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

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In re

VIDANGEL, INC.

Debtor.

Bankruptcy No. 17-29073 (KRA)

Chapter 11

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**PLAN OF REORGANIZATION**

Dated: April 9, 2020

George Hofmann, in his capacity as the Chapter 11 Trustee of VidAngel, Inc., hereby proposes the following plan of reorganization under Section 1121 of Title 11 of the United States Code.

## ARTICLE I

### DEFINITIONS AND CONSTRUCTION OF TERMS

For purposes of this Plan, the following terms shall have the meanings specified in this Article I. A term used but not defined herein, which is also used in the Bankruptcy Code, shall have the meaning ascribed to that term in the Bankruptcy Code. Wherever from the context it appears appropriate, each term stated shall include both the singular and the plural, and pronouns shall include the masculine, feminine and neuter, regardless of how stated. The words "herein," "hereof," "hereto," "hereunder" and other words of similar import refer to the Plan as a whole and not to any particular Section, sub-Section or clause contained in the Plan. The rules of construction contained in Section 102 of the Bankruptcy Code shall apply to the terms of this Plan. The headings in the Plan are for convenience of reference only and shall not limit or otherwise affect the provisions hereof.

"Administrative Expense Claim" shall mean a Claim that is Allowed under Section 503(b) of the Bankruptcy Code or otherwise is allowed under this Plan, and that is entitled to priority under Section 507(a)(1) of the Bankruptcy Code and/or under Section 2.2(a)(2) of this Plan, including, without limitation,

- (a) fees and expenses of Professionals Allowed pursuant to an Order of the Bankruptcy Court,
- (b) all fees and charges assessed against the Estate pursuant to 28 U.S.C. § 1930,
- (c) Post-Effective Date fees and expenses of the Plan Administrator and his Professionals payable pursuant to Section 2.2(d)(2) of this Plan, and
- (d) other Post-Effective Date Administrative Expenses.

"Allowed" shall mean, with reference to any Claim:

- (a) a Claim that has been listed by the Debtor in its Schedules and (i) is not listed as disputed, contingent or unliquidated, and (ii) is not a Claim as to which a proof of claim has been filed;
- (b) a Claim as to which a timely proof of claim has been filed by the Bar Date and either (i) no objection thereto, or application to estimate, equitably subordinate or otherwise limit recovery, has been made on or before any applicable deadline, or (ii) if an objection thereto, or application to estimate, equitably subordinate or otherwise limit recovery has been interposed, the extent to which such Claim has been allowed (whether in whole or in part) by a Final Order, *provided, however*, that

notwithstanding their status as Allowed Claims as of the date of this Plan, the Copyright Creditors' Claims shall remain subject to a further determination of their extent and amount, as described further in Section 4.3 of this Plan;

(c) a Claim arising from the recovery of property under Section 550 or 553 of the Bankruptcy Code and allowed in accordance with Section 502(h) of the Bankruptcy Code; or

(d) any Claim expressly allowed under this Plan or pursuant to the Confirmation Order.

Except as otherwise specified in the Plan or any Final Order of the Bankruptcy Court, and except for any Claim that is Secured by property of a value in excess of the principal amount of such claims, the amount of an Allowed Claim shall not include any attorneys' fees, costs, penalties, or interest on such Claim occurring or incurred from and after the Petition Date.

"Avoidance Actions" shall mean Causes of Action arising or held by the Estate under Sections 502, 510, 541, 544, 545, 547, 548, 549, or 550 of the Bankruptcy Code, or under related state or federal statutes and common law, including fraudulent or avoidable transfer laws.

"Bankruptcy Case" shall mean the Debtor's case pending in the Bankruptcy Court under case number 17-29073.

"Bankruptcy Code" shall mean Title 11 of the United States Code, as amended from time to time, as applicable to the Bankruptcy Case.

"Bankruptcy Court" shall mean the United States Bankruptcy Court for the District of Utah in which the Bankruptcy Case is pending and, to the extent of any reference under 28 U.S.C. § 157, the unit of such District Court specified pursuant to 28 U.S.C. § 151.

"Bankruptcy Rules" shall mean the Federal Rules of Bankruptcy Procedure as promulgated under 28 U.S.C. § 2075, and any local rules of the Bankruptcy Court.

"Bar Date" shall mean: (i) February 14, 2018, with respect to a Claim against the Estate other than a Claim of a Governmental Unit, a Credit Holders' Claim, or a Pre-Appointment Administrative Expense Claim; (ii) February 14, 2018, with respect to a Claim of a Governmental Unit against the Estate; (iii) December 13, 2019, with respect to a Pre-Appointment Administrative Expense Claim; (iv) April 17, 2020, with respect to a Credit Holders' Claim; and (v) if this Plan and/or an order of the Bankruptcy Court establishes a different bar date for a specific claim or category of Claims (e.g., rejection damages Claims or other post-Petition Date Claims), the date established by the Plan or order of the Court.

“Business Day” shall mean any day other than a Saturday, Sunday or legal holiday recognized in the State of Utah.

“California Court” shall mean the United States District Court for the Central District of California.

“California Court Judgment” shall mean that certain *Judgment* entered on September 23, 2019, by the California Court, against the Debtor and in favor of the Copyright Creditors, as such judgment may be altered or amended by the California Court or upon appeal.

“California Litigation” shall mean *Disney Enterprises, Inc., et al v. VidAngel Inc.*, case # 2:16-cv-04109-AB-PLA, in the United States District Court for the Central District of California, including any and all appeal(s) arising therefrom and related thereto.

“Cash” shall mean 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).

“Causes of Action” shall mean, 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.

“Chapter 11 Trustee” shall mean the duly-appointed chapter 11 trustee in the Case, who is presently George Hofmann.

“Claim” shall mean a claim against a Person or its property as defined in Section 101(5) of the Bankruptcy Code, including, without limitation, (i) any right to payment, whether or not such right is reduced to judgment, and whether or not such right is liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured; or (ii) any right to an equitable remedy for breach of performance, if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, or is fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured.

“Class” shall mean those classes designated in Article III of this Plan.

“Collateral” shall mean any property or interest in property of the 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.

“Confirmation Date” shall mean the date on which the clerk of the Bankruptcy Court enters the Confirmation Order on the docket in the Bankruptcy Case.

“Confirmation Order” shall mean the order of the Bankruptcy Court confirming the Plan pursuant to the provisions of the Bankruptcy Code, and any supplementary orders of the Bankruptcy Court issued in furtherance of the Plan.

“Contingent or Unliquidated Claim” shall mean any Claim for which a proof of claim has been filed with the Bankruptcy Court but which was not filed in a sum certain, or which has not occurred and is dependent upon a future event that has not occurred or may never occur, and which has not been Allowed.

“Convenience Claim” shall mean all General Unsecured Claims of a single holder of a type that would otherwise be included in Class 2 (or any other Class if such holder makes a Convenience Class Election) which are either (i) \$5,000 or less in the aggregate; or (ii) greater than \$5,000 in the aggregate but as to which the holder thereof has elected voluntarily to reduce the claim to \$5,000 by making a Convenience Class Election pursuant to section 4.2(d) of this Plan.

“Convenience Claim Election” shall mean an election made by the holder of any Claim on or before the Voting Deadline, to be treated as a Convenience Claim in Class 6, *provided, however*, that holders of Credit Holders’ Claims may not make a Convenience Claim Election. A Convenience Claim Election must be made in an authenticated written notice to the Chapter 11 Trustee, whereby the holder of such Claim voluntarily elects, if the Claim is, or may be, greater than \$5,000, voluntarily to reduce the amount of the Claim to \$5,000. Such an election constitutes an irrevocable waiver and release of all amounts in excess of \$5,000, any rights in Collateral and any priority. Any holder that makes a Convenience Class Election shall be deemed to release the Debtor and the Estate from any and all liability for amounts in excess of \$5,000. If a holder of a Class 2 Claim timely makes such a Convenience Class Election, its Claim shall be treated as a Class 6 Convenience Claim. Holders of Allowed Convenience Claims shall be treated in accordance with Section 4.6 of the Plan.

“Copyright Creditors” shall mean Disney Enterprises, Inc., Lucasfilm Ltd. LLC, Twentieth Century Fox Film Corporation, Warner Bros. Entertainment Inc., MVL Film Finance, LLC, New Line Production, Inc. and Turner Entertainment Co., collectively.

“Copyright Creditors’ Claim” or “Copyright Creditors’ Claims” shall mean any and all Claim(s) held by the Copyright Creditors. As described in more detail herein, although the Copyright Creditors’ Claims are deemed “Allowed” for the purpose of voting on the Plan and receiving treatment under Section 4.3 of the Plan, the amount of the Copyright Creditors’ Claims as set forth in the California Court Judgment shall be deemed a Disputed Claim Amount unless and until: (i) (a) all Rule 59, 60(b), and other post-trial motions to alter, amend, vacate, or otherwise affect the California Court Judgment have been finally decided, and (b) all appeals have been finally decided and all deadlines for further appeal, rehearing, and/or certiorari have passed; (ii) the Chapter 11 Trustee or the Plan Administrator, and the Copyright Creditors, agree to an Allowed Claim amount; or (iii) the Bankruptcy Court enters a Final Order estimating such Claims for the purpose of distributions under the Plan.

“Credit Holders” means the holders of VidAngel Subscriptions Credits, referred to in the Debtor’s Schedule E/F, paragraph 3.5, located at Docket No. 47 in the Bankruptcy Case, as modified pursuant to the *Stipulated Order Approving Trustee’s Motion for Order: (i) Fixing a Bar Date for Filing Customer Claims; (ii) Approving the Form and Method of Providing the Bar Date Notice; (iii) Approving the Mailing Procedures; and (iv) Approving the Form of Amended Schedules E/F* [Docket No. 568].

“Credit Holders’ Claims” means all Claims held by Credit Holders which arise from VidAngel Subscription Credits. For the avoidance of doubt, if a Credit Holder holds a Claim or that is not related to a VidAngel Subscription Credit (e.g., a General Unsecured Claim), then such Claim shall be treated in the more appropriate Class(es) of Claims as set forth herein.

“Crowdfunding” includes any means of raising capital from multiple Persons, including without limitation: (i) a “Regulation A+” crowdfunding; (ii) by the use of a properly registered fundraising portal, including without limitation, VAS Portal, LLC; or (iii) by the use of a properly registered fundraising broker-dealer, including without limitation, Studio Brokerage, LLC.

