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debtor and debtor-in-possession.*

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

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In re:

VIDANGEL, INC.,

Debtor.

Case No. 17-29073

Chapter 11

Judge Kevin R. Anderson

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**DEBTOR'S PLAN**

VidAngel, Inc. (the "Debtor"), debtor and debtor in possession in the above-captioned chapter 11 case, by and through its counsel, hereby proposes its Plan of Reorganization (the "Plan") under Chapter 11 of title 11 of the United States Code (the "Bankruptcy Code").

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## **ARTICLE I** **SUMMARY**

Under the Plan the Debtor proposes: (a) to pay the Priority Claims with Priority Payments; (b) to satisfy the Credit Holders' Claims by executing and delivering Credit Holders' New Agreements to the Credit Holders; (c) to pay the Studios' Claims with Studios' Payments; (d) to pay the General Unsecured Claims with GUC Payments; (e) to pay the Convenience Claims with Convenience Payments, and (f) to reinstate the Equity Interests.

A Disclosure Statement that provides more detailed information regarding this Plan, the risks associated with the Plan, and the rights of creditors and equity security holders will be circulated with the Plan. Your acceptance or rejection of the Plan is not being solicited. No such solicitation can occur until the Disclosure Statement has been approved by the Bankruptcy Court.

**YOUR RIGHTS MAY BE AFFECTED. YOU SHOULD READ THESE PAPERS CAREFULLY AND DISCUSS THEM WITH YOUR ATTORNEY, IF YOU HAVE ONE. IF YOU DO NOT HAVE AN ATTORNEY, YOU MAY WISH TO CONSULT ONE.**

## **ARTICLE II** **DEFINITIONS**

Capitalized words not otherwise defined in this Plan have the following meanings:

(1) ***Administrative Expense Claim*** means any Claim arising from the administration of the Debtor's chapter 11 case as provided in section 503 of the Bankruptcy Code and that is entitled to priority under section 507(a)(1) of the Bankruptcy Code, including, without limitation, (a) fees and expenses of the Debtor's professionals Allowed pursuant to an Order of the Bankruptcy Court, and (b) all fees and charges assessed against the Debtor's estate pursuant to 28 U.S.C. § 1930.

(2) ***Allowed*** or ***Allowance*** means a Claim for which a Proof of Claim was filed by the applicable Claims Bar Date and (a) to which no objection was filed prior to the Effective Date or (b) if an objection was filed prior to the Effective Date, a Claim with respect to which the Bankruptcy Court has entered a Final Order that such Claim is Allowed under section 502 of the Bankruptcy Code.

(3) **Avoidance Action** means any Cause of Action arising or held by the Debtor's estate under sections 502, 510, 541, 544, 545, 547, 548, 549, 550 or 553 of the Bankruptcy Code, or under related state or federal statutes and common law, including fraudulent transfer laws.

(4) **Bankruptcy Code** means title 11 of the United States Code as in effect on the Petition Date.

(5) **Bankruptcy Court** means the United States Bankruptcy Court for the District of Utah.

(6) **California Action** means *Disney Enterprises, Inc., et al v. VidAngel Inc.*, case # 2:16-cv-04109-AB-PLA, pending in the United States District Court for the Central District of California.

(7) **Cash** means lawful currency of the United States of America (including wire transfers, cashier's checks drawn on a bank insured by the Federal Deposit Insurance Corporation, certified checks and money orders).

(8) **Causes of Action** means, without limitation, any and all actions, causes of action, defenses, liabilities, obligations, rights, suits, debts, sums of money, damages, judgments, claims or proceedings to recover money or property and demands of any nature whatsoever, whether known or unknown, in law, equity or otherwise, including, without limitation, Avoidance Actions, that are owned or held by the Debtor or its estate at any time.

(9) **Claim** has the meaning set forth in section 101(5) of the Bankruptcy Code.

(10) **Claims Bar Date** means (a) February 14, 2019 for a Proof of Claim filed by a government unit, (2) the Confirmation Date for all Administrative Expense Claims; and (3) February 14, 2018 for a Proof of Claim for all other Creditors and Claims.

(11) **Collateral** means any property or interest in property of the Debtor's estate subject to a Lien to secure the payment or performance of a Claim, which Lien is not subject to avoidance under the Bankruptcy Code or otherwise invalid under the Bankruptcy Code or applicable law.

