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*Attorneys for the Movants Disney Enterprises,  
Inc., Lucasfilm Ltd. LLC, Twentieth Century  
Fox Film Corporation, Warner Bros.  
Entertainment Inc., MVL Film Finance, LLC,  
New Line Productions, Inc., and Turner  
Entertainment Co.*

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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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**MOVANTS' *EX PARTE* MOTION FOR RULE 2004 DISCOVERY  
REGARDING DEBTOR'S POSSIBLE ANTICIPATED TRANSFER OF ASSETS  
AND MEMORANDUM IN SUPPORT**

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**MOTION**

Pursuant to Bankruptcy Rules 2004 and 4002 and Local Rule 2004-1, Disney Enterprises, Inc., Lucasfilm Ltd. LLC, Twentieth Century Fox Film Corporation, Warner Bros. Entertainment Inc., MVL Film Finance LLC, New Line Productions, Inc. and Turner Entertainment Co. (collectively the “**Studios**” or “**Movants**”), unsecured creditors of VidAngel, Inc. (“**VidAngel**” or the “**Debtor**”), the debtor-in-possession in the above-captioned chapter 11 bankruptcy case (the “**Bankruptcy Case**”), respectfully move this Court, *ex parte*, for the entry of an order granting the Studios the right to take discovery from the Debtor regarding its possible anticipated transfer of technology assets as described herein.

Pursuant to Local Rule 9013-1, this Motion is accompanied by a Memorandum in Support which is set forth immediately below.

**MEMORANDUM IN SUPPORT**

The statutory damages trial in the California Action is set for June 11, 2019.<sup>1</sup> The Studios are diligently preparing for trial and simultaneously attempting to exhaust all possibilities for settlement. In the context of those communications, VidAngel has cryptically suggested that it is in the process of *transferring* its technology, including but not limited to U.S. Patent No. 9,363,561 and potentially other assets, to an unnamed Christian non-profit entity, and then *licensing them back*. The Studios do not know anything more about this potential

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<sup>1</sup> VidAngel filed a proposed Chapter 11 Plan for Reorganization (“Plan”) and proposed Disclosure Statement on January 15, 2019. VidAngel’s exclusivity period expires on June 18, 2019. VidAngel has not approached the Studios to discuss timing for VidAngel’s hearing on its Disclosure Statement, let alone solicit feedback regarding the Plan.

transaction, but are concerned that this conveyance is improper (particularly if it is being done without notice or court approval in violation of Section 363 of the Bankruptcy Code and the Federal Rules of Bankruptcy Procedure) and would remove an important asset from the estate that could be used to satisfy a judgment.

The Studios also learned through VidAngel's SEC filings that it has already transferred its wholly-owned subsidiary entity, VAS Portal, LLC, to Harmon Ventures, LLC for \$1. *See* Exhibit B (SEC filing at 19). VidAngel's monthly operating report for the period ending April 30, 2019, *see* Exhibit C (Dkt. 302, pg. 12), further indicates that during the month of April VidAngel made loans to this entity in the amount of \$175,000. This transfer also was done without notice or prior court approval. Further, the loans to VAS Portal, LLC were also made without notice or prior court approval even though VidAngel is not in the business of loaning money and this was a transaction outside the ordinary course. The Studios therefore seek Rule 2004 discovery so they can investigate what could be a substantial transfer of assets in anticipation of the damages award in the California Action. There is no Creditors Committee and the proposed discovery is intended to aid the administration of VidAngel's estate.<sup>2</sup>

#### **STANDARD FOR RULE 2004 DISCOVERY**

Rule 2004 discovery is "extremely broad." *In re Buckner*, 2001 WL 992063 at \*4 (BAP 10th Cir. 2001). "The object of the examination of the bankrupt and other witnesses to show the condition of the estate is to enable the court to discover its extent and whereabouts, and to come into possession of it, that the rights of creditors may be preserved." *Cameron v. United States*, 231 U.S. 710, 717 (1914). Discovery is proper as to "the acts, conduct, or property or to the

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<sup>2</sup> The proposed deposition notice and document discovery to the Debtor is set forth at Exhibit B.