“Debtor” shall mean VidAngel, Inc. References to the Debtor shall mean and refer to the Reorganized Debtor at any point in time after the Effective Date.

“Disclosure Statement” shall mean the disclosure statement relating to the Plan, including, without limitation, all exhibits and schedules thereto, in the form approved by the Bankruptcy Court pursuant to Section 1125 of the Bankruptcy Code.

“Disputed Claim” shall mean:

(a) if no proof of claim relating to a Claim has been filed, a claim that is listed in the Schedules as unliquidated, disputed or contingent; or

(b) if a proof of claim relating to a Claim has been filed, a Claim as to which a timely objection or request for estimation, or request to equitably subordinate or otherwise limit recovery in accordance with the Bankruptcy Code and the Bankruptcy Rules, has been made, or which is otherwise disputed by the Chapter 11 Trustee, the Plan Administrator, or Debtor in accordance with applicable law, which objection, request for estimation, action to limit recovery or dispute has not been withdrawn or determined by Final Order;

(c) a Claim which is a Contingent or Unliquidated Claim; or

(d) a Claim that is specifically identified as “disputed” or a Disputed Claim in this Plan.

“Disputed Claim Amount” shall mean the amount set forth in the proof of claim relating to a Disputed Claim, an amount estimated pursuant to an order of the Bankruptcy Court in respect of a Disputed Claim in accordance with Section 502(c) of

the Bankruptcy Code, or, for the Copyright Creditors' Claims, the amount of their Claims as presently set forth in the California Court Judgment, subject to the provisions of Section 4.3 of this Plan.

"Distribution Date" shall mean fourteen (14) days after the last day of each full Quarter following the Effective Date, up to and including the Final Distribution Date, or if the fourteenth day following the last day of any Quarter is not a Business Day, the first Business Day immediately thereafter.

"Distribution Funds" and shall mean all funds available and required to be distributed to holders of Claims under this Plan.

"Distribution Record Date" shall mean the Confirmation Date.

"Effective Date" shall mean the date which is 30 days after the Confirmation Date, or if such date is not a Business Day, the next succeeding Business Day; provided, however, that if, as of such date, all conditions precedent to the occurrence of the Effective Date set forth in Section 9.1 of the Plan have not been satisfied or waived, then the Effective Date shall be the first Business Day immediately following the day upon which all such conditions have been satisfied or waived.

"Employees" shall mean such persons as are employed by the Debtor as of the Effective Date.

"Equity Interest" shall mean the interest of any holder of any stock in the Debtor, and any and all options, warrants and rights, contractual or otherwise, to acquire any such stock, as such interests exist immediately prior to the Effective Date.

"Estate" shall mean the estate created in the Bankruptcy Case pursuant to Section 541 of the Bankruptcy Code.

"Final Distribution Date" shall mean the earlier of (i) the Distribution Date immediately following the fourteen (14) year anniversary of the Effective Date; or (ii) the last Distribution Date by which the Distribution Funds owed to Allowed Claims under the Plan has been paid in full.

"Final Order" shall mean 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.

“General Unsecured Claim” shall mean a Claim that is not a Secured Claim or that is not entitled to priority of payment under Section 507 of the Bankruptcy Code, other than the Copyright Creditors’ Claims, the Credit Holders’ Claims, and Convenience Claims (including, subject to their making a Convenience Claim Election, Claims that otherwise would have qualified as General Unsecured Claims).

“Initial Distribution Date” shall mean and refer to the Distribution Date first occurring after the Effective Date.

“Interim Distribution Date” shall mean each Distribution Date other than the Final Distribution Date.

“Lien” shall have the meaning set forth in Section 101(37) of the Bankruptcy Code; except that a Lien that has been avoided in accordance with Sections 544, 545, 546, 547, 548, 549 or 553 of the Bankruptcy Code shall not constitute a Lien.

“Non-Compliant Professionals” shall mean those Persons who, in the Chapter 11 Trustee’s judgment, subject to the ultimate determination of the Bankruptcy Court, should have (i) been employed as a “Professional” of the Debtor pursuant to an order of the Bankruptcy Court in accordance with Sections 327 or 1103 of the Bankruptcy Code, or (ii) sought Bankruptcy Court approval for compensation for their services to the Debtor pursuant to Sections 327, 328, 329, 330 and 331 of the Bankruptcy Code, but failed to seek such Court approval in either or both instances.

“Person” shall mean any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated association or organization, Governmental Unit or political subdivision thereof.

“Petition Date” shall mean October 18, 2017.

“Plan” shall mean this Plan of Reorganization, including, without limitation, the exhibits, supplements, appendices and schedules hereto, either in their present form or as the same may be altered, amended or modified from time to time.

“Plan Administrator” shall be the Person appointed under Section 5.7 of this Plan. The Initial Plan Administrator shall be George B. Hofmann.

“Plan Period” shall mean the period of time commencing on the Effective Date and ending on the Final Distribution Date. If the treatment of a particular Claim or creditor relates to periods of time preceding the Effective Date (including without limitation the use of VidAngel Subscription Credits between the Petition Date and the Effective Date), then the Plan Period shall commence on the Petition Date with respect to that particular Claim or creditor. If the treatment of a particular Claim or creditor relates to periods of time before or after the Final Distribution Date, then the Plan Period shall be completed as to that particular Claim or creditor as of the date of the final payment made under the Plan with respect to that particular Claim or creditor.

“Plan Rate” shall mean an annual rate of interest equal to the weekly average 1-year constant maturity Treasury yield, as published by the Board of Governors on the Petition Date.

“Post-Effective Date Administrative Expenses” shall mean: (i) the fees and expenses of the Plan Administrator’s attorneys’ and other professionals; (ii) the fees and expenses of the attorneys and Professionals hired by the Chapter 11 Trustee or the Plan Administrator to represent the Chapter 11 Trustee, the Plan Administrator, the Debtor, the Reorganized Debtor, and the Estate (or any one of them) in the California Litigation, any contested matter, or any adversary proceeding arising under or related to this Bankruptcy Case; (iii) the fees, expenses, and costs of the Plan Administrator; and (iv) such Claims, fees, costs, and expenses as are approved by the Plan Administrator as being necessary or related to the administration of the Plan, including fees and expenses of professionals hired by the Reorganized Debtor, *provided, however*, that such Claims, fees, costs, and expenses shall not include those which are incurred in the Debtor’s ordinary course of business, as determined in the sole discretion of the Plan Administrator.

“Preference Claims” shall mean and refer to all claims to recover a payment or property transferred on account of an antecedent debt, including without limitation claims under section 547 of the Bankruptcy Code, and claims under Utah Code Ann. § 25-6-203(2) and other similar state statutes.

“Pre-Appointment Administrative Expense Claim” shall mean an Administrative Expense Claim against the Estate under Bankruptcy Code § 503(b), arising on or after October 18, 2017, and on or before August 28, 2019, as described in the *Trustee’s Motion for Order: (i) Fixing a Bar Date for Filing Applications to Allow Administrative Expense Claims; (ii) Approving the Form of the Bar Date Notice; and (iii) Approving the Mailing Procedures*, found at Docket No. 375 in the Bankruptcy Case, and the *Order: (i) Fixing a Bar Date for Filing Applications to Allow Administrative Expense Claims; (ii) Approving the Form of the Bar Date Notice; and (iii) Approving the Mailing Procedures*, found at Docket No. 399 in the Bankruptcy Case.

“Priority Claims” shall mean 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.

“Priority Tax Claims” shall mean any Claim of a Governmental Unit entitled to priority under Section 507(a)(8) of the Bankruptcy Code.

“Pro Rata” shall mean a proportionate share of the total distribution made at any particular time under this Plan to the holders of Allowed Claims in a Class, such that the ratio of the consideration distributed on account of an Allowed Claim in a Class to the amount of such Allowed Claim is the same as the ratio of the amount of the consideration distributed on account of all Allowed Claims in such Class to the total of all Allowed Claims in such Class.

“Professionals” shall mean (i) those Persons employed pursuant to an order of the Bankruptcy Court in accordance with Sections 327 or 1103 of the Bankruptcy Code and to be compensated for services pursuant to Sections 327, 328, 329, 330 and 331 of the Bankruptcy Code, (ii) those Persons for which compensation and reimbursement is allowed by the Bankruptcy Court pursuant to Section 503(b)(4) of the Bankruptcy Code; and (iii) post-Effective Date Professionals retained by the Plan Administrator.

“Quarter” means and refers to the calendar quarters ending, respectively, on March 31, June 30, September 30 and December 31.

“Quarterly” means on the basis of a Quarter.

“Reorganized Debtor” shall mean the Debtor, as reorganized after the Effective Date pursuant to the terms of this Plan. Any reference to the “Debtor” that follows the Effective Date shall be deemed to mean the Reorganized Debtor.

“Schedules” shall mean the schedules of assets and liabilities, the list of holders of interests and the statements of financial affairs filed by the Debtor or the Chapter 11 Trustee under Section 521 of the Bankruptcy Code and Bankruptcy Rule 1007, as such schedules, lists and statements have been or may be supplemented or amended from time to time.

“SEC” shall mean the United States Securities and Exchange Commission.

“Secured Claim” shall mean any Allowed Claim that is secured by a Lien on Collateral to the extent of the value of such Collateral, as determined in accordance with Section 506(a) of the Bankruptcy Code, or, in the event that such Claim is a claim of setoff under Section 553 of the Bankruptcy Code, to the extent of such setoff.

“Self-Selected Viewing Service(s)” means the service(s) whereby the Debtor lawfully assists customers to self-select—from their own, lawfully obtained copy of audio-video media—what scenes, segments, or audio they will view and/or listen to and which they will skip, fast-forward, and/or mute.

“VidAngel Subscription Credits” means any credit(s) that any Credit Holder has as of the Effective Date that can be used for VidAngel’s Self-Selected Viewing Service.

“Voting Deadline” shall mean the deadline set by the Bankruptcy Court for voting on the Plan.