(12) **Confirmation Date** means the date that the Confirmation Order becomes a final, non-appealable order and on which no stay of the Confirmation Order is in effect.

(13) **Confirmation Order** means the order entered by the Bankruptcy Court confirming the Plan.

(14) **Convenience Claims** has the meaning given it Section 4.05 of this Plan.

(15) **Convenience Payments** means four equal quarterly installment payments that together fully satisfy the principal amount of the Convenience Claims.

(16) **Credit Holders** means the holders of subscriptions credits, referred to in the Debtor's Schedule E/F, paragraph 3.5, located at # 47 in the docket of the above-captioned case.

(17) **Credit Holders' Claims** means Claims held by Credit Holders.

(18) **Credit Holders' New Agreements** means the Debtor's agreement to honor the Credit Holders' VidAngel Subscription Credits; *provided however*, that any Credit Holder that does not use all its VidAngel Subscription Credits within the first 9 months following the Effective Date shall lose 50% of its remaining VidAngel Subscription Credits; *provided further*, that that any Credit Holder that has not used all its VidAngel Subscription Credits by the date that is 18 months after the Effective Date shall lose its remaining VidAngel Subscription Credits; and *provided further*, that no Credit Holder shall have any right to redeem its VidAngel Subscription Credits for Cash.

(19) **Disallowed** means a Claim for which either (a) the Bankruptcy Court has entered a final non-appealable order that such Claim is disallowed under section 502 of the Bankruptcy Code or (b) any Claim for which a Proof of Claim was not filed by the applicable Claims Bar Date.

(20) **Disclosure Statement** means the Disclosure Statement filed in support of this Plan, and any amendments thereto, as approved by the Bankruptcy Court, consistent with section 1125 of the Bankruptcy Code.

(21) **Disputed** means a Claim for which a Proof of Claim was filed prior to the applicable Claims Bar Date that has not been Allowed or Disallowed by a final non-appealable order and as to which the Debtor or another party in interest has filed an objection prior to the Effective Date.

(22) **Effective Date** means the first business day that is at least 14 days after the Confirmation Date.

(23) **Equity Interest** means the interest of any holder of any stock or membership interest in the Debtor and any and all options, warrants and rights,

contractual or otherwise, to acquire any stock in the Debtor, as such interests existed immediately prior to the Effective Date.

(24) ***Executory Contracts*** means the executory contracts and unexpired leases listed in Schedule G of the Debtor's Statement of Financial Affairs, located at # 47 in the docket of the above-captioned case.

(25) ***Final Order*** means an order or judgment which has not been reversed, stayed, modified or amended and, as to which (i) the time to appeal or seek review or rehearing has expired and as to which no appeal or petition for certiorari, review or rehearing is pending, or (ii) if appeal, review, reargument or certiorari of the order has been sought, the order has been affirmed or the request for review, reargument or certiorari has been denied and the time to seek a further appeal, review, reargument or certiorari has expired, and as a result of which such order shall have become final and nonappealable in accordance with applicable law; provided, however, that the possibility that a motion under Rule 59 or Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules, may be filed with respect to such order shall not cause such order not to be a Final Order.

(26) ***General Unsecured Claims*** means any claim that is Unsecured and not entitled to priority under section 507 of the Bankruptcy Code or as an Administrative Expense Claim or otherwise.

(27) ***GUC Payments*** means equal quarterly installment payments (made between the Initial Payment Date and five years thereafter) of principal and interest using a customary mortgage-style amortization on the General Unsecured Claims, computed with an interest rate of three percent per annum.

(28) ***Initial Distribution Date*** means the first business day of the first January, April, July, or October that is at least 45 days after the Effective Date.

(29) ***Petition Date*** means October 18, 2017.

(30) ***Plan Supplement*** means exhibits and other documents filed in support of this Plan, which are incorporated by reference where applicable in the Plan.

(31) ***Priority Claims*** means any and all Claims (or portions thereof), if any, entitled to priority under Section 507(a) of the Bankruptcy Code other than Administrative Expense Claims and Priority Tax Claims.

(32) ***Priority Payments*** means four equal quarterly installment payments that together fully satisfy the principal amount of the Priority Claims.

(33) **Priority Tax Claims** means any Claim of a governmental unit entitled to priority under Section 507(a)(8) of the Bankruptcy Code.

(34) **Proof of Claim** means a proof of claim filed with the Bankruptcy Court.

