



Mr. Robert Iger
Chairman and CEO
The Walt Disney Company
500 South Buena Vista St.
Burbank, CA 91521-0001

June 21, 2019

Dear Mr. Iger,

During our court proceeding in Los Angeles, I made the point in my testimony that where I come from, people talk before they sue each other. We've tried to talk many times, and Disney has been unwilling to join in a conversation. So, on behalf of around 8,000 owners and tens of millions who want to [skip a few things in Disney/Fox/Warner Bros. movies](#), I'll continue this conversation publicly.

Let's review a few quick facts...

1. VidAngel indisputably made your company and other Hollywood studios a profit. I think that's why most of them did not join Disney in suing us.
2. You sued us for \$125 million for it, and Federal District Court Judge Birotte commended both sides for an incredibly passionate fight. You won \$62 million. We lost. At least for the moment.
3. Disney knows a trial and litigation (probably costing tens of millions to fight) in four courts could have been avoided by selling VidAngel a license.

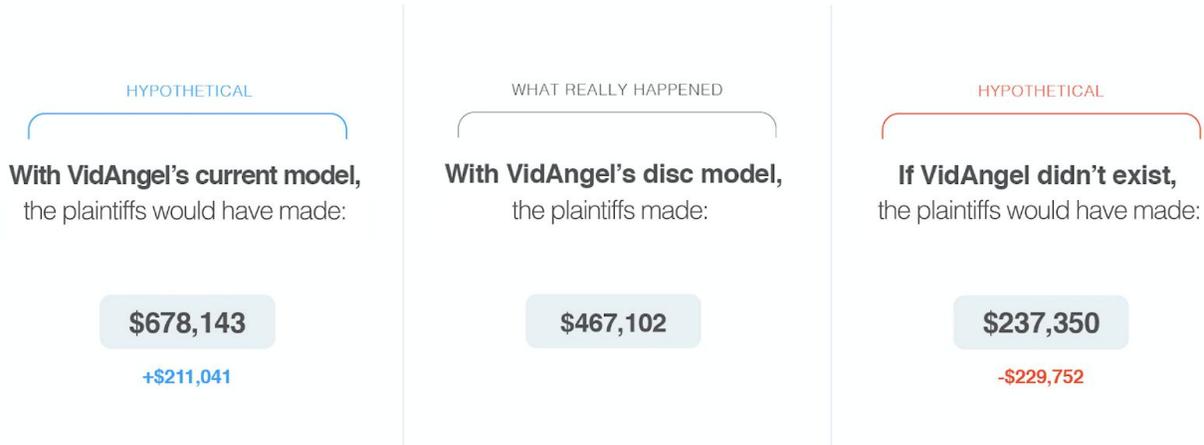
The following is a proposal that could make everyone whole in this case if it were really about copyright protection and not about marginalizing the [filtering market](#) out of existence.

Mr. Iger, please take a close look at the raw data in this letter and ask yourself, "Does spending this kind of money to fight this market make sense financially?"



VidAngel Made Money for Disney

Per an expert testimony at trial, unchallenged by alternative data or analysis, **Disney et al would have been \$229,752 poorer** had VidAngel never offered their content on its service. These numbers are profits. VidAngel paid much more for the DVDs. I realize these numbers are nothing for Disney but we had barely tapped the market when Disney sued VidAngel.



(sources: [Jeffrey Kinrich, MBA and CPA expert report](#), [Dr. William Duckworth expert report](#) and [this survey data](#))

VidAngel Found a New Market for ALL Studios

A full 65% of the views for Disney et al content were views that would not have happened without VidAngel. Netflix, Amazon, Sony, Universal, Paramount and other studios who did not sue VidAngel also made profits from VidAngel's success. 70% of the views for non-plaintiff content were views that would not have happened without VidAngel. There are so many [reasons why people want to skip small bits of popular movies and TV shows](#).

An independent, [peer-reviewed study conducted by UCLA](#) Professor Doug Lichtman and Dr. Benjamin Nyblade found that there is a real and substantial market for filtered content, 98% of its customers used VidAngel to filter, and allowing families to select what they want to mute or skip does not decrease their enjoyment of the movies they watch. Remarkably, being able to choose to skip or mute a very small percentage of a movie makes all the difference to them. And [NRG reports](#) that 40 percent of Americans would want to use VidAngel.



