#### Case No. 16-56843

## IN THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

DISNEY ENTERPRISES, INC., ET AL., *Plaintiffs-Appellees*,

v.

VIDANGEL, INC. *Defendant-Appellant*.

Appeal from The United States District Court for the Central District of California Case No. 16-cv-04109-AB (PLAx) The Honorable André Birotte Jr., Presiding

### APPELLEES' SUPPLEMENTAL EXCERPTS OF RECORD VOLUME 2 (Pages SER 1078 – SER 1224)

Glenn D. Pomerantz Donald B. Verrilli, Jr.

Kelly M. Klaus MUNGER, TOLLES & OLSON LLP

Rose Leda Ehler 1155 F Street, N.W.

Allyson R. Bennett Washington, D.C. 20004

MUNGER, TOLLES & OLSON LLP Telephone: (202) 220-1100

355 South Grand Avenue Facsimile: (202) 220-2300

Thirty-Fifth Floor

Los Angeles, California 90071-1560

Telephone: (213) 683-9100 February 8, 2017

Facsimile: (213) 687-3702

Counsel for Appellees

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1	GLENN D. POMERANTZ (SBN 112503	)	
2	glenn.pomerantz@mto.com KELLY M. KLÄUS (SBN 161091) kelly.klaus@mto.com		
3	ROSE LEDA EHLER (SBN 296523) rose.ehler@mto.com		
4	ALLYSON R. BENNETT (SBN 302090)   allyson.bennett@mto.com		
5	MUNGER, TOLLES & OLSON LLP 355 South Grand Avenue, Thirty-Fifth Flo	oor	
6 7	Los Angeles, California 90071-1560 Telephone: (213) 683-9100 Facsimile: (213) 687-3702		
8	Attorneys for Plaintiffs		
9			
10	UNITED STATES	DISTRICT COURT	
11	CENTRAL DISTRICT OF CALIFORNIA		
12	WESTERN DIVISION		
13			
14	DISNEY ENTERPRISES, INC.;	Case No. 16-cv-04109-AB (PLAx)	
15	TWENTIETH CENTURY FOX FILM CORPORATION and WARNER	REDACTED VERSION OF DOCUMENT PROPOSED TO BE	
16	BROS. ENTERTAINMENT INC.,	FILED UNDER SEAL	
17	Plaintiffs and Counter- Defendants,	DECLARATION OF ROSE LEDA EHLER IN SUPPORT OF	
18	Vs.	PLAINTIFFS' MOTION FOR PRELIMINARY INJUNCTION	
19	VIDANGEL, INC.,		
20	Defendant and Counter- Claimant.	Judge: Hon. André Birotte Jr.	
21 22	Claimait.	Date: October 24, 2016 Time: 10:00 a.m.	
23		Crtrm.: 4	
24		Trial Date: None Set	
25			
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I, Rose Leda Ehler, hereby declare:

- 1. I am an attorney with Munger, Tolles & Olson LLP, counsel for Plaintiffs in this matter. I am a member of the California Bar and am admitted to practice before this Court. I have knowledge of the matters set forth below based on my direct involvement in this matter or the direct involvement of other lawyers at my firm. If called as a witness, I could and would testify competently to the facts stated herein.
- 2. The parties agreed to exchange expedited discovery covering a number of mutually agreed categories in advance of Plaintiffs' Motion for Preliminary Injunction. Attached as Exhibit A are true and correct copies of a VidAngel Press Release and various advertisements produced by VidAngel. Also included within this exhibit are true and correct copies of screenshot printouts from various sites, including VidAngel's website (<a href="www.vidangel.com">www.vidangel.com</a>), YouTube (<a href="https://www.youtube.com/vidangel">https://www.youtube.com/vidangel</a>) and Twitter (<a href="https://www.facebook.com/VidAngel/with\_replies">https://www.facebook.com/VidAngel/with\_replies</a>), that contain VidAngel advertisements and marketing messages. In these marketing materials, VidAngel compares its service with licensed legitimate on-demand streaming services and/or offers titles not available on on-demand streaming services and at a lower cost than such other services charge.
- 3. Attached as Exhibit **B** are true and correct copies of internal documents produced by VidAngel that discuss its marketing strategy of comparing itself to legitimate on-demand streaming services.

<sup>&</sup>lt;sup>1</sup> Plaintiffs have included a slipsheet with a true and correct copy of a screenshot from "VidAngel ad with Matt Messe from Studio C" and hyperlink to <a href="https://youtu.be/9XOjdARr87I">https://youtu.be/9XOjdARr87I</a> (last visited Aug. 21, 2016). If the Court would prefer, Plaintiffs will gladly submit DVDs containing copies of these videos for the Court's review.

- 4. Attached hereto as Exhibit C is a true and correct copy of a screenshot printout of VidAngel's Blog (<a href="http://blog.vidangel.com">http://blog.vidangel.com</a>) containing a user comment that states: "I could watch Star Wars 7 on VidAngel (only filtering one small thing) for \$1 before any other video streaming service had it available. If you guys are allowed to rip, stream and resell DVDs, the other streaming services will want to do it too—it's only fair." This document bears the Bates number PL0000394.
- 5. Attached hereto as Exhibit **D** is a true and correct copy of a document produced by VidAngel in response to discovery requesting documents sufficient to show VidAngel's total number of users. This document bears the Bates number D02374.
- 6. Attached hereto as Exhibit **E** is a true and correct copy of an article downloaded from the internet, titled "VidAngel Streaming Service: Don't Like Offensive Content in Movies? No Problem" by Jim Probasco of Benzinga. The article features an interview with VidAngel CEO, Neal Harmon, in which he says that, "if you charge people to use a filter, the market shrinks [from 47%] to less than 1% of Americans." The document bears the Bates numbers PL0000531-33.
- 7. Attached hereto as Exhibit **F** is a true and correct copy of a printout from the RedFox.bz website that explains the company was started by "former SlySoft developers and staff" and an article posted on *TorrentFreak* that explains that the owner of SlySoft had been "found guilty of providing tools to circumvent AACS encryption."
- 8. Attached as Exhibit **G** are true and correct copies of screenshot printouts from various sites, including VidAngel's Blog, Facebook and Twitter that contain VidAngel marketing in which it highlights that it prices its service at \$1 a

day. This low price is only because VidAngel does not pay licensing fees.

VidAngel has posted two videos to YouTube explaining its "buy-sellback" process.<sup>2</sup>

- 9. Attached as Exhibit **H** is a true and correct copy of a screenshot printout from VidAngel's Twitter page containing a user comment, asking why VidAngel prices individual episodes of television series the same price as individual motion pictures. VidAngel responds that they are "[w]orking on Season pricing." The document bears the Bates number PL0000341.
- 10. Attached as Exhibit I are true and correct copies of screenshot printouts from various sites, including from Facebook, Twitter and YouTube<sup>3</sup>, containing VidAngel user comments, in which the commenters extoll the benefits of VidAngel as compared to other on-demand streaming services, including that VidAngel streams new releases, that it has titles not available on other streaming services, and that VidAngel charges a lower price than those services. Also included are press and blog articles from USA Today, Benzinga and ArtofBeingCheap.com discussing VidAngel as a competitor to licensed on-demand streaming services.
- 11. Attached as Exhibit **J** are true and correct copies of screenshot printouts from various sites, including Facebook, Twitter, and VidAngel's website containing marketing messages promoting VidAngel's addition of *Star Wars: The Force*

<sup>&</sup>lt;sup>2</sup> Plaintiffs have included a slipsheet with true and correct copies of screenshots from "How \$1 Movies Work on VidAngel Sellback" and hyperlink to <a href="https://youtu.be/wvcF4x1d0xo">https://youtu.be/wvcF4x1d0xo</a> (last visited Aug. 21, 2016) as well as "How VidAngel \$1 Movies Work in 15 Seconds" and hyperlink to <a href="https://youtu.be/map6EIP41bY">https://youtu.be/map6EIP41bY</a> (last visited Aug. 21, 2016). If the Court would prefer, Plaintiffs will gladly submit DVDs containing copies of these videos for the Court's review.

<sup>&</sup>lt;sup>3</sup> Plaintiffs have included a slipsheet with a true and correct copy of a screenshot from "VidAngel – An Honest Review" and hyperlink to <a href="http://youtu.be/KG7xgmDHF40">http://youtu.be/KG7xgmDHF40</a> (last visited Aug. 21, 2016). If the Court would prefer, Plaintiffs will gladly submit DVDs containing copies of these videos for the Court's review.

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27 28 Awakens to VidAngel's list of available titles on April 5, 2016, and showing that it was available for streaming that day.

- 12. Attached as Exhibit **K** are true and correct copies of screenshot printouts from VidAngel's Facebook and Twitter pages, containing user comments and VidAngel's responses regarding VidAngel's decision to remove the autosellback feature and the credits filter.
- Attached as Exhibit L are true and correct copies of screenshot printouts from VidAngel's Twitter page, containing user comments complaining about the quality of the viewing experience on VidAngel.
- 14. Attached as Exhibit M is a true and correct copy of a VidAngel Blog post, dated May 18, 2016, titled, "Is VidAngel's service legal?" The document bears the Bates numbers PL0000198-202.
- 15. Attached as Exhibit N are true and correct copies of screenshot printouts from various sites, including Facebook, Twitter, and VidAngel's Blog, showing VidAngel marketing new releases, including *The Revenant* (2015), Zootopia (2016), Deadpool (2016), Kung Fu Panda 3 (2016), Batman v. Superman: Dawn of Justice (2016) and Keanu (2016).
- 16. Attached as Exhibit O are true and correct copies of VidAngel Blog posts, setting forth VidAngel's response to this lawsuit. The publications include advertisements for t-shirts representing the Plaintiffs as "Darth Mickey with the foxtail on the broom." Another VidAngel Blog post describes this lawsuit as letters between "pen-pals."
- Attached hereto as Exhibit **P** is a true and correct copy of a VidAngel 17. blog post and accompanying user comments that discuss the "buy-sellback" transaction.
- Attached hereto as Exhibit **Q** is a true and correct copy of a screenshot 18. printout from Twitter, in which VidAngel posted that filtering "nudity/graphic

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violence/f-bomb" from Fox's *Deadpool* omits only 14 minutes of total running time from that motion picture.

- 19. Attached hereto as Exhibit **R** is a true and correct copy of deposition exhibit **10** from the August 11, 2016, deposition of Defendants' Rule 30(b)(6) designee and CEO of VidAngel, Neal Harmon.
- 20. Attached hereto as Exhibit **S** is a true and correct copy of deposition exhibit **14** from the August 11, 2016, Rule 30(b)(6) deposition of Mr. Harmon.
- 21. Attached hereto as Exhibit **T** is a true and correct copy of deposition exhibit **17** from the August 11, 2016, Rule 30(b)(6) deposition of Mr. Harmon.
- 22. Attached hereto as Exhibit **U** is a true and correct copy of deposition exhibit **19** from the August 11, 2016, Rule 30(b)(6) deposition of Mr. Harmon.
- 23. Attached hereto as Exhibit V is a true and correct copy of deposition exhibit 21 from the August 11, 2016, Rule 30(b)(6) deposition of Mr. Harmon.
- 24. Attached hereto as Exhibit **W** is a true and correct copy of deposition exhibit **22** from the August 11, 2016, Rule 30(b)(6) deposition of Mr. Harmon.
- 25. Attached hereto as Exhibit **X** is a true and correct copy of deposition exhibit **23** from the August 11, 2016, Rule 30(b)(6) deposition of Mr. Harmon.
- 26. Attached hereto as Exhibit Y is a true and correct copy of deposition exhibit 26 from the August 11, 2016, Rule 30(b)(6) deposition of Mr. Harmon.
- 27. Attached hereto as Exhibit **Z** is a true and correct copy of deposition exhibit **27** from the August 11, 2016, Rule 30(b)(6) deposition of Mr. Harmon.
- 28. Attached hereto as Exhibit **AA** is a true and correct copy of deposition exhibit **30** from the August 11, 2016, Rule 30(b)(6) deposition of Mr. Harmon.
- 29. Attached hereto as Exhibit **BB** is a true and correct copy of deposition exhibit **33** from the August 11, 2016, Rule 30(b)(6) deposition of Mr. Harmon.
- 30. Attached hereto as Exhibit **CC** is a true and correct copy of deposition exhibit **37** from the August 11, 2016, Rule 30(b)(6) deposition of Mr. Harmon.

- 31. Attached hereto as Exhibit **DD** is a true and correct copy of deposition exhibit **38** from the August 11, 2016, Rule 30(b)(6) deposition of Mr. Harmon.
- 32. Attached hereto as Exhibit **EE** are true and correct copies of excerpts from the August 11, 2016, deposition of Defendants' Rule 30(b)(6) designee and CEO of VidAngel, Neal Harmon.
- 33. Attached hereto as Exhibit **FF** is a true and correct copy of a screenshot printout from Twitter, in which a user comments: "@VidAngel and you took away censoring the end credits which was an easy choice if I didn't really want to censor anything!"

