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Proposed Attorneys for VidAngel, Inc.

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

In re:	Case No. 17-29073
VIDANGEL, INC.,	Chapter 11
Debtor.	Judge Kevin R. Anderson

**DECLARATION OF J. THOMAS BECKETT IN SUPPORT
OF DEBTOR'S APPLICATION FOR INTERIM AND FINAL
ORDERS AUTHORIZING THE EMPLOYMENT AND
RETENTION OF PARSONS BEHLE & LATIMER AS
ATTORNEYS FOR THE DEBTOR**

I, J. Thomas Beckett, declare as follows:

1. I am an attorney at law licensed in good standing in the States of Utah and New York, and I am a shareholder of the law firm of Parsons Behle & Latimer ("**Parsons Behle**" or the "**Firm**").

2. I am over the age of 18 and competent to testify as to the matters set forth herein. The facts set forth herein are based upon my personal knowledge or upon client/matter records of Parsons Behle reviewed by me or by an employee of Parsons Behle acting under my supervision and direction.

3. I submit this Declaration in support of the Application of Debtor VidAngel, Inc. (the “**Debtor**” or “**VidAngel**”) for an Order Authorizing the Employment and Retention of Parsons Behle & Latimer as Attorneys for the Debtor (the “**Application**”), filed concurrently herewith, and to make certain disclosures required under Rule 2014 of the Federal Rules of Bankruptcy Procedure.

4. Parsons Behle maintains its principal offices at One Utah Center, 201 South Main Street, Suite 1800, Salt Lake City, Utah 84111. The Firm currently employs approximately 150 attorneys in Salt Lake City, Utah; Reno, Nevada; Boise and Idaho Falls, Idaho; and Washington, D.C. Parsons Behle attorneys have represented debtors, creditors, official committees, and other stakeholders in numerous bankruptcy cases nationwide and across a wide range of industries.

5. I earned a J.D. from New York University School of Law. Prior to practicing at Parsons Behle, I was an associate at an associate in the bankruptcy/workout department of Milbank, Tweed, Hadley & McCloy in New York City. In the past several years of working at Parsons Behle, I have mainly represented creditors’ committees in the bankruptcies of high end luxury resorts, including the Promontory Club in Park City, the Yellowstone Mountain Club in Big Sky, Montana and the Rhodes Ranch in Las Vegas. I have also represented chapter 11 debtors in possession in this district, including Vector Arms, Corp. and Marion Energy Inc.

6. Bruce H. White earned a J.D. from Creighton Law School in Omaha, Nebraska in 1989. Prior to practicing at Parsons Behle, he was a shareholder at the international AmLaw 100 firm Greenberg Traurig in Dallas and also a former partner at the national firm Patton Boggs in Dallas. Most of his practice has been related to representing debtors, committees, and creditors (secured and unsecured) in Chapter 11 bankruptcies and financial workouts.

7. Brian M. Rothschild is a shareholder in the Litigation and Bankruptcy Practice Groups. Mr. Rothschild is a graduate of the University of Utah and earned his law degree at the

University of Southern California Gould School of Law (Order of the Coif). Prior to joining Parsons Behle in 2014, Brian was an associate in the Financial Restructuring group in the international AmLaw 100 firm Akin Gump Strauss Hauer & Feld LLP in Los Angeles, California, and also an associate at the highly respected bankruptcy boutique Peitzman Weg LLP in Los Angeles, California. Mr. Rothschild has represented chapter 11 debtors, official and ad hoc committees of creditors and equity holders, and other parties in interest in chapter 11 proceedings in bankruptcy courts across the country.

8. Grace S. Pusavat is an associate in litigation and bankruptcy. Ms. Pusavat is a 2015 graduate of the J. Reuben Clark Law School at Brigham Young University.

9. I caused the Firm to gather all of the names of the Debtor's known creditors, the employees, third party contractors, utilities, and all other persons on the Debtor's mailing matrix. In addition, the Debtor has 17 Class A shareholders, 44 option holders, and 7,979 Class B Common Nonvoting shareholders. In connection with my responsibilities under Rule 2014 of the Federal Rules of Bankruptcy Procedure, I caused the names of all of the foregoing to be run through the Firm's computerized conflict check system, and such names to be distributed by email to all attorneys at the firm for a standard conflict check; except that, with respect to the Class B Common Nonvoting shareholders, I caused only the names of such shareholders owning more than 2.5% of outstanding shares of Class B Common Nonvoting stock to be run through Parsons Behle's automated conflict database.