(35) **Professional** means those persons employed pursuant to an order of the Bankruptcy Court in accordance with Sections 327 and 1103 of the Bankruptcy Code and to be compensated for services pursuant to Sections 327, 328, 329, 330, 331 and 503 of the Bankruptcy Code.

(36) **Secured** or **Secured Claim** means a Claim against the Debtor that is secured by a unavoidable security interest in the Debtor's property.

(37) **Studios** means the plaintiffs in the California Action.

(38) **Studios' Claims** means the Studios' Judgment, as allowed by the Bankruptcy Court.

(39) **Studios' Initial Payment Date** means the first business day of the first January, April, July, or October that is at least 45 days after the Studios' Judgment becomes a Final Order.

(40) **Studios' Judgment** means the judgement, if any, obtained by the Studios in the California Action.

(41) **Studios' Lump Sum Payment** means, if the Studios' Claims exceed \$7,000,000, the amount by which the Studios' Claims exceed \$7,000,000.

(42) **Studios' Payment Maturity Date** means the date that is 10 years after the Studios' Initial Distribution Date.

(43) **Studios' Payments** means equal quarterly installment payments (made between the Studios' Initial Payment Date and the Studios' Payment Maturity Date) of principal and interest using a customary mortgage-style amortization on the Studios' Claims up to \$7,000,000, computed with an interest rate of six percent per annum; *provided however*, that if the Studios' Claims exceed \$7,000,000, then the Studios' Lump Sum Payment will be due and payable in full, bearing the same rate of interest, on the Studios' Payment Maturity Date; and *provided further*, that if the Debtor does not pay the Studios' Lump Sum Payment on the Studios' Payment Maturity Date, then the Debtor shall be sold in a commercially reasonable manner as a going concern to satisfy the Studios' Lump Sum Payment.

(44) **Unsecured** means a Claim against the Debtor other than a Priority Claim or a Secured Claim.

(45) *U.S. Trustee Fees* means all fees required to be paid by 28 U.S.C. § 1930(a)(6) that accrue until the case is closed, dismissed, or converted to another chapter of the Bankruptcy Code.

(46) *VidAngel Subscription Credits* means any credits that any Credit Holder has or may have as of the Effective Date for VidAngel's products and services that VidAngel makes available by subscription.

### **ARTICLE III** **UNCLASSIFIED CLAIMS**

#### **Section 3.01      Unclassified Claims.**

As provided in Section 1123(a)(1) of the Bankruptcy Code, Administrative Expense Claims and Priority Tax Claims are not classified for the purposes of voting on or receiving distributions under the Plan. All such Claims are instead treated separately in accordance with the terms in Article.

(a) Administrative Expense Claims.

(1) General. Except as otherwise agreed to by the Debtor and the holder of an Allowed Administrative Expense Claim, each such holder shall be paid in full in Cash on the later of (i) the date such Allowed Administrative Expense Claim becomes due in accordance with its terms, and (ii) the Effective Date. If the Debtor Disputes any portion of an Administrative Expense Claim, the Debtor shall pay such Claim within 30 days after the entry of a Final Order with respect to the Allowance of such Disputed Administrative Expense Claim.

(2) U.S. Trustee's Fees. All U.S. Trustee's Fees shall be paid in full without prior approval pursuant to 28 U.S.C. § 1930 on or before the Effective Date and

continue to be paid until the case is closed, dismissed, or converted to another chapter of the Bankruptcy Code.

(3) Professional Compensation and Expense Reimbursement Claims. Each Professional shall file a final application for the allowance of compensation for services rendered and reimbursement of expenses incurred through and including the Confirmation Date on or before the Effective Date. Any award of such compensation or reimbursement granted by the Bankruptcy Court shall be paid (i) within fifteen days of the entry of the Final Order of the Bankruptcy Court approving such award, unless a stay is obtained, or (ii) upon such other terms as may be mutually agreed upon between such holder of an Allowed Administrative Expense Claim and the Debtor.

(b) Priority Tax Claims.

Each holder of an Allowed Priority Tax Claim shall be paid either (i) upon such terms as may be agreed to between the Debtor and such holder of an Allowed Priority Tax Claim, (ii) in full in Cash on the later of the Effective Date or the date that such Allowed Priority Tax Claim would have been due if the chapter 11 cases had not been commenced, or (iii) in regular annual installment payments over a period ending no later than 5 years after the Petition Date, in accordance with Bankruptcy Code Section 1129(a)(9)(C).

