[THIS *PROPOSED* DISCLOSURE STATEMENT HAS NOT BEEN APPROVED BY THE BANKRUPTCY COURT UNDER SECTION 1125(b) OF THE BANKRUPTCY CODE AS CONTAINING ADEQUATE INFORMATION FOR USE IN CONNECTION WITH THE SOLICITATION OF ACCEPTANCES OR REJECTIONS OF THE CHAPTER 11 TRUSTEE'S PLAN DESCRIBED HEREIN. ACCORDINGLY, THE FILING AND DISSEMINATION OF THIS *PROPOSED* DISCLOSURE STATEMENT ARE NOT INTENDED AND SHOULD NOT IN ANY WAY BE CONSTRUED AS A SOLICITATION OF VOTES ON THE PLAN, NOR SHOULD THE INFORMATION CONTAINED HEREIN BE RELIED UPON FOR ANY PURPOSE BEFORE A DETERMINATION BY THE BANKRUPTCY COURT THAT THE PROPOSED DISCLOSURE STATEMENT CONTAINS ADEQUATE INFORMATION.]

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

In re VIDANGEL, INC., Debtor.	Case No. 17-29073 (KRA) Chapter 11

DISCLOSURE STATEMENT FOR PLAN OF REORGANIZATION UNDER CHAPTER 11 OF THE BANKRUPTCY CODE

IMPORTANT

THIS DISCLOSURE STATEMENT IS SUBMITTED TO ALL CREDITORS AND EQUITY SECURITY HOLDERS OF VIDANGEL, INC. AS REQUIRED BY RULE 3017(d) OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE. FOR THOSE CREDITORS ENTITLED TO VOTE ON THE PLAN OF LIQUIDATION DESCRIBED HEREIN, THIS DISCLOSURE STATEMENT CONTAINS INFORMATION THAT MAY AFFECT YOUR DECISION TO ACCEPT OR REJECT THE PLAN. THIS DISCLOSURE STATEMENT IS INTENDED TO

PROVIDE ADEQUATE INFORMATION REGARDING THE PLAN AS REQUIRED BY THE BANKRUPTCY CODE. CREDITORS ARE ENCOURAGED TO READ THE DISCLOSURE STATEMENT AND ATTACHMENTS WITH CARE AND IN THEIR ENTIRETY.

SUMMARY OF REASONS TO ACCEPT THE PLAN

George Hofmann (the "Chapter 11 Trustee"), solely in his capacity as the duly-appointed chapter 11 trustee of VidAngel, Inc. (the "Debtor"), has prepared a Plan of Reorganization dated March 5, 2020 (as it may be amended, the "Plan"). This Disclosure Statement contains important information regarding the Plan. You should read it entirely. In summary, however, the Chapter 11 Trustee submits that there are at least **5 reasons** for creditors and interest holders to vote to **accept** the Plan:

1. The Plan proposes to pay 100% of Allowed Claims and provides for the retention of Equity Interests. Accordingly, the Chapter 11 Trustee believes that the Plan is an appropriate exercise of his fiduciary duties to creditors and shareholders, as directed by the Tenth Circuit Court of Appeals and United States Supreme Court:

> Chapter 11 focuses on the debtor: its essence "is to provide a mechanism for the reorganization of a financially distressed business or individual in the hope that a profitable and productive member of its economic community can once again emerge." . . . Therefore, in Chapter 11, a trustee takes up the fiduciary duties of the former managers and has an interest in reorganizing the bankruptcy estate for the shareholders as well as the creditors.

In re C.W. Mining Co., 636 F.3d 1257, 1265 (10th Cir. 2011) (citations omitted); Commodity Futures Trading Comm'n v. Weintraub, 471 U.S. 343, 355, 105 S. Ct. 1986, 1994, 85 L. Ed. 2d 372 (1985) ("[T]he fiduciary duty of the trustee runs to shareholders as well as to creditors.").

2. Relative to the amounts of the Claims in the Bankruptcy Case, the Debtor has few assets of significant value. Its greatest value, and the greatest return for creditors, will be realized by allowing the Debtor to continue as a "going concern" business. The Plan provides for the Debtor to continue its business operations. Allowing the Debtor to continue as a going concern not only provides greater value to creditors and shareholders, it also provides the Debtor's 40+ employees with steady paychecks and job security, which would not be possible in a liquidation scenario.

3. Since the inception of the Debtor's case, the "Copyright Creditors" accused the Debtor of filing its chapter 11 case in a "bad faith" attempt to avoid or stay the Debtor's potential liability to the Copyright Creditors. The Chapter 11 Trustee has no opinion on the Copyright Creditors' allegations, but in any event, believes that the best

remedy is to cause the Debtor to pay the Copyright Creditors Claims' in full. This Plan does so.

4. The Plan preserves the right to appeal the Copyright Creditors' judgment against the Debtor, in order to determine whether the judgment amount will be reduced. Accordingly, the Plan is in the best interest of the Debtor's Equity Interest holders, because they should receive the benefit of any reduced amount of the Copyright Creditors' claims.

5. The Debtor has a viable, vibrant, business that is increasingly diversifying and meets a market need. The Debtor has significant growth potential. The Debtor should be given an opportunity to reorganize.

1.

PRELIMINARY STATEMENTS

1.1 General Information Concerning Disclosure Statement and Plan

The Chapter 11 Trustee submits this Disclosure Statement pursuant to Section 1125 of the Bankruptcy Code and Rule 3016 of the Federal Rules of Bankruptcy Procedure. The purpose of this Disclosure Statement is to disclose information adequate to enable creditors who are entitled to vote to arrive at a reasonably informed decision in exercising their rights to vote on the Chapter 11 Trustee's Plan of Reorganization Under Chapter 11 of the Bankruptcy Code (the "Plan"). A copy of the Plan is attached hereto as **Exhibit A**. Capitalized terms used but not otherwise defined in this Disclosure Statement shall have the meanings ascribed to them in Article I of the Plan.

The Chapter 11 Trustee has promulgated the Plan consistent with the provisions of the Bankruptcy Code. The Chapter 11 Trustee is cognizant of his fiduciary duties to the Debtor's creditors and shareholders and has done his best to propose a plan that will maximize the value to both. The Plan calls for the continuation of the Debtor's business, payment of Claims in full, and the retention of Equity Interests for the Debtor's shareholders. Additional details regarding the Plan are described herein and in the Plan.

This Disclosure Statement is not intended to replace a careful review and analysis of the Plan, including the specific treatment of Claims under the Plan. The Disclosure Statement is submitted as an aid and supplement to your review of the Plan and is intended to explain certain terms and provisions of the Plan. Reasonable efforts have been made to explain various aspects of the Plan as they affect creditors. If any questions arise, the Chapter 11 Trustee urges you to contact its counsel to attempt to resolve your questions. You may, of course, wish to consult with your own counsel.

1.2 Disclaimers

NO SOLICITATION OF VOTES HAS BEEN OR MAY BE MADE EXCEPT PURSUANT TO THIS DISCLOSURE STATEMENT AND SECTION 1125 OF THE BANKRUPTCY CODE, AND NO PERSON HAS BEEN AUTHORIZED TO USE ANY INFORMATION CONCERNING THE

DEBTOR TO SOLICIT ACCEPTANCES OR REJECTIONS OF THE PLAN OTHER THAN THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT. CREDITORS SHOULD NOT RELY ON ANY INFORMATION RELATING TO THE DEBTOR OTHER THAN THAT CONTAINED IN THIS DISCLOSURE STATEMENT AND THE EXHIBITS ATTACHED.

EXCEPT AS SET FORTH IN THIS DISCLOSURE STATEMENT AND EXHIBITS, NO REPRESENTATION CONCERNING THE DEBTOR OR THE PLAN IS AUTHORIZED NOR ARE ANY SUCH REPRESENTATIONS TO BE RELIED UPON IN ARRIVING AT A DECISION WITH RESPECT TO THE PLAN. ANY REPRESENTATIONS MADE TO SOLICIT ACCEPTANCE OR REJECTION OF THE PLAN OTHER THAN AS CONTAINED IN THIS DISCLOSURE STATEMENT SHOULD BE REPORTED TO COUNSEL FOR THE CHAPTER 11 TRUSTEE.

UNLESS ANOTHER TIME IS SPECIFIED, THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE AS OF THE DATE HEREOF. NEITHER DELIVERY OF THIS DISCLOSURE STATEMENT NOR ANY EFFORTS TO OBTAIN APPROVAL OF THE DISCLOSURE STATEMENT AND PLAN SHALL UNDER ANY CIRCUMSTANCES IMPLY THAT THERE HAS BEEN NO CHANGE IN THE FACTS SET FORTH HEREIN SINCE THE DATE OF THE DISCLOSURE STATEMENT OR SINCE THE DATE THAT THE MATERIALS RELIED UPON IN PREPARATION OF THE DISCLOSURE STATEMENT WERE COMPILED.

WHILE THE INFORMATION PROVIDED HEREIN IS BELIEVED RELIABLE, THE CHAPTER 11 TRUSTEE HAS NOT UNDERTAKEN TO VERIFY OR INVESTIGATE SUCH INFORMATION. MUCH OF THE INFORMATION PROVIDED HEREIN IS TAKEN FROM, OR BASED ON, THE DEBTOR'S FILINGS IN THE BANKRUPTCY WHILE IT WAS OPERATING AS A DEBTOR-IN-POSSESSION. THE CHAPTER 11 TRUSTEE MAKES NO REPRESENTATION AS TO THE ACCURACY OR COMPLETENESS OF THE INFORMATION.

DISTRIBUTION OF THIS DISCLOSURE STATEMENT SHOULD NOT BE CONSTRUED AS ANY REPRESENTATION OR WARRANTY, EITHER EXPRESS OR IMPLIED, BY THE CHAPTER 11 TRUSTEE OR HIS PROFESSIONAL CONSULTANTS THAT THE PLAN IS FREE FROM RISK, THAT THE ACCEPTANCE OF THE PLAN WILL RESULT IN A RISK-FREE RESTRUCTURING OF THE DEBTOR'S OBLIGATIONS OR THAT THE OBLIGATIONS OF THE DEBTOR AS RESTRUCTURED BY THE PLAN WILL BE FULLY PERFORMED IN THE FUTURE WITHOUT RISK OF FURTHER DEFAULT.

THE APPROVAL BY THE BANKRUPTCY COURT OF THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE AN ENDORSEMENT BY THE BANKRUPTCY COURT OF THE PLAN OR A GUARANTEE OF THE ACCURACY OR THE COMPLETENESS OF THE INFORMATION CONTAINED HEREIN.

THIS DISCLOSURE STATEMENT AND THE PLAN SHOULD BE READ IN THEIR ENTIRETY BEFORE VOTING ON THE PLAN. FOR THE CONVENIENCE OF HOLDERS OF CLAIMS AND INTERESTS, CERTAIN TERMS OF THE PLAN ARE SUMMARIZED IN THIS DISCLOSURE STATEMENT, BUT ALL SUMMARIES ARE QUALIFIED IN THEIR ENTIRETY BY THE PLAN, WHICH CONTROLS IN CASE OF ANY INCONSISTENCY.

2.

BACKGROUND CONCERNING THE DEBTOR

2.1 Pre-petition History of the Debtor

The Debtor commenced its Chapter 11 Case on October 18, 2017 (the "Petition Date"). The Debtor is headquartered in Provo, Utah, is a Delaware corporation, and was founded in 2015. As of the Petition Date, the Debtor claimed to be the worldwide leader in providing "Self-Selected Viewing Service" to consumers, that is, service(s) whereby the Debtor lawfully assists customers to self-select—from their own, lawfully purchased 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.

The Debtor's Self-Selected Viewing Service enables its subscribers to skip, fast-forward, and/or mute potentially objectionable content (such as profanity, nudity, and violence) in motion pictures and television shows that they view in private. The Debtor's Self-Selected Viewing Service was, and is, the "bread and butter" of its business model, and as of the Petition Date, the Debtor had approximately 80,000 subscribers to the Self-Selected Viewing Service.

In addition to the Self-Selected Viewing Service the Debtor also produces and licenses original content. To distribute its original content, the Debtor provides a streaming service to view the content it produces. The Debtor's original comedy series, Dry Bar Comedy, had more than 1 billion views in 2018. Prior to the Petition Date, the Debtor also began working with "The Chosen, LLC," to produce an episodic series about the life of Jesus Christ, called "The Chosen" (the "Chosen Series"). The Debtor has billed the Chosen Series as the largest crowd-funded media project in entertainment history.

The Debtor's CEO, Neal Harmon, and CMO, Jeffrey Harmon, are sophisticated and successful business-persons. Through a separate company, Harmon Brothers, LLC, they have successfully completed over 20 major marketing campaigns, including for brands such as Squatty Potty, Purple Mattresses, and Vivint SmartHome Solutions. Neal Harmon and Jeffrey Harmon applied their considerable marketing expertise and business-acumen in their roles with the Debtor, and further helped solidify the Debtor as a viable media and entertainment company.

To summarize, prior to the Petition Date, the Debtor had begun to establish itself as a significant player in family-friendly and faith-oriented media, both through the Self-Selected Viewing Service and through its original content. In part due to its content and services, and in part due to the marketing skills and background of its founders, the Debtor built a significant following amongst consumers looking for family-friendly and faith-oriented media.

2.2. Events Leading to Chapter 11 Case

From late 2014 through late December 2016, the Debtor used a disc ownership model to provide the Self-Selected Viewing Service to its customers (the "Disc Ownership Model"). Under the Disc Ownership Model, the Debtor purchased DVDs and Blu-ray discs and sold them to its customers. The Debtor would stream the content of the discs to the owner of such discs, filtered as each customer individually requested. The Debtor's proprietary technology enabled

users to filter the video for various types of potentially objectionable content, which were silenced or deleted when the video was streamed. Once purchased, a customer could opt to sell the video disc back to the Debtor, or keep the actual physical disc, which the Debtor would ship to purchasers, on request, or store for the customer in a secure vault.

The Debtor's Disc Ownership Model was popular and growing, with more than 1 million viewers as of December 2016. However, in June 2016, the Copyright Creditors, including Disney Enterprises, Inc., Lucasfilm Ltd. LLC, Twentieth Century Fox Film Corporation, and Warner Bros. Entertainment Inc., sued the Debtor in the United States District Court for the Central District of California (the "California Court"), Case No. 2:16-cv-04109-AB-PLA (including all appeals, the "California Litigation"), for copyright infringement of approximately 80 of the Copyright Creditors' copyrighted works. The Copyright Creditors alleged that the Debtor's decryption of its works was a technical violation of the Digital Millennium Copyright Act, 17 U.S.C. § 1201(a), and that the Debtor's Disc Ownership Model violated the Copyright Creditors' exclusive rights to make copies of and publicly perform their works in violation of 17 U.S.C. § 106. On December 12, 2016, the District Court granted the Studios' motion for a preliminary injunction (the "Preliminary Injunction"). The Debtor complied, and continues to comply, with the Preliminary Injunction, shutting down the Debtor's and its customers' use of the Disc Ownership Model. As a consequence, the Debtor's revenues from the Disc Ownership Model dried up entirely.

Six months after the issuance of the Preliminary Injunction, the Debtor launched a new streaming-based model of its Self-Selected Viewing Service for motion pictures and television shows (the "Stream-Based Model"), which does not involve any physical video discs. Subscribers who use the Stream-Based Model select video content from third-party services such as Netflix, using their own accounts with those third-party streaming services. Using the Debtor's proprietary technology, subscribers can elect to have the Debtor remove or silence various types of potentially objectionable content when they view the selected video. Revenues from the Stream-Based Model have grown steadily. However, in an abundance of caution, and due to the broad wording of the Preliminary Injunction, the Debtor does not use the Stream-Based Model on works owned by the Copyright Creditors.

Notwithstanding the introduction of the Stream-Based Model, the Debtor asserted that the loss of revenue from the Disc Ownership Model caused the Debtor to begin to explore opportunities to reduce expenses and restructure its businesses. On October 18, 2017, the Debtor filed its petition for relief under chapter 11 of the Bankruptcy Code, which commenced this Bankruptcy Case. To be clear, the Copyright Creditors have argued that the Debtor filed the Bankruptcy Case in "bad faith." According to the Copyright Creditors, the Debtor filed the Bankruptcy Case as a litigation tactic, for an improper purpose, and with no valid reorganizational purpose.

The Chapter 11 Trustee has no strong view on the stated purpose by the Debtor in filing the Bankruptcy Case or the stated arguments of the Copyright Creditors in seeking to dismiss the Bankruptcy Case. No matter their stated views or stated positions, the Bankruptcy Case is where it is at this time—the Copyright Creditors have a judgment, the Debtor still exists and is doing better than ever, creditors should be paid, and holders of Equity Interests should be provided a chance to retain their interests. In short, the Chapter 11 Trustee is only concerned with exercising his fiduciary duties for the benefit of creditors and shareholders. The Chapter 11

Trustee believes that the Plan is in the best interests of creditors and shareholders, and should be accepted by all creditors and holders of Equity Interests.