Disney Earned, VidAngel Lost and Damages Awarded

I don't know if your legal team has communicated to you that building this new market for Disney came at great expense to VidAngel. We spent millions building technology and marketing to this new audience. You reaped profits, while we reaped losses. We happily invested to build a new market because we believe it will be very profitable when built.

[View a Video Visualization of Profits, Losses and the Judgment](#)





Insults Don't Change The Facts

While we made profits for Disney, you called us pirates as “your own strategy” according to the court transcript:

Q. *You have used the word “piracy” and “pirate” a lot in your testimony; correct?*

A. Correct.

Q. *Were you coached by counsel to repeat that word as many times as possible?*

A. No.

Q. *Was that your own strategy?*

A. Yes.

CHRIS OLDRE
DISNEY REPRESENTATIVE

(Trial transcripts: June 11th [AM](#) and [PM](#), June 12th [AM](#) and [PM](#), June 13th [AM](#) and [PM](#), June 14th [AM](#) and [PM](#) and [June 17th](#))

Mr. Iger, Disney may call us what it wants, but the facts are:

1. Disney profited and VidAngel lost while building a brand new market for movies
2. VidAngel has always been open and honest about its purpose and actions
3. VidAngel asked for feedback, but none came
4. The 9th Circuit called ours a case of first impression (untested law - [Is VidAngel legal?](#))
5. VidAngel went to great expense to audit its movie purchases and systems to protect Disney's interests
6. VidAngel asked you for a business solution to avoid the expense of the lawsuit

Although VidAngel's service indisputably made it money, Disney litigated against us in 4 federal courts before getting a judgment of approximately \$62.5 million. At this point, VidAngel can keep going to the Supreme Court, hoping that the Court will protect Disney from itself. Or if this were not about filtering, we could say, “You won. We lost. How about a truce?”



Skip Foundation

It is more important to VidAngel that the option to skip exists than that VidAngel owns it.

Last week we filed a motion in the bankruptcy court to transfer our filtering assets to the [Skip Foundation](#), Inc, a 501(c)(3) organization. This foundation will become the Wikipedia of skip technology as a free global resource. If the transaction is approved by the bankruptcy court, our patent and 10,000 titles with all skip data will be free for any company or any individual in the world to use as they see fit under [copyleft](#) and [Wikipedia style licenses](#). And the entire world can contribute to the Skip Foundation's library of content "skips" just like with Wikipedia. Those contributions could benefit VidAngel and Disney.

Disney, Netflix, Amazon and others could adopt the technology freely and implement the technology on top of their existing streaming contracts without an agreement of any kind with VidAngel.

Here's What We Would Propose

We understand you want to protect your Intellectual Property. You understand that VidAngel's customers want to skip a few things in your movies in private. If the financial minds rather than the power minds within Disney prevail, this could be a solution.

We are prepared to consider giving Disney our Dry Bar Comedy series in satisfaction of the judgment. [Dry Bar Comedy](#) is the fastest growing comedy brand in the world with over 1.5 billion views to date. It is making millions. It is growing so fast because the creators are embracing the data behind the skips of families. You could publish its family friendly comedy on Disney+.

With the so called "debt" settled, VidAngel could freely transfer the "filtering" assets to the [Skip Foundation](#) and emerge from bankruptcy. "Filtering" would survive as "skipping", regardless of VidAngel's future fate. And Disney could profit from both the skip data and Dry Bar Comedy.

This proposal would settle the judgement, respect Disney's IP, and grow Disney profit. VidAngel would be free to focus on [The Chosen](#), [VidAngel Studios](#), and generating profits for its own investors, while enjoying the benefits of the Skip Foundation.



I won't hold my breath for your response and we are already preparing our appeal, but it doesn't hurt to ask. The [IMP and Sony Betamax cases changed the industry](#), but they dragged on for almost a decade. Change is coming. You can fight it or profit from it. What do you say? Are you open to meeting?

Best regards,

A handwritten signature in black ink, appearing to read "Neal Harmon", followed by a long horizontal line extending to the right.

Neal Harmon
Co-founder & CEO
VidAngel