and 2016 (the “**Bankruptcy Rules**”), and the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Utah (the “**Local Rules**”), authorizing the Debtor to employ Tanner LLC (“**Tanner**”) as its auditor and advisor and preparer of federal and state income tax returns for the purposes of auditing the Debtor’s 2017 financial statements, preparing the Debtor’s 2017 federal and state income tax returns and other similar services to keep the Debtor in compliance with its

disclosure obligations as an issuer with SEC disclosure and reporting obligations and its income tax filing obligations with the IRS. In support of this Motion, the Debtor submits the Declaration of Scott L. Robinson, a partner at Tanner (the “**Robinson Declaration**”), attached as Exhibit A hereto. In further support of this Motion, the Debtor respectfully states as follows:

JURISDICTION AND VENUE

1. This Court has jurisdiction to consider the relief requested in this Motion under 28 U.S.C. §§ 157 and 1334. This is a core proceeding under 28 U.S.C. § 157(b). Venue is proper in the District of Utah under 28 U.S.C. §§ 1408 and 1409.

2. The legal predicates for the relief sought in this Motion are sections 327(b) and 328(a) of the Bankruptcy Code and Federal Rule of Bankruptcy Procedure 2014.

3. No prior application has been filed for the relief requested herein.

BACKGROUND

4. On October 18, 2017 (the “**Petition Date**”), the Debtor filed a voluntary petition for relief under the Bankruptcy Code. The Debtor continues in possession of its properties and is operating and managing its businesses as a debtor in possession under sections 1107(a) and 1108 of the Bankruptcy Code. No request has been made for the appointment of a trustee or examiner and a creditors’ committee has not yet been appointed in this Case.

5. The Debtor is the worldwide leader in video filtering technology. The Debtor’s service allow its subscribers to filter potentially objectionable content (such as profanity, nudity, and violence) in motion pictures (including television shows) and stream such content for its subscribers’ private viewing. The Debtor is also an original content provider, and it provides a streaming service to view the content it produces. The Debtor’s original comedy series, Dry Bar Comedy, has had more than 16 million minutes viewed in the 7 days prior to the Petition Date.

The Debtor's services give subscribers and their families choice over the content they view and share with the families.

RELIEF REQUESTED

The Debtor submits this Motion pursuant to sections 327(b) and 328(a) of the Bankruptcy Code and Rule 2014(a) of the Bankruptcy Rules to retain Tanner as auditor, preparer of federal and state income tax returns and advisor for the Debtor.

RETENTION OF TANNER

Tanner is a premier business advisory and certified public accountancy in Salt Lake City, Utah. Tanner has a long relationship with the Debtor, and has provided similar services to the Debtor in connection with its public offering and previous accounting needs.

As a result of Tanner's prior experience providing services to the Debtor, Tanner has a deep historical knowledge of the Debtor's books and records, accounting processes, recordkeeping, and personnel. Tanner's services are vital for the Debtor to maintain compliance with its SEC and IRS reporting obligations.

The Debtor wishes to employ Tanner as its auditor, preparer of federal and state income tax returns and advisor because, among other reasons, Tanner is uniquely positioned to advise the Debtor with respect to its accounting, and to provide the necessary audits and opinions to maintain the Debtor's compliance with its SEC reporting obligations, and to provide the necessary income tax filings to maintain the Debtor's compliance with its IRS obligations. As contemplated at the present time, Tanner will perform an audit and provide an opinion certifying that the Debtor's 2017 financial statements are fairly presented in accordance with US GAAP, and it will do so for its customary flat fee. Tanner will also prepare the Debtor's 2017 federal and state income tax returns to be filed with the IRS, and it will do so for its customary flat fee. However, the Debtor seeks authority by this Application to continue to use Tanner's services as the need arises during

the pendency of this chapter 11 case on any reasonable and customary terms without the need for further applications so long as such engagements are under reasonable terms and in the ordinary course of the Debtor's business (the "Services").

The Services and procedures with respect to Tanner's proposed 2017 audit are specified in greater detail in the engagement letter attached as Exhibit B hereto, which terms are incorporated herein by reference.

The Services and procedures with respect to Tanner's proposed 2017 preparation of federal and state income tax returns are specified in greater detail in the engagement letter attached as Exhibit C hereto, which terms are incorporated herein by reference.

The Debtor believes that Tanner is qualified to perform the Services, and that the best interests of the Debtor and its creditors would be served if Tanner is authorized by the Court to be employed as the Debtor's auditor, income tax preparer and advisor.

PROFESSIONAL COMPENSATION

The Debtor desires to compensate Tanner with its reasonable and customary compensation for the 2017 audit and taxes using Tanner's customary flat-fee structure as follows:

\$40,000 for audit services, due at the commencement of work, comprised of the following:

- \$36,000 for audit procedures
- \$4,000 for review and comment on Form 1-K

\$3,500 for tax services, due at the commencement of work

In addition, Tanner may seek reimbursement of out-of-pocket expenses in accordance with the engagement letter. (Exhibits B and C, at 4.) Tanner and the Debtor may contract for similar work as needed to maintain the Debtor's compliance with its SEC reporting obligations. Tanner seeks a waiver of any requirement to seek periodic compensation during the case or to track and

publish its time given that such entries are not related to the flat-fee structure. Nevertheless, Tanner will send all requests for payment to the U.S. Trustee via Debtor's counsel 15 days prior to any payment in accordance with the order on compensation procedures in this case for the U.S. Trustee and any statutory committee appointed in this case to review such requests. If the U.S. Trustee or any statutory committee appointed in this case objects, the U.S. Trustee, the Debtor, the committee, and Tanner will follow the resolution procedures in the order on compensation.