2.2 Significant Events in the Chapter 11 Case

The most significant events in this Bankruptcy Case are as follows:

(a) Events Occurring While the Debtor was a "Debtor in Possession"

i. On October 18, 2017, the Debtor filed the Bankruptcy Case. The Debtor acted as a "debtor-in-possession" under the Bankruptcy Code until the Bankruptcy Court appointed the Chapter 11 Trustee.

ii. The Debtor filed a slew of "first day" motions on the Petition Date, including a "Cash Management Motion," an "Employee Wage Motion," a "Utility Motion," a "Tax Motion," an "Insurance Motion," a "Notice Procedures Motion," and a "Compensation Procedures Motion."[1] The Debtor also filed applications for employment of the firm Parsons Behle & Latimer ("PBL") as its general bankruptcy counsel and Rocky Mountain Advisory ("RMA") as its general bankruptcy accountants and financial advisors.

iii. The Court granted each of the Debtor's "first day" motions, albeit with some modifications.[2] Three of the first day motions are particularly important. First, the Cash Management Motion allowed the Debtor to continue with certain pre-petition business practices, including the continuation of its "VidAngel Subscription Credit" program, whereby it gave users of the discontinued Disc-Ownership Model "VidAngel Subscription Credits" that could be used towards the Streaming Model. The Chapter 11 Trustee, through the Plan, intends to continue the VidAngel Subscription Credits program. Second, the Notice Procedures Motion provided that the Debtor could provide notices to its customers by email. Third, the Compensation Procedures Motion allowed for payments to be made to the Debtor's professionals on a monthly basis, provided that those professionals complied with certain procedures set forth in the motion and corresponding order (the "Compensation Procedures").

iv. On October 25, 2017, the Debtor filed a Motion to Set Prepetition Claims Bar Date. On December 12, 2017, the Bankruptcy Court entered an order granting that motion, and setting the Claims Bar Date for general unsecured claims and governmental claims for February 12, 2018, *provided, however,* that the holders of VidAngel Subscription Credits (*i.e.*, the Debtor's customers) were excused from the requirement to file claims until a later determination by the Court.

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[1] These motions are given the definitions ascribed to them in the pleading filed at Docket No. 3 in the Bankruptcy Case, and the respective Motions and Applications are found at Docket Nos. 5-12 in the Bankruptcy Case.

[2] Interim orders approving the first day motions were entered on October 26 and 27, 2017, and final orders approving the first day motions were entered between November and December of 2017.

v. On November 8, 2017, the Copyright Creditors filed a Motion to Dismiss the Debtor's Bankruptcy Case, or in the Alternative, Motion for Relief from Automatic Stay (the "MTD/MFR"). The MTD/MFR sought to dismiss the Debtor's Bankruptcy Case as a "bad faith" filing, because according to the Copyright Creditors: (a) the Debtor filed the Bankruptcy Case as a "litigation tactic" to delay the California Litigation; (b) the Debtor engaged in certain bad faith actions prior to the Petition Date; (c) the Debtor was "forum shopping"; (d) the Debtor was trying to evade orders of the California Court; and (e) the Bankruptcy Case served no "valid reorganization purpose." Alternatively, the MTD/MFR sought relief from the automatic stay for the Copyright Creditors to continue the California Litigation. On November 9, 2018, the Bankruptcy Court granted the "motion for relief' portion of the MTD/MFR to allow the Copyright Creditors to continue the California Litigation for the purpose of liquidating their claims.

vi. After the Bankruptcy Court granted the MTD/MFR, the California Litigation re-commenced. Following a lengthy trial and substantial motion practice, on September 23, 2019, the California Court entered a judgment in the amount of $62,448,750.00 against the Debtor and in favor of the Copyright Creditors. The Chapter 11 Trustee intends to appeal the California Court Judgment to the Ninth Circuit Court of Appeals, once all post-trial motions are fully and finally decided. The Chapter 11 Trustee continues to prosecute the appeal on behalf of the Debtor and the Estate.

vii. On January 14 and January 15, 2019, the Debtor filed a plan and disclosure statement. The Debtor did not seek Court approval of its disclosure statement and did not seek confirmation of its plan. Throughout the Bankruptcy Case, the Debtor sought and obtained Court approval to extend the exclusive period in which it could file and seek confirmation of a plan and disclosure statement. In the Chapter 11 Trustee's view, the Debtor's plan and disclosure statement were, in part, filed in order to obtain a further extension of the exclusivity period.

viii. On June 14, 2019, the Copyright Creditors filed an Emergency Motion to Appoint Chapter 11 Trustee (the "Appointment Motion"). According to the Copyright Creditors, the appointment of a chapter 11 trustee was necessary because, among other things: (a) the day before the trial began in the California Litigation, the Debtor had agreed to transfer its intellectual property to an entity called the Skip Foundation; (b) the Debtor sold a subsidiary to a related entity for $1, and then loaned $100,000 to that entity, without Court approval; and (c) appointment of trustee was in the best interest of creditors.

ix. On June 21, 2019, one week after they filed the Appointment Motion, the Copyright Creditors filed a Motion to Convert the Case to Chapter 7 (the "Conversion Motion"), whereby they sought to convert the Debtor's Bankruptcy Case to a case under Chapter 7 of the Bankruptcy Code. The reasons set forth in the Conversion Motion are substantially similar to the reasons set forth in the Appointment Motion, although the Copyright Creditors also alleged that the Debtor had sustained substantial losses during the Bankruptcy Case and had no prospect to reorganize.

x. On August 21, 2019, the Debtor and the Copyright Creditors filed a notice of their Stipulation to Appoint a Chapter 11 Trustee. On August 28, 2019, the Bankruptcy Court entered an Order appointing the Chapter 11 Trustee.

Although it is not apparent on the Bankruptcy Case docket, the Debtor continued to make significant efforts to grow and diversify its business while its Bankruptcy Case and the California Litigation were proceeding. The Debtor's efforts included: increasing its subscriber-base to the Stream-Based Model, growing its DryBar Comedy line of business, assisting with the fundraising efforts to produce the Chosen Series, and entering into a licensing agreement to distribute the Chosen Series.

(b) The Debtor's Professionals and Related Issues.

During its time as a debtor-in-possession in the Bankruptcy Case, the Debtor engaged the following professionals (collectively, the "Approved Professionals"):

Professional	Role
Parsons Behle & Latimer	Chapter 11 Attorneys
Rocky Mountain Advisory	Certified Public Accountants and Financial Advisors
Kaplan, Voekler, Cunningham & Frank, PLC	Special Counsel for Securities Issues
Stris & Maher LLP	Special Counsel
Analysis Group, Inc.	Economic Consultants
Durham Jones & Pinegar	Special Counsel
Tanner LLC	Tax and Financial Advisors
Baker Marquart LLP	Special Counsel for California Litigation
Call & Jensen, P.C.	Special Counsel for California Litigation
Strong & Hanni, P.C.	Special Counsel for Intellectual Property Issues

Except for Kaplan Voekler, the Approved Professionals each were subject to the Compensation Procedures. Problematically, the Trustee understands that many of the Approved Professionals were unaware of the Compensation Procedures, and few of the Approved Professionals complied with the Compensation Procedures, in that they failed to submit monthly invoices to the United States Trustee, and they failed to file interim applications for compensation as required under the Compensation Procedures. Notwithstanding their failure to comply with the Compensation Procedures, most of the Debtor's Approved Professionals were paid by the Debtor on a monthly basis. Payments by the Debtor to Approved Professionals were included in the Debtor's monthly operating reports, filed in the Bankruptcy Case.

In addition to the Approved Professionals, the Debtor hired or employed additional professionals without seeking Bankruptcy Court approval (as defined in the Plan, the "Non-Compliant Professionals"). These include attorneys Fred Pena and J. Morgan Philpot, who were ostensibly hired as "in-house" counsel for the Debtor. The Chapter 11 Trustee believes that all professionals, including Mr. Pena and Mr. Philpot, should have sought Court approval of their employment, and the Chapter 11 Trustee reserves all Claims and Causes of Action against the Non-Compliant Professionals, including the right to disgorge and recover payments made by the Debtor to Non-Compliant Professionals.

In total, including Approved Professionals and Non-Compliant Professionals (but not including the Debtor's former in-house counsel, David Quinto), the Debtor paid over $2.2 million dollars to professionals during its time as a debtor-in-possession. Although the Plan reserves all rights to recover unauthorized payments to professionals, it is anticipated that the Plan Administrator will focus his investigation and prosecution of Claims and Causes of Action against Non-Compliant Professionals whose employment was not approved by the Bankruptcy Court.

(c) Significant Events After the Appointment of the Chapter 11 Trustee

Since his appointment as the Chapter 11 Trustee, the Chapter 11 Trustee has endeavored to efficiently investigate and administer the Debtor and its Estate. As a result of his investigation and administration of the Debtor, the Chapter 11 Trustee is informed and believes that the Debtor is a viable "going concern" business that should be reorganized, rather than liquidated, under the Bankruptcy Code.

In reaching his conclusion that the Debtor is a viable candidate for reorganization, the Chapter 11 Trustee has investigated the legal issues surrounding the Debtor's Self-Selected Viewing Service, and has determined that it is reasonable for the Debtor to continue to offer a form of the Self-Selected Viewing Service. In particular, the Chapter 11 Trustee has sought Court approval to implement a technology update to the Self-Selected Viewing Service known as the "DVR Model," or in the alternative, to abandon the Self-Selected Viewing Service entirely. The Trustee's motion for Court approval to implement the DVR Model or, alternatively, abandon the Self-Selected Viewing Service, is pending a decision by the Bankruptcy Court.

The Copyright Creditors are contesting the Chapter 11 Trustee's motion to implement the DVR Model, even though the Chapter 11 Trustee is not presently seeking Court approval to apply the DVR Model (or the Self-Selected Viewing Service) to the Copyright Creditors works. The Chapter 11 Trustee is well aware of the entry of a permanent injunction by the California Court, and will not risk allowing the Debtor to violate the permanent injunction. The California Court's permanent injunction is presently under appeal.

The Chapter 11 Trustee has also investigated the Debtor's original content and licensing lines of business, and is impressed by their viability and potential for long-term success. In particular, the Chosen Series, which was broadly released in November 2019, has already proven to be a significant money-maker for the Debtor. The Debtor is using innovative marketing and payment features, including a "pay-it-forward" feature, that are remarkably successful thus far. For example, the Chosen Series has grossed average sales of $806,483 per month since November 2019 (up to and including February 27, 2020). The Debtor projects that the Chosen Series will continue to grow, and it is anticipated that 6-8 additional seasons of the Chosen Series will be released in the coming years. The success of the Chosen Series should be a major contributor to the Debtor's ability to reorganize and pay its debts through the Plan.

The Chosen Series is a significant source of current and potential future income, but it is not the only content that the Debtor has. The DryBar Comedy business continues to be successful and is still growing. The Debtor also is engaged in exploratory talks with other content creators to provide new content that fits the Debtor's reputation as a leader in providing family-friendly and faith-oriented media to consumers. In part because of its reputation as a provider of family-friendly marketing, and because of the Debtor's well-earned reputation as a creative marketer and distributor of original content, the Chapter 11 Trustee and the Debtor's management reasonably anticipate that the Debtor will be able to produce or license new original content throughout the Plan Period, which should further contribute to its efforts to reorganize.

Beyond his attempt to implement the DVR Model, the Chapter 11 Trustee has engaged in further actions to effectively administer the Debtor's estate and prepare the Debtor to implement a plan of reorganization. Among other matters, the Chapter 11 Trustee has (i) sought and obtained Court approval to set claims bar dates for pre-Appointment Date administrative expenses and for claims of holders of VidAngel Subscription Credits; (ii) obtained Court approval to amend the licensing agreement for the Chosen Series; (iii) obtained Court approval to sell copies of certain documents to help facilitate fundraising for season 2 of the Chosen Series; (iv) continued the appeal of the California Litigation; and (v) investigated claims of the Debtor's estate against non-Approved Professionals and others. Additionally, the Copyright Creditors are very active in this Bankruptcy Case, and the Chapter 11 Trustee has spent a substantial amount of time responding to their formal objections, informal inquiries, and discovery requests.

In administering this Bankruptcy Case, the Chapter 11 Trustee sought and obtained Bankruptcy Court approval of his employment of the following professionals:

Professional	**Role**
Cohne Kinghorn, P.C.	Primary bankruptcy counsel
Piercy Bowler Taylor & Kern	Certified public accountants and financial advisors
Strong & Hanni, P.C.	Special counsel for intellectual property matters
Winston & Strawn, LLP	Special counsel for copyright matters
Call & Jensen, P.C.	Special counsel for California Litigation and limited copyright matters
Tanner LLC	Tax and financial advisors
TraskBritt, P.C	Special counsel for intellectual property matters
Magleby Cataxinos & Greenwood, P.C.	Special counsel for malpractice claims
Berkley Research Group	Valuation advisors and experts

The Chapter 11 Trustee and his professionals have, collectively, requested approval of interim compensation once in this Case, which the Court approved for each.

3.

SUMMARY OF THE PLAN

3.1 Overview

The Plan is a Plan of Reorganization. In other words, the Debtor will continue as a "going concern" business and will "reorganize" by paying its debts in full over time. The Chapter 11 Trustee submits that a Plan of Reorganization is the most sensible course of action for this Debtor. The Debtor is a successful, resilient, and creative company whose value is in the services it provides. Services businesses are difficult to liquidate, and the liquidation of services businesses typically yields far less than the ongoing operations, particularly where the Debtor is not suffering operating losses. The Debtor does not have significant assets available for liquidation, relatively speaking. It employs approximately 40 people in the Provo, Utah area. It fills a market niche by providing family-friendly, faith-oriented entertainment. It has significant potential for growth.

The Plan provides for 100% payment of all Claims and allows for holders of Equity Interests to retain their interests in the Debtor. The Plan proposes payments in the tens of millions of dollars over 14 years. There are many reasons why the Chapter 11 Trustee has proposed this particular Plan, including: (i) as a fiduciary to the Debtor's creditors and shareholders, the Chapter 11 Trustee wants to see creditors paid in full and give shareholders the opportunity to keep their equity, which the Plan does; (ii) the Plan allows approximately 40 people to keep their jobs; (iii) the Plan provides significant remedies to creditors in the event that the Debtor is unable to make its payment obligations, including potential foreclosure of all of the Debtor's property, with proceeds to go to the Debtor's creditors; (iv) the Plan provides the Debtor with the needed flexibility to grow, while subjecting it to limited oversight from the Plan Administrator to ensure its compliance with the Plan; (v) the Plan incentivizes the Debtor's management, employees, and shareholders to continue to grow the Debtor and pay the obligations owed to creditors under the Plan; and (vi) the Plan allows the Plan Administrator to continue the appeal in the California Litigation to determine if the amount of the Copyright Creditors' Claims will be reduced.

3.2 Treatment of Unclassified Administrative Claims and Priority Tax Claims

The Bankruptcy Code provides that certain types of claims are not to be placed in classes under a chapter 11 plan. Accordingly, under the Plan, Administrative Claims and Priority Tax Claims are not classified but are treated as provided in Article II of the Plan. Holders of such claims are not entitled to vote to accept or reject the Plan. In general, unless otherwise agreed, Allowed Administrative Claims will be paid in full on the later of 30 days after such claims become Allowed or upon the Initial Distribution Date. In general, Allowed Priority Tax Claims will be paid on the later of the Initial Distribution Date or the date after any such claim becomes Allowed.

3.3 Treatment of Classified Claims and Interests

3.3.1 Class 1 Claims. Class 1 consists of Allowed Priority Claims against the Debtor, other than Priority Tax Claims. 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.

3.3.2 Class 2 Claims. Class 2 consists of all Allowed General Unsecured Claims, except for Credit Holders' Claims, Copyright Creditors' Claims, and Convenience Claims. 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. 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 proposed payments to be made to holders of Allowed Class 2 Claims is set forth in the schedule attached as **Schedule 2** to **Exhibit B** to this Disclosure Statement. Instead of being treated as a Class 2 Claim, the holder of a General Unsecured Claim may also make a Convenience Claim Election and be treated as a Class 6 Convenience Claim.

3.3.3 Class 3 Claims. Class 3 consists of the Copyright Creditors' Claims. 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 the Plan. 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 hereto as **Schedule 1** to **Exhibit B**. 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 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 amounts 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.

Under the Plan, 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.

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.

Put simply, the Plan obligates the Reorganized Debtor to pay the Copyright Creditors' Claims in full, or face serious Default Remedies if it does not. But if the California Court Judgment is reduced or eliminated, then the Copyright Creditors will not be entitled to a receive an overpayment of their Claims. They will be required to refund such payments in the event of an overpayment.

3.3.4 Class 4 Claims. Class 4 consists of Credit Holders' Claims. Credit Holders consist of those persons who are, or were, customers of the Debtor's Disc-Ownership Model of the Self-Selected Viewing Service, who received VidAngel Subscription Credits as a result of the Disc-Ownership Model being canceled.

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.

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.

3.3.5 Class 5 Interests. Class 5 consists of holders of Equity Interests in the Debtor. 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.

