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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

AMENDED

**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**"). I am amending my previously-filed Declaration in this case to correct paragraph 10, below, to indicate that Zions First Nat'l Bank is both a creditor of the above-captioned Debtor and a client of 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, environmental, and corporate
Zion’s First Nat’l Bank	Institution at which VidAngel banks. Not a creditor <u>of VidAngel.</u>	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, partner	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	42.	Davis, Shane	84.	Johnson, Jennifer
2.	Allen, Julie	43.	Dean, David	85.	Johnson, Jim
3.	Allen, Scott	44.	Dean, Matthew	86.	Johnson, Kim
4.	Allred, Michael	45.	Despain, Eric	87.	Johnson, Kimberly
5.	Anderson, Andrea	46.	Ellis, Robert	88.	Johnson, Lauren
6.	Anderson, Daniel	47.	Ellis, Robert	89.	Johnson, Linda
7.	Anderson, Jim	48.	Evans, Charles	90.	Johnson, Renee
8.	Anderson, Laura	49.	Evans, Colleen	91.	Johnson, Travis
9.	Anderson, Mckay	50.	Evans, Greg	92.	Johnson, Wendy
10.	Anderson, Rick	51.	Evans, Jeremy	93.	Johnson, Christina
11.	Anderson, Shawn	52.	Everett, Jared	94.	Johnson, Eric
12.	Anderson, Tyler	53.	Fitzgerald, Patrick	95.	Johnson, Jamie
13.	Austin, David	54.	Fletcher, Christopher	96.	Johnson, Jennifer
14.	Austin, Jeff	55.	Foster, John	97.	Johnson, Jim
15.	Bagley, Julie	56.	Fowler, Nick	98.	Johnson, Kim
16.	Baker, Jeffrey	57.	Gardner, Robert	99.	Johnson, Kimberly
17.	Benson, David	58.	George, David	100.	Johnson, Lauren
18.	Black, Kevin	59.	Gordon, Ben	101.	Johnson, Linda
19.	Black, Mary	60.	Gray, Cody	102.	Johnson, Renee
20.	Black, Michael	61.	Hansen, Adam	103.	Johnson, Rexford A.
21.	Bowers, Steven	62.	Hansen, James	104.	Johnson, Travis
22.	Brady, John	63.	Hansen, Scott	105.	Johnson, Wendy
23.	Brooks, Thomas	64.	Hansen, Susan	106.	Jones, Bethany
24.	Brown, Jim	65.	Harris, Brett	107.	Jones, Brian
25.	Brown, Lydia	66.	Harris, Lori	108.	Jones, Jeremy
26.	Brown, Mary	67.	Harris, Phil	109.	Jones, Jessica
27.	Brunner, Daniel	68.	Harris, Sharon	110.	Jones, Robert
28.	Campbell, Sarah	69.	Hawkins, Kevin	111.	Keller, Kim
29.	Cannon, Patrick	70.	Hendrickson, Heath	112.	King, Justin
30.	Card, Ryan	71.	Hernandez, Gonzalo	113.	Klein, Jonathan
31.	Christensen, Brent	72.	Hess, Brian	114.	Larson, Lisa
32.	Christensen, Jill	73.	Heyn, Mitchell	115.	Lawyer, Michael
33.	Clark, Jason	74.	Hicks, Brian	116.	Lee, Jeff
34.	Clark, Richard	75.	Horne, Rebecca	117.	Lee, Laura
35.	Coleman, James	76.	Hunt, Nicole	118.	Lewis, Jason
36.	Collins, David	77.	Jackson, Paul	119.	Lewis, Lisa
37.	Cooper, John	78.	Jensen, Erik	120.	Little, David
38.	Cox, Ryan	79.	Jensen, Jake	121.	Mangum, Danny
39.	Cox, Steve	80.	Jepson, Michael	122.	Martin, Damon
40.	Curtis, John	81.	Johnson, Christina	123.	Martin, Rodney
41.	Davis, Jonathan	82.	Johnson, Eric	124.	Martin, Sandra
		83.	Johnson, Jamie	125.	Maxwell, James

126.	McBride, Andrew	147.	Pace, Aaron	168.	Snyder, John
127.	Mcbride, David	148.	Parkinson, Jared	169.	Spencer, Scott
128.	Mcdonald, John	149.	Peterson, Jack	170.	Stevens, Jennifer
129.	Mclean, Michael	150.	Peterson, Nathan	171.	Stott, Jordan
130.	Meyer, Joshua	151.	Pierce, Ryan	172.	Taylor, Ed
131.	Meyer, Joshua	152.	Porter, Andrew	173.	Taylor, Matthew
132.	Miller, Jon	153.	Richards, Austin	174.	Thomas, Brian
133.	Miller, Kevin	154.	Richards, Dave	175.	Thornton, Paul
134.	Miller, Laurie	155.	Robbins, Bart	176.	Vance, Eric
135.	Miller, Marilyn	156.	Ross, Kim	177.	Ward, Spencer
136.	Morris, John	157.	Sanchez, Carlos	178.	Watson, Mark
137.	Morrison, Greg	158.	Scott, David	179.	Wells, Kelly
138.	Morris, John	159.	Scott, Joe	180.	Whitaker, Scott
139.	Morrison, Greg	160.	Scott, Laura	181.	Williams, Christopher
140.	Nelson, Douglas	161.	Smith, Christy	182.	Williams, Glenn
141.	Nelson, Jeff	162.	Smith, Emily	183.	Williams, Steve
142.	Nelson, Julie	163.	Smith, Greg	184.	Young, Joshua
143.	Nelson, Kimberly	164.	Smith, Jason	185.	Young, Michael
144.	Nelson, Nancy	165.	Smith, Kathryn	186.	Young, Michelle
145.	Odell, David	166.	Smith, Michelle		
146.	Oliver, Gary	167.	Smith, Mike		

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 ~~30~~¹⁸th day of October, 2017.

/s/ J. Thomas Beckett

J. THOMAS BECKETT