TANNER'S DISINTERESTEDNESS

Tanner has indicated its willingness to act as auditor and income tax preparer and advisor to the Debtor in the capacities designated above.

To the best of the Debtor's knowledge, Tanner has no direct or indirect relationship to, connection with, or interest in the Debtor, any of the Debtor's creditors, any other party in interest, any of their respective attorneys and accountants, the United States Trustee, or any person employed in the office of the United States Trustee, as confirmed by the Declaration of Scott Robinson attached as Exhibit A hereto, executed on behalf of Tanner in accordance with section 327 of the Bankruptcy Code and rule 2014 of the Federal Rules of Bankruptcy Procedure.

AUTHORITY FOR RELIEF REQUESTED

Section 327(b) of the Bankruptcy Code provides as follows:

If the trustee is authorized to operate the business of the debtor under section 721, 1202, or 1108 of this title, and if the debtor has regularly employed attorneys, accountants, or other professional persons on salary, the trustee may retain or replace such professional persons if necessary in the operation of such business."

Section 328(a) of the Bankruptcy Code provides as follows with respect to the terms of such employment:

The trustee, or a committee appointed under section 1102 of this title, with the court's approval, may employ or authorize the employment of a professional person under section 327 or 1103 of this title, as the case may be, on any reasonable terms and conditions of employment, including on a retainer, on an hourly basis, on a fixed or percentage fee basis, or on a contingent fee basis.

11 U.S.C. § 328(a) (emphases added).

In this case, the Debtor is operating its business as debtor in possession in accordance with sections 1107(a) and 1108 of the Bankruptcy Code. The Debtor has regularly employed Tanner and other professionals in the ordinary course of its business. Accordingly, it may retain Tanner on any reasonable basis, including on the fixed-fee basis proposed herein.

NO PRIOR REQUEST

No prior motion or application for the relief requested herein has been made to this or any other court.

NOTICE

The Debtor has provided notice of this Motion to (a) the Office of the United States Trustee for the District of Utah; (b) the entities listed on the List of Creditors Holding the 20 Largest Unsecured Claims filed pursuant to Bankruptcy Rule 1007(d); and (c) all ECF notice parties and parties who have requested notice on the Court's docket. Bankruptcy Rule 9013. In light of the nature of the relief requested in this Motion, the Debtor respectfully submits that no further notice is necessary.

CONCLUSION

For the reasons stated above, the Debtor requests that the Court grant the Motion and enter the Order submitted herewith.

Respectfully submitted,

/s/ Brian M. Rothschild

Brian M. Rothschild

J. Thomas Beckett

PARSONS BEHLE & LATIMER

Proposed Attorneys for VidAngel, Inc.

Exhibit A

Proposed Order

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

In re:

VIDANGEL, INC.,

Debtor,

Case No. 17-29073

Chapter 11

Judge Kevin R. Anderson

**ORDER GRANTING DEBTOR'S MOTION TO EMPLOY
TANNER LLC AS AUDITOR AND ADVISOR UNDER
SECTION 327(b) OF THE BANKRUPTCY CODE**

The Court has considered the motion (the “**Motion**”)¹ filed by the above-captioned debtor and debtor-in-possession (the “**Debtor**” or “**VidAngel**”) for entry of an order, under sections 327(b) and 328(a) of title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (the “**Bankruptcy Code**”), Federal Rules of Bankruptcy Procedure 2014(a) and 2016 (the “**Bankruptcy Rules**”), and the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Utah (the “**Local Rules**”), authorizing the Debtor to employ Tanner LLC (“**Tanner**”) as its auditor and advisor and preparer of federal and state income tax returns for the purpose of auditing the Debtor’s 2017 financial statements, preparing the Debtor’s 2017 federal and state income tax returns and other similar services to keep the Debtor in compliance with its disclosure obligations as an issuer with SEC disclosure and reporting obligations and its income

¹ Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Motion.

tax filing obligations with the IRS, and the Declaration of Scott Robinson in Support of the Motion, and applicable law. Based thereon, the Court finds that (i) the employment of Tanner as auditor, income tax preparer and advisor to the Debtor is in this best interests of the Debtor's bankruptcy estate; (ii) Tanner does not represent any interest adverse to the Debtor or the bankruptcy estate; and (iii) Tanner is a "disinterested person" as that term is defined in the Bankruptcy Code. Accordingly, and for good cause otherwise appearing,

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED.
2. The Debtor is authorized under sections 327(b) and 328(a) and Federal Rule of Bankruptcy Procedure 2014 to employ Tanner as auditor, income tax preparer and advisor for and on behalf of the Debtor, as outlined in the Motion; and
3. The Debtor may employ Tanner under the terms of the engagement letter and any subsequent engagement letter using its customary fee structure, including flat fee and hourly rates, as applicable, for Tanner's services, provided, however, that the Debtor may pay Tanner's invoices in full upon 15 days' notice to the U.S. Trustee and any statutory committee appointed in this case without further review unless the U.S. Trustee objects, in which case the payment of such invoices shall be subject to the resolution process provided in the order governing compensation of professionals in this case.