liabilities and financial condition of the debtor, or to any matter which may affect the administration of the debtor's estate." Fed. R. Bankr. P. 2004(b). This includes the right to take discovery to "determin[e] whether wrongdoing has occurred." *In re Buckner*, 2001 WL 992063 at \*4 (citing *In re Duratech Indus., Inc.*, 241 B.R. 283, 289 (E.D.N.Y. 1999)). The Studios may also take discovery that involves non-Debtor entities and individuals when that discovery is "relevant to the collectability of any estate claims . . . and thus to 'the formulation of a plan.'" *In re Roman Catholic Church of Diocese of Gallup*, 513 B.R. 761, 765 (Bankr. D.N.M. 2014); *In re SBN Fog Cap II LLC*, 562 B.R. 771, 773 (Bankr. D. Colo. 2016) ("[M]ost Fed. R. Bankr. P. 2004 examinations are directed to non-debtor entities.")<sup>3</sup>

#### ARGUMENT

There is no Creditors Committee in this bankruptcy proceeding and the Studios have a right and interest in VidAngel's technology assets as substantial unsecured creditors of the bankruptcy estate. "Bankruptcy Rule 2004 examinations are allowed for the purpose of discovering assets and unearthing frauds." *Matter of Sun Medical Mgmt., Inc.*, 104 B.R. 522, 524 (Bankr. M. D. Ga. 1989).

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<sup>3</sup> As the Debtor is a party-in-interest who filed this Bankruptcy Case and thereby voluntarily subjected himself to the jurisdiction of the Court, the Studios ask the Court to order the Debtor to produce documents without the necessity of issuing a subpoena to the Debtor. *See, e.g., In re Mirant Corp.*, 326 B.R. 354, 356 (Bankr. N.D. Tex. 2005) (no subpoena necessary to compel attendance at a Rule 2004 examination if the subject of the examination is a party-in-interest). In the event the Debtor fails to voluntarily comply with the Court's order, then the Studios will seek to compel the Debtor's cooperation pursuant to Federal Rule of Bankruptcy Procedure 2005. *See 9 Collier on Bankruptcy*, ¶ 2004.01[5], at 2004-5 ("In addition to appearing at the meeting of creditors and being examined under oath, the debtor may also be required to submit to examination under Rule 2004 . . . Sanctions may be imposed if the debtor refuses to cooperate."). The Studios also reserve the right to issue a subpoena to compel production of this information in the event the Studios determine it appropriate to do so.

VidAngel has not disclosed the true value of its technology assets, including patents, in its filings. *See* Statement of Financial Affairs and Schedules (Dkt. 47 at 7 of 48) (Listing “[n]et book value” as \$0 and “[c]urrent value of debtor’s interest” as “Unknown”). Yet it repeatedly describes itself as the “worldwide leader in video filtering technology.” *See, e.g.*, Disclosure Statement (Dkt. 264) at 11. If VidAngel is in negotiations for a transfer *and license back* of that technology, the Studios have a right to discover the motivations, terms, and value of that proposed transfer. If VidAngel is transferring the asset so it will not be available to satisfy the Studios’ award of statutory damages—that may be a fraudulent conveyance. In any event, the Studios, the Court and other parties in interest are entitled to know what is happening with VidAngel’s technology, particularly at this crucial time with a Chapter 11 plan (which says nothing about such a sale and leaseback arrangement) currently pending.

VidAngel has apparently *already* transferred its wholly-owned subsidiary company to Harmon Ventures, LLC (owned entirely by VidAngel’s CEO, Neal Harmon and his brothers) for \$1—this transaction also raises questions regarding VidAngel’s attempt to transfer assets so they will not be available to satisfy the Studios’ award of statutory damages. This transfer also raises questions about whether VidAngel is engaging in conduct prohibited by the Bankruptcy Code, including using, selling or transferring its assets outside the ordinary course of business without judicial review and oversight.

The Studios’ proposed discovery is proper under Rule 2004 and is designed to go directly to “the acts, conduct, or property or to the liabilities and financial condition of the debtor, or to any matter which may affect the administration of the debtor’s estate.” Fed. R. Bankr. P. Rule 2004(b). Specifically, the Studios seek discovery regarding the intentions of VidAngel and the

third-party for the transfer and license-back, as well as the terms and value of the transfer and license-back. *See* Exhibit A. The Studios also seek discovery concerning all of the circumstances surrounding the transfer of its wholly-owned subsidiary company to Harmon Ventures, LLC.