## ARTICLE II

### TREATMENT OF ALLOWED ADMINISTRATIVE EXPENSE CLAIMS AND ALLOWED PRIORITY TAX CLAIMS

**2.1 Non-Classification.** 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 this Article II.

## **2.2 Administrative Expense Claims.**

(a) Bar Date. All applications for allowance of Administrative Expense Claims other than (a) fees and expenses of Professionals Allowed pursuant to an Order of the Bankruptcy Court, (b) fees and charges assessed against the Estate pursuant to 28 U.S.C. § 1930, and (c) Pre-Appointment Administrative Expense Claims, shall be filed not later than thirty (30) days after the Effective Date. All Administrative Expense Claims not filed within thirty days after the Effective Date shall be barred. The deadline in the preceding sentence shall be construed and have the same force and effect as a statute of limitations. The Reorganized Debtor shall provide notice to all creditors listed on the mailing matrix of this bar date within ten days after the Effective Date. The Bankruptcy Court shall determine all Administrative Expense Claims. This clause is not intended, and shall not be construed, to set a bar date for Post-Effective Date Administrative Expenses, which will be paid by the Reorganized Debtor as set forth in Section 2.2(d)(2) of this Plan.

(b) General. Except as otherwise agreed to by the Chapter 11 Trustee and the holder of an Allowed Administrative Expense Claim, and subject to Section 2.2(c) below, 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 Chapter 11 Trustee, the Plan Administrator, or their successor(s) or assign(s) dispute any portion of an Administrative Expense Claim, the Reorganized 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.

(c) U.S. Trustee's Fees. The United States Trustee's quarterly fees shall be paid in full without prior approval pursuant to 28 U.S.C. § 1930.

### **(d) Professional Compensation and Expense Reimbursement Claims.**

(1) Each Professional shall file a final application for the allowance of compensation for services rendered or reimbursement of expenses incurred through and including the Effective Date within thirty (30) days after the Effective Date. Any award granted by the Bankruptcy Court shall be paid (i) within fifteen days of the entry of the 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 Plan Administrator.

(2) All Post-Effective Date Administrative Expenses shall be paid by the Reorganized Debtor upon receipt of reasonably detailed invoices therefor in such amounts and on such terms as such Professional and the Plan Administrator may

agree, without the need for further Bankruptcy Court authorization or entry of a Final Order.

### **2.3 Priority Tax Claims.**

At the sole election of the Plan Administrator, 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 Bankruptcy Case had not been commenced, or (iii) in four Quarterly Cash payments, commencing on the Initial Distribution Date, and concluding on the fourth Interim Distribution Date, in an amount equal to the amount of such Allowed Priority Tax Claim, plus interest at the rate prescribed by Bankruptcy Code § 511.

## **ARTICLE III**

### **CLASSIFICATION OF CLAIMS**

Claims, other than Administrative Expense Claims and Priority Tax Claims, shall be classified for all purposes, including voting on, confirmation of, and distribution pursuant to the Plan, as follows:

Class 1 – Priority Claims. Class 1 shall consist of all Allowed Priority Claims against the Debtor, other than Priority Tax Claims.

Class 2 – General Unsecured Claims. Class 2 shall consist of all Allowed General Unsecured Claims against the Debtor except for the Copyright Creditors' Claims, the Credit Holders' Claims, and Convenience Claims (including without limitation Claims of holders who make Convenience Class Election).

Class 3 – Copyright Creditors' Claims. Class 3 shall consist of all Copyright Creditors' Claims against the Reorganized Debtor. Although such Claims shall be deemed "Allowed" for the purpose of voting on the Plan and receiving distributions as set forth in Section 4.3 of this Plan, the amounts of such Claims as set forth in the California Court Judgment shall remain Disputed Claim Amounts, subject to the reservation of rights set forth in Section 4.3 of this Plan.

Class 4 – Credit Holders' Claims. Class 4 shall consist of all Allowed Credit Holders' Claims.

Class 5 – Equity Interests in the Debtor. Class 5 shall consist of all Equity Interests in the Debtor.

Class 6 – Convenience Class Claims – Class 6 shall consist of all Allowed Convenience Claims.

## ARTICLE IV

### TREATMENT OF CLAIMS AND EQUITY INTERESTS

#### 4.1 Class 1 – Priority Claims

(a) Impairment. Class 1 is impaired under the Plan. Each holder of an Allowed Class 1 Claim shall be entitled to vote to accept or reject the Plan.

(b) Payment Amount. The holders of Allowed Class 1 Claims shall be paid from Distribution Funds the full amount of their claim as of the Petition Date, with interest from the Effective Date at the Plan Rate, on the Initial Distribution Date.

(c) Contingent Right to Request Dismissal. Section 1129(a)(9)(B) of the Bankruptcy Code provides that, unless the holder of a particular claim has agreed to a different treatment, if a class of claims specified in sections 507(a)(1), (a)(4), (a)(5), (a)(6) or (a)(7) has accepted the plan, the plan must provide that the holders of claims in such class will receive deferred cash payments equal to the allowed amount of such claim. The Chapter 11 Trustee's analysis of claims supports the conclusion that the Reorganized Debtor will have sufficient funds as of the Effective Date to satisfy in full all such Allowed Priority Claims.

#### 4.2 Class 2 – General Unsecured Claims

(a) Impairment. Class 2 is impaired under the Plan. Holders of Allowed Class 2 Claims shall be entitled to vote to accept or reject the Plan.

(b) Payment Amount. Each holder of an Allowed General Unsecured Claim shall be paid from Distribution Funds 100% of the principal amount of such holder's Allowed General Unsecured Claims, plus interest at the Plan Rate.

(c) Pro Rata Distributions on Quarterly Distribution Dates. The Reorganized Debtor shall pay holders of Allowed General Unsecured Claims quarterly payments, on a pro rata basis, beginning on the Initial Distribution Date, with subsequent payments due on the Interim Distribution Dates, with the final payment due on the Final Distribution Date. The Quarterly payments shall be made on the same amortization schedule, and on the same pro rata basis, as is provided to Class 3 Claims (See Schedule 2 to Exhibit B of the Disclosure Statement). The Reorganized Debtor may at any time prepay amounts payable to holders of Allowed General Unsecured Claims without penalty.

(d) Convenience Claim Election. Holders of Allowed General Unsecured Claims who vote in favor of this Plan may make a Convenience Claim Election. Holders of Allowed General Unsecured Claims who make a Convenience Claim Election waive any distribution under Section 4.2 of this Plan. Holders of Allowed General Unsecured Claims who do not expressly in writing through their ballot make a Convenience Claim Election shall instead receive the treatment of their Claim provided in Section 4.2(b) and (c). The votes of Holders of Allowed General Unsecured Claims

who make a Convenience Claim Election shall be counted as Class 6 votes rather than Class 2 votes.

#### **4.3 Class 3 – Copyright Creditors’ Claims**

(a) Impairment. Class 3 is impaired under the Plan. The Copyright Creditors shall be entitled to vote to accept or reject the Plan.

(b) Payment Amount. Each holder of a Class 3 Claim shall be paid from Distribution Funds 100% of the principal amount of such holder’s Class 3 Claim, up to the pro rata amount of the California Court Judgment allotted to such holder, plus interest at the Plan Rate from and after the Effective Date, subject to the Reservation of Rights set forth in Section 4.3(d) of this Plan.

(c) Pro Rata Distributions. The Reorganized Debtor shall pay holders of Class 3 Claims quarterly payments, on a pro rata basis, beginning on the Initial Distribution Date, with subsequent payments due on the Interim Distribution Dates, with the final payment due on the Final Distribution Date. The Quarterly payments shall be in the amounts set forth in the schedule attached as Schedule 1 to Exhibit B of the Disclosure Statement. The Reorganized Debtor may at any time prepay amounts payable to holders of Class 3 Claims without penalty.

Notwithstanding the proposed payment amounts set forth in Schedule 1 of Exhibit B to the Disclosure Statement, to the extent that it is determined by Final Order in the California Litigation that the aggregate amount of the Copyright Creditors’ Claims are less than the current amount of the California Court Judgment, then the Plan Administrator and the Reorganized Debtor shall be entitled to reduce, modify, recover, and/or disgorge, as the case may be, such payments such that the total amount paid to the holders of Allowed Class 3 Claims is no more than the amount that is determined by a Final Order in the California Litigation, plus interest from and after the Effective Date at the Plan Rate.

To the extent that the Bankruptcy Court determines, by Final Order, that the Copyright Creditors are entitled to include their attorneys’ fees and costs as part of their Allowed Claims, the Reorganized Debtor shall pay the fees and costs on a pro rata basis, beginning on the Initial Distribution Date, with subsequent payments due on the Interim Distribution Dates, with the final payment due on the Final Distribution Date.

(d) Reservation of Rights. The Chapter 11 Trustee and the Plan Administrator reserve all rights, claims, and defenses (including those of the Debtor, the Reorganized Debtor, and the Estate) against the Copyright Creditors, including as those rights, claims, and defenses have and may be asserted in the California Litigation, including on appeal and remand. Such rights, claims, and defenses include without limitation the right to (i) estimate the Copyright Creditors’ Claims under Bankruptcy Code § 502(c); (ii) seek reconsideration of such Claims under Bankruptcy Code § 502(j); (iii) subordinate such claims under Bankruptcy Code § 510(c); (iv) designate such Claims under Bankruptcy Code § 1126(e); (v) seek a determination that the Copyright Creditors’ Claims are unimpaired by this Plan, such that they are deemed to accept the Plan; and (vi) reduce, modify, recover or disgorge some or all of the

payments from the Copyright Creditors as described in paragraph 4.3(c) above, if it is determined by Final Order on appeal or remand that the amount set forth in the California Court Judgment should be reduced (in which case, the amount to be paid by the Reorganized Debtor would be the reduced amount, plus interest at the Judgment Rate from and after the Effective Date, subject to disgorgement and recovery of any over-payment already made).

For the avoidance of doubt, the Chapter 11 Trustee and the Plan Administrator intend to prosecute the appeal of the California Litigation in an effort to determine whether the amount of the Class 3 Claims will be reduced to an amount less than the current amount of the California Court Judgment. The Chapter 11 Trustee expressly reserves his, the Plan Administrator's, the Debtor's, the Reorganized Debtor's, and the Estate's rights to continue to prosecute the appeal(s) of the California Court Judgment for all purposes, including for reducing the amounts of the Copyright Creditors' Claims and distributions under the Plan based on the same.