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CASE NO. 16-CV-04109-AB (PLAX)

# EXHIBIT A



#### For Immediate Release

#### VidAngel Lets Customers Stream Filtered Movies for One BLEEPING Dollar

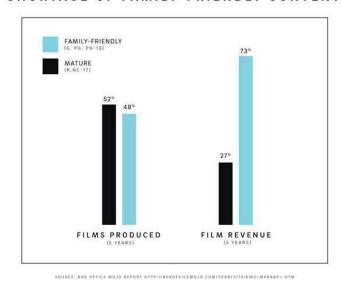
#### \$2.5 Million Raised in Seed Funding

SALT LAKE CITY—October 1, 2015—VidAngel allows parents to cut violence, profanity and/or nudity out of movies and TV shows for the net price of \$1 (both filter and movie included). Unlike Amazon, Google Play, and iTunes, which charge up to \$4.99 for streaming, VidAngel costs only \$1 per movie, allowing viewers to watch 5 movies for the price of 1 (see how net \$1 sell-back works HERE). All filters are completely personalized, with customers selecting exactly what to cut from the film. The company has already raised \$2.5 million in seed funding.

VidAngel allows streaming on Apple TV, Roku, Chromecast, computer, tablet, or smartphone. It requires no subscription, no custom hardware, and no additional purchase, thus eliminating any need to run to the red-painted box at the grocery store. In addition to SD videos, HD videos are available for net price of \$2.

Over half of all movies produced are rated R or NC-17. Yet almost 3/4 of revenue is generated by family-friendly movies (G, PG, PG-13), indicating that consumers want more family-friendly content than Hollywood is currently producing. "Family-friendly films make almost 3 times the revenue as mature films," says Neal Harmon, CEO of VidAngel. "We bridge the gap between what Hollywood wants to make and what families want to watch. The demand is incredibly high. Our sales are doubling every couple of months because individuals and families choose to cut out nudity, violence, and swearing to fit their personal preferences."

#### SHORTAGE OF FAMILY-FRIENDLY CONTENT





For years, Hollywood has created different cuts of their movies to reach different audiences: the studio cut for theaters, the FCC cut for airlines, the director's cut for film buffs, and the unrated cut for prurient audiences. Now VidAngel lets you create "Your Cut." But rather than unilaterally deciding what is appropriate for customers, VidAngel allows each person to choose what he or she wants to cut, according to personal preferences.

"People often ask if this is public censorship," Harmon continues. "Absolutely not. Directors have the right to create whatever kind of content they want to create. We don't endorse censorship of their content in the public sphere. But in the privacy of the home, it is the individual's legal right to watch that content in the way they choose. That right is protected by law." (Family Entertainment and Copyright Act of 2005)

VidAngel customers can choose exactly what they want to filter—such as turning off only F-words, nude scenes, or any other configuration. 50,000 users have already customized 100,000 movies, a number that will grow dramatically now that VidAngel is open for public use.

"Now you can watch movies with the kids without bad words, violence, nudity or sex scenes," states Russ Warner, past CEO for ContentWatch in Huffington Post. "Pick a movie... decide which words and scenes to remove, and then hit play! It's very simple." And setting VidAngel up is so easy, anyone can do it.

The VidAngel seed financing of \$2.5 million dollars came from institutional and angel investors including TPP Capital Advisors, early backer of Omniture; Kickstart Seed Fund; Alta Ventures; and high-profile angel investors Warren Osborn, Blu-ray packaging pioneer for Hollywood; and John Richards, former CEO of CleanFilms. The \$2.5 Million in seed funding has allowed the company to launch its public BETA of its popular and unique movie viewing service.

#### **About VidAngel**

VidAngel is founded by the Harmon brothers, who believe strongly that everyone should have the freedom to decide what to watch in their own home. Because the Harmons are movie lovers with young children, they understand the high demand for content that is both high-quality and family-friendly. They are best known for creating award winning YouTube sensations with tens of millions of viewers. They launched award winning YouTube breakthroughs like <a href="Orabrush">Orabrush</a>, <a href="Orabrush">Orapup</a>, and <a href="Poo~Pourri">Poo~Pourri</a>. <a href="www.VidAngel.com">www.VidAngel.com</a>

Press Contact: Dave Vance VidAngel 208-313-7805 press@vidangel.com

From: Dave Vance d vance09@gma .com

Subject: [B og Name] - He p Fam es Watch C ean Mov es for \$1

Date: October 13, 2015 at 12:05 PM
To: Jordan A en ja en@v dange.com



Hi [name],

As you are well aware, moms everywhere are constantly trying to find clean, safe entertainment for their families. We at <a href="VidAngel.com">VidAngel.com</a> would like to team up with [blog name] to make this possible — and give you some compensation in return.

#### What is VidAngel?

<u>VidAngel.com</u> is a streaming service similar to Netflix that allows parents to cut violence, language, and/or sex/nudity out of movies and TV shows. It allows you, as the parent, to decide exactly what your family should and should not be watching, in a totally legal way.

In addition to making movies clean, VidAngel also makes them cheap (\$1 for SD, \$2 for HD) using a sellback option described in <a href="mailto:this video">this video</a>. Watching a movie on VidAngel is up to 80% cheaper than watching with another service (iTunes, Amazon Video, Google Play).

#### What is the VidAngel Affiliate Program?

- A VidAngel Affiliate creates an account at <a href="ShareASale.com">ShareASale.com</a>, connects with VidAngel's profile, and uses the ads/links provided by VidAngel to send readers from their blog/site to <a href="VidAngel.com">VidAngel.com</a>.
- A VidAngel Affiliate earns \$7 for each new customer they send our way that watches a movie from our service.

Visit our Affiliate Program Page for more information.

#### And if that's not enough...

We would like to offer you \$25 VidAngel credit so you can fully test the service before promoting it on [blog name].

We would love to team up with you and give families the service they've wanted for so long! Let us know what you think, and feel free to contact me with any questions!

Jordan Allen I Assistant Marketing Director

Email: jallen@vidangel.com Phone: 801-671-3991 Check out our new site!

Screen Shot 2016-07-15 at 5.01.39 PM.png



WWW.VIDANGEL.COM

Watch newly released movies not on Netflix for just \$2 with sellback!



Screen Shot 2016-07-15 at 4.56.09 PM.png

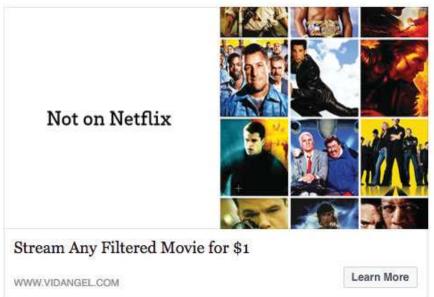


Stream movies NOT on Netflix for one BLEEPING dollar! (per night with sellback)



Screen Shot 2016-07-15 at 4.55.54 PM.png





Screen Shot 2016-07-15 at 4.53.08 PM.png



Screen Shot 2016-07-15 at 4.51.26 PM.png



Screen Shot 2016-07-15 at 4.49.17 PM.png



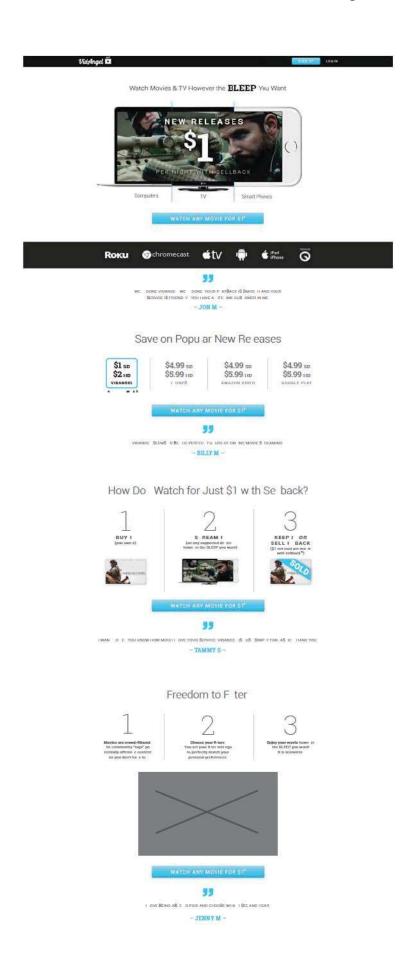
Watch the most requested VidAngel movie of the year for just \$2 with sell back!



## American Sniper | VidAngel

MOVIES MINUS THE BOSOMS, BLOOD & BAD WORDS. VidAngel.com - Sign up for FREE! Choose any new release or pick from 700 movies & shows. Protect your family from swearing, violence and nudity in streaming movie rentals. U.S. Navy...

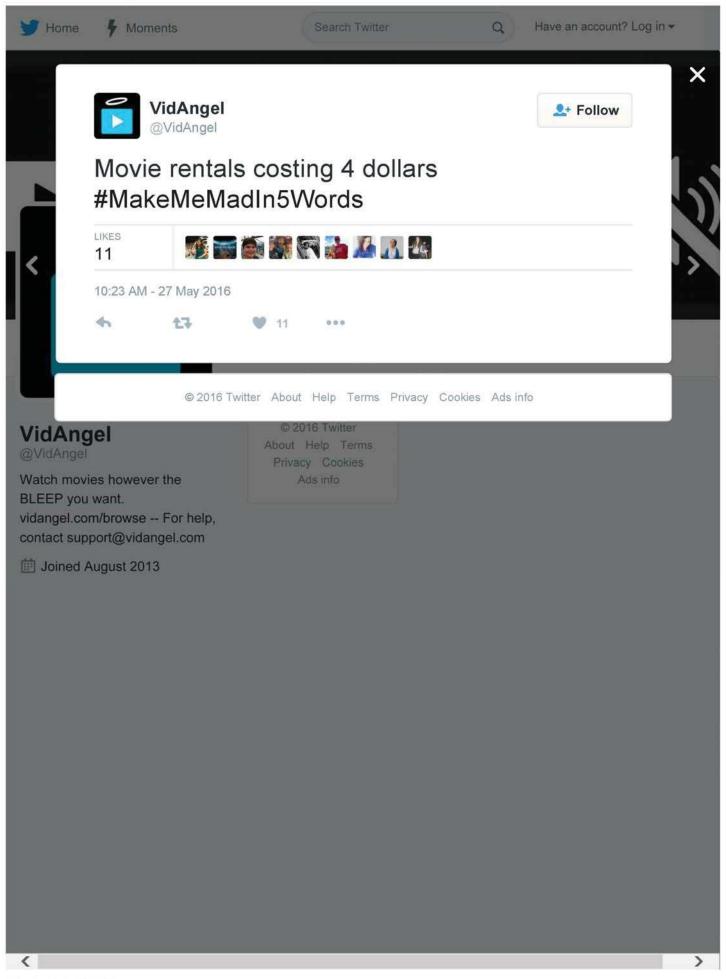
VIDANGEL.COM



D 14608

EXHIBIT A EHLER-19 7/20/2016 image.png







VidAngel ad with Matt Meese from Studio C

available at: https://youtu.be/9XOjdARr87I

PL0000541

**EXHIBIT** A

EHLER-22



EXHIBIT A EHLER-23 08/16/2016

PL0000544

**SER1101** 



EXHIBIT A EHLER-24





EXHIBIT A EHLER-26 08/16/2016

PL0000547



EXHIBIT A EHLER-27 08/16/2016

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EXHIBIT A EHLER-28 08/16/2016

PL0000549

**SER1106** 



EXHIBIT A EHLER-29 08/16/2016

PL0000550



EXHIBIT A EHLER-30 08/16/2016

PL0000551

**SER1108** 





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< BACK



## **EXHIBIT B**

## REDACTED VERSION OF DOCUMENT PROPOSED TO BE FILED UNDER SEAL

# EXHIBIT G



## Streaming is Now Only 1 BLEEPING Dollar for all SD Movies\*

□ October 30, 2015 □ Press □ Madeleine Flynn



You may have noticed things have been changing around here. Everything is prettier and wittier.

The best change of all is that EVERY SD movie on our site is now only \$1 with sellback. No tax. No fees. No extra pennies. ONE DOLLAR! In fact, we are so tired of pennies that we are rounding your credit up to the nearest dollar. For the cherry on top, our new "Auto-sellback" feature means you don't even have to remember to sell it back. What kind of wizardry is this? We don't have magical powers – we just like you. That's why it's now \$1 for all SD movies.