[END OF ORDER]

Exhibit B



TANNER

BUSINESS ADVISORS AND
CERTIFIED PUBLIC ACCOUNTANTS

Member of
Allinial
GLOBAL

Tanner LLC
Key Bank Tower at City Creek
36 South State Street, Suite 600
Salt Lake City, Utah 84111-1400
Telephone 801.532.7444
Fax 801.532.4911
www.tannerco.com

October 31, 2017

VidAngel, Inc.
c/o Patrick Reilly, Director of Finance
295 W. Center Street
Provo, UT 84601

We appreciate the opportunity to provide tax services to VidAngel, Inc. This engagement letter sets forth an understanding of the nature and scope of the services to be performed and the fees we will charge for the services, and outlines the responsibilities of Tanner LLC ("Tanner") and VidAngel, Inc. ("Client") necessary to ensure that Tanner's professional services are performed to achieve mutually agreed-upon objectives.

Services to be Performed

Tanner will prepare and sign as preparer the federal income and state income tax returns for year end December 31, 2017 for VidAngel, Inc. as a C Corporation as follows:

Form 1120: U.S. Income Tax Return for a C Corporation
Form TC-20: Utah C Corporation Franchise or Income Tax Return

Client's returns may be selected for review by taxing authorities, who may not agree with the positions reflected on the tax returns. We would generally be available to represent Client before the appropriate taxing authority for an additional fee. Because of the lack of clarity in the law, however, we cannot provide assurance that the positions asserted by taxing authorities may not ultimately be sustained. Client has the ultimate responsibility for the accuracy of the income tax returns; therefore, they should be reviewed carefully before signing and filing.

Most of the tax returns that we will prepare require signatures, under the penalties of perjury, of an officer of Client affirming that the tax returns and the accompanying schedules and statements are true, correct, and complete to the best of his or her knowledge. Client is responsible for understanding and agreeing with the various amounts, computations, and statements made in the tax returns before they are filed with the taxing authorities.

Client agrees to file, unaltered, the tax returns as reviewed by Tanner as soon as possible. In the event Client must make changes to the tax returns before filing, such changes may only be made with our written consent. Client also agrees to inform us in writing of any failure to timely file the tax returns.

Client is required to maintain and retain adequate documentation to support the tax returns as filed as penalties can be imposed by taxing authorities for the failure to produce adequate documentation supporting the items included in a tax return. Additionally, Client also agrees to inform us of any transaction or tax position that Client reasonably believes is not "more likely than not" to be sustained in an IRS audit (51% or greater chance at success).

The IRS and some states have promulgated "tax shelter" rules that require taxpayers to disclose their participation in "reportable transactions" by attaching a disclosure form to their federal and/or state income tax returns and, when necessary, by filing a copy with the Internal Revenue Service and/or the applicable state agency. These rules impose significant requirements to disclose transactions and such disclosures may encompass many transactions entered into in the normal course of business.

October 31, 2017
Patrick Reilly – VidAngel, Inc.
Page 2 of 3

Failure to make such disclosures could result in substantial understatement penalties. Client is responsible for ensuring that it has properly disclosed all “reportable transactions”. Unless described elsewhere in this engagement letter, the scope of our compliance services does not include undertaking to identify any such transactions that have not been the subject of our prior consultation with Client. Tanner will not be liable for any penalties resulting from Client’s failure to accurately or timely file any required disclosure.

Third Party Disclosure

Federal law now requires Tanner LLC to obtain a signed and dated consent form from you for all disclosures of your tax return or tax return information to third parties. Disclosures are permitted without written consent in limited circumstances only. Please contact us to request the proper consent form if you believe Tanner LLC will need to release any tax return information directly to a third party.

Professional Fees

Our fees for tax return review, other than the amounts related to tax shelter disclosure, are based on the amount of professional time required and our hourly rates, which vary depending upon the experience level of the professionals involved. In addition, we will bill you for reasonable expenses for travel, subsistence, and other out-of-pocket costs.

Our fees for the preparation of the tax returns are estimated to be \$3,500. Additional state returns not identified in this engagement letter that are required to be filed will be prepared for \$500 per state.

Other services performed, such as maintaining the depreciation schedule, calculating and preparing general ledger adjustments necessary to prepare the tax return, or accounting training and consulting will be billed at our regular hourly rates, detailed below.

In the course of preparing the returns, we may identify additional issues, such as IRS audit assistance or consulting on international tax matters, which may require us to discuss a change in our fee estimate with you.

It is our standard practice to render our invoices on a monthly basis. Our invoices will be accompanied by a description of the work we performed during the period indicated. Payment of our invoices is due on presentation and expected to be received within 30 days of the invoice date.