3.3.6 Class 6 Convenience Claims. Class 6 consists of Convenience Claims. Under the Plan, "Convenience Claims" consist of 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 the Plan.

A "Convenience Claim Election" means 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. The Chapter 11 Trustee will clearly indicate, on the Ballots to be mailed with the Disclosure Statement, how to make a Convenience Claim Election.

Allowed Class 6 Convenience Claims will be paid in full, on the Initial Distribution Date, without interest, in full satisfaction of such Claims.

3.3.7 Miscellaneous Claims Treatment Provisions. Pursuant to sections 1123(a)(5)(G) and 1124(2) of the Bankruptcy Code, among others, and except as otherwise provided by the 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. 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. Except as otherwise expressly set forth in the Plan, the Reorganized Debtor shall not assume or be liable for any Claims.

3.3.8 Summary Table of Plan Treatment of Classes.

Class	Treatment	Entitled to Vote
Class 1 – Priority Claims	Impaired	Yes (Entitled to vote to accept or reject)
Class 2 –General Unsecured Claims	Impaired	Yes (Entitled to vote to accept or reject)
Class 3 – Copyright Creditors' Claims	Impaired (subject to reservation of rights in the Plan)	Yes (Unless deemed unimpaired, entitled to vote to accept or reject)
Class 4 – Credit Holders' Claims	Impaired	Yes (Entitled to vote to accept or reject)
Class 5-Equity Interests	Impaired	Yes (Entitled to vote to accept or reject)
Class 6 – Convenience Claims	Impaired	Yes (Entitled to vote to accept or reject)

3.4 Plan Execution and Implementation

3.4.1 The Plan Administrator. The Plan establishes a Plan Administrator to administer the Estate and the Debtor's reorganization. The proposed Plan Administrator is George B. Hofmann, who currently is the Chapter 11 Trustee. The Plan Administrator is deemed the Estate's representative and shall have the powers, authority and responsibilities specified in the Plan. Although the Plan Administrator is vested with substantial authority and responsibilities under the Plan, he does not anticipate being substantially involved with the Reorganized Debtor's day-to-day business operations. Rather, the Debtor's existing management will resume responsibility for the Reorganized Debtor's regular business, including major strategic decisions, cash and financial management (other than Plan distributions), day-to-day decisions, and all other matters that are not expressly reserved or subject to the Plan Administrator's authority. The Plan Administrator will be compensated at his normal hourly rate, which presently is $360 per hour.

Implementing a Plan Administrator is important for a number of reasons, but in particular, because of the oversight he will provide to the Debtor's management, who apparently are not trusted by the Copyright Creditors, and because of the control he has over the Debtor's property, including intellectual property, by way of the Plan Administrator Lien, in the event that the Debtor defaults under the Plan.

The authority and duties of the Plan Administrator are set forth in the Plan, in particular Sections 5.2, 5.7, 6.1, 10.2, and 11.7 of the Plan. Among the authority and duties granted to the Plan Administrator under the Plan are the following:

(i) *Distributions*. The Plan Administrator will oversee all distributions made under the Plan and will have the authority to compel the Reorganized Debtor to make distributions under the Plan. If the Plan Administrator so chooses, the Plan Administrator may elect to create a new bank account at an authorized banking institution, by which he could receive Distribution Funds from the Reorganized Debtor and make the distributions that are required under the Plan. Alternatively, the Plan Administrator can oversee the distribution of Distribution Funds directly from the Debtor's bank accounts.

(ii) *Plan Administrator Lien*. The Plan Administrator will be granted a properly perfected lien on all of the Debtor's property as of the Effective Date of the Plan, including all proceeds thereof (as defined in the Plan, the "Plan Administrator Lien"). The Plan Administrator Lien will provide the Plan Administrator with the authority, if he elects, to foreclose on the Debtor's property in order to compel compliance with the Plan. It will also protect the Debtor's existing creditors in the event of a future liquidation of the Reorganized Debtor. Finally, the Plan Administrator Lien expressly prohibits any transfer of the Debtor's property outside the ordinary course of business without the Plan Administrator's consent. Under the Plan, a purported transfer of the Debtor's intellectual property related to the Self-Selected Viewing Service is automatically deemed to be a transfer outside of the ordinary course of business and is void *ab initio* without the express written consent of the Plan Administrator, *provided, however*, that if the Reorganized Debtor determines, in its business judgment, to reorganize its corporate structure as described in section 3.4.4 of this Disclosure Statement, the creation of a new entity that holds the Debtor's intellectual property shall not be deemed void *ab initio*. The Plan Administrator Lien shall continue and remain properly perfected on the Plan Administrator Collateral in such an event.

(iii) *Claims and Causes of Action*. The Plan Administrator will have the sole and exclusive authority to act on behalf of the Debtor and the Estate with respect to all Claims and Causes of Action *against* the Debtor and the Estate and all Claims and Causes of Action *held by* the Debtor or the Estate as of the Effective Date. This includes authority to investigate, prosecute, act upon, and settle such Claims and Causes of Action. The Plan Administrator has exclusive authority to prosecute, appeal, continue, or settle, on behalf of the Debtor, the Estate, and the Reorganized Debtor, the California Litigation.

(iv) *Fiduciary of Creditors and Shareholders*. As directed by the Tenth Circuit Court of Appeals (See In re C.W. Mining Co., 636 F.3d 1257, 1265 (10th Cir. 2011)), the Plan Administrator shall act as a fiduciary for the Debtor's creditors and shareholders.

(v) *General Oversight; Enforcement of Default Remedies*. The Plan Administrator will have general oversight authority over the Reorganized Debtor, including (in the Plan Administrator's discretion) to require the Debtor to provide financial documents and information, and to audit, investigate, and inspect the Reorganized Debtor's financial documents, books, records, accounts, offices, and all other physical or electronic records or data. The Plan Administrator will 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 the Plan. The Plan Administrator shall have the sole and exclusive authority to enforce any or all of the Default Remedies provided for in the Plan.

(vi) *Professionals*. The Plan Administrator may employ attorneys, accountants, or other professionals as she or he 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.

(vii) *Successor Plan Administrator*. In the event that 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.

3.4.2 Administration of the Estate. The Plan Administrator will be the Estate's representative in accordance with Section 1123 of the Bankruptcy Code with powers, authority and responsibility as specified in the Plan. 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.

3.4.3 Vesting of Property. On the Effective Date, all Assets will vest in the Reorganized Debtor free and clear of all Claims, Liens, and other interests except as otherwise expressly provided in and subject to the terms of the Plan and Confirmation Order. For the avoidance of doubt, the Plan clearly provides that the Assets of the Reorganized Debtor will be subject to the Plan Administrator Lien.

3.4.4 Continuation of Business Operations of Reorganized Debtor. 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 the Plan.

In its sole discretion, the Reorganized Debtor may restructure or otherwise reorganize its corporate structure, including, without limitation, by "spinning off" its "original content" line of business, its Self-Selected Viewing Service business, and its "DryBar Comedy" line of business into three separate entities. It is possible that such a "spin off" could entail the transfer of a portion, all, or substantially all of the Reorganized Debtor's assets into one or more newly formed entities. Notwithstanding any "spin off" of any of its lines of business, the new entities,

the Reorganized Debtor, and all property of the new entities and the Reorganized Debtor, shall remain subject to the provisions of this Plan, including without limitation paying obligations under the Plan, the Plan Administrator Lien, and the authority of the Plan Administrator.

3.4.5 Funding for the Plan. The Plan will be funded from the Reorganized Debtor's continued business operations, as well as any proceeds that may be realized by the Plan Administrator from Causes of Action and Claims that are reserved under the Plan.

3.4.6 New Equity Options. The Plan expressly preserves the Reorganized Debtor's right to raise capital through the sale and issuance of new stock. The Reorganized Debtor has the right to issue new equity interests after the Effective Date 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"). It is anticipated that the capital raised by any New Equity Option will be used for investment, growth, or other business needs. Funds raised by a New Equity Option likely will not be used as Distribution Funds, because it would be difficult to raise interest in an equity offering if the proceeds of such offering were not intended to be used towards growth and achieving value for new investors. In other words, new investors are unlikely to be interested in paying off old debts. Accordingly, the Chapter 11 Trustee anticipates that the Plan Administrator Lien will not attach to proceeds of the New Equity Options.

3.4.7 Employment of Professionals. The Reorganized Debtor may employ attorneys, accountants, and other professionals, provided, however, that such professionals will not be entitled to receive Distribution Funds, and unless expressly authorized by the Plan Administrator as such, their fees and costs shall not be considered Post-Effective Date Administrative Expenses.

3.4.8 Closing the Chapter 11 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.

3.4.9 Objections to 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.

3.4.10 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 the Plan. All such proceedings are cumulative and not exclusive remedies. One party-in-interest, Clearplay, Inc., filed an unliquidated claim in the Bankruptcy Case that remains unliquidated. The Chapter 11 Trustee anticipates that he or the Plan Administrator will object to, or seek estimation of, Clearplay, Inc.'s Disputed Claim.

3.4.11 Automatic Disallowance and Expungement of Certain Claims. On the Effective Date, all Claims filed after the applicable Bar Date that were required to be filed on or in advance of such Bar Date under its terms, shall be expunged and disallowed without any further notice to or action, order, or approval of the Bankruptcy Court.

3.4.12 Retention of Rights 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 post-Petition Date transfers made by the Debtor;[3] and (10) 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.

In pursuing any Claim, right, or Cause of Action, the Plan Administrator, as the representative of the Estate, shall be entitled to the extensions provided under Section 108 of the Bankruptcy Code. Except as otherwise provided in the Plan, all Causes of Action shall survive confirmation of the Plan and the commencement or prosecution of Causes of Action shall not be barred or limited by any estoppel, whether judicial, equitable, or otherwise.

3.4.13 Executory Contracts and Leases. On the Effective Date, all executory contracts and unexpired leases to which the Debtor is a party shall be deemed assumed by the Confirmation Order, except for any executory contract or unexpired lease (i) that has been assumed or rejected pursuant to a Final Order of the Bankruptcy Court entered before the Effective Date or (ii) that is the subject of a separate motion to assume or reject filed under Section 365 of the Bankruptcy Code by the Debtor before the Effective Date.

Cure Amounts and other Defaults. Unless the counter-party 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

[3] The Debtor regularly filed "Monthly Operating Reports" while it was a debtor-in-possession in the Bankruptcy Case. The disclosure of a post-petition transfer on a Monthly Operating Report filed in the Case does not necessarily mean that the disclosed transfer was "in the ordinary course" of the Debtor's business, or is otherwise not subject to avoidance under Bankruptcy Code § 549 as an unauthorized post-Petition Date transfer. If you received money, property, or something of value from the Debtor on or after October 18, 2017, the Chapter 11 Trustee reserves all rights of the Estate to avoid and recover the value of such transfer from you or your transferee.

with the Court and served on the Plan Administrator by no later than 30 days after the Confirmation Date.

Credit Holders. Neither the assumption nor rejection of any executory contract under the Plan shall alter, amend, or supersede the treatment afforded to Credit Holders under Section 4.4 of the 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 Claims shall be entitled to treatment under Section 4.4 of the Plan.

3.4.14 Binding Effect of Plan. Except as otherwise provided in Section 1141(d) of the Bankruptcy Code, on and after the Confirmation Date, the provisions of the Plan shall bind any holder of a Claim against or Equity Interest in the Debtor who held such Claim or Equity Interest at any time during the Chapter 11 Case and its respective successors and assigns, whether or not the Claim or Equity Interest of such holder is Impaired under the Plan and whether or not such holder has accepted the Plan.

3.4.15 Term of Injunction or Stays. Unless otherwise provided in the Plan, all injunctions or stays provided for in the Chapter 11 Case pursuant to 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 Chapter 11 Case is closed. 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.

3.4.16 Claims Bar Dates; Amendment of Claims. The Plan provides for a "Bar Date" for Claims, more specifically defined as follows: (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 the 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.

A Claim that is not filed by the applicable Bar Date is barred, discharged, and released without any further action by the Debtor or the Chapter 11 Trustee, and is not entitled to receive distributions under the Plan. 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.

3.5 Distribution Funds

The Plan establishes a clear priority for the distribution of Distribution Funds under the Plan. The Chapter 11 Trustee anticipates that the "waterfall" of priority set forth herein will, if ever, be most relevant should he be required to enforce the Plan Administrator Lien or otherwise liquidate the Debtor. Otherwise, he anticipates that payments will be made as set forth in the treatment of each Class of Claims (*i.e.*, quarterly, or for some claims, on the Initial Distribution Date), from the Debtor's general business revenues. Notwithstanding anything in the 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;

(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 the 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.

3.6 Discharge and Injunction Provisions

3.6.1 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.

3.6.2 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.

3.6.3 Broad Injunction. The intent of the injunction set forth in Section 11.2 of the Plan 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.

3.6.4 Exculpation. Notwithstanding anything herein or in the Plan 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, but 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. 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. For the avoidance of doubt, any action or non-action taken by the Plan Administrator or the Chapter 11 Trustee upon the advice of counsel shall not, under any circumstance, be deemed "willful misconduct."

3.6.5 <u>Release of Claims</u>. 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.

3.7 Plan Default

In the event of any default of the provisions of the 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 the 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.

4.

THE DEBTOR

4.1 Pre-Petition Financing and Capital Structure

4.1.1 Equity Interests

The Debtor is a Delaware corporation, with securities registered under Section 12 of the Securities Exchange Act of 1934. The Debtor's SEC file number is 24R-00040. As of the Petition Date, the Debtor had the following equity structure:

Type	Number of Shares	Number of Holders
Class A	18,008,908	17
Class B	3,313,002	7,979
Class A Option	1,211,136	44

The following persons directly or indirectly own, control, or hold, with power to vote, 5% or more of the voting securities of the Debtor: (i) Harmon Ventures, LLC; (ii) Alta Ventures Mexico Fund I, LP; (iii) Osborn Companies, LC; and (iv) Kickstart Seed Fund II, LP. As of the Petition Date, the Debtor had authorized capital stock consisting of 25,000,000 shares of common stock, of which 21,250,000 were designated as Class A voting common stock, and 3,750,00 were designated as Class B common stock.

The Plan contemplates that the Debtor's existing equity structure will remain unchanged, *provided, however*, that the Reorganized Debtor shall have the right to implement the New Equity Options described in the Plan and in Section 3.4.6 of this Disclosure Statement, and the Reorganized Debtor will be authorized to immediately issue Class A Options to its Employees on the Effective Date.

The Chapter 11 Trustee anticipates that the Reorganized Debtor will issue and award up to 956,200 Class A Stock Options to the Debtor's Employees on the Effective Date. The Chapter 11 Trustee believes that the issuance of Class A Options to the Debtor's Employees will further incentivize them to help the Reorganized Debtor meet its obligations under the Plan. 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. The Chapter 11 Trustee anticipates that 76,838 Class A Options will remain unissued and reserved for future employees. 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.

Additionally, as one of the possible Default Remedies under the Plan, the Plan Administrator has the right to alter the Reorganized Debtor's equity structure, including by the cancellation of old equity and issuance of new equity.

4.1.2 Secured Debt

The Debtor did not list any Secured Claims in its Statements and Schedules. During the Bankruptcy Case, the Debtor, with Court approval, entered into certain Insurance

Premium Financing Agreements, which provide Allegiance Premium Finance Company and Zions Bank with security interests in any unearned and or returned insurance premiums, accrued dividends, and loss payment which would reduce unearned premiums. To the extent that similar Premium Financing Agreements existed prior to the Petition Date, the Chapter 11 Trustee believes that such agreements are no longer in effect, and the Debtor's obligations thereunder are satisfied in full.

Post-Petition Date, the Debtor also agreed to provide Cash Collateral to Zions Bank to enable the Debtor to use certain credit cards issued by Zions Bank. The Debtor continues to use the Zions Bank credit cards and pays down the balance in full on a month-to-month basis. Zions Bank presently holds a security interest in $150,000 of Cash Collateral.

4.1.3 Unsecured Debt

The Debtor's Schedule E/F [Dkt. No. 47] lists Priority Unsecured Claims totaling $11,442.10 and General Unsecured Claims totaling $5,273,361.40, with total Unsecured Claims of $5,284,803.50. The General Unsecured Claims listed in the Debtor's Schedule E/F do not include the Copyright Creditors' Claims. Of the unsecured Claims listed in the Debtor's Schedule E/F, $4,957,946.89 are Credit Holders' Claims. On January 16, 2020, the Chapter 11 Trustee filed an updated "Schedule E/F" showing that $3,562,566 in Credit Holders' Claims remained outstanding as of December 31, 2019. The amount of Credit Holders' Claims is subject to further reduction to the extent that Credit Holders continue to use their VidAngel Subscription Credits. The remaining General Unsecured Claims are primarily trade, legal, and unsecured line-of-credit debts.

As of the date of this Disclosure Statement, the Copyright Creditors have an Allowed Claim in the amount of $62,448,750.00, *provided, however*, that the Plan preserves the right of the Chapter 11 Trustee and the Plan Administrator to continue the appeal of the California Litigation to determine whether the Copyright Creditors' Claims will be eliminated or reduced in amount or extent on appeal.