(e) Disputed Claim. The amounts of the Copyright Creditors' Claims are, and shall be deemed as, Disputed Claim Amounts, in that they will remain subject to reduction in amount and extent, unless and until: (i) a Final Order is entered in the California Litigation, all Rule 59, 60(b), and other post-trial motions to alter, amend, vacate, or otherwise affect the California Court Judgment have been finally decided, and, all appeals have been finally decided and all deadlines for further appeal, rehearing, and/or certiorari have passed; (ii) the Chapter 11 Trustee or the Plan Administrator, and the Copyright Creditors, agree to an Allowed Claim amount; or (iii) the Bankruptcy Court enters a Final Order estimating the amounts of such Claims for the purpose of distributions under the Plan. The continued prosecution of the California Litigation, including appeals, shall have the same effect for purposes of distributions under the Plan as an unresolved objection to the California Creditors' Claims.

#### **4.4 Class 4 – Credit Holders' Claims**

(a) Impairment. Class 4 is impaired under the Plan. Holders of Allowed Class 4 Claims shall be entitled to vote to accept or reject the Plan.

(b) Payment. Holders of Allowed Class 4 Claims shall be entitled to use their VidAngel Subscription Credits as a credit towards the Reorganized Debtor's Self-Selected Viewing Services, *provided however*, 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 and no Credit Holder shall be paid from Distribution Funds.

(c) Effect of Use of VidAngel Subscription Credits Prior to Effective Date. To the extent that a holder of an Allowed Class 4 Claim redeems some or all of its VidAngel Subscription Credits Prior to the Effective Date, the Allowed Claim of such Credit Holder(s) shall be deemed satisfied up to the amount redeemed.

#### **4.5 Class 5 – Equity Interests**

(a) Impairment. Class 5 is impaired under the Plan. Holders of Class 5 Equity Interests shall be entitled to vote to accept or reject the Plan.

(b) Treatment. Each record holder of an Equity Interest in the Debtor shall retain its interest in the Debtor, as the Reorganized Debtor, *provided, however*, that the Reorganized Debtor shall not make distributions to the holders of Equity Interests on account of such Equity Interests unless and until all other payment obligations under the Plan are paid in full.

(c) No Prejudice to Future Equity Offerings. Nothing in the Plan is intended, or should be construed, to limit the Reorganized Debtor's ability to raise additional funds through a sale or sales of equity interests in the Reorganized Debtor, including without limitation, using the options set forth in Section 5.3 of this Plan.

(d) Employee Stock Options Awarded. The Debtor is, and shall be, authorized to issue and award up to 956,200 Class A Stock Options to the Debtor's Employees as of the Effective Date. To the extent that the Debtor has reserved additional Class A Options for its Employees or future employees, the Reorganized Debtor may issue or award such options at any time after the Effective Date. Subject to the requirements of its organizational and other corporate documents, the Reorganized Debtor shall retain full discretion as to how, to whom, and in what amounts it will issue the Class A Stock Options.

#### **4.6 Class 6 – Convenience Claims**

(a) Impairment. Class 6 is impaired under the Plan. Holders of Class 6 Convenience Claims shall be entitled to vote to accept or reject the Plan.

(b) Treatment. The holders of Allowed Class 6 Convenience Claims shall be paid 100% of the Allowed amount of such Claims, without any interest, on the Initial Distribution Date, in full satisfaction of those Claims.

**4.7 No Penalties**. Except as expressly stated in the Plan or allowed by the Bankruptcy Court, no late charge or penalty, including but not limited to prepayment penalties, shall be allowed on any Claim subsequent to the Petition Date.

**4.8 All Defaults Cured and Waived; All Notes and Obligations Decelerated and Reinstated**. Pursuant to sections 1123(a)(5)(G) and 1124(2) of the Bankruptcy Code, among others, and except as otherwise provided by this Plan, all defaults by the Debtor that existed or that may have existed under any promissory note, loan document, unexpired lease, executory contract or other written agreement of or by the Debtor shall be deemed cured and waived as of the Effective Date. All notes, instruments or obligations that were accelerated pre-petition and/or pre-confirmation shall be decelerated and reinstated as of the Effective Date. All judicial and non-judicial foreclosure actions and proceedings against the Debtor, excepting the California

Litigation, that were instituted pre-petition and/or pre-confirmation shall be canceled, terminated and/or deemed withdrawn and rescinded as of the Effective Date.

**4.9 No Assumed Liability.** Except as otherwise expressly set forth in the Plan, the Reorganized Debtor shall not assume or be liable for any Claims.

**4.10 Satisfaction of Claims and Release.** As of the Effective Date, all Claims against the Debtor and the Estate existing as of the Confirmation Date shall be satisfied and released except as provided in the Plan.

**4.11 Amendments to Claims.** On or after the Confirmation Date, a Claim may not be amended without the prior authorization of the Bankruptcy Court or the Plan Administrator. Absent such authorization, any amended Claim filed shall be deemed disallowed in full and expunged without any further action.

## ARTICLE V

### MEANS FOR EXECUTION OF THE PLAN

**5.1 Revesting of Property.** Except as otherwise provided in this Plan, the Reorganized Debtor, as of the Effective Date, shall be vested with all of the assets of the Estate.

**5.2 Bankruptcy Case Administration; Standing of Plan Administrator.** Except as otherwise provided in this Plan, from and after the Effective Date and continuing through the Final Distribution Date, the Plan Administrator, on behalf of the Estate, the Chapter 11 Trustee, the Debtor, and the Reorganized Debtor, shall possess the rights of a party in interest pursuant to Bankruptcy Code § 1109(b) for all matters arising in, arising under or related to the Bankruptcy Case. In addition to the foregoing, for all matters arising under or related to the Bankruptcy Case, the Plan Administrator, on behalf of the Estate, the Chapter 11 Trustee, the Debtor, and the Reorganized Debtor, shall (i) have the right to appear and be heard on matters brought before the Bankruptcy Court or other courts of competent jurisdiction, (ii) be entitled to notice and opportunity for hearing, (iii) participate in all matters brought before the Bankruptcy Court, including but not limited to adversary proceedings, and (iv) receive notice of all applications, motions and other papers and pleadings before the Bankruptcy Court.

**5.3 New Equity Options.** Notwithstanding anything to the contrary under the Plan, the Reorganized Debtor may issue new equity interests after the Effective Date, including without limitation, by: (i) offering employees “options” or “rights” to purchase equity interests in the Reorganized Debtor; (ii) implementing new rounds of Crowdfunding; (iii) issuing or selling shares, certificates, notes, bonds, indentures, purchase rights, options, warrants, or other instruments, documents, or methods providing for new ownership interests in the Reorganized Debtor (collectively, the “New Equity Options”). Nothing herein is intended to constitute the disclosure of such information as may be required by the SEC, similar state agencies, or federal or state law for the sale of securities. In the event that any or all of the New Equity Options are

implemented, the Plan Administrator and the Reorganized Debtor shall provide such disclosures at such time as are required by applicable law. It is anticipated by the Plan Administrator and the Reorganized Debtor that the capital raised by any New Equity Option would be used for investment, growth, or other business needs rather than Distribution Funds.

**5.4 Continuation of Business Operations.** From and after the Effective Date of the Plan, the Reorganized Debtor is authorized to continue its normal business operations and enter into such transactions as it deems advisable, free of any restriction or limitation imposed under any provision of the Bankruptcy Code, except to the extent otherwise provided in the Plan. This provision is not intended to limit the oversight and authority over the Reorganized Debtor granted to the Plan Administrator under this Plan.

**5.5 Continuation of Anti-Discrimination Provisions of Bankruptcy Code.** A governmental unit may not deny, revoke, suspend, or refuse to renew a license, permit, charter, franchise, or other similar grant to, condition such a grant to, or discriminate with respect to such a grant against, the Debtor, the Reorganized Debtor, or another Person with whom the Debtor or the Reorganized Debtor have been or are associated or affiliated, solely because of the commencement, continuation, or termination of the Bankruptcy Case or because of any provision of the Plan or the legal effect of the Plan, and the Confirmation Order will constitute an express injunction against any such discriminatory treatment by a governmental unit.

**5.6 Priorities in Distributions from Distribution Funds.** Notwithstanding anything else in this Plan to the contrary, Cash available to be distributed to holders of Claims as Distribution Funds shall be distributed (or, if applicable, reserved) according to the following priorities in distribution:

(a) Payment of Administrative Expense Claims [507(a)(2)] – first, in payment of Allowed Administrative Expenses, including compensation to the attorneys and other Professionals of the Debtor, the Chapter 11 Trustee, and the Plan Administrator, as contemplated under section 2.2 of the Plan, and payment of pre-Effective Date quarterly fee payments owed to the United States Trustee;

(b) Payment of (and Reserve for) Post-Effective Date Administrative Expenses [507(a)(2)] – second, payment of (or a reserve for payment of) Post-Effective Date Administrative Expenses arising or coming due after the Effective Date and all post-Effective Date quarterly fee payments to the United States Trustee;

(c) Payment of Priority Claims [507(a)(3) through (a)(7)] – third, after the foregoing amounts are paid or reserved, payment of Allowed Priority Claims entitled to priority in payment pursuant to sections 507(a)(3) through (a)(7) of the Bankruptcy Code in order of the priority prescribed in section 507(a) of the Code, with all such Claims of equal priority paid pro rata, with a pro rata reserve for any disputed Priority

Claims that, as of the date of distribution, have neither been Allowed nor disallowed, until such Claims have been paid (or reserved for) in full;

(d) Priority Tax Claims [507(a)(8)] – fourth, after the foregoing amounts are paid or reserved, the payments due to the holders of Priority Tax Claims entitled to priority in payment pursuant to section 507(a)(8) of the Bankruptcy Code, as described in section 2.3 of this Plan;

(e) Payment of Priority Claims [507(a)(9) through (a)(10)] – fifth, after the foregoing amounts are paid or reserved, payment of Allowed Priority Claims entitled to priority in payment pursuant to sections 507(a)(9) through (a)(10) of the Bankruptcy Code in order of the priority prescribed in section 507(a) of the Code, with all such Claims of equal priority paid pro rata, with a pro rata reserve for any disputed Priority Claims that, as of the date of distribution, have neither been Allowed nor disallowed, until such Claims have been paid (or reserved for) in full;

(f) Payment of Class 6 Convenience Claims – sixth, after the foregoing amounts are paid or reserved, payment pro rata of Allowed Class 6 Convenience Claims, until such Claims have been paid in full as provided for under the Plan;

(g) Payment of Class 2 General Unsecured Claims and Class 3 Copyright Creditors' Claims – seventh, after the foregoing amounts are paid or reserved, payment pro rata of Allowed Class 2 General Unsecured Claims and Allowed Class 3 Copyright Creditors' Claims, with a pro rata reserve for any Disputed Claims that, as of the date of distribution, have neither been Allowed nor disallowed, until such Claims have been paid (or reserved for) in full;

(i) Remainder Returned to Reorganized Debtor – eighth, after the foregoing amounts are paid or reserved in full, any remaining Cash shall be returned to the Reorganized Debtor for use in its business.

