

This order is **SIGNED**.

Dated: October 26, 2017


KEVIN R. ANDERSON
U.S. Bankruptcy Judge



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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

**INTERIM ORDER GRANTING DEBTOR'S MOTION
FOR ORDER (1) AUTHORIZING CONTINUED USE OF
BANK ACCOUNTS, BUSINESS FORMS, CASH
MANAGEMENT SYSTEM, AND PRE-PETITION
CUSTOMER CREDIT PROGRAM (2) WAIVING
CERTAIN INVESTMENT AND DEPOSIT GUIDELINES,
AND (3) GRANTING RELATED RELIEF**

Upon the motion (the "**Motion**")¹ filed by the above-captioned debtor and debtor-in-possession (the "**Debtor**") under Section 105 of Title 11 of the United States Code (the "**Bankruptcy Code**") and Rules 6003 and 6004 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**") for entry of interim and final orders (the "**Interim Order**" and "**Final Order**," respectively) (1) authorizing but not directing the Debtor to continue using its existing bank accounts, business forms, and cash management system, (2) waiving certain investment and deposit guidelines of the Office of the United States Trustee (the "**Guidelines**"), and (3) granting such further relief as is required to effectuate the foregoing; and the Court, having reviewed the

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

Motion and having heard the statements of counsel in support of the relief requested in the Motion at the hearing before the Court (the “**Hearing**”), finds that the Court has jurisdiction over this matter under 28 U.S.C. §§ 157 and 1334, that this is a core matter under 28 U.S.C. § 157(b)(2), that notice of the Motion and the Hearing were sufficient under the circumstances and that no further notice need be given; and the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein and that such relief is necessary to avoid immediate and irreparable harm to the Debtor’s estate,

THEREFORE, IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED on an interim basis to the extent provided herein pending the hearing on the Final Order granting the Motion.

2. Any objection to the Motion must be filed in the Court and served on counsel to the Debtor so that such objection is received no later than **November 7, 2017, at 5:00 p.m. (Prevailing Utah Time)** (the “**Objection Deadline**”). If any party in interest files an objection, the Court will hold a hearing on the relief sought in the Motion on a final basis on **November 14, 2017, at 10:00 a.m. (Prevailing Utah Time)** (the “**Final Hearing**”) at the United States Bankruptcy Court, Frank E. Moss, U.S. Courthouse, 350 South Main Street, Courtroom 376, Salt Lake City, Utah 84101. If no objections are filed to the Motion, this Court may enter a Final Order on the Motion without holding the Final Hearing.

3. Entry of this Interim Order is without prejudice to the rights of any party in interest to interpose an objection to the Motion, and any such objection will be considered on a *de novo* basis at the final hearing.

4. In the interim, the Debtor is authorized and empowered to take all actions necessary to implement the relief granted in this Interim Order.

5. The Debtor is authorized, but not directed, to maintain and use its existing Cash Management System, as more fully set forth in the Motion. In connection with the ongoing utilization of the Cash Management System, the Debtor shall continue to maintain strict records with respect to all transfers so that all transactions may be readily ascertained, traced, recorded properly, and distinguished between pre-petition and post-petition transactions, and to provide same to the U.S. Trustee on a monthly basis.

6. Subject to the provisions of this Order, the Debtor is authorized to maintain and use the Bank Accounts in the name and with the account numbers existing immediately prior to the Petition Date. The Debtor will take all steps required to have the Bank Accounts designated as “debtor-in-possession” accounts, and to have such accounts collateralized in accordance with the U.S. Trustee’s Guidelines and subject to the provisions of the Uniform Depository Agreement.

7. The Bank Accounts will continue to be governed by the pre-petition account agreements (collectively, the “**Account Agreements**”) between the Debtor and each of the banks holding the Bank Accounts (collectively, the “**Banks**”), including related fees due thereunder to the Banks; provided, however, that any Bank seeking to modify or terminate any of the Bank Accounts or related services must provide the Debtor with sixty (60) days written notice of such modification or termination.

8. The Banks in the ordinary course of business without the need for further order of this Court, are authorized to debit the Bank Accounts with such Bank, for (a) all fees and costs that are due and owing, or that may become due and owing, to such Bank in connection with the Bank Accounts, (b) all checks drawn on the Debtor’s Bank Account that were at such Bank’s counters or exchanged for cashier’s checks by the payees thereof prior to the Petition Date, (c) all checks or other items deposited by the Debtor in any of the Bank Accounts with such Bank (whether pre-petition or post-petition) that are or have been dishonored or returned unpaid for any reason,

together with any fees and costs in connection therewith, and (d) all ordinary and customary fees and costs for services rendered by the Banks to the Debtor.

9. Any payment from a Bank Account at the request of the Debtor made by a Bank prior to the Petition Date (including any ACH transfer that such Bank is or becomes obligated to settle), or any instruments issued by such Bank on behalf of the Debtor pursuant to a “midnight deadline” or otherwise, shall be deemed to be paid pre-petition, whether or not actually debited from the Bank Account pre-petition.

10. The requirement in the Guidelines that the Debtor establish a specific new bank account for tax payments is waived.

11. The Debtor shall retain the authority to close certain of its Bank Accounts and open new debtor-in-possession accounts, or otherwise make changes to its cash management system as it deems necessary to facilitate this Chapter 11 Case and post-petition operations, to the extent and consistent with the terms of and requirements of any post-petition financing facility and any orders(s) of this Court relating thereto. In the event that the Debtor opens or closes any additional bank accounts, such opening or closing shall be timely indicated on the Debtor’s monthly operating reports, notice of such opening or closing shall be contemporaneously provided to the Office of the United States Trustee for the District of Utah and any official committees(s) appointed in this Chapter 11 Case, and any such new post-petition bank account shall be subject to the terms of this Order and any account agreement relating thereto.