Our billing statements are due and payable upon receipt. Subject, of course, to our ethical and professional obligations, you agree that Tanner may terminate its professional services and withdraw from this engagement in the event our billing statements are not paid in a timely manner, which we consider to be within thirty (30) days of issue. You further agree that in the event a billing statement is not paid within thirty (30) days of issue, the Firm, in its discretion, may apply a retainer to any outstanding balance. You would then be required to deposit replacement funds on account to bring its balance back to the agreed upon retainer level. You also agree that the Firm, in its discretion, may assess a late charge on amounts that are not timely paid at the rate of 1.5% per month. The intent of the late charge is to assess on an equitable basis additional costs incurred by the Firm in carrying past due balances. You further agree that if our billing statements are timely not paid and you do not arrange satisfactory payment terms, we may initiate collection proceedings and you agree to pay all collection costs, including filing fees, court costs and reasonable attorney's fees.

Additionally, we may perform consulting services at your request throughout the year for which a separate engagement letter should generally be issued. If Client and Tanner fail to execute a separate engagement letter with respect to such services, the terms of this engagement letter will apply to all services rendered with respect thereto.

October 31, 2017
Patrick Reilly – VidAngel, Inc.
Page 3 of 3

Our rates are as follows:

Partner	\$ 400/hour
Director	\$ 345/hour
Senior Manager	\$ 315/hour
Manager	\$ 275/hour
Senior	\$ 200/hour
Associate	\$ 165/hour

Delivery

In order for us to return your completed income tax returns and the information that you supplied to us for the preparation of these returns to you in the manner that you desire, please choose one of the following delivery options by initialing on the line next to your choice. If you make no selection, we will return these items to you in the form of a SECURE PDF FILE(S) VIA EMAIL/SHAREFILE.

_____ Secure PDF files via email/ShareFile
(indicate preferred email address: _____)

_____ Regular US mail (no charge)

_____ UPS (\$15 charge)

_____ Hand delivered (Salt Lake metropolitan area, \$30 charge)

This engagement letter, together with the General Business Terms, Privacy Policy and the Circular 230 attached hereto, constitutes the entire agreement between Client and Tanner with respect to this engagement, supersedes all other oral and written representations, understandings or agreements relating to this engagement, and may not be amended except by the mutual written agreement of the Client and Tanner.

Please indicate your acceptance of this agreement by signing in the space provided below and returning a copy of this engagement letter to us.

Sincerely,

Agreed and Accepted:

TANNER LLC

VidAngel, Inc.

By: 
Jeffrey G. Bickel
Tax Partner

By: _____
Neal Harmon
Chief Executive Officer

Date

TANNER LLC GENERAL BUSINESS TERMS

- 1. Services.** It is understood and agreed that Tanner LLC's (Tanner) services (the "Services") under the engagement letter to which these terms are attached (the "Engagement Letter") may include advice and recommendations, but all decisions in connection with the implementation of such advice and recommendations shall be the responsibility of, and made by, the Client.
- 2. Payment of Invoices.** Tanner's invoices are due upon presentation. Invoices upon which payment is not received within thirty (30) days of the invoice date shall accrue a late charge of the lesser of (i) 1 ½ % per month (ii) the highest rate allowable by law, in each case compounded monthly to the extent allowable by law. Without limiting its rights or remedies, Tanner LLC shall have the right to halt or terminate the Services entirely if payment is not received within thirty (30) days of the invoice date. The Client shall be responsible for all taxes imposed on the Services or on the transaction, other than Tanner LLC's income taxes imposed on a net basis or by employment withholding, and other than taxes imposed on Tanner LLC's property.
- 3. Term.** Unless terminated sooner in accordance with its terms, this engagement shall terminate on the completion of the Services. This engagement may be terminated by Tanner LLC at any time, with or without cause, by giving written notice to the other party. Upon termination of the engagement, the Client will compensate Tanner LLC under the terms of the Engagement Letter for the Services performed and expenses incurred through the effective date of termination.
- 4. Limitation on Warranties. THIS IS A SERVICE ENGAGEMENT. TANNER LLC WARRANTS THAT IT SHALL PERFORM THE SERVICES IN GOOD FAITH AND WITH DUE PROFESSIONAL CARE. TANNER LLC DISCLAIMS ALL OTHER WARRANTIES, EITHER EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. THE CLIENT'S EXCLUSIVE REMEDY FOR ANY BREACH OF THIS WARRANTY SHALL BE FOR TANNER LLC, UPON RECEIPT OF WRITTEN NOTICE, TO USE DILIGENT EFFORTS TO CURE SUCH BREACH, OR FAILING ANY CURE IN A REASONABLE PERIOD OF TIME, THE RETURN OF PROFESSIONAL FEES PAID TO TANNER LLC HEREUNDER WITH RESPECT TO THE SERVICES GIVING RISE TO SUCH BREACH.**
- 5. Limitation on Damages.** The Client agrees that Tanner LLC, its subcontractors and their respective personnel shall not be liable to Client for any claims, liabilities, or expenses relating to this engagement ("Claims") for an aggregate amount in excess of the fees paid by the Client to Tanner LLC pursuant to this engagement, except for the extent to finally judicially determined to have resulted primarily from the bad faith or intentional misconduct of Tanner LLC or its subcontractors. In no event shall Tanner LLC, its subcontractors or their respective personnel be liable for any loss of use, data, goodwill, revenues or profits (whether or not deemed to constitute direct Claims) or any consequential, special indirect, incidental punitive or exemplary loss, damage, or expense relating to this engagement. In circumstances where all or any portion of the provisions of this paragraph are finally judicially determined to be unavailable, the aggregate liability of Tanner LLC, its subcontractors and their respective personnel for any Claim shall not exceed an amount which is proportional to the relative fault that their conduct bears to all other conduct giving rise to such Claim.
- 6. Waiver of Jury Trial. TANNER LLC AND THE CLIENT HEREBY IRREVOCABLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, ALL RIGHTS TO TRIAL BY A JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM RELATING TO THIS ENGAGEMENT LETTER.**