10. For all "hits" I conducted or caused to be conducted additional research to determine the nature of the connection or representation involving such persons. I determined that Parsons Behle has no connections with the foregoing parties except as follows:

Person/Entity	Connection to VidAngel	Connection to Parsons Behle
Google Fiber Utah	Utility in Utility Motion, not a creditor	Client in unrelated matters related to easements, real estate,

Person/Entity	Connection to VidAngel	Connection to Parsons Behle
		environmental, and corporate
Zion’s First Nat’l Bank	Institution at which VidAngel banks. Not a creditor	Periodic firm client with several open matters, mostly related to real estate lending and loans, none related to VidAngel

11. Based upon this procedure and other information obtained by me, I believe to the best of my knowledge that neither I, nor any attorney at Parsons Behle, provided services to the Debtor prior to providing services in connection with the preparation and filing of the Debtor’s chapter 11 case. Parsons Behle does not represent any employee, officer, or owner of the Debtor, including any member, officer, or manager of the Debtor.

12. In addition, the Debtor has provided Parsons Behle with a database of its subscribers, which contains approximately 251,822 accounts. The majority of the owners of these subscriber accounts are owed a small credit averaging approximately \$18, which can be redeemed for VidAngel’s services under the new Stream Based Model.

13. Although all of the accounts have an email address associated with them, nearly half of the accounts do not have a first and last name associated with the account, and many appear to use fictitious names. There is no physical address, telephone number, or other contact information associated with the accounts. Given the large number of accounts, inconsistent use or non-use of subscribers’ names, and lack of other identifying information or contact information, running a traditional conflict and connection check on the subscribers’ names has proved impossible. For example, among the Debtor’s subscribers, there are 8 accounts using the name “Eric Johnson,” 6 accounts using the name “Jennifer Johnson,” 11 accounts using the name “Mike Smith,” 5 accounts using the name “Robert Jones,” 6 accounts using the name “David Scott.” All of the foregoing names have, at one time or another, been Parsons Behle clients, and yet it is impossible to tell from the available information whether any of these individuals with

the same names are or were Parsons Behle clients. Nevertheless, out of an abundance of caution I took the following two steps to discover conflicts and connections in order to make the most complete disclosure to the Court under the circumstances:

- a. I caused an email to be sent to all Parsons Behle attorneys requesting disclosure of any attorneys or clients who are subscribers, creditors, or investors in the Debtor. I received the following responses:

Attorney/Client Name	Connection and amounts
James Lake, shareholder	Current VidAngel subscriber with \$7.01 credit
Zach Winzeler, shareholder	Past VidAngel subscriber with \$18.00 credit
Robert Engar, associate	Past VidAngel subscriber, no credit
Emily Holt, associate	Current VidAngel subscriber with \$19 credit; Ms. Holt's husband, Cameron Holt, is holder of 350 shares of Class B Nonvoting Common Stock (of some 3,313,002 outstanding shares or 0.010%)
Bryan Elwood, of counsel	Past VidAngel subscriber with \$18.00 credit
Jon Stenquist, shareholder	Past VidAngel subscriber, no credit
M. Lindsay Ford	Past VidAngel subscriber with \$18.00 credit
Sean Monson, of counsel	Past VidAngel subscriber, no credit
Jordan Stott, associate	Past VidAngel subscriber with \$18.00 credit
Jonathan Love, associate	Past VidAngel subscriber, no credit
Jason Miskin, principal of Parsons Behle client, Alliant Aviation LLC	Past VidAngel subscriber with \$20.00 credit

- b. Second, I had the approximately 128,308 subscriber accounts associated with first and last names run through Parsons Behle's automated conflict check system to identify exact matches only between existing Parsons Behle clients and those on the subscriber list. I was able to identify the following possible connections:

1.	Active Clients	6.	Anderson, Daniel	11.	Anderson, Shawn
2.	Allen, Julie	7.	Anderson, Jim	12.	Anderson, Tyler
3.	Allen, Scott	8.	Anderson, Laura	13.	Austin, David
4.	Allred, Michael	9.	Anderson, Mckay	14.	Austin, Jeff
5.	Anderson, Andrea	10.	Anderson, Rick	15.	Bagley, Julie