12. The Debtor is authorized to deposit funds in and withdraw funds from its Bank Accounts by all usual means including, without limitation, checks, wire transfers, automated clearinghouse transfers, electronic funds transfers, and other debits and to treat the Bank Accounts for all purposes as debtor-in-possession accounts.

13. The Debtor is authorized to continue to use its correspondence and Business Forms, including, without limitation, purchase orders, letterhead, envelopes, promotional materials, and other Business Forms, substantially in the forms existing immediately prior to the Petition Date, without reference to the Debtor's debtor-in-possession status; provided, however, upon depletion of the Debtor's pre-printed check stock, the Debtor will obtain new check stock reflecting its status as a debtor-in-possession; provided further, that with respect to checks which the Debtor or its agents print themselves, the Debtor shall print the "Debtor in Possession" legend on such items. If the Debtor uses blank check stock, it will add "Debtor in Possession" to its checks upon printing.

14. The Banks and any and all other financial institutions receiving or transferring funds from the Debtor are hereby authorized and directed to continue to service and administer the Bank Accounts of the Debtor as a debtor-in-possession without interruption and in the usual and ordinary course, and to receive, process, honor, and pay any and all checks, drafts, wires, or ACH transfers drawn on the Bank Accounts by the holders or makers thereof, to the extent the Debtor has sufficient funds in such accounts to satisfy payment thereof.

15. For Banks at which the Debtor holds Bank Accounts that are party to a uniform depository agreement with the Office of the United States Trustee for the District of Utah, within fifteen (15) days of the date of entry of this Order the Debtor shall (a) contact each Bank, (b) provide the Bank with the Debtor's employer identification number, and (c) identify each of its Bank Accounts held at such Bank as being held by a debtors-in-possession in a bankruptcy case.

16. For Banks at which the Debtor holds accounts that are not party to a uniform depository agreement with the Office of the United States Trustee for the District of Utah, the Debtor shall use its good-faith efforts to cause the Banks to execute a uniform depository agreement in a form prescribed by the Office of the United States Trustee within forty-five (45) days of the date of this Order. The United States Trustee's rights to seek further relief from this

Court on notice in the event that the aforementioned Banks are unwilling to execute a uniform depository agreement in a form prescribed by the United States Trustee are fully reserved.

17. The preceding two paragraphs of this Order apply to any Bank Accounts opened by the Debtor subsequent to entry of this Order; provided, however, that the deadlines referenced in the paragraphs shall run from the respective dates on which the accounts are opened.

18. The Debtor shall identify all pre-petition checks, drafts, wires, and other transfers that should not be honored (*i.e.*, that are not subject to a specific order of the Court to honor) and direct the Banks, in writing, not to honor them. Notwithstanding anything to the contrary in any other order of this Court, the Banks (a) are authorized to accept and honor all representations from the Debtor as to which checks, drafts, wires, or ACH transfers should be honored or dishonored, consistent with any order(s) of this Court and governing law, whether such checks, drafts, wires, or ACH transfers are dated prior to, on, or subsequent to the Petition Date, and whether the Banks believe the payment is or is not authorized by an order of this Court, (b) have no duty to inquire as to whether such payments are authorized by an order of this Court, and (c) have no duty to make such payments unless the Debtor has good funds standing to its credit with such Bank.

19. The Debtor is authorized to continue use the Pre-Petition Customer Credit Program, as set forth more fully in the Motion, but the Debtor is not authorized to refund customers such credits in cash.

20. Rule 6003 of the Bankruptcy Rules has been satisfied to the extent applicable.

21. Notwithstanding Bankruptcy Rules 6004, 7062, or 9014, the terms and conditions of this Order shall be immediately effective upon its entry. This Order shall be binding on the Debtor's successors and assigns, including, but not limited to, any trustee that may be appointed in this Chapter 11 case.

22. The Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

[END OF DOCUMENT]

DESIGNATION OF PARTIES TO RECEIVE NOTICE

Service of the foregoing **INTERIM ORDER GRANTING DEBTOR'S MOTION FOR ORDER (1) AUTHORIZING CONTINUED USE OF BANK ACCOUNTS, BUSINESS FORMS, CASH MANAGEMENT SYSTEM, AND PRE-PETITION CUSTOMER CREDIT PROGRAM (2) WAIVING CERTAIN INVESTMENT AND DEPOSIT GUIDELINES, AND (3) GRANTING RELATED RELIEF** shall be served to the parties and in the manner designated below:

By Electronic Service: I certify that the parties of record in this case as identified below, are registered CM/ECF users.

- J. Thomas Beckett tbeckett@parsonsbehle.com,
ecf@parsonsbehle.com;brothschild@parsonsbehle.com;kstankevitz@parsonsbehle.com
- Laurie A. Cayton tr laurie.cayton@usdoj.gov,
James.Gee@usdoj.gov;Lindsey.Huston@usdoj.gov;Suzanne.Verhaal@usdoj.gov
- Brian M. Rothschild brothschild@parsonsbehle.com, ecf@parsonsbehle.com
- United States Trustee USTPRegion19.SK.ECF@usdoj.gov

By U.S. Mail - In addition to the parties of record receiving notice through the CM/ECF system, the following parties should be served notice pursuant to Fed R. Civ. P. 5(b).

Gil Miller
Rocky Mountain Advisory
215 South State Street Ste 550
Salt Lake City, UT 84111

Dated this 23rd day of October, 2017.

PARSONS BEHLE & LATIMER

By: /s/ Brian M. Rothschild

Brian M. Rothschild
Proposed Attorneys for VidAngel, Inc.