4.2 The Debtor's Business

As mentioned above, the Debtor primarily has two related lines of business. First, is the Self-Selected Viewing Service offered by the Debtor. The Self Selected Viewing Service is a service whereby the Debtor lawfully assists customers to self-select—from their own, lawfully purchased 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. This has been a consistent source of income for the Debtor since its inception, and the Chapter 11 Trustee anticipates that it will continue to be a consistent source of income for the Reorganized Debtor, with potential for significant growth when the DVR Model is implemented.

The Debtor's second line of business is as an original content provider. The Debtor licenses and/or produces original content, such as its DryBar Comedy web-series, and the Chosen Series. The Debtor then streams its original content over the internet. The Debtor has seen significant success with the Chosen Series and DryBar Comedy, and plans to continue to grow and develop its original content offerings. Before it was in bankruptcy, the Debtor also intended to assist original content producers by assisting them with fundraising, subject to receiving a commission. The Debtor had established two subsidiary entities, VAS Portal, LLC

and VAS Brokerage, LLC, to do so. Unfortunately, because of their Bankruptcy Case, neither of the Debtor's subsidiary entities were approved by FINRA for registration. The Chapter 11 Trustee is hopeful that a confirmed Plan of Reorganization may allow the Debtor to re-open this potential revenue source, though he did not account for this possibility when making projections under the Plan.

4.3 The Debtor's Assets

4.3.1 Real Property

As of the Petition Date, the Debtor did not own any real property. The Debtor does not own any real property as of the date of this Disclosure Statement.

4.3.2 Personal Property (non-IP)

The Debtor's Schedule A/B lists the personal property it owned as of the Petition Date, which it valued at approximately $4,670,714.19 as of the Petition Date. Of that property, $3,449,285.34 was cash or cash equivalents. Most of the remainder consisted of deposits and prepayments ($579,367.75) and the Debtor's DVD inventory ($450,000), with some miscellaneous furniture, equipment, and fixtures as well. The Debtor also held a note receivable worth $126,725.43.

4.3.3 Intellectual Property

The Debtor listed "trade name and patents" with a value of $0 in its Schedules and Statements. The Chapter 11 Trustee believes that the Debtor's Intellectual Property, including patents, trademarks, copyrights, trade secrets, and the like, has more value than the Debtor previously believed. For example, early in his appointment, the Chapter 11 Trustee received a third-party offer to purchase the DryBar Comedy brand for $200,000. The Chapter 11 Trustee is unsure whether the Debtor's other Intellectual Property has significant value to anyone but the Debtor.

4.3.4 Claims and Causes of Action

The Debtor held certain Claims and Causes of Action as of the Petition Date, which are described in more detail in the Debtor's Statements and Schedules, and herein. Among other Claims and Causes of Action, the Debtor's Statements and Schedules disclose potential malpractice claims against David Quinto and the law firm Kupferstein Manuel & Quinto, LLP. The Chapter 11 Trustee is evaluating those malpractice Claims and Causes of Action and anticipates that the Plan Administrator will continue to evaluate and, if advisable, prosecute those Claims and Causes of Action.

4.3.5 Net Operating Losses

The Debtor holds net operating losses ("NOLs") totaling approximately $9 million. Those NOLs will be preserved under the Plan, because the Plan proposes to keep the Debtor's existing equity structure unchanged. If Equity Interests were canceled, the Chapter 11 Trustee believes that the Debtor's ability to use the NOLs to offset its tax liabilities would be eliminated or substantially restricted.

4.4 Debtor's Management

The Debtor's officers are: Neal Harmon (CEO), Liz Ellis (President), Jeffrey Harmon (CMO), Patrick Reilly (CFO), and Joseph Wecker (CTO). The Chapter 11 Trustee anticipates that the Debtor's officers and management structure will remain unchanged, and the Debtor's current officers, managers, and employees will remain responsible for the Debtor's day-to-day and long-term business decisions, both strategic and mundane.

The appointment of the Plan Administrator, however, will provide additional "oversight" to ensure that the Reorganized Debtor (and its officers) act in good faith and comply with the Plan. The Plan Administrator is granted significant authority under the Plan to ensure that the Reorganized Debtor complies with the Plan.

5.

OTHER CONSIDERATIONS

The Plan provides an efficient method for reorganizing the Debtor, continuing its business operations, paying creditors in full, and allowing Equity Interests to retain their interests. As set forth in the Liquidation Analysis, attached hereto as **Exhibit C**, the Chapter 11 Trustee anticipates that holders of Claims and Equity Interests in Classes 1-6 would receive very little in distributions from the Estate if the Chapter 11 Case were to be converted to a case under Chapter 7 of the Bankruptcy Code. Thus, the Plan treats all creditors and equity holders much better than they would be treated in a Chapter 7 liquidation. Further, the Chapter 11 Trustee believes that the Plan, though lengthy, is feasible and likely to result in less delay than and greater payments than likely alternatives. If the Plan is not confirmed, the most likely alternatives would include: (a) the structured dismissal of the Chapter 11 Case; (b) continuation of the Chapter 11 Case until an alternative plan of reorganization or liquidation could be confirmed; or (c) conversion of the Chapter 11 Case to a case under Chapter 7 of the Bankruptcy Code and liquidation of the Debtor by a Chapter 7 trustee. The Chapter 11 Trustee sees no benefit to any of the alternatives, because they will only result in further delay, increased costs to the Estate, fewer distributions to creditors, a loss of all Equity Interests, and greater uncertainty for all parties in interest.

5.1 Feasibility of the Plan

Bankruptcy Code § 1129(a)(11) provides that a Plan may be confirmed only if "[c]onfirmation of the plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the debtor or any successor to the debtor under the plan, unless such liquidation or reorganization is proposed in the plan." This is commonly known as the

"feasibility analysis." The Chapter 11 Trustee submits that the Plan satisfies a feasibility analysis in two ways. First, the Chapter 11 Trustee reasonably believes that the Reorganized Debtor will be able to meet its payment obligations under the Plan. Attached hereto as **Exhibit B** is a forecast or projection of the Debtor's anticipated cash flow, income statement, and balance sheet during the Plan Period, which inform the Chapter 11 Trustee's opinion of the feasibility of the proposed payments.

As reflected on Exhibit B, the Debtor's budgets and forecasts anticipate net revenues from business operations sufficient to meet the Debtor's payment obligations under the Plan. Moreover, Exhibit B reflects a scenario in which the Debtor is required to pay the Copyright Creditors' Claims in the full amount of the California Court Judgment (presently, approximately $62.4 million). It is possible that the amount of the California Court Judgment will be reduced, which would make the Debtor's projections even more feasible. Additionally, Exhibit B does not reflect (i) the possibility that the Plan Administrator realizes significant proceeds from the Estate's Claims and Causes of Action; (ii) the possibility that the Debtor will produce or license new, successful original content; and (iii) the potential for growth that the New Equity Options could bring, which would allow the Debtor to commit even more financial resources to paying off the Plan obligation. In short, the Debtor's forecasts demonstrate that the proposed payments under the Plan are feasible.

Nevertheless, it should be noted that the Debtor's projections are based upon estimates and assumptions that, although developed and considered reasonable by the Chapter 11 Trustee, the Debtor, and their advisors, are inherently subject to significant economic and competitive uncertainties and contingencies beyond the Debtor's control. Accordingly, there can be no assurance that the projected performance reflected in the projections will be realized.

The projections in Exhibit B were prepared by Piercy Bowler Taylor & Kern ("PBTK"), with input and comments from the Debtor, the Chapter 11 Trustee, and the Chapter 11 Trustee's other professionals. PBTK is an experienced accounting firm, with special expertise in business valuation, corporate restructuring, and reorganization. While the Chapter 11 Trustee is confident that its projections are reasonable and supportable, any projection of future events is subject to inherent uncertainty and risk. Detailed information concerning the Debtor's post-petition financial performance and current financial status is reflected in monthly financial reports the Debtor has filed with the Bankruptcy Court.

It must be recognized that the Plan, and the projections provided with the Plan, are not immune to market conditions and industry changes. It is possible that the projected market conditions will not improve, or will even decline over the next fourteen years. The Plan does not constitute a risk-free restructuring of debt.

However, even if the Debtor fails to make the payments proposed under the Plan, the Plan contemplates a potential "liquidation" or "further financial reorganization," by way of the Default Remedies set forth in the Plan. Thus, the Plan meets the "feasibility analysis" in a second way. Accordingly, the Chapter 11 Trustee submits that the Plan is feasible.

5.2 Alternative Plans of Reorganization

If the Plan is not confirmed, another party in interest in the Bankruptcy Case could attempt to formulate and propose a different plan or plans. Such plans might, theoretically, suggest a reorganization and continuation of the Debtor's business or a liquidation of the Debtor's business. To date, except for a prior plan that was filed by the Debtor when it was acting as a debtor-in-possession, the Chapter 11 Trustee has not received any concrete suggestions for alternate plans.

The Chapter 11 Trustee believes that the Plan is the best possible option for the Debtor's reorganization. It pays creditors in full. It allows Equity Interest holders to retain their interests. As explained below, any plan that proposes a liquidation of the Debtor will, almost certainly, result in fewer distributions to creditors. Certainly, it would result in the loss of over 40 good jobs in Provo, Utah. And any alternative Plan of reorganization seems similarly unlikely to succeed. The Chapter 11 Trustee believes that his Plan will be supported by the Debtor's officers. The support of the Debtor's officers is critical to the ongoing success of the Debtor. The Chapter 11 Trustee believes that any alternative Plan, including without limitation a plan proposed by the Copyright Creditors, is unlikely to be supported by the Debtor's existing management.

5.4 Liquidation under Chapter 7; Liquidation Analysis

The "best interest test" is set forth in Section 1129(a)(7) of the Bankruptcy Code, and requires that creditors receive at least as much under a proposed plan as they would if the Debtor's case was converted to one under chapter 7 of the Bankruptcy Code. If the Debtor's chapter 11 case is converted to a case under chapter 7 of the Bankruptcy Code, the Debtor would be required to cease all operations, and a chapter 7 trustee would be appointed to liquidate the estate's assets. The Debtor's primary assets would likely be its Cash, the DryBar Comedy brand, its inventory of DVDs and Blu-Ray discs, its interest in VAS Portal, LLC, and Avoidance Actions.

The Chapter 11 Trustee believes that the liquidation value of the Debtor's assets would be insufficient to pay in full the Allowed Claims of its creditors. In short, even though some of Debtor's assets may have equity, the Chapter 11 Trustee does not believe that a liquidation of its assets would result in the best return to unsecured creditors. Additionally, a conversion to chapter 7 would result in the appointment of a chapter 7 trustee, who would likely appoint her or his own professionals, resulting in substantially increased administrative expenses for the estate, which could further reduce returns to unsecured creditors.

In contrast, the Plan requires the Debtor to distribute potentially tens of millions of dollars– i.e., the Distribution Funds – to be paid to the holders of Administrative Claims, Unclassified Priority Claims, Class 1 Priority Claims, Class 2 General Unsecured Claims, Class 3 Copyright Creditors' Claims, and Class 6 Convenience Claims. In other words, the Plan allows the Debtor to retain its most valuable asset—its ongoing business operations—for the benefit of its creditors, its employees, and other important stakeholders. Additionally, if the Debtor is no longer able to make its Plan payments during the Plan Period, creditors will receive the benefit of the Debtor's payments made under the Plan, plus the possibility for the increased value of the Debtor's property by way of a potential foreclosure of the Plan Administrator Lien.

A more detailed "liquidation analysis," comparing the distributions anticipated to be made under the Plan with the distributions to be made in a hypothetical chapter 7 case, is attached hereto as **Exhibit C**.

5.5 Risk Factors

There are risks associated with the Plan process. Among other potential risks, there is a risk that the Plan will not be confirmed and a risk that if confirmed the Plan will not be consummated. In particular, risks include but are not limited to the following: (i) the Copyright Creditors might vote to reject the Plan; and (ii) other Classes of Claims might vote to reject the Plan. In addition, there are certain risks inherent in the Chapter 11 process. If certain standards set forth in the Bankruptcy Code are not met, the Bankruptcy Court will not confirm the Plan even if creditors accept the Plan. Although the Chapter 11 Trustee believes that the Plan meets the statutory standards, there can be no assurance that the Bankruptcy Court will reach the same conclusion. If the Bankruptcy Court determines that such requirements are not met, it could require the Chapter 11 Trustee to resolicit acceptances of the Plan, which could delay and/or jeopardize confirmation of the Plan. The Chapter 11 Trustee believes that the solicitation of votes on the Plan will comply with Section 1126(b) of the Bankruptcy Code and anticipates that the Bankruptcy Court will confirm the Plan. However, the Chapter 11 Trustee can provide no assurance that modifications of the Plan will not be required to obtain confirmation of the Plan, or that such modifications will not require a re-solicitation of acceptances. The Debtor could also default under the Plan. In the event of any default of the provisions of the Plan, parties in interest are directed to § 11.7 of the Plan for the Default Remedies that may be exercised by the Plan Administrator in the event of a default by the Reorganized Debtor.

5.7 Taxation

5.7.1 Introduction

The following discussion summarizes certain of the important federal income tax consequences of the transactions described herein and in the Plan. This discussion is for informational purposes only and does not constitute tax advice. This summary is based upon the Internal Revenue Code and the U.S. Treasury Regulations promulgated thereunder, including judicial authority and current administrative rulings and practice. Neither the impact on foreign holders of claims and equity interests nor the tax consequences of these transactions under state and local law is discussed. Also, special tax considerations not discussed herein may be applicable to certain classes of taxpayers, such as financial institutions, broker-dealers, life insurance companies and tax-exempt organizations. Furthermore, due to the complexity of the transactions contemplated in the Plan, and the unsettled status of many of the tax issues involved, the tax consequences described below are subject to significant uncertainties. No opinion of counsel has been obtained and no ruling has been requested from the Internal Revenue Service ("IRS") on these or any other tax issues. There can be no assurance that the IRS will not challenge any or all of the tax consequences of the Plan, or that such a challenge, if asserted, would not be sustained. **HOLDERS OF CLAIMS AGAINST AND EQUITY INTERESTS IN THE DEBTOR ARE THEREFORE URGED TO CONSULT WITH THEIR TAX ADVISORS REGARDING THE FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES OF THE TRANSACTIONS DESCRIBED HEREIN AND IN THE PLAN.**

To ensure compliance with requirements imposed by the IRS in Circular 230, we inform you that, unless we expressly state otherwise in this communication (including any attachments), any tax advice contained in this communication is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing, or recommending to another party any transaction or other matter addressed.

5.7.2 Tax Consequences to the Debtor

Generally, the Plan contemplates the compromise of General Unsecured Claims, Copyright Creditors' Claims, and Credit Holders' Claims. Any income corresponding to the nonpayment of Claims or the payment of Claims at a discount should not constitute taxable income to the Debtor since the debt forgiveness arises in connection with a case under Title 11 of the United States Code. The Chapter 11 Trustee does not anticipate any tax liability for the Debtor resulting from the sales of its assets; however, any such tax liability may be an administrative expense of the Estate. The Debtor's retention of its NOLs under the Plan should provide a further tax benefit to the Debtor, as it may allow the Debtor to offset future tax liabilities. A further analysis of the NOLs is set forth in **Schedule 3** of **Exhibit B** of this Disclosure Statement.

5.7.3 Tax Consequences to Creditors

In General. The federal income tax consequences of the implementation of the Plan to a holder of a Claim or Equity Interest will depend, among other things, on: (a) whether such holder's Claim or Equity Interest constitutes a debt or security for federal income tax purposes, (b) whether the holder receives consideration in more than one tax year, (c) whether the holder is a resident of the United States, (d) whether all the consideration by the holder is deemed received by that holder as part of an integrated transaction, (e) whether the holder reports income using the accrual or cash method of accounting, and (f) whether the holder has previously taken a bad debt deduction or worthless security deduction with respect to the Claim or Equity Interest.

Gain or Loss on Exchange. Generally, a holder of an Allowed Claim will realize a gain or loss on the exchange under the Plan of its Allowed Claim for cash and other property in an amount equal to the difference between (i) the sum of the amount of any cash and the fair market value on the date of the exchange of any other property received by the holder (other than any consideration attributable to accrued but unpaid interest on the Allowed Claim), and (ii) the adjusted basis of the Allowed Claim exchanged therefor (other than basis attributable to accrued but unpaid interest previously included in the holder's taxable income). Any gain recognized generally will be a capital gain (except to the extent the gain is attributable to accrued but unpaid interest or accrued market discount, as described below) if the Claim was a capital asset in the hand of an exchanging holder, and such gain would be a long-term capital gain if the holder's holding period for the Claim surrendered exceeded one (1) year at the time of the exchange.

Any loss recognized by a holder of an Allowed Claim or equity interest will be a capital loss if the Claim or interest constitutes a "security" for federal income tax purposes or is otherwise held as a capital asset. For this purpose, a "security" is a debt instrument with interest coupons or in registered form.