Notwithstanding the foregoing, holders of Allowed Class 6 Convenience Claims may be paid out of the Distribution Funds prior to Claims with higher priority if necessary to meet the deadline for payment of Convenience Claims under the Plan.

## **5.7 Plan Administrator.**

(a) Appointment of Plan Administrator. George B. Hofmann will be appointed and shall serve as the initial Plan Administrator (the "Initial Plan Administrator"). If the Initial Plan Administrator voluntarily resigns, the Plan Administrator shall nominate a successor Plan Administrator, subject to Bankruptcy Court approval. If the Plan Administrator is unable to serve as Plan Administrator by reason of death, infirmity or other incapacity, or is otherwise unable to nominate a Successor Plan Administrator to replace him prior to the end of his service as Plan Administrator, the Successor Plan Administrator shall be such person as is nominated by the United States Trustee, subject to the approval of the Bankruptcy Court.

(b) Compensation of the Plan Administrator. The Plan Administrator shall be compensated at his or her regular professional hourly rate for services that he or she performs in said capacity.

(c) Duties and Powers of the Plan Administrator.

*Authority Over Distribution Funds.* The Plan Administrator shall have sole and absolute authority over the Distribution Funds, to administer in his sole and absolute discretion, subject to the terms of this Plan. Pursuant to his authority over the Distribution Funds, the Plan Administrator shall have the power, right, and obligation to: (i) receive distributions of Distribution Funds from the Reorganized Debtor and distribute such funds as provided for under the Plan; (ii) compel the Reorganized Debtor to directly distribute Distribution Funds as provided for under the Plan; (iii) audit and/or review the Reorganized Debtor's accounting records to ensure that Distribution Funds are sufficient and properly accounted for; and (iv) take any other action authorized under this Plan or applicable law with respect to the Distribution Funds. Notwithstanding the Plan Administrator's control and authority over the Distribution Funds, the Plan Administrator shall not be considered an owner of the Distribution Funds, for tax or any other purposes.

*Investigate, Object to, and Settle Claims of Insiders and Employees.* The Plan Administrator shall have sole and absolute authority to investigate any and all claims of insiders, officers, and/or employees of the Reorganized Debtor and, if he deems reasonable and appropriate within his sound discretion, to object to or otherwise challenge, settle, compromise, or abandon such claims.

*Investigate, Prosecute, and Settle Claims Existing as of the Effective Date.* The Plan Administrator shall have sole and absolute authority to investigate and prosecute any and all claims, potential claims, Avoidance Actions, and causes of action of the Debtor or the Estate that exist as of the Effective Date, including without limitation such Claims and Causes of Action that: (a) are disclosed in the Debtor's Schedules, (b) are identified in the Disclosure Statement, (c) are identified or retained under this Plan; or (d) are later discovered by the Plan Administrator. The Plan Administrator further shall have authority, if he deems reasonable and appropriate within his sound discretion, to prosecute, settle, compromise, or abandon such claims. Such Claims, potential claims, and Causes of Action include, without limitation, claims for breach of fiduciary duties, corporate waste, or conversion of corporate opportunity against the Debtor's officers and employees, Claims and Causes of Action against Non-Compliant Professionals, and Avoidance Actions.

*Investigate, Prosecute, and Act Upon Avoidance Actions.* The Plan Administrator shall have sole and absolute authority to investigate any and all Avoidance Actions or potential Avoidance Actions of the Debtor or the Estate, and, if he deems reasonable and appropriate within his sound discretion, to prosecute, settle, compromise, or abandon such claims. Without limitation, such claims expressly include claims under Bankruptcy Code § 549 for unauthorized post-Petition Date transfers.

*Investigate, Object to, and Settle Claims Against the Reorganized Debtor or the Estate; Continue Prosecution of California Litigation.* The Plan Administrator may, in his discretion, investigate any and all Claims against the Debtor or the Estate, and, if he deems reasonable and appropriate within his sound discretion, to object to or otherwise challenge, settle, compromise, or abandon such claims. The Plan Administrator's authority under this section is not meant to limit the ability of any other party-in-interest to object to Claims as provided in Section 6.2 of this Plan, provided, however, that the Plan Administrator shall be the sole representative of the Debtor, the Chapter 11 Trustee, the Reorganized Debtor, and the Estate appointed for such purposes. The Plan Administrator shall have sole and exclusive authority to continue the prosecution of the California Litigation, including all appeals arising out of or related thereto.

*Enforcement of Default Provisions and Remedies.* The Plan Administrator shall have sole and exclusive authority to enforce the Default Provisions and Remedies set forth in Section 11.6 of this Plan.

(d) Junior Lien and Liquidation Preference. Subject to and effective upon the occurrence of the Effective Date, and for the purpose of securing the Reorganized Debtor's obligation to fund the Distribution Funds payable to holders of Allowed Claims and to make the Quarterly Distributions called for under the Plan, the Debtor, the Reorganized Debtor, the Estate, and the Chapter 11 Trustee hereby grant to the Plan Administrator (for the benefit of persons to entitled to distributions under the Plan) a security interest and liquidation preference (the "Plan Administrator Lien") upon the following assets of the Debtor, whether currently owned and/or controlled by the Debtor or whether acquired, created, owned and/or controlled by the Reorganized Debtor after the Effective Date, and including all proceeds of the same (collectively, the "Plan Administrator Collateral"): (a) the Distribution Funds and all of the Debtor's Cash, *provided, however*, that if the Reorganized Debtor raises Cash from a New Equity Option, the Reorganized Debtor may segregate such Cash so that it will not be subject to the Plan Administrator Lien; (b) all computers, hardware, software, and equipment; (c) all inventory, including the Debtor's collection of DVDs, Blu-Ray discs, and other physical media; (d) all accounts, payment intangibles, accounts receivable and other amounts owing to the Debtor; (e) all general intangibles; (f) all chattel paper; promissory notes, instruments, leases, security agreement and other documents in favor of the Debtor; (g) all investment property, including any and all stock or membership interests in Subsidiary Entities; (h) all contracts and contract rights; and (i) all intellectual property, including patents, patent applications, trademarks, trade secrets, and copyrights.

*Perfection of Plan Administrator Lien.* The Plan Administrator Lien shall attach and become valid, binding, continuing, enforceable, fully-perfected and non-avoidable by operation of law as of the Effective Date without any further action by the Debtor, the Reorganized Debtor, the Chapter 11 Trustee, the Plan Administrator, or any other person, and without the necessity of execution by the Debtor, or the filing or recordation, of any financing statements, security agreements, mortgages, deeds of trust, or other documents. Nonetheless, the Plan Administrator may file financing statements in

appropriate filing offices (including the State of Utah, Department of Commerce, Division of Corporations and Commercial Code, and United States Patent & Trademark Office) as he deems necessary or appropriate to perfect the Plan Administrator Lien.

*Subordinate to All Existing Liens.* The Plan Administrator Lien is, and shall be, subordinate to all Liens that existed and that were properly perfected as of the Effective Date of the Plan. If the Plan Administrator determines that existence of the Plan Administrator Lien against a particular item or equipment or other particular Collateral violates applicable law or would undermine the feasibility of the Plan, then the Plan Administrator may act to release the Plan Administrator Lien as to particular Collateral solely to the extent reasonably necessary to avoid such violation of law or maintain the feasibility of the Plan.

*Obligation to Subordinate to Accommodate Future Indebtedness.* After the Effective Date, the Plan Administrator shall be obligated to execute such reasonable subordination agreement(s) as may be necessary to permit the Debtor (a) to refinance existing secured debt, (b) to obtain an operating line of credit, or (c) to permit the Debtor to acquire new or replacement equipment necessary for the Debtor's business needs and ongoing business operations. The Plan Administrator shall not be obligated, and may refuse, to subordinate the Plan Administrator Lien if he or she determines, in his or her professional discretion, that the terms of new proposed loan transaction would impair the feasibility of the Plan or would unreasonably increase the likelihood that the Debtor may default in its obligation under the Plan.

*Plan Administrator Lien Shall Not Trigger a Default.* Notwithstanding any provision in this Plan or in any lease, loan agreement or executory contract of the Debtor to the contrary, neither the granting of the Plan Administrator Lien, nor the continuation of the Plan Administrator Lien for the duration of the Plan Period nor any acts by the Debtor or Plan Administrator to perfect the lien shall constitute, create or trigger a default by the Debtor or an event of default.

*Limitations on Enforcement.* The Plan Administrator Lien shall be limited to, and enforceable only in the event of (each a "Plan Administrator Lien Enforcement Event"): (a) a future bankruptcy case or receivership proceeding by the Reorganized Debtor; (b) the complete cessation of the Reorganized Debtor's business operation; (c) a wholesale liquidation of the Reorganized Debtor's assets; or (d) subject to the Plan Administrator's election of the options set forth in Section 11.6 of this Plan, and provided that the Reorganized Debtor has not timely cured such default, the default of the Reorganized Debtor under the Plan.

*Enforcement of the Plan Administrator Lien.* If a Plan Administrator Lien Enforcement Event shall occur and be continuing, the Plan Administrator shall have the right to enforce the Plan Administrator Lien pursuant to article 9a of title 70A of the Utah Code, including the right to foreclose the Plan Administrator Lien judicially or non-judicially and to liquidate the Plan Administrator Collateral or any part of it for an amount sufficient to fund the unfunded portion of the Distribution Funds, with any excess to be

paid to the Reorganized Debtor. If the Plan Administrator enforces the Plan Administrator Lien and obtains proceeds from the same, such proceeds will be distributed in accordance with the priorities set forth in Section 5.6 of the Plan.

*Restriction on Transfers of Plan Administrator Collateral.* The Reorganized Debtor is, and shall be, enjoined from any transfers of Plan Administrator Collateral to any third-party outside of the ordinary course of its business, unless the Plan Administrator consents after receiving written notice of the same. Any transfer of the Debtor's intellectual property related to the Self-Selected Viewing Services shall be deemed to be a transaction outside of the ordinary course of the Debtor's business, and such purported transfer shall be considered void *ab initio* if done without the express written consent of the Plan Administrator.