To make life simpler, we have changed all movies to the same price: \$20. HD, SD, new release, the 1930s Wizard of Oz... there is no discrimination. All movies and TV shows\*\* are now \$20. This means no more confusing prices when you are picking your Friday night flick.

Here's a summary of our recent shenanigans:

All SD Movies are now \$1 with sellback.

All movies and tv shows, both HD and SD, are now \$20 to keep for good.

We created a new, prettier website and logo.

- \* SD Movies can now be sold back for \$1 less than purchase price, meaning you only pay \$1 for up to 24 hours of unlimited viewing of that particular film.
- \*\* You may be thinking, why do TV shows cost just as much as movies? That is a great question! We just want to make your experience as simple as possible by standardizing the prices across all shows. The TV shows will still only be \$1-\$2 with sell-back. In the future, we will be creating a way to buy whole seasons of TV shows if you want to keep the episodes. So hold tight if that's what you're looking for.

← Our Website is no longer UGLY

VidAngel Policy: Can I watch VidAngel without filters? →

## 52 thoughts on "Streaming is Now Only 1 BLEEPING Dollar for all SD Movies\*"



October 31, 2015 at 4:51 am

Love what you guys are doing! Quick question—in the past I purchased some movies through Google Play to use via Vidangel. Is it still possible to play movies I have previously purchased or is rental/sellback the only option now?

Thanks!

Reply

November 14, 2015 at 3:25 am



Why would you change it to \$20 an episode!? That money is not credited back to our credit card. It's credited back to your website so that we have to keep renting your movies if we want to ever get our money back. It's a sham and I am very disappointed. I love what you guys do but if you expect to keep customers, you should stop trying to trick them.

Reply



November 14, 2015 at 6:07 am

Why would you change it to \$20 an episode!? That money is not credited back to our credit card. It's credited back to your website so that we have to keep renting your movies if we want to ever get our money back. It's a sham and I am very disappointed. I love what you guys do but if you expect to keep customers, you should stop trying to trick them.

source:va\_support\_update\_bot

Reply



Janae

November 14, 2015 at 6:09 am

We apologize for any misunderstanding. We are not trying to be deceiving in any way. We are happy to refund your card for any remaining credit in your account, at any time. We say so right in the video on our homepage, as well as in our terms and conditions. We have a very thorough write up of how our system works on numerous pages on our website. We are trying to be as clear as possible because we know the whole buying and selling thing can be a little confusing. We want our service to be 100% legal, and to do so; you must own your movie while filtering it. Hence, the Buy with Sell-Back process.

If you would like to read more about the details of our Sell-Back process, we have a great explanation here:

http://help.vidangel.com/knowledge\_base/topics/how-does-vidangel-sell-back-work

source:va\_support\_update\_bot Reply December 12, 2015 at 5:22 am



This comment is just silly, completely ignorant, you have only yourself to blame for your confusion since the info is clearly stated in several places on the website

Reply



November 15, 2015 at 1:01 am

If I own a movie I bought on Amazon am I able to filter it with vidangel?

☐ Reply



November 15, 2015 at 1:02 am

If I own a movie I bought on Amazon am I able to filter it with vidangel?

source:va\_support\_update\_bot

Reply



November 16, 2015 at 6:52 pm

Dear Jennifer,

Thanks for your interest in VidAngel. Unfortunately, we don't have access to your Amazon movies, so our filters will not work with them. SD Movies through VidAngel are only \$1 though, so it would be easy to watch with

us instead.

source:va\_support\_update\_bot

Reply



Anders

November 16, 2015 at 1:59 am

Can I ever use my credits to bring my account to a \$0 balance without purchasing a movie to keep?

Seems I am constantly buying movies for \$20 and selling back, leaving my account with a endless \$19 credit that I can never spend. Make sense?

Reply



Anonymous

November 16, 2015 at 3:22 am

Can I ever use my credits to bring my account to a \$0 balance without purchasing a movie to keep?

Seems I am constantly buying movies for \$20 and selling back, leaving my account with a endless \$19 credit that I can never spend. Make sense?

source:va\_support\_update\_bot

Reply



November 16, 2015 at 6:41 pm

Here is an explanation that will hopefully help you understand a little better. You are welcome to cash out your credits at any time.

For us to legally offer filtered movies, you must **own** the movie while filtering it. To make this as affordable and userfriendly as possible, we have created an instant "Sell-Back" option to buy the movie back from you and put the credit into your VidAngel account. No hassle, no fuss, just enjoy your movie, sell it back, and only pay \$1.00 for your SD movie.

Quick Overview: (using a \$20 movie)

- BUY THE MOVIE Pay the retail price of \$20. (initial credit card payment)
- 2. WATCH FOR \$1.00 \$1.00 (per day for SD movies) is deducted from the \$20 credit. (\$2.00 HD).
- 3. **SELL THE MOVIE** When finished, "Sell it Back" for \$19.00 of instant credit to your VidAngel account for your next purchase.

When you're ready for the next movie, the \$19 credit already in your VidAngel account will automatically be applied to your purchase. Your card will be charged \$1 to bring your account up to the \$20 purchase price. You will then continue to buy and sell movies with account credit and pay only \$1.00 per night for SD movies. With every \$1 per night, you get back \$19 in credit and the process repeats with each new movie.

source:va\_support\_update\_bot

Reply



November 23, 2015 at 7:20 am

I actually wanted to start buying my movies here and just keep everything all in one place, but a lot of the movies offered I could probably get lower. Is there going to be any more structuring in the future to balance that out? Like older movies being a lower price? I'm happy to basically use this as a rental service, but it would be nice to use it for more than that.

Reply



December 15, 2015 at 4:39 am

You want them to be lower than \$1?

Reply



June 4, 2016 at 5:10 pm

Does this service work with dish network?

Reply



Neal

June 10, 2016 at 9:14 am

No, it does not.

Reply

Harmon



November 26, 2015 at 1:07 am

Absolutely love it! Thank you!

Reply

Adam goodman

Anonymous

November 26, 2015 at 1:09 am

Absolutely love it! Thank you!

·—

source:va\_support\_update\_bot

Reply

November 26, 2015 at 1:09 am

Absolutely love it! Thank you!



source:va\_support\_update\_bot

Reply



November 26, 2015 at 1:40 pm

Wow, I appreciate the service you are providing to the public. Thank you so very much! It is refreshing to watch a movie without all the profanity, crude jokes etc. I am referring you to everyone I know.

Reply



November 26, 2015 at 3:39 pm

Wow, I appreciate the service you are providing to the public. Thank you so very much! It is refreshing to watch a movie without all the profanity, crude jokes etc. I am referring you to everyone I know.

source:va\_support\_update\_bot

Reply



November 26, 2015 at 3:39 pm

Wow, I appreciate the service you are providing to the public. Thank you so very much! It is refreshing to watch a movie without all the profanity, crude jokes etc. I am referring you to everyone I know.

source:va\_support\_update\_bot

Reply



December 8, 2015 at 5:31 am

When's season 4 of Homeland going to be done? I love VidAngel

Reply

2

Anonymous

December 8, 2015 at 6:40 pm

When's season 4 of Homeland going to be done? I love VidAngel

\_

source:va\_support\_update\_bot

Reply



December 8, 2015 at 6:40 pm

Homeland 4 is done. It should be live any day now.

\_

source:va\_support\_update\_bot

Reply



December 12, 2015 at 5:26 am

Love the service but I have an Amazon fire and I'm tired of using my computer to watch, any word on the Amazon fire app? Willing beta tester here!

Reply

January 2, 2016 at 12:44 am

You're in luck: https://www.vidangel.com/support/tv\_fire

http://blog.vidangel.com/2015/10/30/streaming-is-now-only-1-bleeping-dollar-for-all-sd-movies/[6/13/2016 11:54:49 AM]





Nikhil Khanna December 28, 2015 at 11:53 pm

#### Two things

- 1. The process for getting the refund back to my credit card is not clear in the steps (even in the posts and in the help section all it says is you can get the entire credit back- but doesnt exactly say how). Rest of the steps are pretty detailed, there is also no button to request the refund.
- 2. the whole thing that once you buy and resell the remainder of the credit is used for your next purchase sellback doesnt seem to work with apple tv app ... i have like 36 dollars of credit... and the app didnt factor in my existing credit at all while making the next purchase

Reply



Neal Harmon January 2, 2016 at 12:35 am

We have published a fix for this and we're waiting for Apple to approve the fix.

Reply



Nikhil Khanna December 28, 2015 at 11:56 pm

take the 1st one back... i just went through the long version and it seems the steps are detailed out... just not simple... the second thing still remains

Reply



January 2, 2016 at 4:58 am

I'm confused about the sell back time period. A lot of the explanations mention specifically selling back within 24 hours to get the \$18/\$19. Does

Jon

the sellback price reduce after 24 hours? If so how much?

Reply



Neal Harmon January 7, 2016 at 8:45 pm

\$1 per day for SD and \$2 per day for HD.

Reply



January 2, 2016 at 5:48 am

Love the concept. \$1 per movie is great! I really hope you come up with something different for the TV shows soon. I'd love to go through House of Cards, but not for \$39! We stopped watching it on Netflix because of the vulgarity and nudity. I love what you do, but for binge watching TV shows, the price is just too steep. Is a subscription service in future? I'd drop Netflix and sign up in a heartbeat! Thanks.

Reply



Neal Harmon January 7, 2016 at 8:45 pm

We're working on a better option for TV shows.

Reply



January 17, 2016 at 1:06 am

I can't wait! I just finished watching all 4 season of Game of Thrones using your rental model. I would have bought them (and I still will!) if

William Munn the season cost wasn't so prohibitive. In the meantime, I'll probably hold off watching any other TV shows.

Such a fantastic service you provide. My only other request is PS4 support as soon as possible.

Keep up the great work.

Reply



Brad

January 16, 2016 at 9:07 am

I was really excited to find your service. I have been looking for a way to watch Game of Thrones edited for quite some time. I was really disappointed to learn of your pricing model for TV shows. There are 4 seasons you currently offer. Each season has 10 episodes. At your current pricing that is \$20 per season. That's \$80 to watch your current library and that's at the not keep the video pricing. I can't justify spending that amount of money for essentially "renting" a TV show I've been wanting to see. I've noticed you've said that you are working on a better option for the TV shows but do you know what kind of time frame we are looking at? And can you give us any sort of idea as to what approach on a pricing model your headed toward? Thanks for your hard work and feed back.

Reply



February 27, 2016 at 12:01 am

Loving the service as we are trying it for the first time. I'm wondering about the "auto sellback". Does it sell back right when you finish watching the movie or after 24 hours?

Reply



February 27, 2016 at 3:24 pm

Right after you finish the movie (or right at 24 hours if you never finish it)

Neal Harmon Reply



February 29, 2016 at 3:39 pm

My ROKU does not give Vid-Angel as an optional program – I have a 3.1 version of ROKU – do I need newer? Or what do I need to do?

Reply



Neal Harmon March 5, 2016 at 2:31 pm

It should be in the Roku store. Here are the linking instructions:

https://www.vidangel.com/support/tv\_roku

Reply



Joanna

March 28, 2016 at 3:43 pm

Hi! Love love love your site! I tell people about it all the time! Quick question, I fly sometimes, and I like to "rent" and download a movie for my flight on my phone/tablet to be able to watch it without wifi. Is it possible to do this with vidangel phone app?

☐ Reply



Neal Harmon April 1, 2016 at 9:23 pm

We're working on an update to support this on the iPhone. It currently works on Android.

Reply



Koehle

March 28, 2016 at 4:44 pm

Any progress on when you can purchase seasons of shows? I would love to own all of the Games of Thrones Seasons but there doesn't seem to be an option other than pay a ton of money at this point. Thanks!

Reply



March 28, 2016 at 7:29 pm

under your current model, if I were to purchase 5 seasons of the walking dead from netflix it would cost me 8\$, and from you almost 70\$. I love your service but that is a serious WTF(iltered) situation.

looking forward to at least an update on the "shows" situation. thanks.

Reply



Neal Harmon April 1, 2016 at 9:23 pm

working on it

Reply



Shaun Moynihan April 22, 2016 at 7:29 pm

The reason Vidangel can filter these movies is because they purchase the actual episodes, movies. For example, Vidangel owns 500 copies of The Matrix and therefore can only rent out 500 filtered versions at a time. That's why sometimes you will see a HD version of a movie as unavailable.

Reply



Neal Harmon

April 30, 2016 at 10:04 pm

Yes, we have a disc in the vault for every owner on our system. If we don't own one, we can't sell one and that's why you will see out of stock notices at times.

Reply



Mishqueen

April 30, 2016 at 11:59 am

Soooo, who are the poor saps who have to watch unfiltered movies in order to save the rest of us from having to see stuff we don't like? My hat is off to them, sir. Thank them for me for taking a hit for the team. (hopefully, they don't mind)

Please make a big announcement when tv gets cheaper. I don't know why that seems so expensive, even if you do 2 eposides for the price of one so they are the length of a movie, it still feels high. I recognize the time and effort is the same for you guys. However, when they are full seasons for a price, I'm in!