#### **LOCAL RULE 2004-1 REPRESENTATIONS**

Pursuant to Local Rule 2004-1, the Studios affirmatively represent as follows:

1. The persons or entities to be examined are the Debtor;
2. The discovery sought, as noted above, relates to the acts, conduct, or property or to the liabilities and financial condition of the Debtor;
3. The persons to be examined will receive not less than 14 days' written notice of the examination and deadline to produce documents; and
4. The compulsory attendance of a representative for the Debtor, and its requirement to produce responsive documents for the examination, will, if necessary, be compelled by subpoena.

#### **CONCLUSION**

The Studios respectfully request that the Court grant this Motion. A proposed Order is submitted herewith.

DATED this 14<sup>th</sup> day of May, 2019.

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—and—

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—and—

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Email: dleigh@rqn.com

/s/ Michael R. Johnson  
Michael R. Johnson

*Attorneys for the Movants*

**CERTIFICATE OF SERVICE**

I hereby certify that on May 14, 2019, I electronically filed the foregoing with the Clerk of Court using the CM/ECF system, which sent notification of such filing to the electronic filing users in this case as follows:

- **J. Thomas Beckett** tbeckett@parsonsbehle.com, ecf@parsonsbehle.com; brothschild@parsonsbehle.com; kstankevitz@parsonsbehle.com
- **Michael Ronald Brown** mbrown@parsonsbehle.com
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- **Rose Leda Ehler** rose.ehler@mto.com, cynthia.soden@mto.com
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- **Kelly M. Klaus** kelly.klaus@mto.com
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- **Grace S. Pusavat** gpusavat@parsonsbehle.com
- **Brian M. Rothschild** brothschild@parsonsbehle.com, ecf@parsonsbehle.com
- **United States Trustee** USTPRegion19.SK.ECF@usdoj.gov

I further certify that on May 14, 2019, I caused to be mailed a true and correct copy of the foregoing to the following parties via first class mail:

ANALYSIS GROUP, INC.  
333 S HOPE ST 27<sup>TH</sup> FL  
LOS ANGELES CA 90071

DOUGLAS D. GEYSER  
PETER K. STRIS  
STRIS & MAHER LLP  
725 S FIGUEROA ST STE 1830  
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KELLY M. KLAUS  
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ROCKY MOUNTAIN ADVISORY  
215 S STATE STREET STE 550  
SALT LAKE CITY UT 84111

TANNER LLC  
36 S STATE ST STE 600  
SALT LAKE CITY UT 84111-1400

/s/ Dianne Burton



# Exhibit A

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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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**NOTICE OF EXAMINATION UNDER RULE 2004**

**To: VidAngel, Inc.  
c/o J. Thomas Beckett  
PARSONS BEHLE & LATIMER  
201 South Main Street, Suite 1800  
Salt Lake City, Utah 84111**

NOTICE IS HEREBY GIVEN that Disney Enterprises, Inc., Lucasfilm Ltd. LLC, Twentieth Century Fox Film Corporation, Warner Bros. Entertainment Inc., MVL Film Finance LLC, New Line Productions, Inc. and Turner Entertainment Co. (collectively, the “Movants”), through counsel, intend to conduct an examination of VidAngel, Inc. (the “Debtor”) under Federal Rules of Bankruptcy Procedure 2004, 7030 and 7034 and Bankruptcy Local Rule 2004-1 on May 30, 2019 beginning at 10:00 a.m. The examination will take place at the offices of **Ray Quinney & Nebeker P.C., 36 South State Street, 14<sup>th</sup> Floor, Salt Lake City, Utah, 84111** and continue from day to day until completed. The examination will be taken orally before a duly authorized court reporter authorized to administer oath, will be recorded by stenographic means, and may be videotaped. The examination will cover the topics set forth in Schedule B hereto.

NOTICE IS ALSO HEREBY GIVEN that the Debtor is further directed to produce the documents described in Schedule A hereto at the offices of Ray Quinney & Nebeker P.C., 36

South State Street, 14<sup>th</sup> Floor, Salt Lake City, Utah, 84111, on or before May 27, 2019 at 5:00 p.m.

DATED this 14th day of May.