5.7.4 Information Reporting and Backup Withholding

Under the backup withholding rules of the Internal Revenue Code, holders of Claims may be subject to backup withholding at the rate of 28 percent with respect to payments made pursuant to the Plan unless such holder (i) is a corporation or comes within certain other exempt categories and, when required, demonstrates this fact, or (ii) provides a correct taxpayer identification number and certifies under penalties of perjury that the taxpayer identification number is correct and that the holder is not subject to backup withholding because of a failure to report all dividends and interest income. Any amount withheld under these rules will be credited against the holder's federal income tax liability. Holders of Claims may be required to establish exemption from backup withholding or to make arrangements with respect to the payment of backup withholding.

5.7.5 Importance of Obtaining Professional Assistance

THE FOREGOING IS INTENDED TO BE A SUMMARY ONLY AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING WITH A TAX PROFESSIONAL. THE FEDERAL, STATE, AND FOREIGN TAX CONSEQUENCES OF THE PLAN ARE COMPLEX AND, IN MANY AREAS, UNCERTAIN. ACCORDINGLY, EACH HOLDER OF A CLAIM OR EQUITY INTEREST IS STRONGLY URGED TO CONSULT WITH HIS OR HER OWN TAX ADVISOR REGARDING SUCH TAX CONSEQUENCES.

5.8 Post-Confirmation Fees, Reporting, and Final Decree

The Reorganized Debtor shall be responsible for the payment of any post-confirmation fees due pursuant to 28 U.S.C. §1930, including but not limited to quarterly fees owed to the Office of the United States Trustee, and the filing of post-confirmation reports, until the Bankruptcy Case is closed, a final decree is entered, or the Chapter 11 Case is converted to one under Chapter 7 of the Bankruptcy Code.

The Plan Administrator intends to close the Bankruptcy Case as soon he determines that there is no further need for administration of the Bankruptcy 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.

5.9 Absolute Priority Rule; Retention of Equity Interests

In simplest terms, under the "absolute priority rule" holders of equity interests may not retain their interests unless either (a) the holders of unsecured claims, as a class, accept the Plan, or (b) unsecured creditors are paid in full. This rule is codified in section 1129(b)(2) of the Bankruptcy Code, which provides that a plan is fair and equitable with respect to a class of interests if the plan provides that "the holder of any interest that is junior to the interests of such class will not receive or retain under the plan on account of such junior interest any property."

The Plan proposes that holders of Equity Interests will retain their Equity Interests in the Reorganized Debtor, provided, however, that they shall not received distributions on account of their Equity Interests unless and until all obligations to holders of Claims are paid in full under the Plan.

The Chapter 11 Trustee hopes to achieve consensual confirmation of the Plan, and for that reason, hopes that any discussion of the "absolute priority rule" is academic only. Notwithstanding his intent to achieve consensual confirmation, the Chapter 11 Trustee believes that the absolute priority rule is satisfied because holders of Claims are being paid in full, with interest, under the Plan.

There is a further advantage to the retention of Equity Interests under the Plan, in that it preserves approximately $9 million in NOLs available to offset the Debtor's tax obligations going forward. This is a significant matter for the Debtor, as it will allow the Reorganized Debtor to avoid paying taxes for many years into the future.

6.

CAUSES OF ACTION

6.1 Preferences

Under the Bankruptcy Code, a debtor may recover certain preferential transfers of property, including cash, made on account of antecedent debt while insolvent during the 90 days immediately prior to the filing of its bankruptcy petition, to the extent the transferee received more than it would have in respect of the pre-existing debt had the debtor been liquidated under Chapter 7 of the Bankruptcy Code. In the case of "insiders," the Bankruptcy Code expands the 90-day preference period to one year prior to the bankruptcy filing. There are certain defenses to such recoveries. Transfers made in the ordinary course of the debtor's and transferee's business according to the ordinary business terms in respect of debts less than 90 days before the filing of a bankruptcy are not recoverable. Additionally, if the transferee extended credit subsequent to the transfer (and prior to the commencement of the bankruptcy case), such extension of credit may constitute a defense to recovery, to the extent of any new value, against an otherwise recoverable transfer of property. If a transfer is recovered by the debtor, the transferee has an unsecured claim against the debtor to the extent of the recovery. To the extent any such claims exist, they will be evaluated, and if practical, pursued by the Plan Administrator.

6.2 Fraudulent Transfers

Under the Bankruptcy Code and various state laws, a debtor may recover certain transfers of property, including the grant of a security interest in property, made while insolvent or which rendered the debtor insolvent. The Debtor and the Estate may have such claims against insiders or related companies of the Debtor. The Estate may also have "voidable transfer" or "fraudulent transfer" claims against the persons identified in the Debtor's Statement of Financial Affairs. To the extent any such claims exist, they will be evaluated, and if practical, prosecuted by the Plan Administrator.

6.3 Unauthorized Post-Petition Transfers

Bankruptcy Code § 549 provides that a trustee may avoid a transfer of property of the estate that occurs after the Petition Date, and that (A) is authorized only under Bankruptcy Code §§ 303(f) or 542(c), or (B) is not authorized under the Bankruptcy Code or by the Bankruptcy Court.

The Chapter 11 Trustee believes that the Debtor may have made at least the following unauthorized transfers: (i) transfers to Non-Compliant Professionals, including without limitation, Fred Pena, Pena Legal, LLC, J. Morgan Philpot, and Oyster Consulting, LLC; (ii) the transfer of VAS Portal, LLC, to an entity owned by some of the Debtor's insiders; (iii) any transfer reflected on the Debtor's monthly operating reports, filed in the Bankruptcy Case, that is not a transfer in the ordinary course of the Debtor's business; and (iv) any transfer that is <u>not</u> reported in the Debtor's monthly operating reports that is not a transfer in the ordinary course of the Debtor's business. The Plan Administrator will evaluate, and if practical, prosecute such claims.

6.4 The California Litigation

The Plan preserves the right for the Plan Administrator to continue the Debtor's, Chapter 11 Trustee's, and Estate's appeal in the California Litigation. The Plan Administrator intends to continue the appeal of the California Litigation unless and until: (i) a Final Order is entered in the California Litigation, after the exhaustion of all appeals related thereto, which sets forth a liquidated amount or amounts of the Copyright Creditors' Claims; (ii) the Chapter 11 Trustee or the Plan Administrator, and the Copyright Creditors, agree to an amount of the Copyright Creditors' Claims; or (iii) the Bankruptcy Court enters a Final Order estimating the amounts of such Claims for the purpose of distributions under the Plan.

6.5 Causes of Action Generally

The potential claims described above are not exhaustive. The Plan Administrator reserves the right to identify and bring lawsuits based on additional preferences, fraudulent transfers, post-petition transfers, other Avoidance Actions, and any other actions (collectively defined as "Causes of Action" under the Plan) to the extent provided in and subject to the terms of the Plan. Any and all Avoidance Actions and all causes of action under state, federal or other applicable law shall be retained and may be prosecuted or settled by the Plan Administrator to the extent provided in and subject to the terms of the Plan. Such Claims and Causes of Action include, but are not limited to: (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; and (10) any and all other Claims and Causes of Action that the Debtor holds preconfirmation, including, but not limited to, Claims for unpaid accounts receivable

7.

VOTING PROCEDURES AND REQUIREMENTS

7.1 Ballots and Voting Deadline

For those creditors entitled to vote on the Plan (holders of Class 1 - 6 Claims and Interests), an official ballot to be used to vote to accept or reject the Plan is enclosed with this

Disclosure Statement. A creditor entitled to vote must (1) carefully review the ballot and instructions thereon, (2) complete and execute the ballot indicating the creditor's vote to either accept or reject the Plan, and (3) return the executed ballot to the address below.

Pursuant to an Order of the Bankruptcy Court, in order to be counted for voting purposes ballots for the acceptance or rejection of the Plan must be received by counsel for the Chapter 11 Trustee by 4:00 p.m. Salt Lake City time, on _____ __, 2020, at the following address:

George Hofmann
c/o Ballot Tabulation, VidAngel, Inc.
Cohne Kinghorn, P.C.
111 East Broadway, 11th Floor
Salt Lake City, Utah 84111

7.2 Creditors Entitled to Vote

Each holder of an Allowed Claim in an impaired Class under the Plan is entitled to vote separately to accept or reject the Plan. All Classes are impaired under the Plan (subject to the Chapter 11 Trustee's and Plan Administrator's right to seek a determination that the Copyright Creditors' Claims are not impaired). The holders of Claims or Interests whose claims or interests are not "Allowed" are not entitled to vote either to accept or reject the plan. Likewise, holders of Claims that are not "impaired" under the Plan are not entitled to vote, but are deemed to have accepted the Plan.

7.3 Nonconsensual Confirmation

If any impaired Class entitled to vote does not accept the Plan, 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 to the extent necessary to obtain entry of a Confirmation Order.

7.4 Voting Procedures

All voting procedures are described in the Bankruptcy Court's Order (i) Approving Disclosure Statement, (ii) Establishing Voting Record Date, (iii) Approving Solicitation Procedures, Forms of Ballots, and Manner of Notice, and (iv) Fixing Deadline for Submitting Ballots, entered on or about _____ __, 2020.

7.5 Acceptance of the Plan by a Voting Class.

A class that is not impaired under the Plan is "conclusively presumed to have accepted the plan" and is not entitled to vote to reject the Plan.

As to an impaired class of creditors, however, section 1126(c) of the Bankruptcy Code provides: "A class of claims has accepted a plan if such plan has been accepted by creditors, other than any entity designated [by the Bankruptcy Court as accepting or rejecting the plan 'not in good faith'], that hold at least two-thirds in [dollar] amount and more than one-half in number of the allowed claims of such class held by creditors … that have accepted or rejected the plan."

Further, only claims actually voted count in determining whether the requisite majorities in number and amount are satisfied.

As to an impaired class of interests, section 1126(d) of the Bankruptcy Code provides that a class of interests has accepted a plan when two-thirds in amount of the allowed interests (excluding those designated by the Bankruptcy Court as either accepting or rejecting "not in good faith") that have voted to accept or reject the plan.

Finally, under controlling case law, the Court may presume acceptance of the Plan by any impaired class that does not return a ballot voting either to accept or reject the Plan. See In re Ruti-Sweetwater, Inc., 836 F.2d 1263, 1267-68 (10th Cir. 1988) (presuming acceptance of chapter 11 plan by non-voting, non-objecting creditor); In re John Kuhni Sons, Inc., 10-29038 RKM, 2011 WL 1343206 at *4 (Bankr. D. Utah Mar. 30, 2011) ("As to the classes wherein no creditors voted …, the creditors silence is deemed acceptance of the Plan").

THE CHAPTER 11 TRUSTEE STRONGLY URGES ALL CREDITORS AND EQUITY INTEREST HOLDERS TO VOTE TO ACCEPT THE PLAN.

Dated this 5th day of March, 2020.

Cohne Kinghorn, P.C. /s/ George Hofmann George Hofmann Matthew M. Boley Jeffrey Trousdale Attorneys for the Chapter 11 Trustee
George Hofmann /s/ George Hofmann George Hofmann, Chapter 11 Trustee

Exhibit A

Plan of Reorganization

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Chapter 11 Trustee of VidAngel, Inc.

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

In re VIDANGEL, INC. Debtor.	Bankruptcy No. 17-29073 (KRA) Chapter 11

PLAN OF REORGANIZATION

Dated: March 5, 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 Stated 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.

(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;

(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; and (10) 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 counter-party 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, but 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. 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. For the avoidance of doubt, any action or non-action taken by the Plan Administrator or the Chapter 11 Trustee upon the advice of counsel shall not, under any circumstance, be deemed "willful misconduct."

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: March 5, 2020

COHNE KINGHORN, P.C.

/s/ George Hofmann
GEORGE HOFMANN
MATTHEW M. BOLEY
JEFFREY TROUSDALE

Attorneys for Chapter 11 Trustee,
George Hofmann

Exhibit B

Financial Projections (including Schedules 1-3)

The following financial projections (the "**Financial Projections**") for VidAngel Inc. ("VidAngel" or "Debtor") are based on forecasts of operating results during the period ending January 1 through December 31, 2020 and for the years ending December 31, 2021 through 2034 (the "**Projected Period**"). Also attached are the notes and assumptions to the Financial Projections ("Notes"). The Financial Projections and the Notes should be read in conjunction with the Plan and the Disclosure Statement.

The financial advisors with the assistance of the Trustee and Debtor's management, have prepared these Financial Projections to assist the Bankruptcy Court in determining whether the Plan of Reorganization meets the feasibility test of section 1129(a)(11) of the Bankruptcy Code.

THE FINANCIAL PROJECTIONS HAVE BEEN PREPARED BY THE DEBTOR'S FINANCIAL ADVISORS IN CONJUNCTION WITH THE TRUSTEE AND MANAGEMENT OF THE DEBTOR. THE FINANCIAL PROJECTIONS WERE NOT PREPARED TO COMPLY WITH THE GUIDELINES FOR PROSPECTIVE FINANCIAL STATEMENTS PUBLISHED BY THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS OR THE RULES AND REGULATIONS OF THE UNITED STATES SECURITITES AND EXCHANGE COMMISSION.

THE FINANCIAL PROJECTIONS DO NOT REFLECT THE IMPACT OF FRESH START REPORTING IN ACCORDANCE WITH AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS STATEMENT OF POSITION 90-7 "FINANCIAL REPORTING BY ENTITIES IN REORGANIZATION UNDER THE BANKRUPTCY CODE". THE IMPACT OF FRESH START REPORTING, WHEN REFLECTED AT THE EFFECTIVE DATE, IS EXPECTED TO HAVE A MATERIAL IMPACT ON THE REORGANIZED DEBTORS CONSOLIDATED BALANCE SHEETS AND PROSPECTIVE RESULTS OF OPERATIONS.

MOREOVER, THE FINANCIAL PROJECTIONS CONTAIN CERTAIN STATEMENTS THAT ARE FORWARD-LOOKING STATEMENTS THESE STATEMENTS ARE SUBJECT TO A NUMBER OF ASSUMPTIONS, RISKS, AND UNCERTAINTIES, MANY OF WHICH ARE BEYOND THE CONTROL OF THE TRUSTEE, THE DEBTOR AND THE REORGANIZED DEBTOR, INCLUDING THE CONFIRMATION OF THE PLAN ON THE PRESUMED EFFECTIVE DATE, THE DETERMINATION BY THE COURTS THAT THE DVR MODEL WILL BE DETERMINED TO BE LEGAL AND DOES NOT INFRINGE ON COPYRIGHT LAWS, CONTINUING PRODUCTION OF "THE CHOSEN" SERIES, EXISTING AND FUTURE GOVERNMENTAL REGULATIONS AND ACTIONS OF GOVERNMENTAL BODIES, INDUSTRY-SPECIFIC RISK FACTORS AND OTHER MARKET AND COMPETITIVE CONDITIONS. HOLDERS OF CLAIMS ARE CAUTIONED THAT THE FORWARD-LOOKING STATEMENTS SPEAK AS OF THE DATE MADE AND ARE NOT GUARANTEES OF FUTURE PERFORMANCE. ACTUAL RESULTS OR DEVELOPMENTS MAY DIFFER MATERIALLY FROM THE EXPECTATIONS EXPRESSED OR IMPLIED IN THE FORWARD-LOOKING STATEMENTS, AND THE DEBTOR UNDERTAKES NO OBLIGATION TO UPDATE ANY SUCH STATEMENTS.

THE FINANCIAL PROJECTIONS, WHILE PRESENTED WITH NUMERICAL

SPECIFICITY, ARE NECESSARILY BASED ON A VARIETY OF ESTIMATES AND ASSUMPTIONS WHICH, THOUGH CONSIDERED REASONABLE BY THE TRUSTEE AND THE DEBTOR, MAY NOT BE REALIZED AND ARE INHERENTLY SUBJECT TO SIGNIFICANT BUSINESS, ECONOMIC, COMPETITIVE, INDUSTRY, REGULATORY, MARKET AND FINANCIAL UNCERTAINTIES AND CONTINGENCIES, MANY OF WHICH ARE BEYOND THE CONTROL OF THE DEBTOR AND THE REORGANIZED DEBTOR. THE DEBTOR CAUTIONS THAT NO REPRESENTATIONS CAN BE MADE OR ARE MADE AS TO THE ACCURACY OF THE FINANCIAL PROJECTIONS OR TO THE REORGANIZED DEBTORS ABILITY TO ACHIEVE THE PROJECTED RESULTS. SOME ASSUMPTIONS INEVITABLY WILL BE INCORRECT. MOREOVER, EVENTS ANDCIRCUMSTANCES OCCURRING SUBSEQUENT TO THE DATE ON WHICH THESE FINANCIAL PROJECTIONS WERE PREPARED MAY BE DIFFERENT FROM THOSE ASSUMED, OR, ALTERNATIVELY, MAY HAVE BEEN UNANTICIPATED, AND THUS THE OCCURRENCE OF THESE EVENTS MAY AFFECT FINANCIAL RESULTS IN A MATERIALLY ADVERSE OR MATERIALLY BENEFICIAL MANNER. THE DEBTOR AND REORGANIZED DEBTOR DO NOT INTEND AND DO NOT UNDERTAKE ANY OBLIGATION TO UPDATE OR OTHERWISE REVISE THE FINANCIAL PROJECTIONS TO REFLECT EVENTS OR CIRCUMSTANCES EXISTING OR ARISING AFTER THE DATE THE DISCLOSURE STATEMENT IS INITIALLY FILED OR TO REFLECT THE OCCURRENCE OF UNANTICIPATED EVENTS. THEREFORE, THE FINANCIAL PROJECTIONS MAY NOT BE RELIED UPON AS A GUARANTEE OR OTHER ASSURANCE OF THE ACTUAL RESULTS THAT WILL OCCUR. IN DECIDING WHETHER TO VOTE TO ACCEPT OR REJECT THE PLAN, HOLDERS OF CLAIMS OR INTERESTS MUST MAKE THEIR OWN DETERMINATIONS AS TO THE REASONABLENESS OF SUCH ASSUMPTIONS AND THE RELIABILITY OF THE FINANCIAL PROJECTIONS.