**ARTICLE IV**  
**CLASSIFICATION OF CLAIMS AND INTERESTS**

**Section 4.01 Class 1. Priority Claims.**

Class 1 comprises all Allowed Claims (or portions thereof), if any, entitled to priority under section 507(a) of the Bankruptcy Code other than Administrative Expense Claims and Priority Tax Claims.

**Section 4.02 Class 2. Credit Holders' Claims.**

Class 2 comprises all Claims of Credit Holders, which are deemed allowed.

**Section 4.03 Class 3. Studios' Claims.**

Class 3 comprises all Allowed Studios' Claims.

**Section 4.04 Class 4. General Unsecured Claims.**

Class 4 comprises all Allowed General Unsecured Claims.

**Section 4.05 Class 5. Convenience Claims.**

Class 5 comprises all General Unsecured Claims with an Allowed amount of \$5,000.00 or less or for which the holder of such Unsecured Claim has elected by checking the appropriate box on the ballot to reduce the Allowed amount of its Unsecured Claim to \$5,000.00.

**Section 4.06 Class 6. Equity Interests.**

Class 6 comprises all Equity Interests in the Debtor.

**ARTICLE V**  
**TREATMENT OF CLAIMS AND INTERESTS UNDER THE PLAN**

Claims and interests will be treated as follows under this Plan:

**Section 5.01 Class 1 Priority Claims.**

(a) Treatment

The Debtor will pay the Allowed Priority Claims by making the Priority Payments.

(b) Impairment

Class 1 is impaired.

(c) Voting

Because Class 1 is impaired, it is entitled to vote on the Plan. If Class 1 does not vote for the Plan, the Debtor requests confirmation under section 1129(b) of the Bankruptcy Code.

**Section 5.02 Class 2 Credit Holders' Claims.**

(a) Treatment

The Debtor will pay the Allowed Credit Holders' Claims by executing and delivering the Credit Holders' New Agreements to the Credit Holders.

(b) Impairment

Class 2 is impaired.

(c) Voting

Because Class 2 is impaired, it is entitled to vote on the Plan. If Class 2 does not vote for the Plan, the Debtor requests confirmation under section 1129(b) of the Bankruptcy Code.

**Section 5.03 Class 3 Studios' Claims.**

(a) Treatment

The Debtor will pay the Allowed Studios' Claims by making the Studios' Payments.

(b) Impairment

Class 3 is impaired.

(c) Voting

Because Class 3 is impaired, it is entitled to vote on the Plan. If Class 3 does not vote for the Plan, the Debtor requests confirmation under section 1129(b) of the Bankruptcy Code.

**Section 5.04 Class 4 General Unsecured Claims.**

(a) Treatment

The Debtor will pay the Allowed Unsecured Claims by making the GUC Payments.

(b) Impairment

Class 4 is impaired.

(c) Voting

Because Class 4 is impaired, it is entitled to vote on the Plan. If Class 4 does not vote for the Plan, the Debtor requests confirmation under section 1129(b) of the Bankruptcy Code.

**Section 5.05 Class 5 Convenience Claims.**

(a) Treatment

The Debtor will pay the Allowed Convenience Claims by making the Convenience Payments.

(b) Impairment

Class 5 is impaired.

(c) Voting

Because Class 5 is impaired, it is entitled to vote on the Plan. If Class 5 does not vote for the Plan, the Debtor requests confirmation under section 1129(b) of the Bankruptcy Code

**Section 5.06 Class 6 Equity Interests.**

(a) Treatment

All holders of Equity Interests will be unaffected by the Plan and will continue to hold such Equity Interests in the Debtor after the Effective Date as before the Petition Date.

(b) Impairment

Class 6 is unimpaired.

(c) Voting

Because Class 6 is unimpaired, it is deemed to accept the Plan, and so will not be entitled to vote on the Plan.

**ARTICLE VI**  
**DISPUTED CLAIMS**

**Section 6.01 Delay of Distribution on Disputed Claims.**

No distribution will be made on account of any Disputed Claim unless and until such Claim is Allowed.