Kelly M. Klaus (*pro hac vice*)  
Rose Leda Ehler (*pro hac vice*)  
Munger, Tolles & Olson LLP  
350 South Grand Avenue, 50<sup>th</sup> Floor  
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Email: kelly.klaus@mto.com  
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—and—

Brent O. Hatch  
Hatch, James & Dodge, P.C.  
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—and—

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Facsimile: (801) 532-7543  
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Email: dleigh@rqn.com

/s/ Michael R. Johnson  
\_\_\_\_\_  
Michael R. Johnson

*Attorneys for the Movants*

**SCHEDULE A**

**DOCUMENT REQUESTS PURSUANT TO RULE 2004**

**DEFINITIONS**

1. As used herein, the term “Movants” means Disney Enterprises, Inc.; Lucasfilm Ltd. LLC; Twentieth Century Fox Film Corporation; Warner Bros. Entertainment Inc. ; MVL Film Finance LLC; New Line Productions, Inc.; and Turner Entertainment Co.

2. As used herein, the terms “VidAngel” or “Debtor” refers to VidAngel, Inc., the debtor-in-possession in Case No. 17-29073 now pending before the United States Bankruptcy Court for the District of Utah.

3. “Communication” means the transmittal of information (in the form of facts, ideas, inquiries or otherwise), and includes both oral and written communications.

4. “Concerning” means relating to, referring to, describing, evidencing or constituting.

5. “Document” is used in the broadest sense and includes without limitation the following items, whether written or produced by hand, or printed or recorded or reproduced by any other mechanical process, and any and every manner of information recordation, storage, transmission, or retrieval, including, but not limited to (a) typing, handwriting, printing, or any other form of writing or marking on paper or other material; (b) tape recordings, microfilms, microfiche, and photocopies; and (c) any electronic, magnetic, or electromagnetic means of information storage and/or retrieval, including, but not limited to, electronic mail, optical storage media, computer memory chips, computer tapes, hard disks, compact discs, floppy disks, and any other storage medium used in connection with electronic data processing (together with the programming instructions and all other material necessary to understand or to use such tapes, disks, or other storage materials), and whether sent or received or neither, including without limitation contracts; agreements and understandings; communications, including intracompany

communications; memos; statements; handwritten or other types of notes; correspondence; telegrams; memoranda; notices; records; books; summaries, notes, or records of telephone conversations; summaries, notes or records of personal conversations or interviews; diaries; forecasts; statistical statements; accountants' work papers; graphs; charts; ledgers; journals; books or records of account; summaries of accounts; balance sheets; income statements; minutes or records of meetings or conferences; desk calendars; appointment books (including pocket appointment books); reports and/or summaries of interviews; reports and/or summaries of investigations; rough or scratch-pad notes; records, reports, or summaries of negotiations; studies; brochures; pamphlets; circulars; press releases; contracts; projections; drafts of any documents; working papers; marginal notations; photographs; drawings; checks (front and back); invoices, bills of lading, and other commercial papers; tape or video recordings; computer printouts; data processing input and output; microfilms; check stubs or receipts; drafts of any of the foregoing; and any other document or writing of whatever description. As used here, "document" means the original and any nonidentical copy. Handwritten notations of any kind on the original or any copy of a document render it nonidentical.

6. "Person" means any natural person or any legal entity, including, without limitation, any business or governmental entity or association.

7. The following rules of construction apply to each request for production herein:

a. The singular form of the word shall be interpreted as plural wherever necessary to bring within the scope of the request any information that might otherwise be construed to be outside its scope.

b. The words "and" and "or" should be construed either disjunctively or conjunctively where necessary to bring within the scope of the request any information that might otherwise be construed to be outside its scope.

c. The word "any" shall be construed to include the word "all," and the word "all" shall be construed to include the word "any."

d. The word “each” shall be construed to include the word “every,” and “every” shall be construed to include the word “each.”

e. The words “includes” and “including” are not limiting.

If You contend that any document or any part of a document is protected from discovery by a privilege or immunity, identify such documents on a privilege log.

### INSTRUCTIONS

1. These requests encompass all documents in the Debtor’s possession, custody, or control, whether or not such documents were prepared by or for the Debtor. Where documents in the Debtor’s possession, custody, or control are requested or inquired of, such request or inquiry includes documents in the possession, custody, or control of each of the Debtor’s current and former direct and indirect affiliates (whether or not debtors in this Chapter 11 case), subsidiaries, directors, employees, representatives, agents, advisors, attorneys, accountants, auditors and consultants, all other persons or entities acting or purporting to act on behalf of the Debtor or under its control, any other persons or entities from whom the Debtor could obtain documents, and each of their predecessors and successors.