VidAngel Inc.
Projected Income Statement and Cash Flow
For the Year Ending December 31, 2020

	Notes	Projected Jan-20	Projected Feb-20	Projected Mar-20	Projected Apr-20	Projected May-20	Projected Jun-20	Projected Jul-20	Projected Aug-20	Projected Sep-20	Projected Oct-20	Projected Nov-20	Projected Dec-20	Projected 2020
Income														
Subscription Revenue	Note 1	$ 470,000	$ 470,000	$ 470,000	$ 470,000	$ 470,000	$ 470,000	$ 470,000	$ 470,000	$ 470,000	$ 517,000	$ 540,500	$ 564,000	$ 5,851,500
Media Revenue	Note 2	740,000	740,000	740,000	740,000	740,000	740,000	740,000	740,000	740,000	740,000	1,040,000	1,240,000	9,680,000
Tip Revenue		3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000
Advertising Revenue	Note 3	240,000	240,000	240,000	240,000	240,000	240,000	240,000	240,000	240,000	240,000	240,000	240,000	2,880,000
Ticket Revenue	Note 4	30,500	30,500	30,500	30,500				30,500	30,500	30,500	30,500		244,000
Concession Revenue	Note 4	7,000	7,000	7,000	7,000				7,000	7,000	7,000	7,000		56,000
Class 4 Claim Redemptions	Note 5	(2,100)	(2,100)	(2,100)	(2,100)	(2,100)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(2,500)	(28,000)
Total Income		**$ 1,488,400**	**$ 1,488,400**	**$ 1,488,400**	**$ 1,488,400**	**$ 1,450,900**	**$ 1,450,500**	**$ 1,450,500**	**$ 1,488,000**	**$ 1,488,000**	**$ 1,535,000**	**$ 1,858,500**	**$ 2,044,500**	**$ 18,719,500**
Cost of Goods Sold														
Cost of Goods Sold														
Video Tagging Labor	Note 6	17,000	17,000	17,000	17,000									68,000
Licensing - Dry Bar	Note 7	79,200	79,200	79,200	79,200	79,200	79,200	79,200	79,200	79,200	79,200	79,200	79,200	950,400
Licensing - Product Sales	Note 8	298,300	298,300	298,300	298,300	298,300	298,300	298,300	298,300	298,300	298,300	394,300	458,300	3,835,600
Subcontractors														
Production Labor	Note 9	42,000	42,000	42,000	42,000				42,000	42,000	42,000	42,000		336,000
Comedians	Note 9	49,000	49,000	49,000	49,000				49,000	49,000	49,000	49,000		392,000
Venue Labor	Note 9	8,000	8,000	8,000	8,000				8,000	8,000	8,000	8,000		64,000
Post Production Labor	Note 9	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000
Total Subcontractors		**104,000**	**104,000**	**104,000**	**104,000**	**5,000**	**5,000**	**5,000**	**104,000**	**104,000**	**104,000**	**104,000**	**5,000**	**852,000**
Supplies & Materials														-
Production Equipment Rental	Note 9	13,000	13,000	13,000	13,000				13,000	13,000	13,000	13,000		104,000
Production Equipment	Note 9	1,500	1,500	1,500	1,500				1,500	1,500	1,500	1,500		12,000
Misc Production Costs	Note 9	8,000	8,000	8,000	8,000				8,000	8,000	8,000	8,000		64,000
Set Materials & Labor	Note 9	5,000	5,000	5,000	5,000				5,000	5,000	5,000	5,000		40,000
Concessions	Note 9	4,200	4,200	4,200	4,200				4,200	4,200	4,200	4,200		33,600
Miscellaneous	Note 9	1,100	1,100	1,100	1,100				1,100	1,100	1,100	1,100		8,800
Total Supplies & Materials		**32,800**	**32,800**	**32,800**	**32,800**	**-**	**-**	**-**	**32,800**	**32,800**	**32,800**	**32,800**	**-**	**262,400**
Direct Product Costs	Note 10	74,000	74,000	74,000	74,000	74,000	74,000	74,000	74,000	74,000	74,000	74,000	74,000	888,000
Hosting	Note 11	44,000	44,000	44,000	44,000	90,000	90,000	90,000	90,000	90,000	113,030	123,495	131,960	994,485
Credit Card Fees	Note 12	59,256	59,256	59,256	59,256	57,475	57,475	57,475	59,256	59,256	61,489	76,855	85,690	751,996
Total Cost of Goods Sold		**708,556**	**708,556**	**708,556**	**708,556**	**603,975**	**603,975**	**603,975**	**737,556**	**737,556**	**762,819**	**884,650**	**834,150**	**8,602,881**
Total Cost of Goods Sold		**708,556**	**708,556**	**708,556**	**708,556**	**603,975**	**603,975**	**603,975**	**737,556**	**737,556**	**762,819**	**884,650**	**834,150**	**8,602,881**
Gross Profit		**779,844**	**779,844**	**779,844**	**779,844**	**846,925**	**846,525**	**846,525**	**750,444**	**750,444**	**772,181**	**973,850**	**1,210,350**	**10,116,619**
Expenses														-
Payroll Expenses														-
Salaries & Wages	Note 13	255,000	255,000	255,000	255,000	255,000	255,000	255,000	255,000	255,000	255,000	255,000	255,000	3,060,000
Payroll Taxes	Note 14	20,400	20,400	20,400	20,400	20,400	20,400	20,400	20,400	20,400	20,400	20,400	20,400	244,800
Total Payroll Expenses		**275,400**	**275,400**	**275,400**	**275,400**	**275,400**	**275,400**	**275,400**	**275,400**	**275,400**	**275,400**	**275,400**	**275,400**	**3,304,800**
Employee Benefits														-
Medical Insurance	Note 15	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	432,000
Misc Employee Benefits	Note 16	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000
Total Employee Benefits		**39,000**	**39,000**	**39,000**	**39,000**	**39,000**	**39,000**	**39,000**	**39,000**	**39,000**	**39,000**	**39,000**	**39,000**	**468,000**
Facilities														-
Rent	Note 17	16,700	16,700	16,700	16,700	16,700	16,700	16,700	16,700	16,700	16,700	16,700	16,700	200,400
Repair & Maintenance	Note 18	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	26,400
Office Supplies	Note 18	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	16,800
Utilities	Note 18	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	31,200
Cell Phone	Note 18	130	130	130	130	130	130	130	130	130	130	130	130	1,560
Insurance	Note 18	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	72,000
Meals and Entertainment	Note 18	900	900	900	900	900	900	900	900	900	900	900	900	10,800
Total Facilities		**29,930**	**29,930**	**29,930**	**29,930**	**29,930**	**29,930**	**29,930**	**29,930**	**29,930**	**29,930**	**29,930**	**29,930**	**359,160**

VidAngel Inc.
Projected Income Statement and Cash Flow
For the Year Ending December 31, 2020

	Notes	Projected Jan-20	Projected Feb-20	Projected Mar-20	Projected Apr-20	Projected May-20	Projected Jun-20	Projected Jul-20	Projected Aug-20	Projected Sep-20	Projected Oct-20	Projected Nov-20	Projected Dec-20	Projected 2020
Computer & Software														-
Computer Equipment	Note 18	850	850	800	800	800	800	800	800	800	800	800	800	9,700
Software	Note 18	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	108,000
Total Computer & Software		**9,850**	**9,850**	**9,800**	**9,800**	**9,800**	**9,800**	**9,800**	**9,800**	**9,800**	**9,800**	**9,800**	**9,800**	**117,700**
Outside Services														-
Legal Fees	Note 19		345,000			262,500				272,500			97,500	977,500
Accounting	Note 20	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	90,000
Consulting	Note 21	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	528,000
Total Outside Services		**51,500**	**396,500**	**51,500**	**51,500**	**314,000**	**51,500**	**51,500**	**51,500**	**324,000**	**51,500**	**51,500**	**149,000**	**1,595,500**
Total Travel	Note 18	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	31,200
Marketing														-
Advertising	Note 22	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	140,000	150,000	235,000	285,000	1,690,000
Public Relations	Note 18	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	132,000
Video Production	Note 18	500	500	500	500	500	500	500	500	500	500	500	500	6,000
Email Marketing	Note 18	6,300	6,300	6,300	6,300	6,300	6,300	6,300	6,300	6,300	6,300	6,300	6,300	75,600
Total Marketing		**127,800**	**127,800**	**127,800**	**127,800**	**127,800**	**127,800**	**127,800**	**127,800**	**157,800**	**167,800**	**252,800**	**302,800**	**1,903,600**
Miscellaneous														
US Trustee Fees/Dues & Subscriptions	Note 23	18,027			20,003	13,879								51,909
Taxes & Licenses	Note 18	9,200	9,200	9,200	9,200	9,200	9,200	9,200	9,200	9,200	9,200	9,200	9,200	110,400
Other General and Admin Expenses														-
Bank Charges	Note 18	500	500	500	500	500	500	500	500	500	500	500	500	6,000
Total Miscellaneous		**27,727**	**9,700**	**9,700**	**29,703**	**23,579**	**9,700**	**9,700**	**9,700**	**9,700**	**9,700**	**9,700**	**9,700**	**168,309**
Total Expenses		**563,807**	**890,780**	**545,730**	**565,733**	**822,109**	**545,730**	**545,730**	**545,730**	**848,230**	**585,730**	**670,730**	**818,230**	**7,948,269**
Net Operating Income		**216,037**	**(110,936)**	**234,114**	**214,111**	**24,816**	**300,795**	**300,795**	**204,714**	**(97,786)**	**186,451**	**303,120**	**392,120**	**2,168,350**
Other Income														
Interest Income	Note 24	1,755	1,936	1,845	2,042	2,222	2,245	2,495	2,748	2,921	2,508	2,665	2,920	28,302
Total Other Income		**1,755**	**1,936**	**1,845**	**2,042**	**2,222**	**2,245**	**2,495**	**2,748**	**2,921**	**2,508**	**2,665**	**2,920**	**28,302**
Other Expenses														
Principal and Interest-Class 3 Claims	Note 26									400,000			600,000	1,000,000
Interest Payments-Class 2 Claims	Note 27									1,199			898	2,097
Depreciation	Note 25	4,646	4,646	4,646	4,646	4,646	4,646	4,646	3,543					36,063
Total Other Expenses		**4,646**	**4,646**	**4,646**	**4,646**	**4,646**	**4,646**	**4,646**	**3,543**	**400,000**	**-**	**-**	**600,000**	**1,036,063**
Net Other Income		**(2,891)**	**(2,710)**	**(2,800)**	**(2,604)**	**(2,424)**	**(2,401)**	**(2,151)**	**(795)**	**(397,079)**	**2,508**	**2,665**	**(597,080)**	**(1,007,761)**
Net Income		**213,146**	**(113,646)**	**231,313**	**211,507**	**22,393**	**298,394**	**298,644**	**203,919**	**(494,866)**	**188,959**	**305,785**	**(204,960)**	**1,160,589**
Income Tax	Note 28	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Income After Tax		$ 213,146	$ (113,646)	$ 231,313	$ 211,507	$ 22,393	$ 298,394	$ 298,644	$ 203,919	$ (494,866)	$ 188,959	$ 305,785	$ (204,960)	$ 1,160,589
Adjustments to Net Income After Tax														
Less: Principal Payments-Class 2 Claims	Note 27									(401)			(1,502)	(1,903)
Less: Payments-Class 6 Claims	Note 29						(2,496)							(2,496)
Add Back: Depreciation Expenses	Note 25	4,646	4,646	4,646	4,646	4,646	4,646	4,646	3,543					36,063
Net Cash Flow		$ 217,791	$ (109,000)	$ 235,959	$ 216,153	$ 27,039	$ 300,543	$ 303,290	$ 207,462	$ (495,266)	$ 188,959	$ 305,785	$ (206,462)	$ 1,192,253
Beginninig Cash		$ 2,105,626	$ 2,323,418	$ 2,214,418	$ 2,450,377	$ 2,666,529	$ 2,693,568	$ 2,994,111	$ 3,297,401	$ 3,504,863	$ 3,009,597	$ 3,198,556	$ 3,504,341	$ 2,105,626
Ending Cash		$ 2,323,418	$ 2,214,418	$ 2,450,377	$ 2,666,529	$ 2,693,568	$ 2,994,111	$ 3,297,401	$ 3,504,863	$ 3,009,597	$ 3,198,556	$ 3,504,341	$ 3,297,880	$ 3,297,880

SEE ACCOMPANYING NOTES TO PROJECTIONS

VidAngel Inc.
Projected Income Statement and Cash Flow
For the Years Ending December 31, 2021 to 2025