7. Force Majeure. Except for the payment of money, neither party shall be liable for any delays or nonperformance resulting from circumstances or causes beyond its reasonable control, including, without limitation, acts or omissions or the failure to cooperate by the other party (including, without limitation, entities or individuals under its control, or any of their respective officers, directors, employees, other personnel and agents), acts or omissions or the failure to cooperate by any third party, fire or other casualty, act of God, strike or labor dispute, war or other violence, or any law, order, or requirement of any governmental agency or authority.

8. Limitation on Actions. No action, regardless of form, relating to this engagement, may be brought by either party more than one year after the cause of action has occurred, except that an action for nonpayment may be brought by a party not later than one year following the date of the last payment due to the party bringing such action.

9. Confidentiality. To the extent that, in connection with this engagement, Tanner LLC comes into possession of any tax return information, trade secrets or other proprietary or confidential information of the Client, Tanner LLC will not disclose such information to any third party without the Client's consent. The client hereby consents to Tanner LLC disclosing such information (a) to any affiliate or related entity (including its partners principals, and employees), whether located within or outside of the United States, that are providing services in connection with this engagement and that have agreed to be bound by confidentiality obligation similar to those in this paragraph 9; (b) as may be required by law, regulation, judicial or administrative process, or in accordance with applicable professional standards, or in connection with litigation pertaining hereto, or (c) to the extent such information (i) shall have otherwise become publicly available (including, without limitation, any information filed with any governmental agency and available to the public) other than as the result of a disclosure by Tanner LLC in breach hereof, (ii) is disclosed by the Client to a third party without substantially the same restrictions as set forth herein, (iii) becomes available to Tanner LLC on a nonconfidential basis from a source other than the Client which Tanner LLC believes is not prohibited from disclosing such information to Tanner LLC by obligation to the Client, (iv) is known by Tanner LLC prior to its receipt from the Client without any obligation of confidentiality with respect thereto, or (v) is developed by Tanner LLC independently of any disclosures made by the Client to Tanner LLC of such information.

10. Survival and Interpretation. The agreements and undertakings of the Client contained in the Engagement Letter, together with all paragraphs herein relating to payment of invoices, ownership of Tanner LLC property, limitation on damages, waiver of jury trial, information and data, confidentiality, survival and interpretation, assignment, governing law, indemnification, limitations on actions and limitations on warranties shall survive the expiration or termination of this engagement. The Client acknowledges and agrees that no affiliated or related entity of Tanner LLC, whether or not acting as a subcontractor, shall have any liability hereunder to the Client or any other person and the Client will not bring any action against any such affiliated or related entity of Tanner LLC in connection with this engagement. Without limiting the foregoing, affiliated and related entities of Tanner LLC are intended third-party beneficiaries of these terms. Any affiliated or related entity of Tanner LLC may in its own right enforce such terms, agreements and undertakings. **The provisions of paragraphs 4, 5, 6, 10 and 13 hereof shall apply to the fullest extent of the law, whether in contract, statute, tort (such as *negligence*), or otherwise, notwithstanding the failure of the essential purpose of any remedy.**

11. Assignment and Subcontracting. Except as provided below, neither party may assign, transfer or delegate any of its rights or obligations hereunder (including, without limitation, interests or Claims) without the prior written consent of the other party. The client hereby consents to Tanner LLC assigning or subcontracting any of Tanner LLC's right or obligations hereunder to (a) any affiliate or related entity, whether located within or outside of the United States, or (b) any entity which acquires all or a substantial part of the assets or business of Tanner LLC. Services performed

by Tanner LLC subcontractors shall be invoiced as professional fees on the same basis as Services performed by Tanner LLC personnel, unless otherwise agreed.

12. Governing Law and Severability. These terms, the Engagement Letter, including exhibits and all matters relating to this engagement shall be governed by, and construed in accordance with, the laws of the State of Utah (without giving effect to the choice of law principles thereof). Any dispute or claim arising out of or relating to services covered by this agreement or any other services hereafter provided by Tanner LLC or any of its subcontractors or agents to the Company or at its request (including any matter involving any third party for whose benefit any such services are provided), shall be resolved by mediation and arbitration. Arbitration shall take place in Salt Lake City, Utah. Judgment on any arbitration award may be entered in any court having jurisdiction. Any action based on or arising out of this engagement or the Services provided or to be provided hereunder shall be brought and maintained exclusively in any court of the State of Utah or any federal court of the United States, in each case located in Salt Lake County, the State of Utah. Each of the parties hereby expressly and irrevocably submits to the jurisdiction of such courts for the purposes of any such action and expressly and irrevocably waives, to the fullest extent permitted by law, any objection in which it may have or hereafter may have to the laying of venue of any such action brought in any such court and any claim that any such action has been brought in an inconvenient forum. If any provision of such terms or the Engagement Letter is found by a court of competent jurisdiction to be unenforceable, such provision shall not affect the other provisions, but such unenforceable provision shall be deemed modified to the extent necessary to render it enforceable, preserving the fullest extent permissible the intent of the parties set forth herein.