2. If the Debtor contends that no documents exist concerning all or part of a request, the Debtor shall state this contention and respond as fully as possible to all parts of the request for which documents exist.

3. If the Debtor claims that any privilege or protection excuses production of any document or part thereof, the Debtor must expressly make such claim in writing and describe the nature of each document withheld on this ground, in sufficient detail to determine whether there is an adequate basis for invoking privilege or protection.

4. In the event that any document covered hereunder has been destroyed, discarded, or lost, the Debtor shall inform the Movants of this in writing and provide a general description of the categories of documents destroyed or lost and the circumstances of their destruction or loss.

5. If any document cannot be produced in full, it shall be produced to the maximum extent possible and the Debtor shall specify in writing the reasons for its inability to produce the remainder.

6. Each document is to be produced with all non-identical copies and drafts thereof in their entirety without abbreviation or redaction (other than for a claim of privilege, consistent with the Instructions herein).

7. All documents shall be produced in native electronic format together with standard-format load files (indicating any parent/child attachment relationships, Bates designation cross-reference table if applicable), and shall be produced together with all original metadata and searchable text.

8. Unless stated otherwise, these Requests call for documents generated, transmitted or received on or after January 1, 2017, or otherwise relating to the period from January 1, 2017 to the present.

9. These Requests shall be deemed to be continuing so as to require Debtor to supplement its responses if Debtor or its attorneys or agents become aware of, receive, or generate additional documents responsive to these Requests after the time of the initial response.

**DOCUMENT REQUESTS**

**Request for Production No. 1:**

All documents regarding or relating to the potential transfer, sale, license, or lease of VidAngel's technology, including but not limited to, Patent No. 9.363,561. For the avoidance of doubt, this request includes all communications, whether by email, chat, text or otherwise.

**Request for Production No. 2:**

All documents regarding or relating to any attempt to value VidAngel's technology, including but not limited to, Patent No. 9.363,561.

**Request for Production No. 3:**

All draft or final term sheets, agreements, or other contracts regarding or relating to the leaseback of VidAngel's technology, including but not limited to, Patent No. 9.363,561.

**Request for Production No. 4:**

All communications with the "Christian non-profit entity" described in Mr. Quinto's April 9, 2019 communication to the Studios.

**Request for Production No. 5:**

All document regarding VAS Portal, LLC, including but not limited to documents surrounding its creation as a separate entity and its sale to Harmon Ventures, LLC in January 2019.

**Request for Production No. 6:**

All document regarding any loans or other extensions of credit from VidAngel to VAS Portal, LLC, including but not limited to a \$100,000 loan that is due in full on or before January 2, 2020.



**SCHEDULE B**

**DEPOSITION TOPICS**

**DEFINITIONS**

The definitions set forth in Schedule A are incorporated herein by reference.

**INSTRUCTIONS**

Pursuant to Federal Rule of Civil Procedure 30(b)(6), You must designate one or more officers, directors, or managing agents, or designate other persons who consent to testify on Your behalf to testify about information known or reasonably available to You regarding the Topics set forth below.

**TOPICS**

1. Any and all attempts to value of VidAngel's technology.
2. Any and all negotiations or other discussions with third parties regarding the transfer of VidAngel's technology.
3. Any and all negotiations or other discussions with third parties regarding the license-back of VidAngel's technology.
4. Any and all communications with the "Christian non-profit entity" described in Mr. Quinto's April 9, 2019 communication to the Studios.
5. VidAngel's subsidiary VAS Portal, LLC.
6. Any loans or other extensions of credit to VAS Portal, LLC.

# Exhibit B

**Form 1-K Issuer Information**

FORM 1-K

**OMB APPROVAL**

OMB Number: #####-####

Estimated average burden hours per response: ##.#

UNITED STATES  
 SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549  
 FORM 1-K

**1-K: Filer Information**

Issuer CIK 0001671941

Issuer CCC XXXXXXXX

Is filer a shell company?  Yes  No

Is the electronic copy of an official filing submitted in paper format?

File Number

Is this filing by a successor company pursuant to Rule 257(b)(5) resulting from a merger or other business combination?  Yes  No

Successor File Number

Is this a LIVE or TEST Filing?  LIVE  TEST

Would you like a Return Copy?