	Notes	Projected 2021	Projected 2022	Projected 2023	Projected 2024	Projected 2025	Projected 2026	Projected 2027	Projected 2028	Projected 2029	Projected 2030	Projected 2031	Projected 2032	Projected 2033	Projected 2034
Income															
Subscription Revenue	Note 1	$ 7,106,400	$ 7,461,720	$ 7,834,806	$ 8,226,546	$ 8,637,874	$ 9,069,767	$ 9,523,256	$ 9,999,418	$ 10,499,389	$ 11,024,359	$ 11,575,577	$ 12,154,356	$ 12,762,073	$ 13,400,177
Media Revenue	Note 2	11,616,000	13,358,400	15,362,160	16,898,376	18,588,214	19,517,624	20,493,505	21,518,181	22,594,090	23,723,794	24,909,984	26,155,483	27,463,257	28,836,420
Tip Revenue		36,720	37,454	38,203	38,968	39,747	40,542	41,353	42,180	43,023	43,884	44,761	45,657	46,570	47,501
Advertising Revenue	Note 3	3,024,000	3,175,200	3,333,960	3,500,658	3,675,691	3,859,475	4,052,449	4,255,072	4,467,825	4,691,217	4,925,777	5,172,066	5,430,670	5,702,203
Ticket Revenue	Note 4	248,880	253,858	258,935	264,113	269,396	274,784	280,279	285,885	291,603	297,435	303,383	309,451	315,640	321,953
Concession Revenue	Note 4	57,120	58,262	59,428	60,616	61,829	63,065	64,326	65,613	66,925	68,264	69,629	71,022	72,442	73,891
Class 4 Claim Redemptions	Note 5	(27,500)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Income		**$ 22,061,620**	**$ 24,344,894**	**$ 26,887,492**	**$ 28,989,278**	**$ 31,272,749**	**$ 32,825,258**	**$ 34,455,169**	**$ 36,166,348**	**$ 37,962,856**	**$ 39,848,952**	**$ 41,829,112**	**$ 43,908,034**	**$ 46,090,652**	**$ 48,382,145**
Cost of Goods Sold															
Cost of Goods Sold															
Video Tagging Labor	Note 6	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licensing - Dry Bar	Note 7	997,920	1,047,816	1,100,207	1,155,217	1,212,978	1,273,627	1,337,308	1,404,174	1,474,382	1,548,101	1,625,507	1,706,782	1,792,121	1,881,727
Licensing - Product Sales	Note 8	4,209,120	4,520,688	4,915,891	5,407,480	5,948,228	6,245,640	6,557,922	6,885,818	7,230,109	7,591,614	7,971,195	8,369,755	8,788,242	9,227,654
Subcontractors															
Production Labor	Note 9	342,720	349,574	356,566	363,697	370,971	378,391	385,958	393,678	401,551	409,582	417,774	426,129	434,652	443,345
Comedians	Note 9	399,840	407,837	415,994	424,313	432,800	441,456	450,285	459,290	468,476	477,846	487,403	497,151	507,094	517,236
Venue Labor	Note 9	65,280	66,586	67,917	69,276	70,661	72,074	73,516	74,986	76,486	78,016	79,576	81,167	82,791	84,447
Post Production Labor	Note 9	60,000	61,200	62,424	63,672	64,946	66,245	67,570	68,921	70,300	71,706	73,140	74,602	76,095	77,616
Total Subcontractors		**867,840**	**885,197**	**902,901**	**920,959**	**939,378**	**958,165**	**977,329**	**996,875**	**1,016,813**	**1,037,149**	**1,057,892**	**1,079,050**	**1,100,631**	**1,122,644**
Supplies & Materials		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Production Equipment Rental	Note 9	106,080	108,202	110,366	112,573	114,824	117,121	119,463	121,853	124,290	126,775	129,311	131,897	134,535	137,226
Production Equipment	Note 9	12,240	12,485	12,734	12,989	13,249	13,514	13,784	14,060	14,341	14,628	14,920	15,219	15,523	15,834
Misc Production Costs	Note 9	65,280	66,586	67,917	69,276	70,661	72,074	73,516	74,986	76,486	78,016	79,576	81,167	82,791	84,447
Set Materials & Labor	Note 9	40,800	41,616	42,448	43,297	44,163	45,046	45,947	46,866	47,804	48,760	49,735	50,730	51,744	52,779
Concessions	Note 9	34,272	34,957	35,657	36,370	37,097	37,839	38,596	39,368	40,155	40,958	41,777	42,613	43,465	44,334
Miscellaneous	Note 9	8,976	9,156	9,339	9,525	9,716	9,910	10,108	10,311	10,517	10,727	10,942	11,161	11,384	11,611
Total Supplies & Materials		**267,648**	**273,001**	**278,461**	**284,030**	**289,711**	**295,505**	**301,415**	**307,443**	**313,592**	**319,864**	**326,261**	**332,787**	**339,442**	**346,231**
Direct Product Costs	Note 10	586,080	293,040	-	-	-	-	-	-	-	-	-	-	-	-
Hosting	Note 11	1,582,536	1,684,895	1,795,856	1,901,011	2,012,960	2,113,608	2,219,289	2,330,253	2,446,766	2,569,104	2,697,559	2,832,437	2,974,059	3,122,762
Credit Card Fees	Note 12	903,849	1,003,781	1,116,978	1,208,858	1,308,972	1,373,949	1,442,165	1,513,782	1,588,970	1,667,908	1,750,782	1,837,790	1,929,137	2,025,041
Total Cost of Goods Sold		**9,414,993**	**9,708,418**	**10,110,294**	**10,877,556**	**11,712,228**	**12,260,494**	**12,835,428**	**13,438,346**	**14,070,632**	**14,733,741**	**15,429,196**	**16,158,600**	**16,923,633**	**17,726,059**
Total Cost of Goods Sold		**9,414,993**	**9,708,418**	**10,110,294**	**10,877,556**	**11,712,228**	**12,260,494**	**12,835,428**	**13,438,346**	**14,070,632**	**14,733,741**	**15,429,196**	**16,158,600**	**16,923,633**	**17,726,059**
Gross Profit		**12,646,627**	**14,636,476**	**16,777,198**	**18,111,721**	**19,560,522**	**20,564,763**	**21,619,741**	**22,728,003**	**23,892,223**	**25,115,211**	**26,399,915**	**27,749,434**	**29,167,019**	**30,656,086**
Expenses		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payroll Expenses		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Salaries & Wages	Note 13	3,366,000	3,702,600	4,072,860	4,480,146	4,928,161	5,420,977	5,963,074	6,559,382	7,215,320	7,936,852	8,730,537	9,603,591	10,563,950	11,620,345
Payroll Taxes	Note 14	269,280	296,208	325,829	358,412	394,253	433,678	477,046	524,751	577,226	634,948	698,443	768,287	845,116	929,628
Total Payroll Expenses		**3,635,280**	**3,998,808**	**4,398,689**	**4,838,558**	**5,322,413**	**5,854,655**	**6,440,120**	**7,084,132**	**7,792,546**	**8,571,800**	**9,428,980**	**10,371,878**	**11,409,066**	**12,549,973**
Employee Benefits			-	-	-	-	-	-	-	-	-	-	-	-	-
Medical Insurance	Note 15	475,200	522,720	574,992	632,491	695,740	765,314	841,846	926,030	1,018,633	1,120,497	1,232,546	1,355,801	1,491,381	1,640,519
Misc Employee Benefits	Note 16	36,720	37,454	38,203	38,968	39,747	40,542	41,353	42,180	43,023	43,884	44,761	45,657	46,570	47,501
Total Employee Benefits		**511,920**	**560,174**	**613,195**	**671,459**	**735,487**	**805,856**	**883,198**	**968,210**	**1,061,657**	**1,164,381**	**1,277,308**	**1,401,458**	**1,537,951**	**1,688,021**
Facilities		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent	Note 17	200,400	204,408	208,496	212,666	216,919	221,258	225,683	230,197	234,801	239,497	244,286	249,172	254,156	259,239
Repair & Maintenance	Note 18	26,928	27,467	28,016	28,576	29,148	29,731	30,325	30,932	31,550	32,181	32,825	33,482	34,151	34,834
Office Supplies	Note 18	17,136	17,479	17,828	18,185	18,549	18,920	19,298	19,684	20,078	20,479	20,889	21,306	21,733	22,167
Utilities	Note 18	31,824	32,460	33,110	33,772	34,447	35,136	35,839	36,556	37,287	38,033	38,793	39,569	40,361	41,168
Cell Phone	Note 18	1,591	1,623	1,655	1,689	1,722	1,757	1,792	1,828	1,864	1,902	1,940	1,978	2,018	2,058
Insurance	Note 18	73,440	74,909	76,407	77,935	79,494	81,084	82,705	84,359	86,047	87,768	89,523	91,313	93,140	95,002
Meals and Entertainment	Note 18	11,016	11,236	11,461	11,690	11,924	12,163	12,406	12,654	12,907	13,165	13,428	13,697	13,971	14,250
Total Facilities		**362,335**	**369,582**	**376,974**	**384,513**	**392,203**	**400,047**	**408,048**	**416,209**	**424,533**	**433,024**	**441,685**	**450,518**	**459,529**	**468,719**

VidAngel Inc.
Projected Income Statement and Cash Flow
For the Years Ending December 31, 2021 to 2025

	Notes	Projected 2021	Projected 2022	Projected 2023	Projected 2024	Projected 2025	Projected 2026	Projected 2027	Projected 2028	Projected 2029	Projected 2030	Projected 2031	Projected 2032	Projected 2033	Projected 2034
Computer & Software		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Computer Equipment	Note 18	9,792	9,988	10,188	10,391	10,599	10,811	11,027	11,248	11,473	11,702	11,936	12,175	12,419	12,667
Software	Note 18	110,160	112,363	114,610	116,903	119,241	121,626	124,058	126,539	129,070	131,651	134,284	136,970	139,710	142,504
Total Computer & Software		**119,952**	**122,351**	**124,798**	**127,294**	**129,840**	**132,437**	**135,085**	**137,787**	**140,543**	**143,354**	**146,221**	**149,145**	**152,128**	**155,171**
Outside Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Legal Fees	Note 19	152,500	67,500	52,500	37,500	39,375	41,344	43,411	45,581	47,861	50,254	52,766	55,405	58,175	61,084
Accounting	Note 20	94,500	99,225	104,186	109,396	114,865	120,609	126,639	132,971	139,620	146,601	153,931	161,627	169,708	178,194
Consulting	Note 21	538,560	549,331	560,318	571,524	582,955	594,614	606,506	618,636	631,009	643,629	656,502	669,632	683,024	696,685
Total Outside Services		**785,560**	**716,056**	**717,004**	**718,420**	**737,195**	**756,566**	**776,556**	**797,189**	**818,489**	**840,483**	**863,198**	**886,663**	**910,908**	**935,962**
Total Travel	Note 18	31,824	32,460	33,110	33,772	34,447	35,136	35,839	36,556	37,287	38,033	38,793	39,569	40,361	41,168
Marketing		-													
Advertising	Note 22	2,544,000	3,284,400	4,090,236	4,479,284	4,906,837	5,144,385	5,393,655	5,655,230	5,929,721	6,217,771	6,520,055	6,837,281	7,170,192	7,519,571
Public Relations	Note 18	134,640	137,333	140,079	142,881	145,739	148,653	151,627	154,659	157,752	160,907	164,125	167,408	170,756	174,171
Video Production	Note 18	6,120	6,242	6,367	6,495	6,624	6,757	6,892	7,030	7,171	7,314	7,460	7,609	7,762	7,917
Email Marketing	Note 18	77,112	78,654	80,227	81,832	83,469	85,138	86,841	88,577	90,349	92,156	93,999	95,879	97,797	99,753
Total Marketing		**2,761,872**	**3,506,629**	**4,316,910**	**4,710,491**	**5,142,669**	**5,384,934**	**5,639,015**	**5,905,496**	**6,184,992**	**6,478,148**	**6,785,639**	**7,108,177**	**7,446,507**	**7,801,411**
Miscellaneous															
US Trustee Fees/Dues & Subscriptions	Note 23	-													
Taxes & Licenses	Note 18	112,608	114,860	117,157	119,501	121,891	124,328	126,815	129,351	131,938	134,577	137,269	140,014	142,814	145,670
Other General and Admin Expenses															
Bank Charges	Note 18	6,120	6,242	6,367	6,495	6,624	6,757	6,892	7,030	7,171	7,314	7,460	7,609	7,762	7,917
Total Miscellaneous		**118,728**	**121,103**	**123,525**	**125,995**	**128,515**	**131,085**	**133,707**	**136,381**	**139,109**	**141,891**	**144,729**	**147,623**	**150,576**	**153,587**
Total Expenses		**8,327,471**	**9,427,164**	**10,704,204**	**11,610,502**	**12,622,770**	**13,500,716**	**14,451,569**	**15,481,961**	**16,599,156**	**17,811,113**	**19,126,553**	**20,555,032**	**22,107,024**	**23,794,011**
Net Operating Income		**4,319,156**	**5,209,312**	**6,072,993**	**6,501,220**	**6,937,752**	**7,064,047**	**7,168,172**	**7,246,042**	**7,293,067**	**7,304,098**	**7,273,362**	**7,194,402**	**7,059,995**	**6,862,074**
Other Income															
Interest Income	Note 24	46,592	61,612	94,276	124,612	143,916	159,151	167,991	173,964	180,554	187,538	194,652	201,588	207,988	213,437
Total Other Income		**46,592**	**61,612**	**94,276**	**124,612**	**143,916**	**159,151**	**167,991**	**173,964**	**180,554**	**187,538**	**194,652**	**201,588**	**207,988**	**213,437**
Other Expenses															
Principal and Interest Payments-Class 4 Claims	Note 26	1,500,000	2,000,000	3,000,000	4,000,000	5,000,000	6,000,000	6,500,000	6,500,000	6,500,000	6,500,000	6,500,000	6,500,000	6,500,000	6,500,000
Interest Payments-Class 2 Claims	Note 27	3,564	3,520	3,438	3,298	3,098	2,838	2,534	2,225	1,912	1,595	1,272	946	614	143
Depreciation	Note 25	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Expenses		**1,500,000**	**2,000,000**	**3,000,000**	**4,000,000**	**5,000,000**	**6,000,000**	**6,500,000**	**6,500,000**	**6,500,000**	**6,500,000**	**6,500,000**	**6,500,000**	**6,500,000**	**6,500,000**
Net Other Income		**(1,453,408)**	**(1,938,388)**	**(2,905,724)**	**(3,875,388)**	**(4,856,084)**	**(5,840,849)**	**(6,332,009)**	**(6,326,036)**	**(6,319,446)**	**(6,312,462)**	**(6,305,348)**	**(6,298,412)**	**(6,292,012)**	**(6,286,563)**
Net Income		**2,865,748**	**3,270,924**	**3,167,270**	**2,625,831**	**2,081,667**	**1,223,198**	**836,163**	**920,006**	**973,622**	**991,636**	**968,014**	**895,990**	**767,983**	**575,512**
Income Tax	Note 28	-	-	125,189	682,716	541,234	318,031	217,402	239,202	253,142	257,825	251,684	232,957	199,676	149,633
Net Income After Tax		$ 2,865,748	$ 3,270,924	$ 3,042,081	$ 1,943,115	$ 1,540,434	$ 905,166	$ 618,761	$ 680,805	$ 720,480	$ 733,811	$ 716,331	$ 663,033	$ 568,307	$ 425,879
Adjustments to Net Income After Tax															
Less: Principal Payments-Class 2 Claims	Note 27	(2,436)	(4,480)	(8,562)	(12,702)	(16,902)	(21,162)	(21,466)	(21,775)	(22,088)	(22,405)	(22,728)	(23,054)	(23,386)	(26,518)
Less: Payments-Class 6 Claims	Note 29	-													
Add Back: Depreciation Expenses	Note 25	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow		$ 2,863,312	$ 3,266,444	$ 3,033,519	$ 1,930,413	$ 1,523,532	$ 884,004	$ 597,295	$ 659,030	$ 698,392	$ 711,405	$ 693,603	$ 639,978	$ 544,922	$ 399,361
Beginninig Cash		$ 3,297,880	$ 6,161,191	$ 9,427,635	$ 12,461,154	$ 14,391,567	$ 15,915,099	$ 16,799,104	$ 17,396,398	$ 18,055,428	$ 18,753,821	$ 19,465,226	$ 20,158,829	$ 20,798,807	$ 21,343,729
Ending Cash		$ 6,161,191	$ 9,427,635	$ 12,461,154	$ 14,391,567	$ 15,915,099	$ 16,799,104	$ 17,396,398	$ 18,055,428	$ 18,753,821	$ 19,465,226	$ 20,158,829	$ 20,798,807	$ 21,343,729	$ 21,743,090

SEE ACCOMPANYING NOTES TO PROJECTIONS

VidAngel Inc.
Notes and Assumptions to Projected income Statements and Cash Flows
For the Years Ending December 31, 2020 Through 2034

General Assumptions

The Financial Projections have been prepared on the assumption that the Effective Date will be June 1, 2020, and are based on, and assume, among other things, the successful reorganization of the Debtors, the determination that the DVR model is determined to be legal and does not infringe on copyright laws, and The Chosen will , continue production.

Notes

Note 1 – Subscription revenue for the months of January through April 2020 are based upon the current stream based model. It is anticipated that the new DVR model will be ready for introduction in May 2020. It is assumed that the current customer base will transfer to the new DVR model with no loss of existing customers. Beginning in September 2020, the Debtor anticipates a marketing campaign to attract new customers to the DVR model, and therefore, it is projected that revenues will increase by the end of the year by 20%. For years 2021 through 2034. It is projected that revenues will continue to increase at a rate of 5% per year.

Note 2 – Media revenue includes revenue generated from The Chosen and other original content projects to be pursued in the future. Revenue for January through October 2020 are based on actual amounts generated during January and the first 20 days of February 2020. It is anticipated that The Chosen will release its second season in November 2020, and subsequent seasons in November 2021 through 2025. Furthermore, the Debtor is pursuing other faith-based projects which will further add to media revenues. Based on the release of season 2 of the Chosen, November revenue is anticipated to increase by $300,000 in November and an additional $200,000 in December 2020. Media revenues are then projected to increase at a rate of 20% for 2021, 15% for years 2022 and 2023, 10% for years 2024 and 2025, and 5% per year thereafter.

Note 3 – Advertising revenue includes revenues generated from viewership of Dry Bar original content. The 2020 projected amounts are based on revenue figures experienced during December 2019, January 2020 and the first 20 days of February 2020. Subsequent yearly revenues are anticipated to increase at rate of 5% per year.

Note 4 – Ticket revenue and concession revenue relate to funds generated from Dry Bar live shows. Revenues for 2020 are based on the average monthly revenues experienced during 2019 for the months in which Dry Bar was open.

Note 5 – Based on the proposed Plan of Reorganization, 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 for a period of 18 months after the

Effective Date. The rate of redemption during the last half of 2019 was approximately $2,100 per month. It is projected that redemptions will continue at that rate through May 2020 and will increase after the effective date to $2,500 per month.

Note 6 – Video tagging labor only relates to the stream based model, and has historically run at a cost of approximately $17,000 per month. With the introduction of the DVR model, this expense will be terminated.

Note 7 – Licensing costs relate to additional amounts paid to comedians per their contract terms with VidAngel. Historically, those amounts have totaled approximately 33% of advertising revenue, and it is projected to continue at that same rate.

Note 8 – Licensing – Product Sales - This relates to licensing fees paid to The Chosen. Under the current contract terms for physical media sales, The Chosen receives 70% of the net sales after offset of all direct costs. For digital medial sales, The Chosen receives 40% of the net sales after offset of direct costs including a required marketing expenditure of 25% of revenue. Since the contract was implemented, the licensing fee due to The Chosen has been calculated at 52.5% of physical media sales and 32% of digital media after offset of the appropriate costs.

Note 9 – These costs relate to the Dry Bar live shows and editing of such content for viewing on various social media outlets. Projected future costs are based on historic costs experienced during 2019, with the exception of set materials and labor. Management has determined that expenditures on sets was excessive and did not increase revenues, and therefore will be significantly reduced.

Note 10 – Direct product costs relate to costs of producing and shipping physical media. Such costs have historically run at approximately 25% of physical media sales. As such, it is projected to continue at 25% of physical media sales.