Reply



Neal Harmon

April 30, 2016 at 10:02 pm

Everyone who tags agrees to tag stuff they already watch so no one "takes one for the team." But we're grateful for the tagging community... it's tedious work and works really well because of their efforts.

Reply

## Leave a Reply

Your email address will not be published. Required fields are marked \*

Comment	
Name *	
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How VidAngel \$1 Movies Work in 15 Seconds.

Website: www.vidangel.com

YouTube Version: https://youtu.be/map6EIP41bY

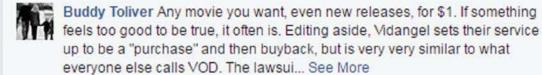




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2 of 238



Like - Reply - July 23 at 11:37am - Edited



Buddy Toliver From the complaint filed by the movie industry - "VidAngel's "Buy, Watch, Sell Back" is a fiction that fails to hide VidAngel's real business: providing a VOD streaming service to users in return for a daily fee."

This gets me fired up because so many ... See More

Like - Reply - Yesterday at 4:52am



Write a comment...





https://www.facebook.com/VidAngel

07/25/2016



Streaming Star Wars cheaply via VidAngel. Thanks USA Today for the shout-out!

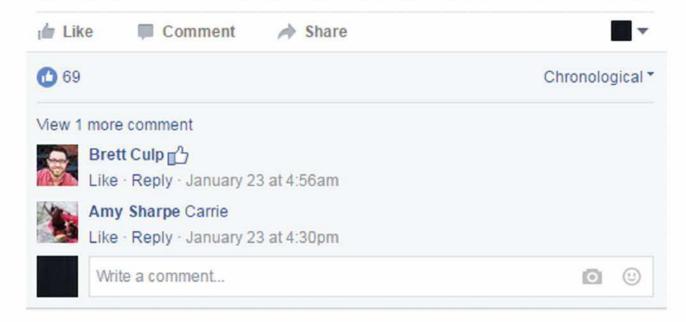
http://www.usatoday.com/.../streaming-star-wars-che.../78503994/



## Streaming 'Star Wars' cheaply via VidAngel

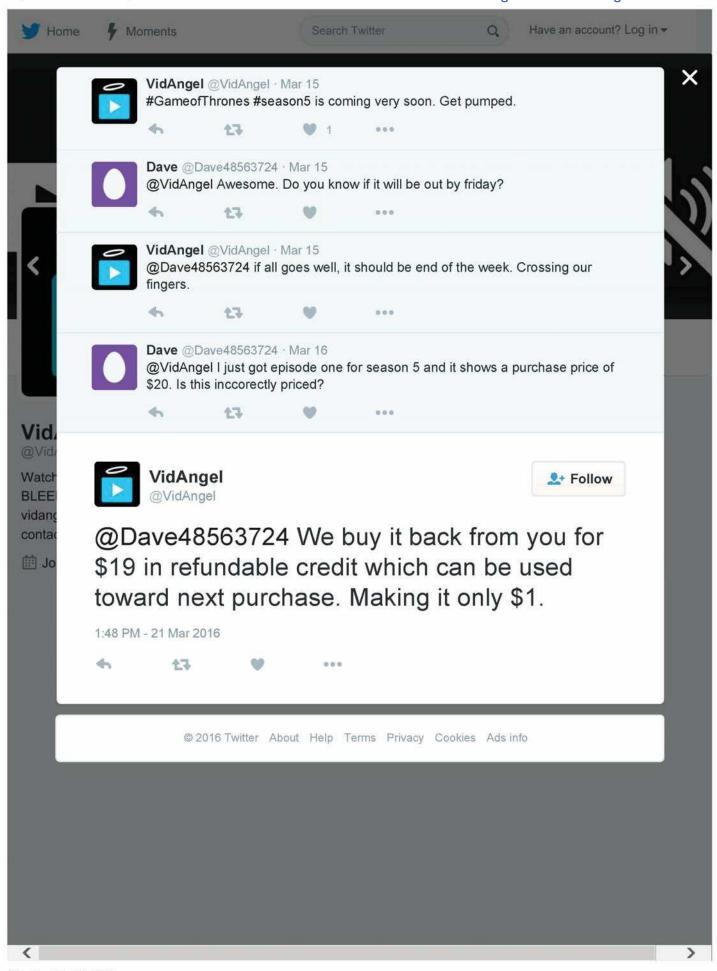
VidAngel allows you to stream "Star Wars" but it takes a few steps and \$20 initially.

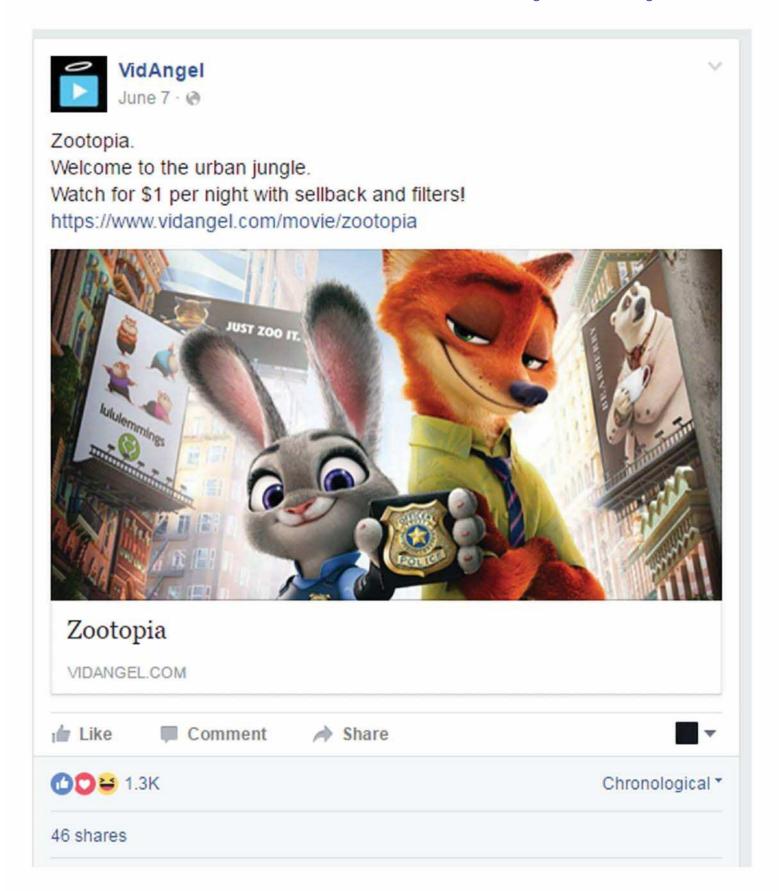
USATODAY.COM



https://www.facebook.com/VidAngel

07/25/2016







Like Page

"Finding Dory" is in theaters! Watch other movies by the creators here...







## Stream Any Filtered Movie for \$1 (per day w/sellback)

Sign up for a free VidAngel account today to watch movies for \$1 a day w/sellback. VidAngel gives you freedom to filter movies according to your viewing preference.

WWW.VIDANGEL.COM

Learn More





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How \$1 Movies Work on VidAngel Sellback

available at: <a href="https://youtu.be/wvcF4x1d0xo">https://youtu.be/wvcF4x1d0xo</a>

PL0000234

**EXHIBIT G** 

EHLER-93



## How VidAngel \$1 Movies Work in 15 Seconds

available at: <a href="https://youtu.be/map6EIP41bY">https://youtu.be/map6EIP41bY</a>

PL0000158

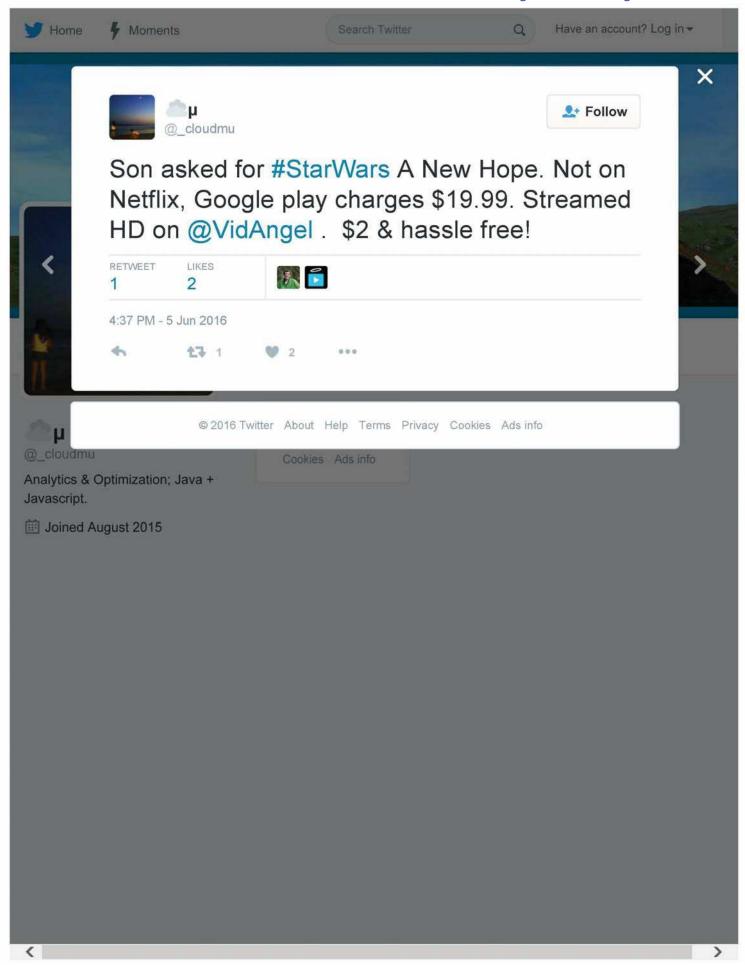
**EXHIBIT G** 

EHLER-94

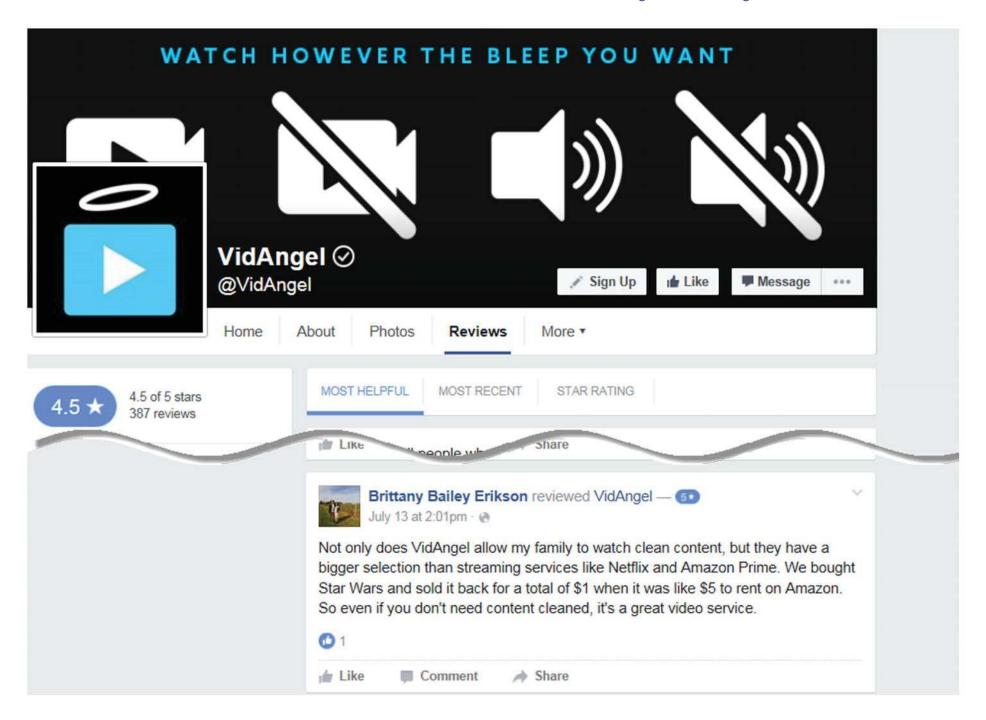
# EXHIBIT I

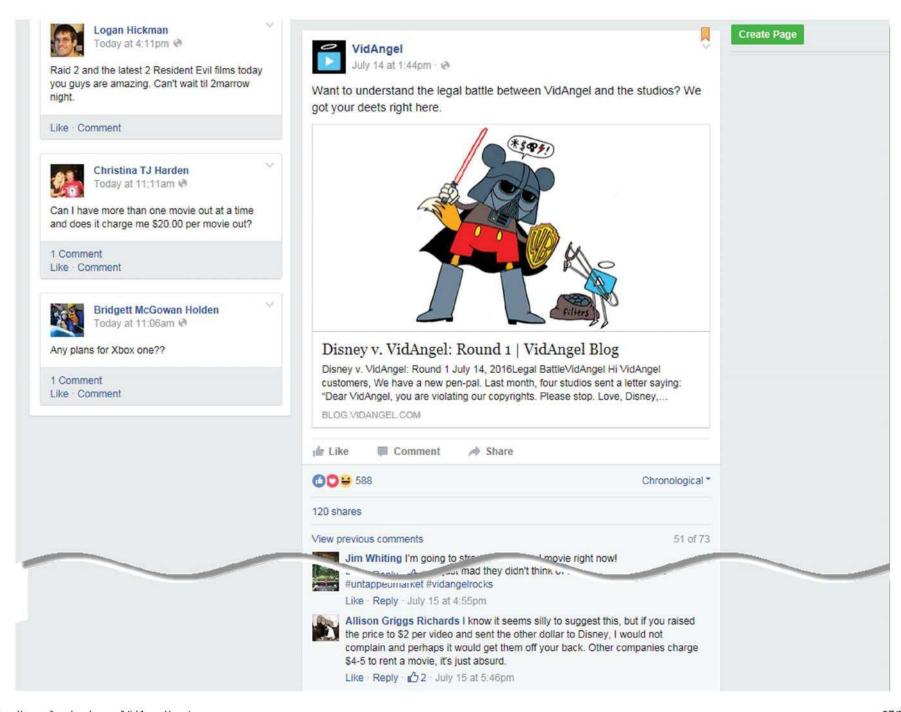


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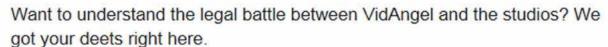