Period 12-31-2018

**Submission Contact Information**

Name

Phone

E-Mail Address

Notify via Filing Website only?

**1-K: Tab 1 Notification**

This Form 1-K is to provide an  Annual Report  Special Financial Report for the fiscal year

Fiscal Year End 12-31-2018

Exact name of issuer as specified in the issuer's charter VidAngel

CIK 0001671941

Jurisdiction of Incorporation / Organization DELAWARE

I.R.S. Employer Identification Number [REDACTED]

**Address of Principal Executive Offices**

Address 1 295 W Center St.

Address 2

City

PROVO

State/Country

UTAH

Mailing Zip/ Postal Code

84601

Phone

760-933-8437

Title of each class of securities issued pursuant to Regulation A

Common Stock

HB is in the business of providing Internet-based and multi-media promotion and marketing services, including the design, implementation and execution of promotional and Web-based advertising campaigns. HB's services to us are divided into two categories: creative and production services and optimization and distribution services. For creative and production services, HB invoices us at cost according to each employee or consultant's personal hourly, billable rate. We also pay all expenses incurred in producing promotional and web-based advertising, including without limitation, props, food and catering onset, facility rentals, travel, equipment rentals, and other costs of production. For optimization and distribution services, we pay HB a percentage-based fee for the management of third-party adspend (Adwords, Facebook, etc.) which drives traffic to the content produced, co-produced or otherwise created by HB, for us. The percentage-based management fee continues for the life of the content. In exchange for the promotion and advertising services from HB, including third-party adspend billed at cost, we paid \$4,687,623 to HB in 2016, \$469,640 to HB in 2017, and \$701,173 to HB in 2018.

#### *Investor Rights and Voting Agreement*

We entered into an Investor Rights and Voting Agreement, or Investor Agreement, dated February 27, 2014, with certain of our investors, including Alta Ventures Mexico Fund I, the manager of which is Paul Ahlstrom, one of our directors. The Investor Agreement requires us to provide certain information and inspection rights, provides for confidentiality, and requires the parties to this agreement to vote their respective shares of common stock in a manner which maintains the number of directors on the Board at no more than five and to elect as a director an individual designated by Alta Ventures Mexico Fund I for so long as it owns at least 1,000,000 shares of our common stock.

#### *Wholly Owned Subsidiaries*

We created VAS Portal, LLC, a wholly-owned subsidiary, in August 2018. On January 2, 2019, we sold VAS Portal, LLC to Harmon Ventures, LLC, which is owned indirectly by our CEO, Mr. Harmon, and two of his brothers, Jeffrey Harmon and Daniel Harmon, for \$1. We did this after FINRA suggested that the Bankruptcy Case would likely prevent the entity from meeting the necessary requirements for registration as a funding portal. Without the possibility of registration, the entity had very little value to VidAngel. To protect VidAngel's interest in the entity, we entered into a call option agreement with Harmon Ventures that gives the Company the right to purchase all of the membership interest of VAS Portal, LLC for \$1 at any time beginning upon (i) the occurrence of the confirmation of the plan for reorganization by the Bankruptcy Court or (ii) the termination of the Disney Litigation and the Bankruptcy proceeding, and ending one year following the latest to occur of the foregoing. This right is also subject to the approval of FINRA as to the change in ownership. As part of the transaction, VAS Portal, LLC, entered into a Services Agreement with VidAngel, Inc. to provide technology services related to the creation of a website and other assets for VAS Portal, LLC.

We subsequently loaned VAS Portal, LLC \$100,000 in the form of a promissory note, with interest at 2.89%, and due in full on January 2, 2020.

We are permitted to enter into transactions with, including making loans to and loan guarantees on behalf of, our directors, executive officers and their affiliates, so long as the person or persons approving the transaction on behalf of us acts in good faith and in a manner reasonably believed to be in or not opposed to our best interest and/or those of our stockholder's. We do not have any outstanding loans or loan guarantees with any related party as of December 31, 2018.

#### **Item 6. Other Information**

None.