16.	Baker, Jeffrey	61.	Hansen, Adam	106.	Jones, Bethany
17.	Benson, David	62.	Hansen, James	107.	Jones, Brian
18.	Black, Kevin	63.	Hansen, Scott	108.	Jones, Jeremy
19.	Black, Mary	64.	Hansen, Susan	109.	Jones, Jessica
20.	Black, Michael	65.	Harris, Brett	110.	Jones, Robert
21.	Bowers, Steven	66.	Harris, Lori	111.	Keller, Kim
22.	Brady, John	67.	Harris, Phil	112.	King, Justin
23.	Brooks, Thomas	68.	Harris, Sharon	113.	Klein, Jonathan
24.	Brown, Jim	69.	Hawkins, Kevin	114.	Larson, Lisa
25.	Brown, Lydia	70.	Hendrickson, Heath	115.	Lawyer, Michael
26.	Brown, Mary	71.	Hernandez, Gonzalo	116.	Lee, Jeff
27.	Brunner, Daniel	72.	Hess, Brian	117.	Lee, Laura
28.	Campbell, Sarah	73.	Heyn, Mitchell	118.	Lewis, Jason
29.	Cannon, Patrick	74.	Hicks, Brian	119.	Lewis, Lisa
30.	Card, Ryan	75.	Horne, Rebecca	120.	Little, David
31.	Christensen, Brent	76.	Hunt, Nicole	121.	Mangum, Danny
32.	Christensen, Jill	77.	Jackson, Paul	122.	Martin, Damon
33.	Clark, Jason	78.	Jensen, Erik	123.	Martin, Rodney
34.	Clark, Richard	79.	Jensen, Jake	124.	Martin, Sandra
35.	Coleman, James	80.	Jepson, Michael	125.	Maxwell, James
36.	Collins, David	81.	Johnson, Christina	126.	McBride, Andrew
37.	Cooper, John	82.	Johnson, Eric	127.	Mcbride, David
38.	Cox, Ryan	83.	Johnson, Jamie	128.	Mcdonald, John
39.	Cox, Steve	84.	Johnson, Jennifer	129.	Mclean, Michael
40.	Curtis, John	85.	Johnson, Jim	130.	Meyer, Joshua
41.	Davis, Jonathan	86.	Johnson, Kim	131.	Meyer, Joshua
42.	Davis, Shane	87.	Johnson, Kimberly	132.	Miller, Jon
43.	Dean, David	88.	Johnson, Lauren	133.	Miller, Kevin
44.	Dean, Matthew	89.	Johnson, Linda	134.	Miller, Laurie
45.	Despain, Eric	90.	Johnson, Renee	135.	Miller, Marilyn
46.	Ellis, Robert	91.	Johnson, Travis	136.	Morris, John
47.	Ellis, Robert	92.	Johnson, Wendy	137.	Morrison, Greg
48.	Evans, Charles	93.	Johnson, Christina	138.	Morris, John
49.	Evans, Colleen	94.	Johnson, Eric	139.	Morrison, Greg
50.	Evans, Greg	95.	Johnson, Jamie	140.	Nelson, Douglas
51.	Evans, Jeremy	96.	Johnson, Jennifer	141.	Nelson, Jeff
52.	Everett, Jared	97.	Johnson, Jim	142.	Nelson, Julie
53.	Fitzgerald, Patrick	98.	Johnson, Kim	143.	Nelson, Kimberly
54.	Fletcher, Christopher	99.	Johnson, Kimberly	144.	Nelson, Nancy
55.	Foster, John	100.	Johnson, Lauren	145.	Odell, David
56.	Fowler, Nick	101.	Johnson, Linda	146.	Oliver, Gary
57.	Gardner, Robert	102.	Johnson, Renee	147.	Pace, Aaron
58.	George, David	103.	Johnson, Rexford A.	148.	Parkinson, Jared
59.	Gordon, Ben	104.	Johnson, Travis	149.	Peterson, Jack
60.	Gray, Cody	105.	Johnson, Wendy	150.	Peterson, Nathan

151.	Pierce, Ryan	164.	Smith, Jason	177.	Ward, Spencer
152.	Porter, Andrew	165.	Smith, Kathryn	178.	Watson, Mark
153.	Richards, Austin	166.	Smith, Michelle	179.	Wells, Kelly
154.	Richards, Dave	167.	Smith, Mike	180.	Whitaker, Scott
155.	Robbins, Bart	168.	Snyder, John	181.	Williams, Christopher
156.	Ross, Kim	169.	Spencer, Scott	182.	Williams, Glenn
157.	Sanchez, Carlos	170.	Stevens, Jennifer	183.	Williams, Steve
158.	Scott, David	171.	Stott, Jordan	184.	Young, Joshua
159.	Scott, Joe	172.	Taylor, Ed	185.	Young, Michael
160.	Scott, Laura	173.	Taylor, Matthew	186.	Young, Michelle
161.	Smith, Christy	174.	Thomas, Brian		
162.	Smith, Emily	175.	Thornton, Paul		
163.	Smith, Greg	176.	Vance, Eric		

14. Because the subscriber list consists of a large number of individual names, many of which are common names, and because many of the subscriber accounts have no names at all associated with them, it is all but certain that one or more subscribers are Parsons Behle employees, clients, clients' employees, clients' principals, or have other connections to Parsons Behle. Nevertheless, it is my opinion that because of the small dollar amounts associated with the subscribers' accounts, none of these connections constitute a material adverse interest such that it would impair Parsons Behle's ability to represent the Debtor in this chapter 11 case.