13. Third Parties and Internal Use. Tanner LLC acknowledges that Tanner LLC has not placed any limitation on the Client's disclosure of the tax treatment or tax structure associated with the tax services or transactions described in the Engagement Letter. Nothing in this paragraph shall be construed as limiting or restricting disclosure of the tax treatment or tax structure of the transaction as described in Internal Revenue Code sections 6011 and 6111 and related Internal Revenue Service ("IRS") guidance. All Services shall be solely for the Client's informational purposes and internal use, and this engagement does not create privity between Tanner LLC and any person or party other than the Client ("third party"). This engagement is not intended for the express or implied benefit of any third party. Unless otherwise agreed to in writing by Tanner LLC, no third party is entitled to rely, in any manner or for any purpose, on the advice, opinions, reports, or other Services of Tanner LLC. In the event of any unauthorized reliance, the Client agrees to indemnify and hold harmless Tanner LLC and its personnel from all third-party claims, liabilities, cost and expenses.

14. The client agrees that oral and email advice received from Tanner LLC personnel cannot be relied upon unless the email has a specific attachment or language indicating that reliance is so anticipated.

15. Record Retention. Tanner LLC will retain the records that were used to complete the agreed upon engagement for a period of time stipulated by the Internal Revenue Service. Such time is currently 7 years.

16. Client agrees to waive any statute of limitation that applies to this agreement and has up to one year after the completion of this engagement to bring any claims against Tanner LLC arising from this engagement.

TANNER LLC
Circular 230 Information For Our Clients:

Treasury Department regulations effective June 12, 2014 govern standards for written advice provided by tax practitioners to taxpayers. These rules contained in Circular 230 may have a substantial effect on the form and content of customary tax advice provided to taxpayers by practitioners. As a firm which practices before the Internal Revenue Service, Tanner LLC and its professionals are subject to these rules and will fully comply with them.

When providing written advice to our clients, Tanner LLC must:

- Base the written advice on reasonable factual and legal assumptions, including assumptions as to future events;
- Reasonably consider all relevant facts that we know or reasonably should know;
- Use reasonable efforts to identify and ascertain the facts relevant to written advice on each federal tax matter;
- Not rely on representations, statements, findings, or agreements (including projections, financial forecasts, or appraisals) of the taxpayer or any other person if reliance on them would be unreasonable;
- Relate applicable law and authorities to facts; and
- In evaluating a federal tax matter, not take into account the possibility that a tax return will not be audited or that a matter will not be raised on audit.

In applying these rules, we will consider the scope of the engagement, the type and specificity of the advice our clients seek, and other appropriate facts and circumstances. We will always provide our thoughtful analysis and conclusions to all tax advice that we provide.

As taxpayers usually will not rely on the great majority of day-to-day tax communications for penalty protection and often desire advice which will not require the time and expense necessary to establish a reasonable-cause penalty defense, our advice will not be prepared with the intent of providing penalty protection. However, if you inform us that you specifically wish to rely on our advice as a basis for a reasonable-cause defense against penalties under IRC Section 6694, or against substantial-understatement penalties attributable to a tax shelter as defined in IRC Section 6662(d)(2)(C)(ii), we will discuss with you the amount of time, effort and cost that will be required for us to reach a level of comfort that there is a greater than 50-percent likelihood that the tax treatment of the item will be upheld if challenged. We will only proceed with such extra work with your approval.

If you have any questions about these Circular 230 rules, please do not hesitate to call us.

Tanner LLC Privacy Notice

Introduction

This privacy notice applies to clients who obtain services from Tanner LLC.

Information Collection

Tanner LLC may collect personally identifiable information ("PII") from you such as:

- Home address
- Home telephone number
- Date of birth
- Government identifiers (such as social security number)
- Bank account Information
- Credit Card Information
- Brokerage account Information
- Retirement account Information
- K-1s from S-Corps, Partnerships, Estates and Trusts

In connection with our client acceptance process, Tanner LLC may collect PII about you that may be considered sensitive. This could include, for example, history of any criminal activity.

Tanner LLC may also collect PII about you from, among other places:

- Information you provided directly to us
- Information regarding the services that Tanner LLC provides or has previously provided you
- Information Tanner LLC receives from our affiliated entities or third parties relating to the establishment of our relationship or the provision of services to you.

This information can be received in any manner, including in in-person discussions, telephone conversations, and electronic or other written communications.

Information Use

Tanner LLC collects PII about you to:

- Establish or maintain our relationship with you
- Provide you with services you have requested
- Keep you informed of services we think may be of interest to you

Without PII Tanner LLC may be unable to provide you with the services you have requested.