**Section 6.02 Settlement of Disputed Claims.**

Subject to Court approval under Rule 9019 of the Federal Rules of Bankruptcy Procedure, the Debtor will have the power and authority to settle and compromise any Disputed Claim either before and after the Effective Date; *provided, however*, that after the Effective Date, the Debtor may, in its sole and absolute discretion, agree to compromise any Disputed Claim by private agreement without the need for approval under Rule 9019 of the Federal Rules of Bankruptcy Procedure with the holder thereof if the amount to be paid under the terms of such settlement is less than \$150,000.

**ARTICLE VII**  
**EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

**Section 7.01 Executory Contracts and Unexpired Leases.**

The Debtor will assume all of its Executory Contracts effective on the Effective Date of this Plan, none of which assumptions will require the payment of cure. The Debtor submits that its financial wherewithal as a going concern, as will be shown at the hearing on approval of the Disclosure Statement, constitutes adequate assurance of future performance.

**ARTICLE VIII**  
**MEANS FOR IMPLEMENTATION OF THE PLAN**

The Debtor will implement the Plan as follows:

**Section 8.01 Studios' Stay.**

The Studios will remain subject to the automatic stay of Section 362(a) of the Bankruptcy Code with respect to any action to collect from the Debtor or property of the Debtor's estate on account of the Studios' Judgment or the Studios' Claims, other than as provided in the Plan.

**Section 8.02 Acts in Furtherance of Plan Consummation.**

On the Effective Date, the Debtor will (a) reinstate the Equity Interests and (b) execute and deliver the Credit Holders' New Agreements to the Credit Holders.

Beginning on the Initial Distribution Date, the Debtor will make the Priority Payments, the GUC Payments, and the Convenience Payments.

Beginning on the Studios' Initial Distribution Date, the Debtor will make the Studios' Payments.

**Section 8.03 Revesting.**

On the Effective Date, all property of the Debtor's estate shall re-vest in the Debtor, including, without limitation, all real and personal property, all Causes of Action, interests, claims, choses in action, and rights under any contracts (executory or otherwise) against any person.

**Section 8.04 Specific Post-Confirmation Debtor's Preservation of Causes of Action.**

The Debtor specifically preserves and reserves its rights and hereby declares their intent to bring any and all Causes of Action identified in the Disclosure Statement.

**ARTICLE IX**  
**INJUNCTION**

No holder of any claims, rights, causes of action or interests against the Debtor may pursue property of the Debtor's estate other than through seeking allowance of its claim, if any, for distribution in accordance with this Plan.

No holder of a Claim may receive any payment from or seek recourse against any assets that are property of the Debtor's estate, except for those assets required to be distributed to such holder as expressly provided for in this Plan.

As of the Effective Date, all persons are enjoined and precluded from asserting against any property of the Debtor's estate and assets that are distributed or to be distributed under the plan any claims, rights, causes of action, liabilities or interests based upon any act or omission, transaction or other activity of any kind or nature that occurred prior to the Effective Date, other than as expressly provided in the plan or the Confirmation Order, regardless of the filing, lack of filing, allowance or disallowance of such claim, and regardless of whether such person has voted to accept the Plan.

**ARTICLE X**  
**CONDITIONS PRECEDENT TO CONFIRMATION**

**Section 10.01 Conditions Precedent.**

The Plan shall not become effective, and the Effective Date shall not occur, unless and until the following conditions shall have been satisfied or waived:

(a) The Confirmation Order, in form and substance reasonably acceptable to the Debtor, shall have been entered by the Bankruptcy Court and shall have become a Final Order;

(b) All actions, other documents and agreements necessary to implement the Plan, if any, shall have been executed, delivered, and, if necessary, properly recorded, and shall have become effective; and

(c) The Debtor's estate shall have sufficient Cash to meet all Cash funding obligations under the Plan required to be made on and within 45 days after the Effective Date.

**Section 10.02 Waiver.**

The Debtor in its sole discretion may waive one or more of the conditions precedent to the effectiveness of the Plan set forth in Section 10.1 above, except that the Debtor may not waive the condition that it will have sufficient Cash to meet all payment and funding obligations under the Plan on and within 45 days after the Effective Date.