https://www.facebook.com/VidAngel/posts







## Disney v. VidAngel: Round 1 | VidAngel Blog

Disney v. VidAngel: Round 1 July 14, 2016Legal BattleVidAngel Hi VidAngel customers, We have a new pen-pal. Last month, four studios sent a letter saying: "Dear VidAngel, you are violating our copyrights. Please stop. Love, Disney,...

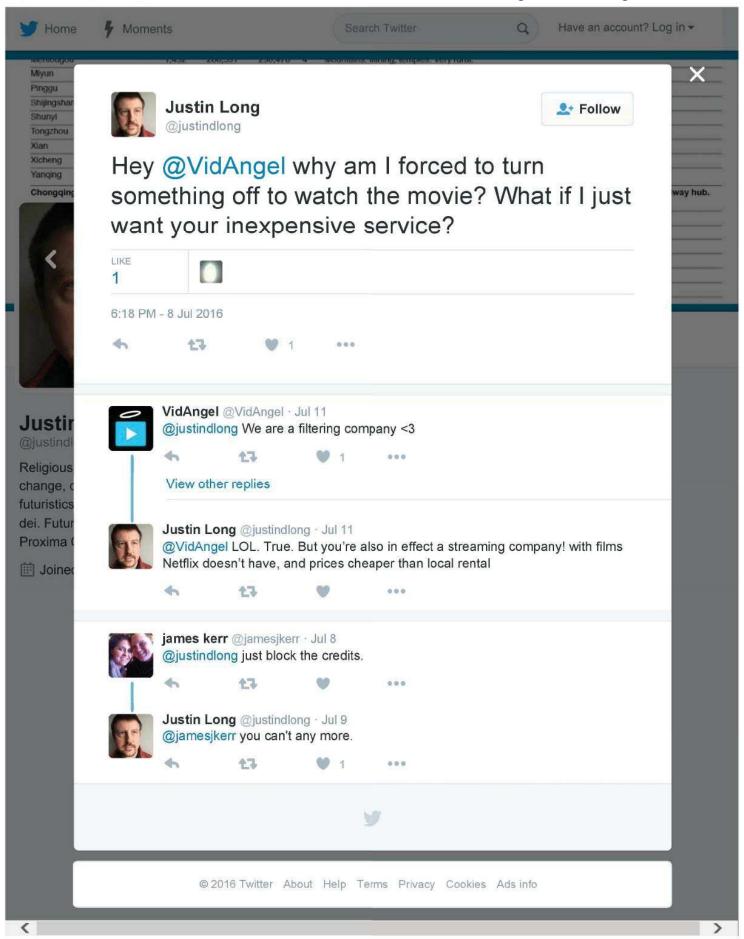
BLOG.VIDANGEL.COM



Tyson Allen We love Vidangel! We haven't been to Redbox or used any other sort of video rental since we found out about it. Even if the video doesn't necessarily need any content editing we still rent from Vidangel because it is easy to use, affordable, and we would much rather give our business to them.

Like Reply 1 July 23 at 9:32pm

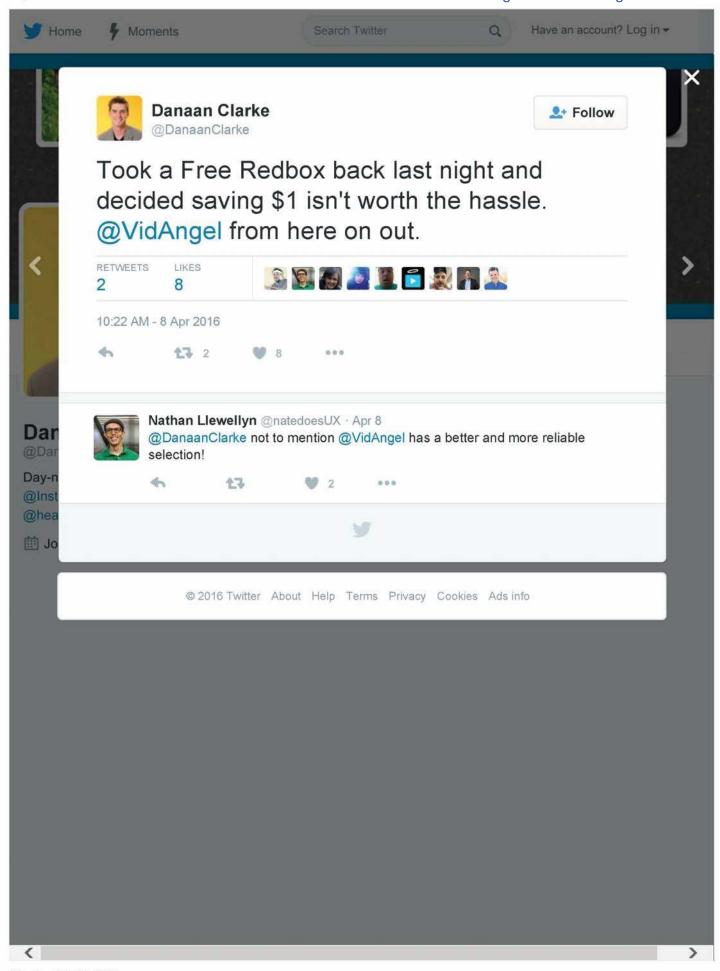
https://www.facebook.com/VidAngel/posts







https://www.facebook.com/VidAngel/posts



### Streaming 'Star Wars' cheaply via VidAngel





(Photo: Lucasfilm)

Star Wars-loving parents across America know the dilemma.

Do I cough up \$80 to buy the Star Wars DVD series — for all six previous chapters — so that the kids can be up to speed before watching Star Wars, The Force Awakens, the latest release that's breaking all kinds of boxoffice records? Even used DVDs — only for the first three chapters — are going for about \$30 on Amazon. EBay isn't much cheaper.

Netflix might be a solution. But that, too, presents obstacles. A year ago, Star Wars DVDs were like any others on Netflix. You put them on the DVD queue and they're mailed in a few days. But with the previous chapters in

hot demand, you'll likely have to stand in line. A copy of Star Wars (A New Hope), the 1977 release that started it all, required a "Very Long Wait" on Netflix as of early this week, at least here in the Washington, D.C., area.



VidAngel app (Photo: VidAngel)

VidAngel, a video-streaming service based in Utah, might be a solution for the impatient — if you're willing to go through a few extra steps.

It works like this: To circumvent any copyright issues, you sign up for an account and buy a movie — say, the original Star Wars — for \$20. You own the movie, but VidAngel streams it on its website.

Once you're done watching, you can keep it by having VidAngel send you the DVD. Or you can sell it back to VidAngel within 24 hours of viewing it for \$18 to \$19. So basically, you've just watched the HD version for \$2. (The standard definition costs \$1.)

You can ask for the \$18 balance to be refunded. Or you can — like many other VidAngel customers — choose to keep your the balance in your VidAngel account, which will then be used for future purchases. If you rent the following chapter, The Empire Strikes Back, the \$18 credit will be applied to the \$20 purchase. And rinse and repeat.

You can send the movie up to the big TV by hooking up the laptop with an HDMI cable. You can also use Google's Chromecast to stream content on the Chrome browser.

VidAngel, founded by CEO Neal Harmon and his three brothers, was started as a service for viewers who wish to watch movies with questionable and adult scenes cut out. So before starting the movie, viewers are asked to select and save their preferences on filters for that content. You can choose to eliminate profanity or sexually suggestive content, and even opening credits.

And thankfully, one of the filters also lets you blip out Jar Jar Binks scenes.

Read or Share this story: http://usat.ly/1P6JZOO

## How To Watch 'Star Wars: The Force Awakens' For \$1 On A Legitimate **Netflix Competitor**

(/users/rebecca-sheppard)

Rebecca Sheppard (/users/rebecca-sheppard), Benzinga Staff Writer

April 07, 2016 12:19pm | Comments

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#### Related DIS (/stock/DIS)

The Market In 5 Minutes: Thursday, April 7, 2016 (/news/16/04/7815050/themarket-in-5-minutes-thursdayapril-7-2016)

'Rogue One: A Star Wars Story' Trailer Is Here (/news/16/04/7814161/starswars-rogue-one-trailer-is-here)

DreamWorks Animation dreamworks-animation? source=partner\_benzinga) (Seeking Alpha)

There's a streaming service available that may be unfamiliar to the masses. It's not reached the societal consciousness the way Netflix, Inc. ▼NFLX 0.39% (http://benzinga.com/stock/nflx#NASDAQ), YouTube or Hulu have, but it deserves attention.

VidAngel ( https://www.vidangel.com) has two significant elements to its service that make it unique and worthy of a second look. For one, the business model offers movies for streaming as low as \$1 through its "buy and sell back" program. Secondly, VidAngel allows users to filter unwanted/offensive content.

(http://seekingalpha.com/article/39A66cplained by co-founder Neal Harmon (http://www.nasdaq.com/article/vidangel-streaming-service-dont-likeoffensive-content-in-movies-no-problem-cm586495) to Benzinga's Jim Probasco, "Our tagline is 'Watch movies and TV shows however the BLEEP you want."

> Related Link: 'Rogue One: A Star Wars Story' Trailer Is Here (http://www.benzinga.com/news/16/04/7814161/rogue-one-a-star-wars-story-trailer-is-here)



Harmon elaborated, "That means you can watch any movie you own on any device you want to and customized the way you want to watch it. For example, if you don't want to see Jar Jar Binks in Star Wars, you can set a filter to cut out Jar Jar Binks. If you don't want to see nudity in Game of Thrones, you can cut that out. You have the power to watch the movie however you want."

#### 'Star Wars: The Force Awakens' Now Available

The DVD and BluRay for Walt Disney Co DIS 1.12% (http://benzinga.com/stock/dis#NYSE) 's newest Star Wars episode became available for public retail on Tuesday, with the general price tag of \$19.99.

However, with VidAngel's buy and sell back program, viewers can watch the new release (https://www.vidangel.com/movie/star-wars-the-force-awakens) for as little as \$1 per night.

Unlike RedBox, where customers rent a dvd and are charged per day (which can exceed the price of the DVD), VidAngel allows customers to buy the movie up front. Harmon summarized the process, "Actually, it's the opposite of Redbox. With Redbox you rent the movie and pay for it every day. If you forget to take it back, you end up paying for and owning it."

"With VidAngel you buy the movie up front for \$20. That's because you have to own it for us to be able to filter your stream for you. After you watch it, you can keep it or you can sell it back. The sellback price is \$19 for SD and \$18 for HD. So it is essentially \$1 per night for SD and \$2 per night for HD with sellback," he explained to Probasco.