(e) The Plan Administrator May Employ Professionals. The Plan Administrator may employ attorneys, accountants, or other professionals as it may deem appropriate and pay such professionals' reasonable fees and expenses. Professionals employed by the Plan Administrator after the Effective Date shall not be subject to Bankruptcy Court approval, their compensation shall not be subject to Bankruptcy Court approval, and their employment shall not be subject to the disinterestedness requirements of the Bankruptcy Code. Without limitation, in his discretion, the Plan Administrator may retain attorneys, accountants or other professionals that have represented the Debtor or the Chapter 11 Trustee in the Bankruptcy Case, including the Chapter 11 Trustee's general bankruptcy counsel and financial advisors. The fees and expenses of the Plan Administrator and his Professionals shall be paid as Post-Effective Date Administrative Expenses from the Distribution Funds.

(f) Duties & Obligations. The Plan Administrator shall perform his duties and exercise his powers for the benefit of persons entitled to receive distributions from the Distribution Funds or this Plan and Equity Interest holders, consistent with the priorities described in Section 5.6.

(g) Financial Reporting by the Reorganized Debtor. The Reorganized Debtor shall provide financial information and documents to the Plan Administrator upon request, and shall provide annual financial statements as maintained by the Reorganized Debtor in the ordinary course of business. The Plan Administrator shall have the right to audit, investigate, and inspect the Reorganized Debtor's financial documents, books, records, accounts, offices, and all other physical or electronic records or data.

(h) Ensure Good Faith Compliance of Reorganized Debtor. The Plan Administrator shall have the power and authority to take such actions as are necessary to ensure that the Reorganized Debtor and its officers act in good faith and comply with this Plan.

(i) No Liability for Actions of Reorganized Debtor.

Notwithstanding anything to the contrary herein, the Plan Administrator shall not be subject to any liability, claim, cause of action, or debt for, related to, or arising from any action by the Reorganized Debtor or any Officer or Employee thereof.

(j) No Bond. The Plan Administrator is authorized to serve as

Plan Administrator without posting a bond, but may do so, in his reasonable business judgment, in which case the expense incurred by such bonding shall be treated and paid by the Reorganized Debtor as a Post-Effective Date Administrative Expense.

**5.8 Distributions on Account of Claims and Interests.** The Plan Administrator shall cause the Reorganized Debtor to make the distributions contemplated under the Plan from Distribution Funds beginning on the Initial Distribution Date, and in accordance with the procedures set forth in Section 6.1 of this Plan. Distributions to be made under the Plan shall be subject to the priorities set forth in Section 5.6 of the Plan.

**5.9 Employment of Professionals.** The Reorganized Debtor may employ attorneys, accountants, or other professionals as it may deem appropriate and pay such professionals' reasonable fees and expenses. Professionals employed by the Reorganized Debtor after the Effective Date shall not be subject to Bankruptcy Court approval, their compensation shall not be subject to Bankruptcy Court approval, and their employment shall not be subject to the disinterestedness requirements of the Bankruptcy Code. Unless expressly approved by the Plan Administrator, professionals employed by the Reorganized Debtor will not be entitled to be paid from the Distribution Funds.

**5.10 Ability to Incur Debt.** The Reorganized Debtor may incur debt after the Effective Date on a secured or unsecured basis without further notice, opportunity for hearing or order, except only to the extent the terms and provisions of this Plan may expressly forbid.

## ARTICLE VI

### IMPLEMENTATION OF THE PLAN

#### 6.1 Method of Distributions Under the Plan.

(a) In General. Subject to Bankruptcy Rule 9010, and excepting distributions to be made on behalf of Allowed Credit Holders' Claims, all distributions under the Plan to be made by the Reorganized Debtor (subject to the oversight and direction of the Plan Administrator) to the holder of each Allowed Claim shall be mailed by first class mail, postage prepaid, to the address of such holder as listed on the Schedules as of the Distribution Record Date, unless the Plan Administrator has been notified in writing of a change of address, including, without limitation, by the filing of a proof of claim or notice of transfer of claim filed by such holder that provides an address for such holder different from the address reflected on the Schedules. The Plan

Administrator shall have no obligation to locate such holders whose distributions or notices are properly mailed but nevertheless returned.

(b) Form of Distributions. Any payment of Cash made by the Plan Administrator pursuant to the Plan shall be made by check; provided, however, that after the occurrence of the Effective Date, the Plan Administrator is not obligated to make any Cash payment under the Plan unless the payment exceeds fifty dollars (\$50); provided, further, that Cash equal to 100% of the distributions to which the holder of a Claim would be entitled under the Plan if the payment to such holder was less than or equal to fifty dollars (\$50) shall be maintained in a reserve (the "Small Payment Reserve") for the benefit of such holder until an aggregate of at least fifty (\$50) dollars is payable to such holder and at such time the holder shall receive a payment equal to 100% of the distributions to which it would otherwise be entitled.

(c) Reversion of Unclaimed Checks. The amount of any checks issued for distributions under the Plan that remain uncashed for a period of 180-days after the date of such distribution shall revert and be vested in the Estate free and clear of any claim or interest of any holder of a Claim under the Plan.

(d) Distributions to be on Business Days. Any payment or distribution required to be made under the Plan on a day other than a Business Day shall be made on the next succeeding Business Day.

(e) Distributions to Holders as of the Distribution Record Date. As of the close of business on the Distribution Record Date, the claims register shall be closed. The Plan Administrator shall have no obligation to recognize any transfer of any Claims occurring after the close of business on the Distribution Record Date, and shall instead be entitled to recognize and deal for all purposes under the Plan with only those holders of record as of the close of business on the Distribution Record Date.

(f) Withholding Taxes on Distributions. The Plan Administrator shall withhold from any Cash or property distributed under the Plan such amounts as the Reorganized Debtor is obligated under non-bankruptcy law to withhold and transmit to taxing authorities.

**6.2 Objections to Disputed Claims**. Any objections to Claims against the Estate may be prosecuted by the Plan Administrator (on behalf of himself, the Chapter 11 Trustee, the Debtor, the Reorganized Debtor, and the Estate) or any other party in interest except those represented by the Plan Administrator. Except as otherwise provided by order of the Bankruptcy Court, the Plan Administrator or any other party in interest may file an objection to any Claim until 180 days after the Effective Date. As set forth in Section 4.3(d) of the Plan, the Copyright Creditors' Claims are subject to being reduced or eliminated without the need for a formal objection, based on the Plan Administrator's continued prosecution of the appeal in the California Litigation.

**6.3 Resolution of Claims**. The Court shall have entered orders or there shall be agreements satisfactory to the Plan Administrator concerning Claims, any Liens

asserted by holders of Claims, and any interests in the Debtor (which may be orders included within the Confirmation Order) that, in the sole discretion of the Plan Administrator are required for the feasibility and implementation of the Plan.

**6.4 Estimation of Claims.** The Chapter 11 Trustee or the Plan Administrator may, at any time, request that the Bankruptcy Court estimate any Disputed Claim pursuant to Section 502(c) of the Bankruptcy Code, and the Bankruptcy Court shall have jurisdiction to estimate such Claim at any time, including, without limitation, during litigation concerning such Claim or an objection to such Claim. The Chapter 11 Trustee, or the Plan Administrator shall be entitled to request that the Bankruptcy Court determine either the Allowed amount of such Claim or a maximum limitation on such Claim. If the Bankruptcy Court determines the maximum limitation of such Claim, such determination shall not preclude the Plan Administrator or Chapter 11 Trustee from pursuing any additional proceedings to object to any ultimate payment of such Claim. If the Bankruptcy Court determines the Allowed amount of such Claim, the amount so determined shall be deemed the amount of the Disputed Claim for all purposes under this Plan. All such proceedings are cumulative and not exclusive remedies.

**6.5 Retention and Preservation of Claim Objections and Causes of Action.** Pursuant to Section 1123(b)(3)(B) of the Bankruptcy Code, upon entry of the Confirmation Order, the Debtor and the Reorganized Debtor's rights to object to all Claims and Interests asserted against the Estate and all of the Debtor's or Estate's Causes of Action, including without limitation: (1) the Debtor's Causes of Action asserted in any adversary proceeding, state court proceeding, or any other proceeding which is pending as of the Confirmation Date, including, without limitation, the Causes of Action asserted or sought to be asserted in the California Litigation; (2) all Claims and Causes of Action disclosed in the Schedules or Statement of Financial Affairs which are incorporated herein by reference; (3) all Claims and Causes of Action described in the Disclosure Statement; (4) any Claims and Causes of Action contained in any contested matter or objection to Claim pending on the Confirmation Date; (5) any Claims and Causes of Action held by the Debtor or the Estate, arising pre- or post-Petition Date, against the Debtor's officers, employees, directors, and shareholders; (6) any Claims and Causes of Action held by the Debtor or the Estate, arising pre- or post-Petition Date, for professional or legal malpractice, including without limitation Claims and Causes of Action against David Quinto, Kupferstein Manuel & Quinto, LLP, and Kaplan Voekler Cunningham & Frank, PLC; (7) any Claims and Causes of Action against Non-Compliant Professionals, including without limitation, Fred Pena, Pena Legal, LLC, J. Morgan Philpot, and Oyster Consulting, LLC; (8) any Claims and Causes of Action against VAS Portal, LLC, VAS Brokerage, LLC, and Studio Brokerage, LLC; (9) all Avoidance Actions, including without limitation actions under Bankruptcy Code § 549 for unauthorized transfers made by the Debtor; (10) and and all Claims and Causes of Action against ClearPlay, Inc.; and (11) any and all other Claims and Causes of Action that the Debtor holds preconfirmation, including, but not limited to, Claims for unpaid accounts receivable, shall vest in the Estate, and shall be subject to the exclusive control and authority of the Plan Administrator.