**ARTICLE XI**  
**RETENTION OF BANKRUPTCY COURT JURISDICTION**

The Bankruptcy Court will retain and have exclusive jurisdiction over any matter arising under the Bankruptcy Code arising in or related to the Debtor's chapter 11 cases or the Plan, or that relates to any of the following:

(1) consistent with Article VII, hereof, to resolve any matter related to the assumption or rejection of any executory contract or unexpired lease to which a Debtor is a party or with respect to which a Debtor may be liable and to hear and determine any Claim arising therefrom;

(2) to enter such orders as may be necessary or appropriate to implement or consummate the provisions of the Plan;

(3) to determine all motions, adversary proceedings, applications, and contested or litigated matters that may be pending on the Effective Date or that, pursuant to the Plan, may be instituted by the Debtor prior to or after the Effective Date;

(4) to ensure that distributions to holders of Allowed Claims are accomplished as provided in the Plan;

(5) to hear and determine any timely objection to a Claim or Proof of Claim;

(6) to enter and implement such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, revoked, modified, reversed, or vacated;

(7) to issue such orders in aid of execution of the Plan, to the extent authorized by section 1142 of the Bankruptcy Code;

(8) to consider any modification of the Plan, to cure any defect or omission, or reconcile any inconsistency in any order of the Bankruptcy Court, including the Confirmation Order, consistent with section 1127 of the Bankruptcy Code;

(9) to hear and determine all applications for awards of compensation for services rendered and reimbursement of expenses incurred by the Professionals;

(10) to determine any other matter that may arise in connection with or that is related to the Plan, the Disclosure Statement, or any contract, instrument, release, or other agreement or document created in connection herewith, unless such agreements or documents contain express enforcement or dispute resolution provisions, in which case, such provisions should govern;

(11) to hear and determine matters concerning state, local, and federal Taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code (including, without limitation, any matter relating to tax refunds, and any request by the Debtor for an expedited determination of tax under section 505(b) of the Bankruptcy Code with respect to the Debtor;

(12) to hear any other matter or for any purpose specified in the Confirmation Order that is not inconsistent with the Bankruptcy Code; and

(13) to enter a final decree closing the chapter 11 cases.

**ARTICLE XII**  
**MISCELLANEOUS AND GENERAL PROVISIONS**

**Section 12.01 Definitions and Rules of Construction.**

Except as otherwise provided in this Plan, the definitions and rules of construction set forth in sections 101 and 102 of the Bankruptcy Code apply when terms defined or construed in the Bankruptcy Code are used in this Plan.

**Section 12.02 Severability.**

If any provision in this Plan is determined to be unenforceable, the determination will in no way limit or affect the enforceability and operative effect of any other provision of this Plan.

**Section 12.03 Binding Effect.**

The rights, obligations, limitations, and injunctions of, for, or against any person or entity named or referred to in this Plan will be binding upon and will inure to the benefit of the successors or assigns of such entity.

**Section 12.04 Controlling Law.**

Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code or the Federal Rules of Bankruptcy Procedure), the laws of the State of Utah govern this Plan and any agreements, documents, and instruments executed in connection with this Plan.

**Section 12.05 Continuation of Stay Pending Effective Date.**

All injunctions or stays provided for in the Bankruptcy Case under Sections 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the Effective Date.

**Section 12.06 Notice of Effective Date.**

As soon as practicable after the occurrence of the Effective Date, but no later than ten (10) days thereafter, the Debtor shall file and serve on each holder of an alleged Claim a written notice of the occurrence of the Effective Date.

**Section 12.07 Exculpation.**

Except as otherwise expressly provided in the Plan, on and after the Effective Date, the Debtor, its employees, officers, directors, agents or representatives, any Professionals, and its estate, shall not have or incur any liability to any person or entity for any authorized act taken or authorized omission made in good faith in connection with or related to the Bankruptcy Case or the estate, including the objections to or estimations of Claims, disposition of assets, or formulating, determining not to solicit acceptances or rejections to, or confirming the Plan, or any contract, instrument, release, or other agreement or document created in connection with the Plan or otherwise.

Consistent with Section 1125(e) of the Bankruptcy Code, to the extent acceptances or rejections of the Plan have been solicited, in good faith and in compliance with the applicable provisions of the Bankruptcy Code, the Debtor and the Professionals are not liable on account of such solicitation or participation or for violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan.