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# ArtofBeingCheap.com



(http://artofbeingcheap.com)

An instruction manual on how to save money

Vidangel: Not just for religious nuts. Cheap new movies for everyone (http://artofbeingcheap.com/vidangel/)

6th May, 2016 (http://artofbeingcheap.com/vidangel/) · Andy Prescott (http://artofbeingcheap.com/author/artofbeingcheap/) (http://artofbeingcheap.com/vidangel/#respond)



(http://shareasale.com/r.cfm?b=808463&u=1294722&m=52993&urllink=&afftrack=)

VidAngel (http://www.shareasale.com/r.cfm?

b=594840&u=1294722&m=52993&urllink=&afftrack=) (affiliate link) is a movie/ TV show streaming service that is primarily marketed towards religious nuts for its ability to edit nudity, swear words, and other ungodly things out of movies. But all you nudity loving,

frugal, Satan worshippers (and those of you who fall somewhere in between the spectrum of religious nuts and nudity loving Satan worshippers) out there need to hold on just a second because Vidangel is an unholy good deal!

## The economics of streaming video is broken

The entire video streaming industry has been broken since it was invented and VidAngel (http://www.shareasale.com/r.cfm?b=594840&u=1294722&m=52993&urllink=&afftrack=) has finally fixed it. Let's say you want to rent a movie at Redbox. All of the following things have to happen and expenses have to be incurred for you to rent a movie at Redbox:

- 1. The DVD needs to be manufactured
- 2. The DVD needs to be packaged
- 3. The DVD needs to be shipped somewhere
- 4. The DVD needs to be unpackaged
- 5. The DVD needs to be put into one of those clear plastic Redbox containers
- 6. The DVD needs to be taken to the Redbox
- 7. The Redbox machines has to be manufactured
- 8. The Redbox machine has to be taken to its retail location and installed.
- Somebody needs to fill the Redbox with all those DVDs and take out the ones nobody watches anymore
- 10. Somebody has to fix the redbox machine when it isn't working right
- 11. Redbox has to pay rent for the space it's machines take up

So all of those things have to be done and paid for and still it only costs like what \$1.25? That is incredible!

On the other hand look at streaming. All you need is a server to store the movie on and an internet connection to send the movie out over. The marginal cost of you renting one more movie over a streaming service may not be zero, but it is a number awfully close to zero.

So why the hell does it cost me \$5 to rent a movie over streaming?!? Sure you can pay a little under \$10 per month to Amazon, Netflix, or Hulu to get a relatively small selection of unlimited movies that are many years old. But, if you want to watch a recent movie you have to shell out \$5 bucks to Google Play or Amazon video. Why? It doesn't make sense! Streaming should cost a fraction of Redbox, not 5X more!

Vidangel fixes the economics of streaming video. Finally, somebody has come out with a streaming video service that makes sense. The cost is \$1 for standard definition or \$2 for high definition. That is a fair price. Sure there are a few minor but obnoxious catches, but

the bottom line is Vidangel is the best deal out there for seeing new release movies.

# Here is how Vidangel works.

First you buy the movie for \$20, then you watch it, then you sell it back to VidAngel (http://www.shareasale.com/r.cfm?b=594840&u=1294722&m=52993&urllink=&afftrack=) for \$19. I know it sounds screwy, but that is the way it works. My family watched a couple of movies this weekend to test it out, and sure enough, a credit for \$19 appeared on my account making the net price of the movie \$1. Why mess around with buying the movie then selling it back instead of just renting them? That is how they can legally do their stupid editing tricks, but we will get to that later.

In addition to movies, you can also watch TV shows. A dollar per episode of a TV show really isn't a very good deal in my book, but there are some exceptions. My wife loves watching the HBO show Game of Thrones which leads to an annual fight over whether or not we are going to be spending \$15/month on HBO for several months until this year's season of Game of Thrones is over. One dollar per episode is a whole lot cheaper than \$15 a month for HBO, so those fights have now been resolved.

# Vidangel is simple to use

VidAngel (http://www.shareasale.com/r.cfm?

b=594840&u=1294722&m=52993&urllink=&afftrack=) is as easy as it is cheap. You can watch it on the always easy to use Roku player (http://amzn.to/1Xc9KoW) (affiliate link), Amazon Fire stick (http://amzn.to/1Xc9WEM) (affiliate link) or the chromecast (http://artofbeingcheap.com/stream-tv/). I chose to watch it using my ipad and a chromecast.

First I installed the chromecast and Vidangel apps onto my Ipad. From the Vidangel app I found a movie and sent it to my chromecast so I could watch it on my living room TV. The Vidangel app was easy to navigate, and completely intuitive. I found the movie I wanted to watch, clicked just a couple of buttons to buy it, clicked a single button to watch it, then clicked a single button to sell it back to Vidangel for my \$19 credit when I was done. It just couldn't have been easier.

# The stupid editing nonsense

Even though VidAngel (http://www.shareasale.com/r.cfm?

b=594840&u=1294722&m=52993&urllink=&afftrack=) is a hell of a good deal, that isn't how it is marketed. It is marketed towards religious nuts as a service to edit out all the naughty bits of a movie or TV show. If you look at all the other reviews (besides this one) of Vidangel you find on the internet you will find an endless stream of praise about how great

it is that (insert my brand of fundamentalism here) people like me can finally watch movies without having to hear swear words or how wonderful it is that children can finally be allowed to watch movies made for adults.



(http://artofbeingcheap.com/wp-content/uploads/2016/05/vidangel.jpg)

Is this really that big of a problem? I have a couple of kids myself, and it just never occurred to me that I should be angry about this. When my kids were little, we watched family movies together. That was fine, we had a great time. Never once did I say to myself "I wish I could watch movies full of drugs, sex, and violence with my kids." Honestly, it just never occurred to me. My wife and I watched those movies later, when my kids were in bed.

Now that my kids are older we watch movies that have a little more adult themes, but this still isn't a problem. The movie industry puts the ratings of PG or PG-13 on movies to tell me how appropriate a movie is for my children and that works just fine. My kids simply don't need to watch rated R movies.

OK, enough of my ranting, back to the review. If you are the kind of person who wants to let your kid watch dirty movies with all the dirty parts cut out then VidAngel is for you. This is why you have to originally buy the movie for \$20 before selling it back for \$19. You have to actually own the movie to legally be allowed to edit it. If you were only renting the movie then it isn't yours and editing it would be a copyright violation. There you go.

So after you buy a movie you are taken to a screen where you choose which parts of the movie you want edited out. If you are not a religious nut then at this point you are probably thinking "This is easy, I will just choose not to have any parts of the movie edited out." That is what I was thinking also, but it doesn't work that way. You have to edit out at least 1 part of the movie, and Vidangel won't let you watch it until you do. Why can't you just watch the movie without editing it? Because screw you! That's why!

So you look at a list of all the parts that can potentially be cut out of the movie (You know, because a teenage girls shoulder can be seen or whatever) and look for the part that looks like it will matter the least if you cut it out.

To test things out, my wife and I watched Ted 2, a movie full of drug use and sexual innuendo just to see how things would work out. We looked at the list of things to edit out of the movie and decided to edit out the closing credits, because that seemed to be what would interfere with the movie the least.

It worked fine. We watched the whole movie except for the closing credits. We saw lots of sex jokes, drug jokes, bathroom jokes, and violence. It worked just fine. By the way, if the closing credits of Ted 2 are just great and I should go back and watch them will somebody let me know?

The editing part of Vidangel is obnoxious, but it really doesn't hurt things all that bad. Just a minor inconvience you have to pay to in order to get brand new streaming movies for \$1.

### TL/DNR

Vidangel lets you stream brand new movies or TV shows for \$1. Yay! It is also super easy to use. It has this obnoxious forced editing deal where religious nuts can take dirty parts out of a movie. No, you can't just ignore the obnoxious editing deal, you have to edit out one small part of your show. Despite the obnoxious editing deal Vidangel is still the best deal in streaming movies. You can sign up for VidAngel (http://www.shareasale.com/r.cfm? b=594840&u=1294722&m=52993&urllink=&afftrack=) (affiliate link) here.

### Hate mail

I'm pretty sure many of you religious nuts out there would love to send me some hate mail over this review. You can direct it to artofbeingcheap@gmail.com.



Posted in Around the Home (http://artofbeingcheap.com/category/home/), Cell Phones and Electronics (http://artofbeingcheap.com/category/cell-phones/) |

« Keep your air conditioner running efficiently to save money (http://artofbeingcheap.com/keep-your-air-conditioner-running-efficiently-to-save-money/)

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#### **ABOUT ME**



(http://artofbeingcheap.com/wp-

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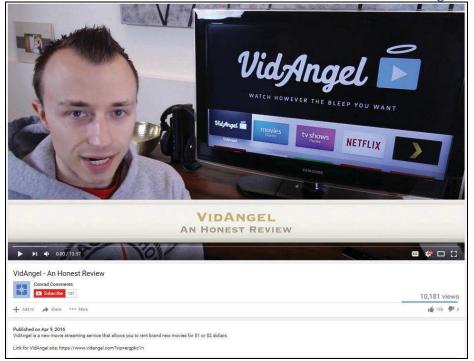
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VidAngel - An Honest Review

