

Michael R. Johnson, Esq. (A7070)  
David H. Leigh, Esq. (A9433)  
**RAY QUINNEY & NEBEKER P.C.**  
36 South State Street, 14th Floor  
Salt Lake City, Utah 84111  
Telephone: (801) 532-1500  
Facsimile: (801) 532-7543  
Email: mjohnson@rqn.com  
Email: dleigh@rqn.com

Kelly M. Klaus (*pro hac vice*)  
Rose Leda Ehler (*pro hac vice*)  
**MUNGER, TOLLES & OLSON LLP**  
350 South Grand Avenue, 50th Floor  
Los Angeles, California 90071-3426  
Telephone: (213) 683-9100  
Facsimile: (213) 687-3702  
Email: kelly.klaus@mto.com  
Email: rose.ehler@mto.com

*Attorneys for 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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**STIPULATION AND AGREEMENT BETWEEN THE DEBTOR AND THE STUDIOS  
(A) CONSENTING TO THE APPOINTMENT OF A CHAPTER 11 TRUSTEE, (B)  
WITHDRAWING THE STUDIOS' MOTION TO CONVERT WITHOUT PREJUDICE,  
AND (C) ADDRESSING RELATED MATTERS**

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VidAngel, Inc., the debtor-in-possession in the above-entitled Chapter 11 case (the “**Debtor**” or “**VidAngel**”), on the one hand, and 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**”), on the other hand, by and through their respective counsels of record, stipulate and agree as follows regarding (a) the Studios’ *Emergency Motion to Appoint a Chapter 11 Trustee and Memorandum in Support of Motion* (the “**Trustee Motion**”), filed June 14, 2019 as Dkt. 310, (b) *The Studios’*

*Motion to Convert Case to Chapter 7, and Memorandum in Support of Motion* (the “**Conversion Motion**”), filed June 21, 2019 as Dkt. 317, and (c) various issues related to the Trustee Motion and the Conversion Motion:

**RECITALS**

1. The Debtor filed the above-entitled Chapter 11 case on October 18, 2017.
2. The Studios are all creditors of the Debtor and the bankruptcy estate.
3. The Studios filed the Trustee Motion on June 14, 2019. In the Trustee Motion, the Studios have asked the Court to appoint a Chapter 11 Trustee pursuant to 11 U.S.C. §§ 1104(a)(1) and/or 1104(a)(2).
4. The Studios filed the Conversion Motion on June 21, 2019. In the Conversion Motion, the Studios have asked the Court to enter an order converting the Debtor’s bankruptcy case to a case under Chapter 7 of the Bankruptcy Code, pursuant to 11 U.S.C. § 1121(b)(1).
5. The Debtor has opposed both the Trustee Motion and the Conversion Motion.
6. The Court held a preliminary hearing on both the Trustee Motion and the Conversion Motion on July 23, 2019. At the preliminary hearing, the Court scheduled an evidentiary hearing on the Trustee Motion and the Conversion Motion for September 4, 2019, at 10:00 a.m. (the “**Upcoming Evidentiary Hearing**”).
7. On July 25, 2019, the Court entered its *Order Governing Scheduling and Preliminary Matters* (the “**Scheduling Order**”) [Dkt. 339] regarding the Upcoming Evidentiary Hearing. Among other things, the Scheduling Order sets a discovery cutoff date of August 23, 2019, and establishes deadlines for the filing of trial briefs, witness lists and exhibit lists in advance of the Upcoming Evidentiary Hearing.

8. The Debtor and the Studios have engaged in lengthy discussions to settle and resolve both the Trustee Motion and the Conversion Motion on terms acceptable to both parties, and to avoid the cost, expense and uncertainty of the Upcoming Evidentiary Hearing. The Debtor and the Studios have now come to a stipulation and agreement on such outstanding matters, the terms of which are reflected below.

**STIPULATION AND AGREEMENT**

WHEREFORE, based upon the foregoing, the Debtor and the Studios stipulate and agree as follows regarding the Trustee Motion and the Conversion Motion, and they further ask the Court to enter an Order, in the form submitted herewith, approving the terms of their stipulation and agreement:

1. Trustee Motion Will Be Granted, and Chapter 11 Trustee Will Be Appointed.

The Debtor stipulates and agrees that the Trustee Motion will be granted, and that a Chapter 11 Trustee will be appointed in this case pursuant to 11 U.S.C. § 1104(a).

2. Conversion Motion Withdrawn Upon Entry of Order Approving this Stipulation.

The Studios stipulate and agree that, upon the Court's entry of the Order submitted herewith approving the terms of this Stipulation, the Conversion Motion shall be deemed withdrawn, without prejudice to the Studios' right to seek conversion at a later date by subsequent motion after judgment is entered in the California Action, but reserving their right to move for conversion sooner if circumstances warrant.

3. Roster of Chapter 11 Trustee Candidates. The Debtor and the Studios both stipulate and agree that, upon entry of an Order approving this Stipulation, the Office of the United States Trustee shall forthwith appoint a Chapter 11 Trustee in this case, without any

limitations on the Chapter 11 Trustee's powers or duties. The parties to this stipulation agree that a trustee should be selected from a roster of candidates that only includes David L. Miller, George B. Hofmann, Peggy M. Hunt, and Michael F. Thomson, each of whom are current panel Chapter 7 trustees for the United States Bankruptcy Court for the District of Utah. This roster is not binding on the United States Trustee, but shall be considered by the United States Trustee under 11 U.S.C. § 1104(d) which provides for an appointment process which includes consultation with parties in interest.

4. Conditional Waiver of Section 1104(e) Election Rights. The Studios stipulate and agree that, if the Office of the United States Trustee appoints Ms. Hunt or Messrs. Miller, Hofmann, or Thomson as the Chapter 11 Trustee in this case, and the appointment is thereafter approved by the Bankruptcy Court, the Studios shall waive any right to call for a trustee election under 11 U.S.C. § 1104(e). In the event the Office of the United States Trustee appoints a Chapter 11 Trustee other than Ms. Hunt or Messrs. Miller, Hofmann, or Thomson, the Studios stipulate and agree that they shall waive any such right to call for such an election except to elect Ms. Hunt or one of Messrs. Miller, Hofmann, or Thomson.

5. Cancellation of Upcoming Evidentiary Hearing and Matters Related Thereto. The Debtor and the Studios both stipulate and agree that, upon entry of an Order approving this Stipulation, the Upcoming Evidentiary Hearing should be cancelled by the Court, and that all pending deadlines and discovery associated with the Trustee Motion and the Conversion Motion, including the deadlines set forth in the Court's Scheduling Order, should terminate.

6. Order Granting this Stipulation. The Debtor and the Studios both stipulate and agree that the Court should enter the proposed form of Order submitted herewith, and grant to them such other and further relief as the Court deems just and proper.

DATED this 21st day of August, 2019.

**PARSONS BEHLE & LATIMER**

/s/ J. Thomas Beckett (signed with permission)

J. Thomas Beckett  
*Attorneys for VidAngel, Inc.*

**RAY QUINNEY & NEBEKER P.C.**

/s/ Michael R. Johnson

Michael R. Johnson  
*Attorneys for the Studios*

**CERTIFICATE OF SERVICE**

I hereby certify that on August 21, 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
- **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** mjohnson@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
- **Grace S. Pusavat** gpusavat@parsonsbehle.com
- **Brian M. Rothschild** brothschild@parsonsbehle.com, ecf@parsonsbehle.com
- **United States Trustee** USTPRegion19.SK.ECF@usdoj.gov

*/s/ Dianne Burton*

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