Disclosure of Information

Tanner LLC may share PII about you with others permitted by contractual agreement or as required by law. Such as:

- Our affiliates
- Third parties in connection with the provision of services to you
- Government entities and regulatory bodies
- Those with whom you have requested us to share information

Tanner LLC requires third parties who perform services for us to agree to treat PII about you confidentially and securely. Unless restricted by law, regulation, contract, or professional standards, Tanner LLC may transfer PII about you outside the United States to other countries for the purposes described in this privacy notice.

Tanner LLC will provide notice and obtain your consent before:

- Sharing PII about you with an unaffiliated third party who is not performing services for us except if such sharing is otherwise permitted by this privacy notice, or
- Using sensitive PII about you for purposes not described in this privacy notice

Tanner LLC does not sell or lease PII about you to others.

Access

You may request access to the PII that Tanner LLC has about you. You may also request the correction, amendment, or deletion of PII about you that is inaccurate. Tanner LLC will treat request for access, correction, amendment or deletion of PII about you in accordance with its internal policies and applicable legal requirements.

Information Security

Tanner LLC maintains reasonable physical, administrative and technical safeguards to protect PII from loss, misuse, or unauthorized access, disclosure, alteration or destruction. Our personnel and the personnel of our affiliates are provided access to PII about you only if they need to know the information in connection with a legitimate business purpose, such as (i) the provision of services to you or (ii) to help identify other services that Tanner LLC and its affiliates offer that may be of interest to you.

Changes to This Privacy Notice

Tanner LLC reserves the right to change this privacy notice. Tanner LLC will provide you with a revised privacy notice that reflects such changes as required by law.

Questions

If you have any questions or concerns regarding this notice, please contact your engagement partner.

Exhibit C



TANNER

BUSINESS ADVISORS AND
CERTIFIED PUBLIC ACCOUNTANTS

Member of
Allinial
GLOBAL

Tanner LLC
Key Bank Tower at City Creek
36 South State Street, Suite 600
Salt Lake City, Utah 84111-1400
Telephone 801.532.7444
Fax 801.532.4911
www.tannerco.com

October 24, 2017

VidAngel, Inc.
c/o Patrick Reilly, VP-Finance
295 W. Center Street.
Provo, UT 84601

We are pleased to confirm our understanding of the services we are to provide for VidAngel, Inc. for the year ending December 31, 2017.

We will audit the financial statements of VidAngel, Inc. (the Company), which comprise the balance sheet as of December 31, 2017, the related statements of operations, stockholders' equity and cash flows for the year then ending, and the related notes to the financial statements.

Audit Objective

The objective of our audit is the expression of an opinion about whether the Company's financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America (US GAAP). Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America (US GAAS) and will include tests of the Company's accounting records and other procedures we consider necessary to enable us to express such an opinion. We will issue a written report upon completion of our audit of the Company's financial statements. Our report will be addressed to Management and the Board of Directors of the Company. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add emphasis-of-matter or other-matter paragraphs. If our opinion is other than unmodified, we will discuss the reasons with management in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or withdraw from this engagement.

Audit Procedures

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of movie inventory, and direct confirmation of certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations from the Company's attorneys as part of the engagement and they may bill the Company for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from management about the financial statements and related matters.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Company or to acts by management or employees acting on behalf of the Company.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with US GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our audit will include obtaining an understanding of the Company and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under professional standards.

We may from time to time, and depending on the circumstances, use third-party service providers in serving the Company. We may share confidential information about the Company with these service providers, but remain committed to maintaining the confidentiality and security of the Company's information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of Company information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of Company information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, management will be asked to provide consent prior to the sharing of confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Other Services

We will prepare the Company's federal and state income tax returns for the years ended December 31, 2017 based on information provided by you. We will also prepare the financial statements of the Company as of and for the year ending December 31, 2017 in conformity with US GAAP based on information provided by you. The fee for tax services will be set forth in a separate letter.

We will perform the services in accordance with applicable professional standards, including the Statements on Standards for Tax Services issued by the American Institute of Certified Public Accountants. The other services are limited to the financial statement and tax services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities. We will advise management with regard to tax positions taken in the preparation of the tax returns, but management must make all decisions with regard to those matters.

Management Responsibilities

Management is responsible for designing, implementing, and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with US GAAP. Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. Management is also

responsible for providing us with (a) access to all information of which they are aware that is relevant to the preparation and fair presentation of the financial statements, (b) additional information that we may request for the purpose of the audit, and (c) unrestricted access to persons within the Company from whom we determine it necessary to obtain audit evidence.

Management's responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Management is responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Company involving (a) management, (b) employees who have significant roles in internal control, and (c) others where the fraud could have a material effect on the financial statements. Management's responsibilities include informing us of their knowledge of any allegations of fraud or suspected fraud affecting the Company received in communications from employees, former employees, regulators, or others. In addition, management is responsible for identifying and ensuring that the Company complies with applicable laws and regulations.

Management agrees to assume all management responsibilities for any nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Management is also responsible for notifying us in advance of its intent to include our report, in whole or in part, in any published or printed matter and to give us the opportunity to review such published or printed matter before its issuance.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your Internet website, you understand that electronic sites are a means of distributing information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information in the electronic site with the original document.