15. On September 19, 2017, VidAngel contacted Parsons Behle to seek advice regarding a possible chapter 11 bankruptcy. On September 21, 2017, VidAngel hired Parsons Behle to prepare its chapter 11 case for filing, and wired a retainer of \$75,000 to Parsons Behle. Since that time, Parsons Behle has invoiced VidAngel weekly for its costs and services, and VidAngel has remitted payment by wire transfer as follows:

Invoice No.	Invoice Date	VidAngel Payment Date	Amount
1119059	10/02/2017	10/13/2017	\$22,221.50
1121140	10/09/2017	10/13/2017	\$18,051.00
1121207	10/17/2017	10/18/2017	\$13,115.50
11212	10/18/2017	(Debited from retainer on 10/18/2017 prior to petition filing)	\$16,594.90

16. Neither I nor Parsons Behle has a prepetition claim against the Debtor.

17. As of the Petition Date, Parsons Behle continues to hold a retainer of \$58,405.10. Prior to the Petition Date, the Debtor and Parsons Behle signed the Engagement Letter (attached as Exhibit C to the Application) for services prior to and during the chapter 11 case, subject to Court approval of this retention for post-petition services.

18. To the best of my knowledge, neither Parsons Behle nor I have an interest materially adverse to the Debtor, and Parsons Behle is a disinterested person within the meaning of 11 U.S.C. § 101. Neither I, Parsons Behle, nor any shareholders or associates thereof, insofar as I have been able to ascertain, have any connection with parties in interest with respect to the Debtor, except as described above.

19. I will continue to monitor the Firm's and my own connections with parties in interest and our disinterestedness. If and when any other connections or issues pertaining to disinterestedness come to my attention, I will promptly supplement this declaration as required by Bankruptcy Rule 2014. In my opinion, the representations and connections described herein do not constitute an interest materially adverse to the Debtor.

20. I do not have any connection with the Debtor. I have not in the past, and I do not plan in the future, to be employed by the Debtor, any related Debtor or any insiders of the Debtor.

21. The current hourly rates charged by Parsons Behle for professionals and paraprofessionals employed in its offices are provided below:

<u>Billing Category</u>	<u>Range</u>
Shareholders	\$260 - \$500
Special Counsel and Counsel	\$295 - \$450
Associates	\$195 - \$265
Paraprofessionals	\$110 - \$155

22. These hourly rates are subject to periodic adjustments (typically in January of each year) to reflect economic and other conditions. Parsons Behle's professionals have and will continue to charge the same rates that they ordinarily charge to other clients of the Firm without variation. No agreements were made for variations to Parsons Behle's customary billing rates. None of Parsons Behle's professionals included in this engagement vary their rate based on geographic location.

23. I anticipate that most of the time in this bankruptcy case will be billed primarily by Brian M. Rothschild (bankruptcy), myself, Bruce H. White (bankruptcy), and Grace S. Pusavat. Our billing rates are as follows:

- a. J. Thomas Beckett (Shareholder): \$500.00 per hour;
- b. Bruce H. White (Shareholder): \$395.00 per hour;
- c. Brian M. Rothschild (Shareholder); \$280.00 per hour;
- d. Grace S. Pusavat (Associate): \$225.00 per hour.

24. Parsons Behle maintains detailed records of actual and necessary costs and expenses incurred in connection with the legal services described above. Parsons Behle hereafter intends to apply to the Court for allowances of compensation and reimbursement of expenses in accordance with applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, and the local rules and orders of this Court (the "**Local Rules**") for all services performed and expenses incurred on behalf of the Debtor.

25. No promises have been solicited or received by Parsons Behle or any of its employees as to any payment or compensation in connection with these cases other than in

accordance with the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules. Parsons Behle has no agreement with any other entity to share with such entity any compensation received by Parsons Behle.

I, J. Thomas Beckett, hereby declare, under penalty of perjury, pursuant to 28 U.S.C. § 1746, that the foregoing is true and correct.

DATED this 18th day of October, 2017.

/s/ J. Thomas Beckett
J. THOMAS BECKETT