Unless a Claim or Cause of Action against any Person is expressly waived or released in the Plan or any Final Order of the Bankruptcy Court, the Chapter 11 Trustee, on behalf of the Estate, the Debtor, and the Plan Administrator, expressly reserves such Claim or Cause of Action for later adjudication (including without limitation, Claims and Causes of Action not specifically identified or which the Chapter 11 Trustee may presently be unaware or which may arise or exist by reason of additional facts or circumstances unknown to the Chapter 11 Trustee at this time or facts and circumstances which may change or be different from those which the Chapter 11 Trustee now believes to exist) and, therefore, no preclusion doctrine, including without limitation, the doctrines of res judicata, collateral estoppel, issue preclusion, claims preclusion, waiver, estoppel (judicial, equitable, or otherwise) or laches shall apply to such Claims or Causes of Action upon or after the confirmation or consummation of the Plan based on the Disclosure Statement, the Plan, or the Confirmation Order, except where such Claims or Causes of Action have been expressly released in the Plan or any other Final Order of the Bankruptcy Court.

## ARTICLE VII

### VOTING ON THE PLAN

**7.1 Voting of Claims.** Each holder of an Allowed Claim in an impaired Class which retains or receives property under the Plan shall be entitled to vote separately to accept or reject the Plan and indicate such vote on a duly executed and delivered ballot as provided in such order as is entered by the Bankruptcy Court establishing certain procedures with respect to the solicitation and tabulation of votes to accept or reject the Plan.

**7.2 Nonconsensual Confirmation.** If any impaired Class entitled to vote shall not accept the Plan by the requisite statutory majorities provided in Sections 1126(c) or 1126(d) of the Bankruptcy Code, as applicable, or if any impaired class is deemed to have rejected the Plan, the Chapter 11 Trustee reserves the right (i) to confirm the Plan under Section 1129(b) of the Bankruptcy Code, and (ii) to amend the Plan in accordance with Section 11.8 hereof to the extent necessary to obtain entry of a Confirmation Order.

## ARTICLE VIII

### EXECUTORY CONTRACTS AND UNEXPIRED LEASES

**8.1 Assumption of Executory Contracts and Unexpired Leases; Deemed Cure Amount.** Any executory contract or unexpired lease which (i) has not expired by its own terms on or prior to the Confirmation Date, (ii) has not been assumed and assigned or rejected with the approval of the Bankruptcy Court on or prior to the Confirmation Date, or (iii) is not the subject of a motion to assume or reject which is pending at the time of the Confirmation Date, shall be deemed assumed as of the Effective Date. If there has been a default in an executory contract or unexpired lease,

then the Reorganized Debtor shall cure or provide adequate assurance that it will promptly cure such default prior to its assumption of such lease or contract, as required under (and subject to the limitations of) Bankruptcy Code § 365(b), unless otherwise agreed to by the Reorganized Debtor, the Plan Administrator, and the counterparty to such lease or executory contract. Unless the counterparty to an unexpired lease or executory contract provides notice to the Plan Administrator on or before the Confirmation Date, any existing defaults shall be deemed cured as of the Effective Date, and the deemed cure amount for any such lease or contract is \$0. Any dispute regarding a cure amount or the cure of any other existing default under an unexpired lease or executory contract shall be heard and determined by the Bankruptcy Court. Any claim for a cure amount or the cure of any other existing default under an assumed lease or executory contract must be filed with the Court and served on the Plan Administrator by no later than 30 days after the Confirmation Date.

**8.2 Post-Petition Agreements Unaffected By Plan.** Except as otherwise expressly provided herein, nothing contained in the Plan shall alter, amend or supersede any agreements or contracts entered into by the Debtor after the Petition Date that were otherwise valid, effective and enforceable against the Debtor as of the Confirmation Date. The Reorganized Debtor shall be deemed to be substituted for any Debtor in such contract or agreement, as applicable, and the Reorganized Debtor shall have all right, title and interest of the Debtor under such contract or agreement as if the Reorganized Debtor had been the original contracting party thereunder.

**8.3 Credit Holders' Claims Treated Under Section 4.4.** Neither the assumption nor rejection of any executory contract under this plan shall alter, amend, or supersede the treatment afforded to Credit Holders under Section 4.4 of this Plan. Accordingly, the executory contracts on which the Credit Holders' Claims are based are deemed rejected under the Plan, provided, however, that the Credit Holders shall be entitled to treatment under Section 4.4 of this Plan.

## ARTICLE IX

### CONDITIONS PRECEDENT TO EFFECTIVE DATE

**9.1 Conditions Precedent to Effectiveness.** 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 Chapter 11 Trustee, 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 shall have been executed, delivered and, if necessary, properly recorded, and shall have become effective; and

(c) the Estate shall have sufficient Cash to meet all Cash funding obligations under the Plan required to be made on the Effective Date and the Initial Distribution Date.

**9.2 Failure of Conditions Precedent.** Notwithstanding anything in this Plan to the contrary, the conditions set forth in Section 9.1 above must be satisfied or waived on or before 90 days after the Confirmation Date. In the event that the conditions set forth in Section 9.1 above are not satisfied on or before 90 days after the Confirmation Date, then the Plan shall be deemed revoked and withdrawn, the Confirmation Order shall be deemed vacated, and Section 11.8 of the Plan shall apply.

**9.3 Waiver of Conditions.** The Plan Administrator may waive one or more of the conditions precedent to the effectiveness of the Plan set forth in Section 9.1(a) or (b) above, except that the Plan Administrator may not waive the condition set forth in Section 9.1(c) above.

## ARTICLE X

### RETENTION OF JURISDICTION

**10.1 Retention of Jurisdiction.** After the Effective Date, the Bankruptcy Court shall have exclusive jurisdiction of the following specified matters arising out of, and related to, the Bankruptcy Case and the Plan pursuant to, and for the purposes of, Sections 105(a) and 1142 of the Bankruptcy Code:

(a) to hear and determine any and all objections to the allowance of any Claims or any controversies as to the classification of any Claims or estimate any Disputed Claim;

(b) to hear and determine any and all applications by Professionals for compensation and reimbursement of expenses;

(c) to hear and determine any and all pending applications for the rejection or assumption of executory contracts and unexpired leases, and fix and allow any Claims resulting therefrom;

(d) to enforce the provisions of the Plan subject to the terms thereof;

(e) to correct any defect, cure any omission, or reconcile any inconsistency in the Plan or in the Confirmation Order as may be necessary to carry out the purpose and the intent of the Plan;

(f) to determine any Claim or liability to a Governmental Unit which may be asserted as a result of the transactions contemplated herein;

(g) to hear and determine matters concerning state, local, and federal taxes in accordance with Sections 346, 505 and 1146 of the Bankruptcy Code;

(h) to hear and determine any and all adversary proceedings, applications, contested matters and other litigated matters pending on the Confirmation Date or filed thereafter, including any and all claims that might be filed by the the Plan Administrator under chapter 5 of the Code or that are otherwise reserved under this Plan.

(i) to enforce the releases, exculpatory provisions and/or injunctions described or provided under this Plan, which shall include jurisdiction to enter temporary restraining orders, preliminary injunctions, permanent injunctions, contempt sanctions and other appropriate orders and remedies, including to stay and prevent litigation filed or pending before another court or tribunal; and

(j) to determine such other matters as may be provided for in the Confirmation Order.

Nothing in the Plan or this Clause 10.1 is intended to, or shall effect, a transfer of venue or jurisdiction of the California Court (and any appeals court to which appeals from the California Court are made) with respect to the California Litigation.

## **10.2 Closure of Case.**

(a) Closing the Bankruptcy Case. As soon as the Plan Administrator determines that there is no further need for administration of the Case by the Bankruptcy Court, the Bankruptcy Case shall be closed pursuant to 11 U.S.C. § 350 upon (i) the filing of a report and recommendation to close the Bankruptcy Case, (ii) after twenty-eight (28) days' notice to parties-in-interest, and (iii) the entry of an appropriate final decree and/or Order by the Court closing the Bankruptcy Case. Absent an order extending the time for entry of a final decree entered after notice and opportunity for hearing, a final decree closing the Bankruptcy Case shall be entered not later than 1 year after the Confirmation Date, and is anticipated to be entered as soon as the Effective Date. The Plan Administrator will comply with Local Rule 3022-1 in seeking entry of a final decree. Subject to the Bankruptcy Court's discretion, the Bankruptcy Case may be closed notwithstanding that: (i) adversary proceedings related to the Case may be, and remain, pending; (ii) the California Litigation, including all appeals and proceedings on remand related thereto, may be, and remain, pending; and (iii) distributions remain to be paid under the Plan.

(b) Post-Confirmation Payments to United States Trustee. Until entry of an Order closing, dismissing or converting the Bankruptcy Case, any quarterly payments due to the office of the United States Trustee prior to the Effective Date of the Plan shall be paid in accordance with 28 U.S.C. § 1930(a)(6) by the Plan Administrator. No quarterly payments shall come due or be required after the Bankruptcy Case is closed.

(c) Reopening Case. At any time, the Plan Administrator may obtain entry of an order reopening the Bankruptcy Case to obtain any relief or order from the Bankruptcy Court consistent with section 10.1. Although the Plan Administrator may seek such relief on an ex parte basis, the Plan Administrator, as the case may be, shall

give notice of its motion or other request to the US Trustee. Except as expressly provided in Section 11.6 of this Plan, the Plan Administrator shall not be required to reopen the Bankruptcy Case to exercise any of the Default Remedies set forth in Section 11.6 of the Plan.

## **ARTICLE XI**

### **MISCELLANEOUS**

**11.1 Continuation of Injunctions or Stays Until 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. Further, unless the Plan provides otherwise, any injunctions or stays ordered by the Bankruptcy Court shall continue in effect through and after the Effective Date.

**11.2 Discharge.** Pursuant to section 1141(d) of the Bankruptcy Code, and except as otherwise specifically provided in the Plan, or in any contract, instrument, or other agreement or document created pursuant to the Plan, the distributions, rights, and treatment that are provided in the Plan shall be in complete satisfaction, discharge, and release, effective as of the Effective Date, of Claims, Interests, and Causes of Action of any nature whatsoever, including any interest accrued on Claims or Interests from and after the Petition Date, whether known or unknown, against, liabilities of, Liens on, obligations of, rights against, and Interests in, the Debtor, the Estate, or any of their assets or properties, regardless of whether any property shall have been distributed or retained pursuant to the Plan on account of such Claims and Interests, including demands, liabilities, and Causes of Action that arose before the Confirmation Date, any liability (including withdrawal liability) to the extent such Claims or Interests relate to services performed by employees of the Debtor prior to the Confirmation Date and that arise from a termination of employment, any contingent or non-contingent liability on account of representations or warranties issued on or before the Effective Date, and all debts of the kind specified in sections 502(g), 502(h), or 502(i) of the Bankruptcy Code, in each case whether or not: (1) a Proof of Claim based upon such debt or right is filed or deemed filed pursuant to section 501 of the Bankruptcy Code; (2) a Claim or Interest based upon such debt, right, or Interest is Allowed pursuant to section 502 of the Bankruptcy Code; or (3) the Holder of such a Claim or Interest has accepted the Plan or voted to reject the Plan. The Confirmation Order shall be a judicial determination of the discharge of all pre-Confirmation Date Claims, Interests, and Causes of Action, subject to the occurrence of the Effective Date, except as otherwise specifically provided in the Plan.