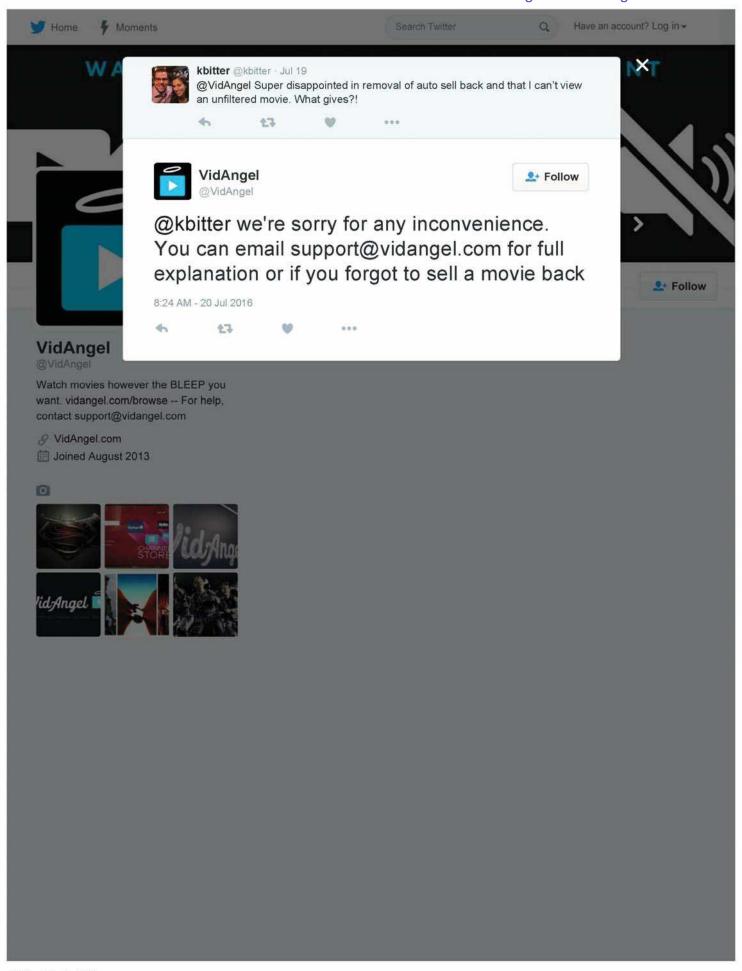
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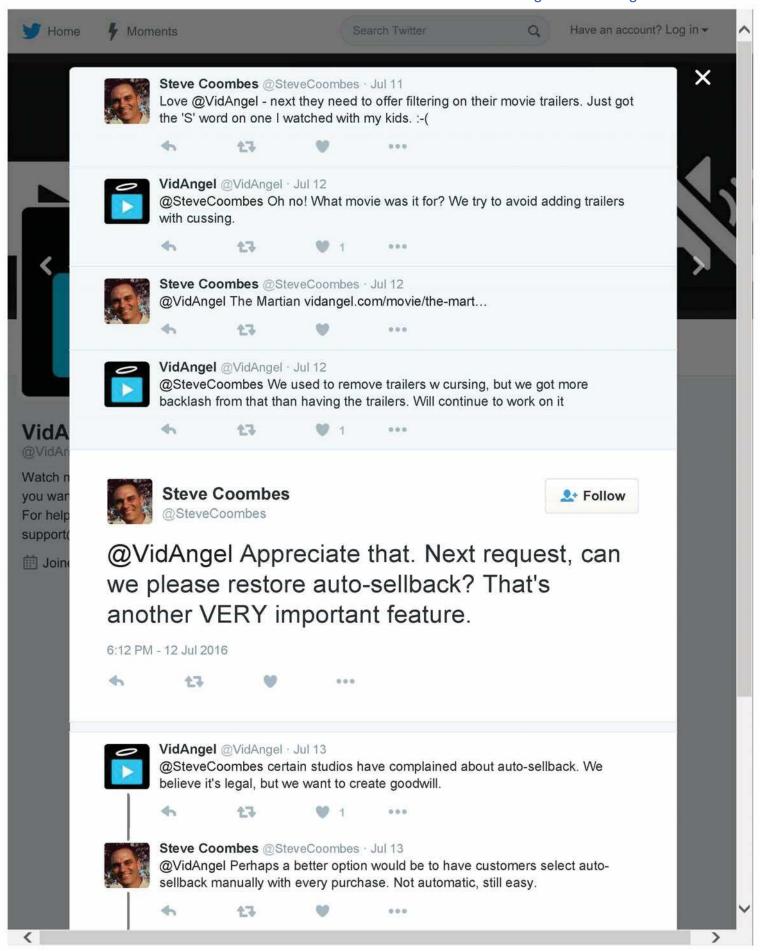
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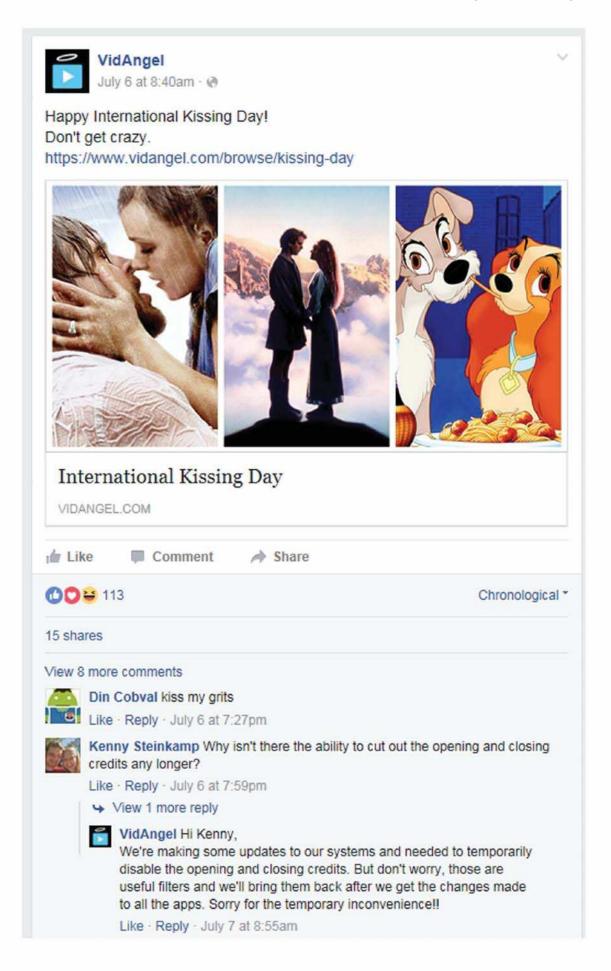
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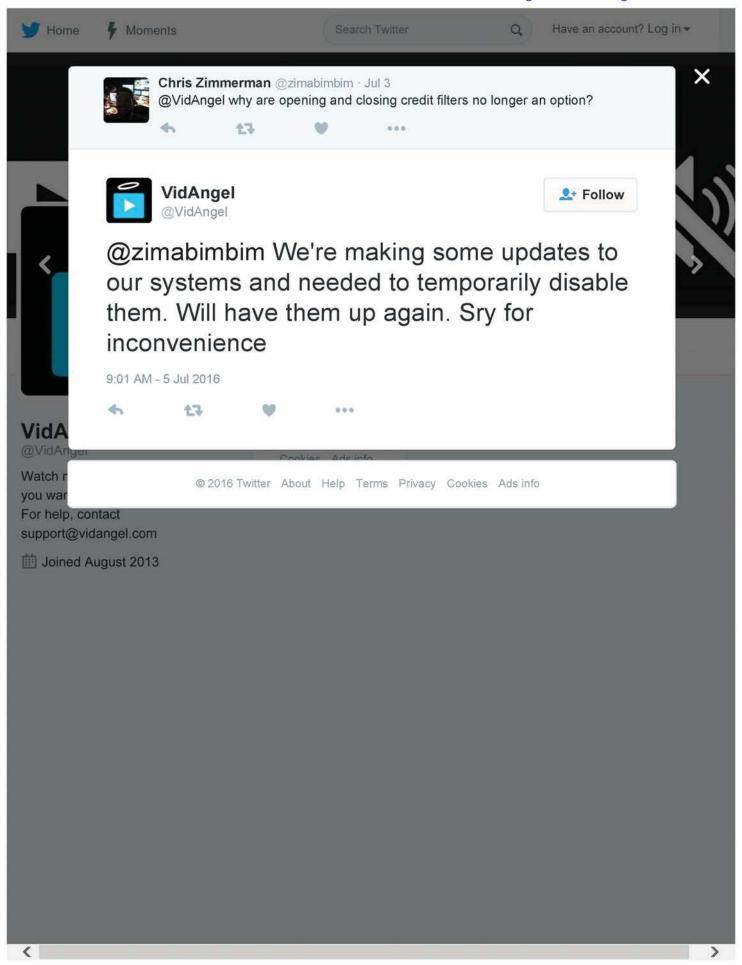
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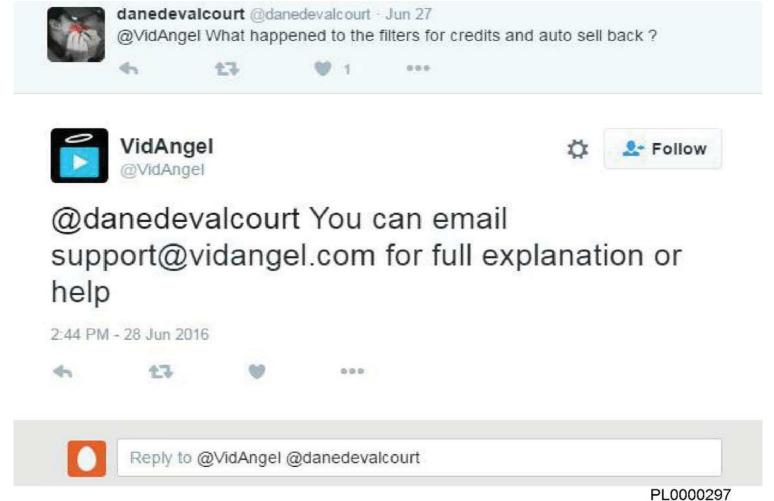
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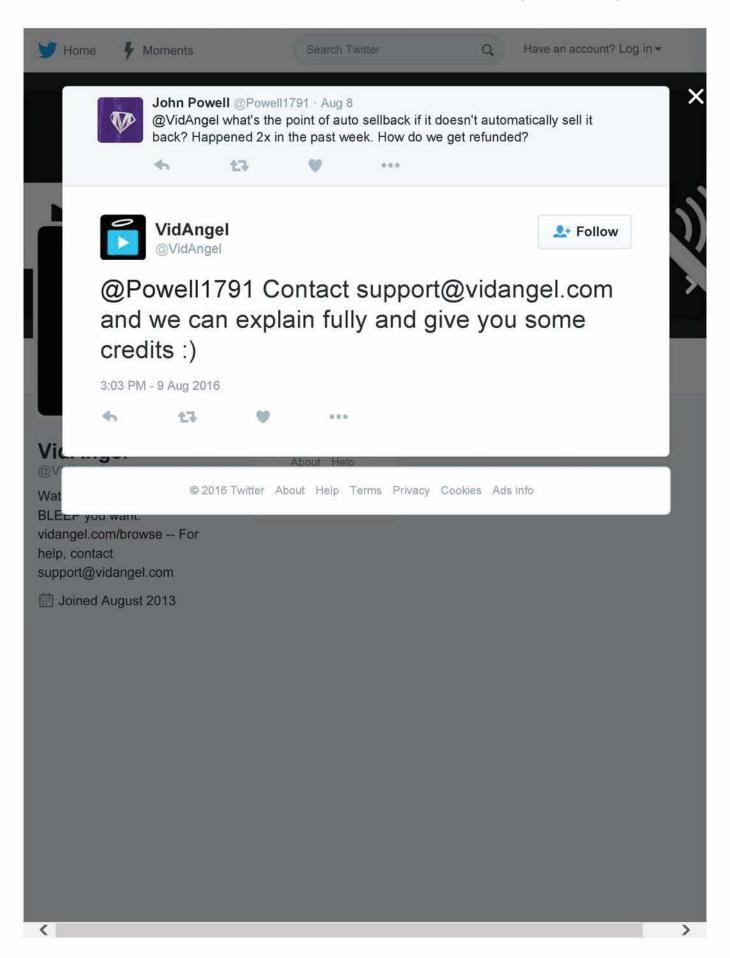
EXHIBIT K EHLER-133





https://www.facebook.com/VidAngel/reviews

07/26/2016



# EXHIBIT P



## How to watch filtered HD movies for \$2 on VidAngel + Frequently Asked Questions

□ April 26, 2015 □ How to, Platform Support □ Jeffrey Harmon

Friends have been asking a load of questions about how VidAngel sell back works. Everyone who gets it LOVES it because you can save \$200 per year compared to the old VidAngel on streaming filtered movies. But it takes a little education to understand.

For us to legally offer filtered movies, you must **own** the movie while filtering it. To make this as affordable and user-friendly as possible, we have created an instant "Sell-Back" option to buy the movie back from you and put the credit into your VidAngel account. No hassle, no fuss, just enjoy your movie, sell it back, and only pay \$2.00 for your HD movie.

We made this video that will help you learn how it works in just a minute and a half:



Quick Overview: (using a \$20 movie)

- 1. BUY THE MOVIE Pay the retail price of \$20. (initial credit card payment)
- WATCH FOR \$2.00 \$2.00 (per day for HD movies) is deducted from the \$20 credit.
   \$1.00 per day for SD or Television shows.
- 3. SELL THE MOVIE When finished, "Sell it Back" for \$18.00 of instant credit to your

VidAngel account for your next purchase.

When you're ready for the next movie, the credit already in your VidAngel account will automatically be applied to your purchase. Continue to buy and sell movies with account credit and pay only \$2.00 per HD movie. If you always buy and sellback within 24 hours, then all future credit card transactions will be the \$2.00 watch price.

#### Other Frequently Asked Questions:

#### What if I want to keep my movie?

Here's how it works for HD: Sell back the movie within 24 hours it's \$2, up to 48 hours is \$4 up to 72 hours is \$6, etc

Until you reach the purchase price. At which point you own the movie. Once you own it, it will always be in your VidAngel vault to enjoy whenever you would like. If you decide you have kept your purchased movie long enough and don't want to watch it anymore – you also have the option to sell it back in exchange for a Free Movie Night.

#### Can I ever use all my credit?

Absolutely. You can keep buying and selling movies or Television episodes. Also, if you decide to keep a movie, it will use up your credit. However, if you always sell back for credit, then you will always have more credit to use next time.

#### Why can't I just rent movies?

It is not legal for VidAngel to rent movies to you.

#### Does my Credit ever expire?

NO – Your credit never expires. You can take as long as you like to spend it, or binge watch your favorite TV show and use it all in one weekend.

#### Why don't you automatically refund my credit card?

Great Question! We have worked hard to find the best and most cost-effective option for our customers to follow the legal law of owning their movie while filtering it. Most of our customers watch a new movie every weekend. The refund process from our credit card company takes 7-10 days. Meaning, you could be spending even more than ever because you would have your original purchase pending a refund, and then a new charge for the next movie. We don't want you double charged and waiting for refunds. The refund method was simply not a practical option for 99% of our customers. Not to mention if we refunded every single transaction we ever received, our credit card company would eventually drop our account – and if that happened you couldn't enjoy your fantastic filtered movies.

#### Can I ever turn my credits back into cash?

Of course! If you decide you have finished using VidAngel you can cash-out your remaining credits. It takes 7-10 business days to receive the funds back to your card, so you don't want to choose this unless you know you're done watching movies with VidAngel. (Any taxes, gifted credit, or promotional credit are not eligible for cash-out)

If you still have questions, or want to the Long Version that includes "How To" instructions, here

you go:

#### Super Thorough step by step guide with instructions:

- 1. Find the movie you would like to watch and select it.
- Click "Buy Now" and choose to store the DVD or Blu-ray in your VidAngel Vault and continue.
- 3. Select your HD or SD option and enter your credit card information.
- 4. Voila! You can now enjoy your movie!
- Once you're finished, you can quickly sell your movie back, and we will instantly apply your movie credit to your VidAngel account.
- 6. For your convenience, there are four different ways to do this:
  - The easiest option, is to check the Auto-Sellback box when you purchase your movie. It will sell it back as soon as your movie ends, and you don't even need to lift a finger.
  - At any time during the movie you have a sell back icon in the top left corner of your movie screen.
  - 3. Once your movie ends A sell-back box pops up on your screen reminding you to sell back.
  - At any time, you can select the title in your "My Movies" dashboard to sell it back or confirm a sell-back if you are unsure: <a href="http://www.vidangel.com/myvids/">http://www.vidangel.com/myvids/</a>
  - Lastly, should you forget to sell back a movie, you will receive sell-back reminder emails from us that contain a link to sell back your purchase.
- 7. Once you have sold your movie back, you will see your VidAngel credit in your account.
- This credit will automatically apply to your next purchase, so no need to worry about forgetting to use it.
- 9. You can view all your transactions in My Purchases: http://www.vidangel.com/myvids/

We know this explanation might be a bit long winded, but we want to be sure to answer every single question you have, so you are 100% comfortable using our service.

