
**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
KAPLAN, VOEKLER, CUNNINGHAM & FRANK, PLC AS
SPECIAL COUNSEL PURSUANT TO BANKRUPTCY CODE §§
327(e) AND 328(a)**

The Court has considered the motion (the “**Motion**”)¹ filed by the above-captioned debtor and debtor-in-possession (the “**Debtor**” or “**VidAngel**”) requesting authorization to employ Kaplan, Voekler, Cunningham & Frank, PLC (“**KVCF**”) as special counsel, the Declaration of Robert R. Kaplan, Jr. in Support of the Motion, and applicable law. Based thereon, the Court finds that (i) the employment of KVCF as special counsel to the Debtor is in this best interests of the Debtor’s bankruptcy estate; (ii) KVCF does not represent any interest materially adverse to the Debtor or the bankruptcy estate with respect to the matter on which it is to be employed; and (iii) KVCF is a “disinterested person” as that term is defined in sections 327(e) and 328(a) of the Bankruptcy Code. Accordingly, and for good cause otherwise appearing,

IT IS HEREBY ORDERED THAT:

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

1. The Motion is GRANTED;
2. The Debtor is authorized under 11 U.S.C. §§ 327(e) and 328(a) and Federal Rule of Bankruptcy Procedure 2014 to employ and compensate KVCF as special counsel for and on behalf of the Debtor, as outlined in the Motion and the Engagement Letter, attached hereto;²
3. The Debtor is authorized to pay the flat fee of \$300,000 to KVCF as follows: (1) \$100,000 in monthly installments of with an initial monthly payment of \$16,000, and \$7,000 thereafter, and the balance of the \$100,000 due in December; and (2) the balance of \$200,000 paid in non-statutory options for 148,150 shares of common stock from VidAngel's authorized option pool with the trigger price set at the lesser of \$3.00 or the current fair market price at the time of issuance, issued pursuant to a filed Chapter 11 Plan of Reorganization and subject to the approval of the Bankruptcy Court. *Provided, however,* that if a Plan is not filed within 24 months of the execution of the Engagement Letter, or if VidAngel's current petition under Chapter 11 of the Bankruptcy Code is converted to a liquidation pursuant to Chapter 7, then the balance of the fixed cost arrangement shall become a claim entitled to priority under section 507(a)(2). KVCF is entitled to reimbursement of its out-of-pocket costs and reasonable expenses. A copy of an engagement letter ("**Engagement Letter**") executed by the Debtor and KVCF is attached hereto as Exhibit A.;
4. KVCF is entitled to reimbursement of its out-of-pocket costs and reasonable expenses; and
5. KVCF need not apply to the Court for allowance of its flat-fee compensation, but it must apply to the Bankruptcy Court prior to seeking reimbursement of expenses in accordance

² In the event of any conflict between the terms of this Order and the Engagement Letter, the Engagement Letter shall control.

with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules and applicable orders of this Court.

[END OF ORDER]

PROOF OF SERVICE

I hereby certify that on March 26, 2018, I caused a true and correct copy of the foregoing **ORDER GRANTING DEBTOR'S MOTION TO EMPLOY KAPLAN, VOEKLER, CUNNINGHAM & FRANK, PLC AS SPECIAL COUNSEL PURSUANT TO BANKRUPTCY CODE §§ 327(e) AND 328(a)** to be filed with the ECF system, which electronically served the following:

- Lev E. Breydo lev.breydo@mto.com
- Laurie A. Cayton laurie.cayton@usdoj.gov, James.Gee@usdoj.gov;
- Lindsey.Huston@usdoj.gov; Suzanne.Verhaal@usdoj.gov
- Michael R. Johnson mjohnson@rqn.com, docket@rqn.com;dburton@rqn.com
- David H. Leigh dleigh@rqn.com, dburton@rqn.com;docket@rqn.com
- Todd J. Rosen todd.rosen@mto.com, rhonda.clarke@mto.com
- United States Trustee USTPRegion19.SK.ECF@usdoj.gov

On March 26, 2018, I served the following parties by U.S. Mail as follows:

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Todd Rosen
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Respectfully submitted,

/s/ Grace S. Pusavat

Grace S. Pusavat

PARSONS BEHLE & LATIMER

Attorneys for VidAngel, Inc.