**11.2 Injunction Relating to the Plan.** As of the Effective Date, all Persons are hereby permanently enjoined from commencing or continuing, in any manner or in any place, any action or other proceeding, whether directly, indirectly, derivatively or otherwise against the Debtor, its Estate, the Reorganized Debtor, or their successors-in-interest or assigns, on account of, or respecting any Claims, debts, rights, Causes of

Action or liabilities discharged or treated pursuant to the Plan, except to the extent expressly permitted under the Plan. Upon entry of the Confirmation Order, all holders of Claims and Equity Interests and other parties in interest, along with their respective present, future, or former employees, agents, officers, directors, or principals, shall be enjoined from taking any actions to interfere with the implementation or consummation of the Plan. Further, except as otherwise expressly provided in the Plan or the Confirmation Order, all Persons who have held, hold, or may hold Claims against the Debtor, or who have held, hold or may hold any debt or interest relating to the Debtor, are permanently enjoined, from and after the Effective Date, to the maximum extent permitted by law, from (i) commencing or continuing in any manner any action or other proceeding of any kind with respect to any such Claim, debt or interest against the Reorganized Debtor or the Estate or (ii) enforcing, attaching, collecting or recovering by any manner or means any judgment, award, decree or order against the immediate or any mediate transferee of any property distributed pursuant to the Plan or of any putative securities, based upon a claim that the transferor's receipt of such property constituted a fraudulent conveyance, preference, violation of bulk sales or other law, or based upon any other claim that receipt and or distribution of property by transfer pursuant to the Plan is wrongful, whether in law or equity.

**11.3 Broad Injunction.** The intent of paragraph 11.2 is to provide the broadest possible injunction permitted by law and, to the extent permitted by law, to expand the scope of that injunction for the benefit of the Reorganized Debtor to the extent that, at any time after the Effective Date, the law is clarified or changed to permit such a broader injunction. The injunction in the Confirmation Order shall provide that, except as otherwise authorized by the Plan or the Confirmation Order, the holders of Claims shall be enjoined from commencing or continuing any such specified action or proceeding against Reorganized Debtor with respect to any Claim or property of the Estate, including Claims based in whole or in part on an allegation: (i) that the Debtor breached any contract, with, or any duty or obligation to the Creditor; (ii) that the Debtor was the alter ego or instrumentality of another Person; (iii) that the Debtor made any preferential or fraudulent transfer or any other voidable transfer or payment to any Person; or (iv) that the Debtor or the Estate are liable for any act or omission.

**11.4 Exculpation.** Notwithstanding anything herein to the contrary, the Chapter 11 Trustee, the Plan Administrator, and their attorneys, accountants, officers, employees, professionals, or agents (the "Exculpated Parties") shall not have or incur, and each Exculpated Party is released and exculpated from, any liability to any Holder of a Cause of Action, Claim, or Interest for any act or omission in connection with, relating to, or arising out of, the Chapter 11 Case, the formulation, preparation, dissemination, negotiation, filing, or consummation of the Disclosure Statement, the Plan, or any contract, instrument, release or other agreement or document created or entered into in connection with the Disclosure Statement or the Plan, the filing of the Chapter 11 Case, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance of securities pursuant to or authorized under the Plan or the distribution of property under the Plan or any other related agreement (whether or not such issuance or distribution occurs

following the Effective Date), negotiations regarding or concerning any of the foregoing, or the administration of the Plan or property to be distributed hereunder, except for actions determined by Final Order to have constituted actual fraud or gross negligence. In all respects such Exculpated Parties shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Plan and shall be fully protected in acting or in refraining from acting in accordance with such advice, except to the extent that their actions are determined by Final Order to have constituted actual fraud or gross negligence notwithstanding such advice. The Exculpated Parties have, and upon completion of the Plan shall be deemed to have, participated in good faith and in compliance with the applicable laws with regard to the solicitation of votes and distribution of consideration pursuant to the Plan and, therefore, are not, and on account of such distributions shall not be, liable at any time for the violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan or such distributions made pursuant to the Plan.

**11.5 Release of Claims.** Except as contemplated by the Plan, the rights afforded to holders of Claims in the Plan shall be in exchange for a complete release, satisfaction and discharge of all Claims against the Debtor or the Reorganized Debtor, and acceptance of such distributions under the Plan shall be deemed irrevocably to release any and all claims of any type, kind or nature against the Debtor and the Consolidated Subsidiary Entities. Persons deemed to have released Claims pursuant to this paragraph shall be forever precluded from asserting against the Debtor, the Reorganized Debtor or their respective assets any Claim, including any Claim of the type released or deemed released herein.

**11.6 Default of Plan.** In the event of any default of the provisions of this Plan, the Plan Administrator may give written notice of default to the Reorganized Debtor, or a creditor or party in interest aggrieved by such default may provide written notice of the default to the Plan Administrator, who shall promptly provide such notice to the Reorganized Debtor. The notice of default must describe with specificity the nature of the default alleged and the steps required to cure such default. The Reorganized Debtor shall have thirty days after receipt of notice of default to cure such default. If the Reorganized Debtor does not cure such default within thirty days after receipt of a notice of default, then the Plan Administrator shall be entitled to enforce any one or more of the following default remedies (collectively, the "Default Remedies"): (i) enforce the Plan Administrator Lien as provided in Section 5.7(d) of this Plan; (ii) sell any or all of the Reorganized Debtor's assets; (iii) modify the Plan; (iv) cause the Reorganized Debtor to be "recapitalized," including by the cancelation of existing Equity Interests and the issuance of new stock or other equity interests; (v) sell the Reorganized Debtor as a going-concern; (vi) cause the Reorganized Debtor to be liquidated; or (vii) enforce such other remedies against the Reorganized Debtor or its officers as the Plan Administrator deems to be necessary to compel compliance with the Plan. If a default under the Plan is not cured within thirty days after notice to the Debtor, then within twenty-one (21) days after the cure period has expired, the Plan Administrator shall provide notice to all parties whose Claims remain to be paid of the Default Remedy(ies) he intends to enforce. Such affected parties may notify the Plan Administrator within fourteen (14)

days of receiving such notice if they object to his exercise of the Default Remedies, and if the Plan Administrator receives such objection, the Plan Administrator promptly shall seek to reopen the Bankruptcy Case, and provide notice of the default and his proposed exercise of Default Remedies. The Bankruptcy Court, after notice and a hearing, shall determine whether a default occurred, if a default occurred, whether such default has been cured, and if such default has not been cured, whether the Plan Administrator's proposed Default Remedies are appropriate under the circumstances, as determined in the best interests of creditors and interest holders. Upon finding a material default, the Bankruptcy Court may issue such orders as may be appropriate, including an order compelling compliance by the Reorganized Debtor with the pertinent provisions of the Plan and authorizing the Plan Administrator to exercise the appropriate Default Remedies.

**11.7 Setoffs.** Except as otherwise provided in this Plan, nothing contained in this Plan shall constitute a waiver or release by the Estate of any rights of setoff the Estate may have against any Person. All claims of setoff or recoupment against the Debtor or Estate, however, are discharged and released pursuant to Sections 11.2 and 11.5 of this Plan.

**11.8 Amendment or Modification of the Plan.** Alterations, amendments or modifications of the Plan may be proposed in writing by the Chapter 11 Trustee 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 Chapter 11 Trustee 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 Chapter 11 Trustee 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 hereto.

**11.9 Severability.** If, prior to the Confirmation Date, any term or provision of the Plan is determined by the Bankruptcy Court to be invalid, void or unenforceable, the Bankruptcy Court may, upon the request of the Chapter 11 Trustee, alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alternation or interpretation. The Confirmation Order shall constitute a judicial

determination that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable according to its terms.

**11.10 Revocation or Withdrawal of the Plan.** The Chapter 11 Trustee reserves the right to revoke or withdraw the Plan prior to the Confirmation Date. If the Chapter 11 Trustee revokes or withdraws the Plan prior to the Confirmation Date, then the Plan shall be deemed null and void. In such event, nothing contained herein shall constitute or be deemed a waiver or release of any Claims by or against the Estate or any other Person or to prejudice in any manner the rights of the Chapter 11 Trustee, the Plan Administrator, the Debtor or any Person in any further proceedings involving the Estate.

**11.11 Binding Effect.** The rights, duties and obligations of any Person named or referred to in this Plan shall be binding upon, and shall inure to the benefit of, the successors and assigns of such Person.

**11.12 Notices.** All notices, requests and demands to or upon the Debtor and/or the Plan Administrator 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 facsimile transmission, when received and confirmed, addressed as follows:

George Hofmann  
Plan Administrator of VidAngel, Inc.  
Cohne Kinghorn, P.C.  
111 East Broadway, 11th Floor  
Salt Lake City, Utah 84111

**11.13 Governing Law.** Except to the extent the Bankruptcy Code, Bankruptcy Rules or other federal law is applicable, the rights and obligations arising under this Plan shall be governed by, and construed and enforced in accordance with, the laws of the State of Utah, without giving effect to the principles of conflicts of law of such jurisdiction.

**11.14 Post-Confirmation Fees, Final Decree.** The Debtor shall be responsible for the payment of any post-confirmation fees due pursuant to 28 U.S.C. §1930 and the filing of post-confirmation reports, until a final decree is entered.

**11.15 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.

**11.16 Filing of Additional Documents.** On or before substantial consummation of the Plan, the Plan Administrator shall file with the Bankruptcy Court any agreements or other documents that may be necessary or appropriate to effectuate and further evidence the terms and conditions hereof.

**11.17 Inconsistency.** 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.

Dated: April 9, 2020

**COHNE KINGHORN, P.C.**

/s/ George Hofmann \_\_\_\_\_

GEORGE HOFMANN

MATTHEW M. BOLEY

JEFFREY TROUSDALE

Attorneys for Chapter 11 Trustee,  
George Hofmann