#### **Item 7. Financial Statements**

# Exhibit C

Debtor: In re VidAngel, Inc.  
 Case Number: 17-29073-KRA

**MONTHLY OPERATING REPORT**  
 CHAPTER 11

**Form 2-A**  
**COVER SHEET**

For Period Ending April 30, 2019

Accounting Method:  Accrual Basis  Cash Basis

**THIS REPORT IS DUE 14 DAYS AFTER THE END OF THE MONTH**

Mark One Box for Each  
 Required Document:

Debtor must attach each of the following reports/documents unless the U.S. Trustee has waived the requirement in writing. File the original with the Clerk of Court. Submit a duplicate, with original signature, to the U.S. Trustee.

Report/Document Attached	Previously Waived	REQUIRED REPORTS/DOCUMENTS
<input checked="" type="checkbox"/>	<input type="checkbox"/>	1. Cash Receipts and Disbursements Statement (Form 2-B)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	2. Balance Sheet (Form 2-C)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	3. Profit and Loss Statement (Form 2-D)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	4. Supporting Schedules (Form 2-E)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	5. Quarterly Fee Summary (Form 2-F)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	6. Narrative (Form 2-G)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	7. Bank Statements for All Bank Accounts <b>IMPORTANT:</b> Redact account numbers and remove check images
<input checked="" type="checkbox"/>	<input type="checkbox"/>	8. Cash Receipts and Disbursements Statement (Form 2-B)

***I declare under penalty of perjury that the following Monthly Operating Report, and any attachments thereto are true, accurate and correct to the best of my knowledge and belief.***

Executed on: 5/14/2019

Print Name: Patrick Reilly

Signature: 

Title: Chief Financial Officer

Debtor: In re VidAngel, Inc. CASE NO: 17-29073-KRA

**Form 2-B**  
**CASH RECEIPTS AND DISBURSEMENTS STATEMENT**

For Period: Apr 01, 2019 to Apr 30, 2019

**CASH DISBURSEMENTS DETAIL**  
 (attach additional sheets as necessary)

**ACCOUNT NO:** XXXXX1843

Date	Check No.	Payee	Description	Amount
04/04/2019		Dark Rider Productions	Vendor Payment	3,948.62
04/04/2019		Analysis Group Inc.	Professional Fees	4,697.20
04/04/2019		VAS Brokerage	Note Payable	175,000.00
04/04/2019		Gusto	Payroll Tax Withdrawal	432.69
04/04/2019		Adobe Systems	Vendor Payment	32.16
04/04/2019		Amazon	Vendor Payment	3.90
04/05/2019	1164	Sami Gallman	Venue Contractor Payment	101.83
04/05/2019		Healthequity Inc.	HSA Payment	167.50
04/08/2019		Zion's Bank	Credit Card Payment	30,050.90
04/08/2019		Zion's Bank	Credit Card Payment	2,253.85
04/08/2019		Zion's Bank	Credit Card Payment	1,065.08
04/08/2019		Zion's Bank	Credit Card Payment	942.27
04/08/2019		Zion's Bank	Credit Card Payment	284.77
04/08/2019		Zion's Bank	Credit Card Payment	4,925.63
04/08/2019		Zion's Bank	Credit Card Payment	416.57
04/08/2019		Dentist Direct	Dental Insurance	2,205.41
04/09/2019		Asana	Vendor Payment	75.00
04/09/2019		Doug Thompson	Comedian Payment	1,535.59
04/09/2019		Jay Stevens	Comedian Payment	1,400.00
04/09/2019		Ron Ruhman	Comedian Payment	1,400.00
04/09/2019		Gabriel Ericson	Comedian Payment	100.00
04/09/2019		Lightstream Managed Services	Vendor Payment	43,739.83
04/10/2019		AmTrust North America	Worker's Comp Insurance Payment	390.00
04/11/2019		Josh Hone	Production Contractor Payment	200.00
04/11/2019		Gabriel Bangerter	Production Contractor Payment	100.00
04/11/2019		Jordan Makin	Contractor Payment	150.00
04/11/2019		Steven Soelberg	Contractor Payment	150.00
04/11/2019		Seth Tippetts	Contractor Payment	150.00
04/11/2019		Alex Mario Velluto	Contractor Payment	150.00
04/11/2019		Ellie Tippetts	Contractor Payment	150.00
04/11/2019		Durham Jones and Pinegar, P.C.	Legal Fees	468.00
04/11/2019	1171	Andrew Tekulve	Vendor Payment	780.00
			<b>Total Cash Disbursements</b>	\$ <u>                    </u>

(1) Total for all accounts should agree with total cash receipts listed on Form 2-B, page 1