Note 11 – The hosting cost related to the stream based model has historically averaged approximately $44,000 per month. With the DVR model, such costs are anticipated to increase to approximately $90,000 per month. This amount will increase proportionally as additional subscribers are added. In addition, it is anticipated that hosting costs for The Chosen be approximately 2% of digital media sales.

Note 12 – Credit card fees for all revenues generated through credit cards has been approximately 4.75% of the revenue generated. Such fees are anticipated to continue at that rate into the future.

Note 13 – Salaries and wages for the year 2020 are assumed to be approximately the same as the average monthly expense incurred in 2019. For years 2021 through 2034, such salaries and wages are assumed to increase by 10% per year to account for both cost of living increases as well as additional staff to be added.

Note 14 – Payroll taxes are assumed to be 8% of salaries and wages.

Note 15 – Medical insurance for 2020 is based on the current insurance quote for the year. It is anticipated that such costs will increase at a rate of 10% per year thereafter.

Note 16 – Miscellaneous employee benefits for 2020 are based on the average monthly cost incurred in 2019. Such costs are assumed to increase at an annual rate of 2% per year for years 2021 through 2034.

Note 17 – Rent is based on the current lease rate which expires in 2021. It is assumed that rent will then increase at a rate of 2% per year thereafter.

Note 18 – The cost related to each of these expenses for the year 2020 is assumed to be the average monthly rate incurred during 2019. For years 2021 forward, it is assumed that each of these expenses will increase at a rate of 2% per year.

Note 19 – Future legal fees are based upon estimates made by the bankruptcy trustee.

Note 20 – Accounting services are for audit and tax services rendered by the Debtor's independent accountants. The amounts for 2020 are based upon those fees incurred in 2019. Estimated fees for 2021 through 2024 are assumed to increase at a rate of 5% per year.

Note 21 – Consulting fees include monthly amounts paid to Jeff Harmon and Neal Harmon in the amount of $10,000 each. The balance of the fees include various contract workers who periodically perform services for the Debtor. Such amounts for 2020 are based upon the average monthly amount incurred in 2019. For years 2021 through 2034, the amounts are assumed to increase at a rate of 2% per year.

Note 22 – Advertising expense is required under The Chosen Agreement at a rate of 25% of all digital media sales. In addition, the Debtor is planning to spend advertising dollars on promoting the new DVR model beginning in the fall of 2020 totaling $170,000, and $20,000 per month thereafter.

Note 23 -U.S. Trustee fees are projected at their current statutory rate though the anticipated Effective Date of June 1, 2020.

Note 24 – Interest income is assumed at a rate of 1% of cash balances.

Note 25 – Depreciation expense will continue through August 2020 at which time assets which have been capitalized will be fully depreciated. In recent years, the Debtor has been expensing small capital purchases, and therefore, no further assets are currently being capitalized and depreciated. Since depreciation expense is a non-cash expenditure, it is added back to calculate cash flow.

Note 26 – Based on the proposed Plan of Reorganization, the Debtor will pay the Class 3 claimant in full over a 14 year period with interest accruing at a rate of 1.43% from the anticipated Effective Date of June 1, 2020. Attached as Schedule 1 is an amortization

schedule showing the payoff of this obligations. Since the payments will be fully tax deductible, they are shown as a pre-tax item.

Note 27 – Based on the proposed Plan of Reorganization, the Debtor will pay the Class 2 claimants in full over a 14 year period with interest accruing at a rate of 1.43% from the anticipated Effective Date of June 1, 2020. Attached as Schedule 2 is an amortization schedule showing the payoff of this obligation. Only the interest portion of these payments is tax deductible while the principal has already been accrued and previously deducted. Therefore, only the interest is shown as a pre-tax item.

Note 28 – The Debtor has a taxable Net Operating Loss ("NOL") carryforward which is anticipated to total $9,983,034 through the end of 2019. Such NOL's can be used as an offset to future income. Attached as Schedule 3 is an analysis of the anticipated use of the NOL to offset future income. Once the NOL is exhausted, net income is taxed at the current corporate rate of 21% for federal taxes and 4.95% for state taxes.

Note 29 – Class 6 convenience claims are to be paid on the Effective Date of the plan.

SCHEDULE 1

VIDANGEL INC.
CLASS 3 AMORTIZATION SCHEDULE

Judgment Claim	62,448,750.00
Interest Rate	1.43%
Effective Date	6/1/2020

Date	Payment	Interest	Prncipal	Principal Balance
6/1/2020				62,448,750.00
9/30/2020	400,000.00	297,672.38	102,327.63	62,346,422.38
12/31/2020	600,000.00	222,888.46	377,111.54	61,969,310.83
3/31/2021	300,000.00	221,540.29	78,459.71	61,890,851.12
6/30/2021	300,000.00	221,259.79	78,740.21	61,812,110.91
9/30/2021	300,000.00	220,978.30	79,021.70	61,733,089.21
12/31/2021	600,000.00	220,695.79	379,304.21	61,353,785.00
3/31/2022	400,000.00	219,339.78	180,660.22	61,173,124.79
6/30/2022	400,000.00	218,693.92	181,306.08	60,991,818.71
9/30/2022	400,000.00	218,045.75	181,954.25	60,809,864.46
12/31/2022	800,000.00	217,395.27	582,604.73	60,227,259.72
3/31/2023	600,000.00	215,312.45	384,687.55	59,842,572.18
6/30/2023	600,000.00	213,937.20	386,062.80	59,456,509.37
9/30/2023	600,000.00	212,557.02	387,442.98	59,069,066.39
12/31/2023	1,200,000.00	211,171.91	988,828.09	58,080,238.31
3/31/2024	800,000.00	207,636.85	592,363.15	57,487,875.16
6/30/2024	800,000.00	205,519.15	594,480.85	56,893,394.31
9/30/2024	800,000.00	203,393.88	596,606.12	56,296,788.20
12/31/2024	1,600,000.00	201,261.02	1,398,738.98	54,898,049.21
3/31/2025	1,000,000.00	196,260.53	803,739.47	54,094,309.74
6/30/2025	1,000,000.00	193,387.16	806,612.84	53,287,696.90
9/30/2025	1,000,000.00	190,503.52	809,496.48	52,478,200.41
12/31/2025	2,000,000.00	187,609.57	1,812,390.43	50,665,809.98
3/31/2026	1,200,000.00	181,130.27	1,018,869.73	49,646,940.25
6/30/2026	1,200,000.00	177,487.81	1,022,512.19	48,624,428.06
9/30/2026	1,200,000.00	173,832.33	1,026,167.67	47,598,260.39
12/31/2026	2,400,000.00	170,163.78	2,229,836.22	45,368,424.17
3/31/2027	1,300,000.00	162,192.12	1,137,807.88	44,230,616.29
6/30/2027	1,300,000.00	158,124.45	1,141,875.55	43,088,740.74
9/30/2027	1,300,000.00	154,042.25	1,145,957.75	41,942,782.99
12/31/2027	2,600,000.00	149,945.45	2,450,054.55	39,492,728.44
3/31/2028	1,300,000.00	141,186.50	1,158,813.50	38,333,914.95
6/30/2028	1,300,000.00	137,043.75	1,162,956.25	37,170,958.69
9/30/2028	1,300,000.00	132,886.18	1,167,113.82	36,003,844.87
12/31/2028	2,600,000.00	128,713.75	2,471,286.25	33,532,558.61
3/31/2029	1,300,000.00	119,878.90	1,180,121.10	32,352,437.51
6/30/2029	1,300,000.00	115,659.96	1,184,340.04	31,168,097.48
9/30/2029	1,300,000.00	111,425.95	1,188,574.05	29,979,523.42

VIDANGEL INC.
CLASS 3 AMORTIZATION SCHEDULE

Judgment Claim	62,448,750.00
Interest Rate	1.43%
Effective Date	6/1/2020

Date	Payment	Interest	Prncipal	Principal Balance
12/31/2029	2,600,000.00	107,176.80	2,492,823.20	27,486,700.22
3/31/2030	1,300,000.00	98,264.95	1,201,735.05	26,284,965.17
6/30/2030	1,300,000.00	93,968.75	1,206,031.25	25,078,933.92
9/30/2030	1,300,000.00	89,657.19	1,210,342.81	23,868,591.11
12/31/2030	2,600,000.00	85,330.21	2,514,669.79	21,353,921.33
3/31/2031	1,300,000.00	76,340.27	1,223,659.73	20,130,261.59
6/30/2031	1,300,000.00	71,965.69	1,228,034.31	18,902,227.28
9/30/2031	1,300,000.00	67,575.46	1,232,424.54	17,669,802.74
12/31/2031	2,600,000.00	63,169.54	2,536,830.46	15,132,972.29
3/31/2032	1,300,000.00	54,100.38	1,245,899.62	13,887,072.66
6/30/2032	1,300,000.00	49,646.28	1,250,353.72	12,636,718.95
9/30/2032	1,300,000.00	45,176.27	1,254,823.73	11,381,895.22
12/31/2032	2,600,000.00	40,690.28	2,559,309.72	8,822,585.49
3/31/2033	1,300,000.00	31,540.74	1,268,459.26	7,554,126.24
6/30/2033	1,300,000.00	27,006.00	1,272,994.00	6,281,132.24
9/30/2033	1,300,000.00	22,455.05	1,277,544.95	5,003,587.29
12/31/2033	2,600,000.00	17,887.82	2,582,112.18	2,421,475.11
3/31/2034	1,300,000.00	8,656.77	1,291,343.23	1,130,131.88
6/30/2034	1,134,172.11	4,040.22	1,130,131.89	(0.00)

SCHEDULE 2

VIDANGEL INC.
CLASS 2 CLAIM AMORTIZATION SCHEDULE

Unsecured Claims	251,566.37
Interest Rate	1.43%
Effective Date	6/1/2020

Date	Payment	Interest	Prncipal	Principal Balance
6/1/2020				251,566.37
9/30/2020	1,600.00	1,199.13	400.87	251,165.50
12/31/2020	2,400.00	897.92	1,502.08	249,663.42
3/31/2021	1,200.00	892.55	307.45	249,355.97
6/30/2021	1,200.00	891.45	308.55	249,047.41
9/30/2021	1,200.00	890.34	309.66	248,737.76
12/31/2021	2,400.00	889.24	1,510.76	247,227.00
3/31/2022	1,600.00	883.84	716.16	246,510.83
6/30/2022	1,600.00	881.28	718.72	245,792.11
9/30/2022	1,600.00	878.71	721.29	245,070.82
12/31/2022	3,200.00	876.13	2,323.87	242,746.94
3/31/2023	2,400.00	867.82	1,532.18	241,214.76
6/30/2023	2,400.00	862.34	1,537.66	239,677.11
9/30/2023	2,400.00	856.85	1,543.15	238,133.95
12/31/2023	4,800.00	851.33	3,948.67	234,185.28
3/31/2024	3,200.00	837.21	2,362.79	231,822.49
6/30/2024	3,200.00	828.77	2,371.23	229,451.26
9/30/2024	3,200.00	820.29	2,379.71	227,071.55
12/31/2024	6,400.00	811.78	5,588.22	221,483.33
3/31/2025	4,000.00	791.80	3,208.20	218,275.13
6/30/2025	4,000.00	780.33	3,219.67	215,055.46
9/30/2025	4,000.00	768.82	3,231.18	211,824.29
12/31/2025	8,000.00	757.27	7,242.73	204,581.56
3/31/2026	4,800.00	731.38	4,068.62	200,512.94
6/30/2026	4,800.00	716.83	4,083.17	196,429.77
9/30/2026	4,800.00	702.24	4,097.76	192,332.01
12/31/2026	9,600.00	687.59	8,912.41	183,419.60
3/31/2027	4,800.00	655.73	4,144.27	179,275.32
6/30/2027	4,800.00	640.91	4,159.09	175,116.23
9/30/2027	4,800.00	626.04	4,173.96	170,942.27
12/31/2027	9,600.00	611.12	8,988.88	161,953.39
3/31/2028	4,800.00	578.98	4,221.02	157,732.37
6/30/2028	4,800.00	563.89	4,236.11	153,496.27
9/30/2028	4,800.00	548.75	4,251.25	149,245.02
12/31/2028	9,600.00	533.55	9,066.45	140,178.57
3/31/2029	4,800.00	501.14	4,298.86	135,879.70
6/30/2029	4,800.00	485.77	4,314.23	131,565.47
9/30/2029	4,800.00	470.35	4,329.65	127,235.82

VIDANGEL INC.
CLASS 2 CLAIM AMORTIZATION SCHEDULE

Unsecured Claims	251,566.37
Interest Rate	1.43%
Effective Date	6/1/2020

Date	Payment	Interest	Prncipal	Principal Balance
12/31/2029	9,600.00	454.87	9,145.13	118,090.69
3/31/2030	4,800.00	422.17	4,377.83	113,712.86
6/30/2030	4,800.00	406.52	4,393.48	109,319.39
9/30/2030	4,800.00	390.82	4,409.18	104,910.20
12/31/2030	9,600.00	375.05	9,224.95	95,685.26
3/31/2031	4,800.00	342.07	4,457.93	91,227.33
6/30/2031	4,800.00	326.14	4,473.86	86,753.47
9/30/2031	4,800.00	310.14	4,489.86	82,263.61
12/31/2031	9,600.00	294.09	9,305.91	72,957.71
3/31/2032	4,800.00	260.82	4,539.18	68,418.53
6/30/2032	4,800.00	244.60	4,555.40	63,863.13
9/30/2032	4,800.00	228.31	4,571.69	59,291.44
12/31/2032	9,600.00	211.97	9,388.03	49,903.40
3/31/2033	4,800.00	178.40	4,621.60	45,281.81
6/30/2033	4,800.00	161.88	4,638.12	40,643.69
9/30/2033	4,800.00	145.30	4,654.70	35,988.99
12/31/2033	9,600.00	128.66	9,471.34	26,517.65
3/31/2034	13,000.00	94.80	12,905.20	13,612.45
6/30/2034	13,661.12	48.66	13,612.46	(0.00)

SCHEDULE 3

VIDANGEL INC.
NET OPERATING LOSS CARRYFORWARD

Year	Net Loss/ (Income)	Net Operating Loss Carryforward
12/31/2017		$ 8,238,782.00
12/31/2018	$ 799,600.00	$ 9,038,382.00
12/31/2019	$ 944,652.18	$ 9,983,034.18
12/31/2020	$ (1,160,589.27)	$ 8,822,444.91
12/31/2021	$ (2,865,747.99)	$ 5,956,696.92
12/31/2022	$ (3,270,924.33)	$ 2,685,772.60
12/31/2023	$ (3,167,269.79)	$ -

Exhibit C

Liquidation Analysis

VidAngel Inc.
Liquidation Analysis
As of December 31, 2019

		Liquidation Value
ASSETS		
Current Assets		
Total Bank Accounts	Note 2	$ 2,105,626.43
Accounts Receivable	Note 2	8,000.00
Deposits Receivable	Note 2	625,580.93
Prepaid Expenses	Note 2	20,157.13
Note Receivable	Note 2	230,139.48
Physical Media Inventory	Note 2	106,788.50
Total Current Assets		**$ 3,096,292.47**
Fixed Assets		
Computer Hardware	Note 3	20,000.00
Furniture & Fixtures	Note 3	10,000.00
Production Equipment	Note 3	20,000.00
Total Fixed Assets		**$ 50,000.00**
Other Assets		
Movie Inventory	Note 4	120,000.00
VAS Portal	Note 5	250,000.00
Dry Bar Going Concern Value	Note 6	1,125,000.00
Total Other Assets		**$ 1,495,000.00**
TOTAL ASSETS		**$ 4,641,292.47**
LIABILITIES		
Liabilities		
Accounts Payable (Post-Bankruptcy)	Note 7	$ 901,634.62
CC Jedadiah 7287 (Post-Bankruptcy)	Note 7	2,073.85
AMEX Plum 51007 (Post-Bankruptcy)	Note 7	26,326.94
Accrued Expenses	Note 7	469,428.43
Accrued Payroll	Note 7	142,491.53
Medical Insurance Accrued Liability	Note 7	2,656.80
TOTAL LIABILITIES		**$ 1,544,612.17**
NET AVAILABLE FOR PRE-PETITION CREDITORS		**$ 3,096,680.30**

SEE ACCOMPANYING NOTES TO LIQUIDATION ANALYSIS

VidAngel Inc.
Notes to Liquidation Analysis
As of December 31, 2019

Note 1 - The above values assume a liquidation value in a Chapter 7 liquidations.

Note 2 - These assets are valued at their book value.

Note 3 - These assets include furniture fixtures and equipment. The values are based on my experience as a bankruptcy trustee in liquidating such assets.

Note 4 - The liquidation value was estimated by Erklens & Olson Auctioneers.

Note 5 - Based on discussion with managements this was the estimated cost to establish the VAS Portal. The VAS Portal is not in any way proprietary, and therefore, its liquidation value could be no more that the cost to create the portal.

Note 6 - The estimated liquidation value is based on a multiple of 3 times annual net cash flow.

Note 7 - Each of these liabilities have been incurred post-petition, and therefore would be have priority over all pre-petition obligations. Therefore, these liabilities would have to be deducted to determine the amounts available for unsecured creditors.