Management is required to disclose the date through which subsequent events have been evaluated and whether that date is the date the financial statements were issued or were available to be issued. Management will not date the subsequent event note earlier than the date of their management representation letter.

During the course of our engagement, we may accumulate records containing data, which should be reflected in the Company's books and records. The Company will determine that all such data, if necessary, will be so reflected. Accordingly, the Company will not expect us to maintain copies of such records in our possession.

Reporting, Engagement Administration, Fees and Other

We understand that the Company's employees will prepare all confirmations we request, prepare all schedules and documentation relating to the audit that we request, and will locate any documents selected by us for testing.

Scott L. Robinson is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it. We expect to begin our audit fieldwork in March 2018.

Board of Directors and Management – VidAngel, Inc.

October 24, 2017

Page 4 of 5

The fee for the work described above will approximate \$40,000, which is separated as follows:

- \$36,000 for audit procedures
- \$4,000 for review and comment on Form 1-K

Out of pocket expenses such as report production, technology fees, travel, and postage will be billed in addition to the fees noted above. The fee estimate is based on anticipated cooperation from the Company's personnel (including the timely preparation of schedules and documents detailed in the client preparation list) and the assumption that unexpected circumstances will not be encountered during the audit. If a significant number of audit adjustments are required, and/or supporting schedules and documentation are not available to facilitate our audit test work on a timely basis, we will discuss this with management and arrive at an additional amount to compensate us for the additional time we incur. Our invoices for these fees will be rendered as work progresses and are payable on presentation. Any unpaid fees will be paid concurrent with the issuance of our report. An initial payment of \$5,000 will be due upon execution of this engagement letter. Any invoices not paid within 30 days of presentation will be assessed a late charge on amounts that are not timely paid at the rate of 1.5% per month until paid. The intent of the late charge is to assess on an equitable basis additional costs incurred by Tanner LLC (Tanner) in carrying past due balances. You agree that if our billing statements are not timely paid and you do not arrange satisfactory payment terms, we may initiate collection proceedings and you agree to pay all collection costs, including filing fees, court costs and reasonable attorney's fees.

In accordance with our firm policies, work may be suspended if the Company's account becomes overdue and will not be resumed until the Company's account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed even if we have not issued our report. The Company will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

Except as instructed otherwise in writing, each party may assume that the other approves of properly addressed fax, e-mail (including e-mail exchanged via Internet media) and voice-mail communication of both sensitive and non-sensitive documents, including third-party confirmations, and other communications concerning this agreement, as well as other means of communication used or accepted by the other party.

The Company hereby indemnifies Tanner and its partners and employees and holds them harmless from all claims, liabilities, losses and costs arising in circumstances where there has been a known misrepresentation by a member of the Company's management, regardless of whether such person was acting in the Company's interest. This indemnification will survive termination of this letter.

Any claim arising out of services rendered pursuant to this agreement shall be resolved in accordance with the laws of Utah. It is agreed by the Company and Tanner or any successors in interest that no claim arising out of services rendered pursuant to this agreement by or on behalf of the Company shall be asserted more than two years after the date of the audit report issued in connection with the year or period specified in this engagement letter.

Any dispute or claim arising out of or relating to services covered by this agreement or any other services hereafter provided by Tanner or any of its subcontractors or agents to the Company or at its request (including any matter involving any third party for whose benefit any such services are provided), shall be resolved by mediation or arbitration. Arbitration shall take place in Salt Lake City, Utah. Judgment on any arbitration award may be entered in any court having jurisdiction.

Board of Directors and Management – VidAngel, Inc.

October 24, 2017

Page 5 of 5

The audit documentation for this engagement is the property of Tanner and constitutes confidential information. However, we may be requested to make certain audit documentation available to regulators pursuant to authority given to them by law or regulation. If requested, access to such audit documentation will be provided under the supervision of Tanner personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the regulators. The regulators may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

In the event we are requested or authorized by the Company or are required by government regulation, subpoena or other legal process to produce our documents or our personnel as witnesses with respect to our engagements for the Company, the Company will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, incurred in responding to such requests.

To ensure that Tanner’s independence is not impaired under the AICPA Code of Professional Conduct, management agrees to inform the engagement partner before entering into any substantive employment discussions with any of our personnel. Professional standards require that we perform certain additional procedures, on current and previous years’ engagements, whenever a partner or professional employee leaves Tanner and is subsequently employed by or associated with a client. Accordingly, the Company agrees it will compensate Tanner for any additional costs incurred as a result of the Company's employment of a partner or professional employee of Tanner.

Our audit engagement ends on delivery of our audit report. Any follow-up services that might be required will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service.

We appreciate the opportunity to be of service to the Company and believe this letter accurately summarizes the significant terms of our engagement. This agreement supersedes all proposals (oral or written) and all other communications, with respect to the terms of the engagement, between the parties. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,

Tanner LLC

By: 
Scott L. Robinson, Partner

RESPONSE:

This letter correctly sets forth the understanding of VidAngel, Inc. On behalf of the Company, as an authorized officer thereof, the Company agrees to these terms and conditions.

Officer signature: _____

Name and Title: Neal Harmon, Chief Executive officer

Date: _____