All actions by the Debtor and its employees, officers, directors, agents or representatives, including any Professionals, as contemplated in the Plan or otherwise in the administration of the Bankruptcy Case shall be conclusively deemed to be actions within the scope of the Bankruptcy Code. Except as prohibited by applicable law, and excluding acts or omissions constituting gross negligence or willful misconduct, the Debtor and its employees, officers, directors, agents or representatives, including any Professionals, shall not be liable to any Person for any act taken or omitted by any of them in good faith and in compliance with the applicable provisions of the Bankruptcy Code or pursuant to the discretion, power, and authority conferred by this Plan or Court Orders. Except as prohibited by applicable law, the Debtor and its employees, officers, directors, agents or representatives, including any Professionals, shall not be liable to any holder of any Claim or Equity Interest, and shall be liable only to the Debtor's estate, for acts or omissions related to performance of their duties for the Debtor's estate that constitute willful misconduct or gross negligence. In all respects, and except as prohibited by applicable law, the Debtor shall be entitled to rely upon the advice of counsel with respect to his duties and responsibilities under the Plan, and such reliance shall in no event constitute gross negligence or willful misconduct.

**Section 12.08 Execution of Documents and Corporate Action.**

The Debtor may execute such documents or take such other actions as is necessary to effectuate the transactions contemplated by this Plan.

**Section 12.09 Default of Plan.**

In the event of any default of the provisions of this Plan, a Creditor or party in interest aggrieved by such default may provide written notice to the Debtor. The written notice of default must describe with specificity the nature of the default alleged and the steps required to cure such default. The Debtor shall have thirty (30) days after receipt of notice of default to cure such default. If the Debtor does not cure such default within thirty (30) days after receipt of a notice of default, then a Creditor or party in interest aggrieved by such default may apply to the Bankruptcy Court to compel compliance with the applicable provisions of the Plan. The Bankruptcy Court, after notice and a hearing, shall determine whether a default occurred, and if a default occurred, whether such default has been cured. Upon finding a material default, the Bankruptcy Court may issue such orders as may be appropriate, including an order compelling compliance with the pertinent provisions of the Plan.

**Section 12.10 Amendment or Modification of the Plan.**

Alterations, amendments or modifications of the Plan may be proposed in writing by the Debtor at any time prior to the Confirmation Date, provided that the Plan, as altered, amended or modified, satisfies the conditions of Sections 1122 and 1123 of the Bankruptcy Code, and the Debtor shall have complied with Section 1125 of the Bankruptcy Code. The Plan may be altered, amended or modified at any time before or after the Confirmation Date and before substantial consummation, provided that the Plan, as altered, amended or modified, satisfies the requirements

of Sections 1122 and 1123 of the Bankruptcy Code and the Bankruptcy Court, after notice and a hearing, confirms the Plan, as altered, amended or modified, under Section 1129 of the Bankruptcy Code. A holder of a Claim that has accepted the Plan shall be deemed to have accepted the Plan, as altered, amended or modified, if the proposed alteration, amendment or modification does not materially and adversely change the treatment of the Claim of such holder. The Debtor may, without notice to holders of Claims insofar as it does not materially and adversely affect the interests of any such holders, correct any defect or omission in this Plan and any Exhibit attached to the Disclosure Statement or the Plan.

**Section 12.11 Revocation or Withdrawal of the Plan.**

The Debtor reserves the right to revoke or withdraw the Plan at any time prior to the Confirmation Date. If the Debtor revokes or withdraws the Plan, or if confirmation or consummation does not occur, then (a) the Plan shall be null and void in all respects, (b) any settlement or compromise embodied in the Plan (including the allowing, fixing or limiting to an amount certain any Claim or Class of Claims, rejection or assumption of any executory contracts or unexpired leases affected by the Plan, and any document or agreement executed pursuant to the Plan) shall be deemed null and void, and (c) nothing contained in the Plan, and no acts taken in preparation for consummation of the Plan, shall (i) constitute a waiver or release of any Claims by or against the Debtor or its estate, (ii) prejudice in any manner the rights of the Debtor in any further proceedings involving the Debtor or its estate, or (iii) constitute an admission of any sort by the Debtor.

**Section 12.12 Exhibits.**

Any Disclosure Statement Exhibits or Exhibits to the Plan not filed herewith will be filed no later than 10 days prior to the commencement of the Confirmation Hearing. Unless otherwise ordered by the Bankruptcy Court, the exhibits to the Plan may not be served with the Plan, but rather copies of all such Exhibits may be provided to the requesting parties upon written request to Debtor's counsel.

**Section 12.13 Notices.**

All notices, requests and demands to or upon the Debtor shall only be effective if in writing and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when actually delivered or, in the case of notice by e-mail, when received and confirmed, addressed as follows:

Neal S. Harmon  
VidAngel, Inc.  
295 West Center St.  
Provo, Utah 84601  
[Neal@vidangel.com](mailto:Neal@vidangel.com)

-and-

J. Thomas Beckett  
Brian M. Rothschild  
Michael R. Brown  
PARSONS BEHLE & LATIMER  
201 South Main St.  
Suite 1800  
Salt Lake City, Utah 84111  
[TBeckett@parsonsbehle.com](mailto:TBeckett@parsonsbehle.com)  
[BRothschild@parsonsbehle.com](mailto:BRothschild@parsonsbehle.com)  
[MBrown@parsonsbehle.com](mailto:MBrown@parsonsbehle.com)

**Section 12.14 Post-Confirmation Administration.**

On and after the Effective Date, the Debtor shall no longer be required to file monthly operating reports with the United States Debtor.

Until the entry of a Final Decree, the Debtor shall:

(a) Pay the costs of administering the Debtor's estates and any post-confirmation fees due pursuant to 28 U.S.C. §1930;

(b) Unless otherwise ordered, file status reports related to the consummation of the Plan when, in his discretion, such reports would be beneficial to Creditors; and

(c) Once the Debtor's estate has been fully administered, as referred to in Bankruptcy Rule 3022, the Debtor shall file a final report and account of all receipts and disbursements, and serve that report via ECF with notice of said report served on Persons entitled to notice in the Bankruptcy Case. Any such report shall include a request that the Bankruptcy Court enter a Final Decree in the Bankruptcy Case.

**Section 12.15 Headings.**

Headings are used in the Plan for convenience and reference only, and shall not constitute a part of the Plan for any other purpose.

**Section 12.16 Inconsistencies.**

In the event of any inconsistency between the Plan and the Disclosure Statement, or any other instrument or document created or executed pursuant to the Plan, the terms of the Plan shall govern.

**Section 12.17 Corporate Governance.**

On the Effective Date, the Debtor's corporate charters and membership agreement will be and hereby are amended to prohibit issuance of non-voting equity securities as set forth in section 1123(a)(6) of the Bankruptcy Code.

On or as soon as practical after the Effective Date, the Debtor may modify its corporate organization for any permissible purposes, including for tax efficiency, corporate governance, and other permissible purposes not inconsistent with this Plan.

After the Effective Date, the CEO of the Debtor will be Neal S. Harmon.

Respectfully submitted,

January 14, 2019

/s/ Neal S. Harmon  
Neal S. Harmon, CEO of the Debtor

/s/ J. Thomas Beckett  
J. Thomas Beckett  
PARSONS BEHLE & LATIMER  
Attorneys for the Debtor

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**PROOF OF SERVICE**

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I hereby certify that on this 14th day of January, 2019, I electronically filed the foregoing **DEBTOR'S PROPOSED PLAN** as follows:

I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system, which sent notification of such filing to the following:

- Laurie A. Cayton tr laurie.cayton@usdoj.gov,
- James.Gee@usdoj.gov;Lindsey.Huston@usdoj.gov;Suzanne.Verhaal@usdoj.gov
- Rose Leda Ehler rose.ehler@mto.com, Cynthia.Soden@mto.com
- Michael R. Johnson mjohanson@rqn.com, docket@rqn.com;dburton@rqn.com
- Kelly M. Klaus kelly.klaus@mto.com
- David H. Leigh dleigh@rqn.com, dburton@rqn.com;docket@rqn.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).

Brent O. Hatch  
Johnson & Hatch  
10 West Broadway  
Suite 400  
Salt Lake City, UT 84101

Todd Rosen  
Munger, Tolles & Olson, LLP  
350 South Grand Avenue, 50th Floor  
Los Angeles, CA 90071-3426

Kelly M. Klaus  
Munger, Tolles & Olson, LLP  
350 South Grand Avenue, 50th Floor  
Los Angeles, CA 90071-3426

In addition, on January 14, 2019, I asked the Debtor to post the Proposed Plan on the Debtor's public informational website for communications related to this chapter 11 case, and I will verify that it is made publicly available on the website within 5 days of the date hereof.

*/s/ J. Thomas Beckett*

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J. Thomas Beckett

**PARSONS BEHLE & LATIMER**

*Attorneys for VidAngel, Inc.*