Thank you for using VidAngel!

← VidAngel Browser Player and Chromecast Player Updated
Why did VidAngel Publish Fifty Shades of Gray, Wolf of Wall Street and Game of
Thrones? →

# 59 thoughts on "How to watch filtered HD movies for \$2 on VidAngel + Frequently Asked Questions"



May 3, 2015 at 4:09 am

I just recently discovered VidAngel and just tonight streamed my first movie. I have to say I was more than pleased. It was so nice to sit down with my family and watch a movie and not cringe every time I heard a cuss word or be embarrassed of a scene. I want to thank the "four brothers" for creating this viewing option for Christian families. I will do everything in my power to promote VidAngel to everyone I can. If there is something I can do beyond spreading the word about VidAngel, please contact me via email. I want to do what I can to support VidAngel in any way possible. Thank you again......

Reply



May 3, 2015 at 5:18 pm

Thank you so much for letting us know that you enjoy it! It means so much to us!

\_

source:va\_support\_update\_bot

Reply



May 8, 2015 at 11:42 pm

So, I'm just curious, if I ever DO want to cash in my credit for cash, how would I go about doing so? Would I just send an email to <a href="mailto:support@vidangel.com">support@vidangel.com</a>? (I don't want to turn in it for cash though, just for the record. I would just like to know for future reference).

Reply



May 9, 2015 at 3:16 am

Yes. That's how you do it until we get a self-serve system built.

0-2

source:va\_support\_update\_bot

Reply



Thompson

July 2, 2015 at 12:17 am

I have a Roku stick that I bought recently so that I could stream movies from VidAngel. I am unable to find your channel on my Roku however so I don't know what to do. I am new to Roku as well as VidAngel so I may just need a short lesson on how to find and add your channel to my Roku. Thanks

Reply



July 2, 2015 at 3:23 am

Thanks for using VidAngel. Here are the instructions for adding the Roku channel to your Roku. Please follow them exactly.

http://www.vidangel.com/roku

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source:va\_support\_update\_bot

Reply



July 2, 2015 at 4:39 pm

I was able to get the roku app up and running and made my first purchase last night. It streamed flawlessly. However, it seemed that I didn't have access to all 700+ movies in the library. I only saw what seemed like 100-

200 options. Might I be doing something wrong?

Reply



July 2, 2015 at 4:46 pm

Jason – we recently changed our service slightly, so that rather than streaming from YouTube, we are hosting all our own HD content. This is how were were able to bring you your own Roku channel. Due to the switch, a number of our movies have not yet been converted from the old version to the new HD streaming. We are working like crazy to add new movies every week, but it will take us a little bit of time to get them all converted.

source:va\_support\_update\_bot

Reply



July 5, 2015 at 4:48 pm

On your movie descriptions it would be nice to have a date that the movie was released. Also a Queue to put movies in to watch later would be nice so it would be easier to watch them later.

Reply



July 5, 2015 at 11:18 pm

On your movie descriptions it would be nice to have a date that the movie was released. Also a Queue to put movies in to watch later would be nice so it would be easier to watch them later.

source:va\_support\_update\_bot

Reply



July 5, 2015 at 11:23 pm

Dear NR – Thanks for the great suggestions. We do have a "Watch Later" queue, and we are in the process of redesigning our website so that the movies will have the date of the movie, a great description, the ability to watch the trailer, the ratings information, as well as a host of other features.

\_

source:va\_support\_update\_bot

Reply



July 6, 2015 at 4:07 am

The only watch later I saw was voting on the movie to filter, how do I put new movies on it?

- -

source:va\_support\_update\_bot

Reply



July 6, 2015 at 4:11 am

Click on a Movie Title. When the screen comes up to set your filters, there is also a Watch Later? button in the top box. It's just at the end of the first line of text.

\_

source:va\_support\_update\_bot

Reply



July 6, 2015 at 4:42 am

found it, very cool feature

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Anonymous	source:va_support_update_bot
	Reply
	July 6, 2015 at 4:42 am
	found it , very cool feature
Anonymous	source:va_support_update_bot
	□ Reply
TOTAL PROPERTY OF THE PERSON O	питрантитивантуктым гания индемпритация кападарум колтона дантина атапт
	July 6, 2015 at 6:17 am
	On billing, do you add and subtract from the card with each purchase or do you have a certain time the purchases are posted on the credit cards
Anonymous	
	 source:va_support_update_bot
	□ Reply
	□ Керіу
***************	
	July 6, 2015 at 6:18 am
	We always use your account credit first – however if you make a purchase
	that is above your credit, then yes your card would be charged at the time
Anonymous	of purchase.
	source:va_support_update_bot
	□ Reply

October 22, 2015 at 2:28 am



Would be nice if you put the release dates on the movie descriptions .

source:va\_support\_update\_bot

Reply



October 22, 2015 at 2:29 am

Great Suggestion! I'm sure we can implement that in the future.

()<del>----</del>

source:va\_support\_update\_bot

Reply



July 8, 2015 at 12:32 pm

Is there a way to download the episodes of shows I purchase? That way I don't have to always have an internet connection?

Reply



July 8, 2015 at 4:13 pm

Is there a way to download the episodes of shows I purchase? That way I don't have to always have an internet connection?

10

source:va\_support\_update\_bot

Reply

July 8, 2015 at 4:13 pm

Jarom – I just responded to your email that had this same question – but



here's the answer again, just in case: At this time, we do not have a way to allow you to legally download the content. However if you purchase the movie with us, we can always send you the physical disc instead of keeping it in our VidAngel Vault for you.

source:va\_support\_update\_bot

Reply



July 8, 2015 at 8:58 pm

And then would that disc come with the alterations done by you or would that come as it was released on tv/theaters? Thank you for answering my questions!

Jarom

On Jul 8, 2015, at 12:13 PM, VidAngel Blog <br/>
<br/>
VidAngel Blog <br/>
<br/>
VidAngel Blog <br/>
<br/>
VidAngel Blog <br/>

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source:va\_support\_update\_bot

Reply



July 8, 2015 at 8:58 pm

Jarom – we do not alter movies in any way. The disc would be the original theatrical release.

0

source:va\_support\_update\_bot

Reply



October 13, 2015 at 12:40 am

Hi, I'm new to your site. We own an ordinary tv (not Apple), we don't have tivo, roku or chromecast. How would we watch your movies? We would want

Denisi Walker to stream to our tv just like we do when watching movies rented/purchased via Amazon or using Netflix. Is this possible or would we need something extra to be able to use your service.

Thank you Denisi Walker

Reply



October 13, 2015 at 3:09 am

Hi, I'm new to your site. We own an ordinary tv (not Apple), we don't have tivo, roku or chromecast. How would we watch your movies? We would want to stream to our tv just like we do when watching movies rented/purchased via Amazon or using Netflix. Is this possible or would we need something extra to be able to use your service.

Thank you
Denisi Walker
—

source:va\_support\_update\_bot

Reply



October 13, 2015 at 4:55 pm

Hi, We stream them straight onto our tv. Thanks for that. I'll sign up and give it a go.

**Thanks** 

source:va\_support\_update\_bot

Reply



November 19, 2015 at 10:04 pm

question; I bought my first movie, watched it and sold it back and have 19 credits in my account. When I go to buy my next movie, I understand it will

tim bowers

use my 19 credits and \$1.00 more for a total of \$20.00, leaving me with \$19.00 or 19 credits each time I watch a SD movie. The only way to ever get back the credits is to either use them to buy a movie or cancel at somepoint down the road? Is that about right??

Reply



November 19, 2015 at 10:33 pm

question; I bought my first movie, watched it and sold it back and have 19 credits in my account. When I go to buy my next movie, I understand it will use my 19 credits and \$1.00 more for a total of \$20.00, leaving me with \$19.00 or 19 credits each time I watch a SD movie. The only way to ever get back the credits is to either use them to buy a movie or cancel at somepoint down the road? Is that about right??

source:va\_support\_update\_bot

Reply



November 19, 2015 at 10:36 pm

#### Tim

You are free to cash out your credits at any time. It does take 7-10 business days for the refund to show up on your card, and most people want to watch a new movie in that time. So you really wouldn't want to cash out your credits until you are done using VidAngel.

source:va\_support\_update\_bot

Reply

November 20, 2015 at 7:17 am

Thanks for the quick response. My question is this, will you always use my

http://blog.vidangel.com/2015/04/26/how-to-watch-filtered-hd-movies-for-2-on-vidangel-frequently-asked-questions/[6/13/2016 11:57:39 AM]



available credits toward my next purchase or will I build up 19 more credits for a total of 38?

Sent from my iPhon

\_

source:va\_support\_update\_bot

Reply



November 20, 2015 at 7:17 am

Tim – We always use your credit. You should never have more than \$19 at a time unless you buy multiple movies at once.

\_

source:va\_support\_update\_bot

Reply



Anthony Faber November 21, 2015 at 2:45 am

Trying to figure out how to put "credit" on my account. Can you help?

Reply



November 21, 2015 at 2:48 am

You just put in your billing information and your card is charged when you purchase a movie. You don't add credit, once you sell back your movie the remaining amount from the purchase stays on your VidAngel account as credit for future purchases.

\_

source:va\_support\_update\_bot

http://blog.vidangel.com/2015/04/26/how-to-watch-filtered-hd-movies-for-2-on-vidangel-frequently-asked-questions/[6/13/2016 11:57:39 AM]

Reply



November 21, 2015 at 5:23 am

I just signed up and am excited to begin watching VidAngel!

If i choose multiple movies right now to "watch later", when will i be charged for each movie? After choosing watch later or when the movies are actually watched?

Reply



November 21, 2015 at 5:26 am

#### Peggy

Great question! You won't be charged for a movie until you actually purchase the movie to watch. You are not charged when putting movies in your "watch later" list.

source:va\_support\_update\_bot

Reply



November 26, 2015 at 6:48 am

Is there a way to watch the movie multiple times in 24 hours and still check the box to sell back automatically? When I'm done watching the movie, it automatically sells it back, not leaving me a chance to go back and watch scenes or watch it again. If the automatic sellback could wait until my 24 hours are up, that would be helpful. Is there a way to do that?

Reply

November 26, 2015 at 6:49 am



Is there a way to watch the movie multiple times in 24 hours and still check the box to sell back automatically? When I'm done watching the movie, it automatically sells it back, not leaving me a chance to go back and watch scenes or watch it again. If the automatic sellback could wait until my 24 hours are up, that would be helpful. Is there a way to do that?

source:va\_support\_update\_bot

Reply



November 26, 2015 at 6:51 am

Mindy – at this time, there is not a way to have both auto-sellback and keep the movie for the full 24-hours. Most of our customers requested that it sold back right away, so that they could use the credits to purchase their next movie immediately.

source:va\_support\_update\_bot

Reply

Pingback: VidAngel Follow Up Part 1 . . . | I'm sozoed!



December 20, 2015 at 2:50 am

Thanks for offering this great service! I have a question: what if I already own a digital or DVD copy of a movie? Is it possible to use the filter on one of these?

Reply

http://blog.vidangel.com/2015/04/26/how-to-watch-filtered-hd-movies-for-2-on-vidangel-frequently-asked-questions/[6/13/2016 11:57:39 AM]



Neal Harmon January 2, 2016 at 12:43 am

We are working on a solution for this Vinnie. Thanks for dropping by.

Reply



sam

December 25, 2015 at 10:48 pm

Hy. I am new to VidAngel. Just signed in and bought a movie by pressing buy. But i was never asked to give in my payment methode, but i was able to watch the movie and sell it back and i got credit. Is this suposed to happen? Will i get charged later? Ty for an answer. Sam

Reply



Neal Harmon January 2, 2016 at 12:40 am

You were probably part of our Star Wars promotion that allowed you to watch your first movie free. Enjoy VidAngel. We will never charge you without you choosing to give us your payment information and explicitly making another purchase.

Reply



December 26, 2015 at 4:38 am

When you decide to keep a movie, is there an option to download the movie or is it stream only?

Reply

January 2, 2016 at 12:38 am



Neal Harmon Stream only today. We're planning to offer an option for offline viewing in the future.

Reply



December 31, 2015 at 1:26 am

So what is the exact process of getting refunded my exsisting credit back to my credit card?

Reply



December 31, 2015 at 5:33 am

So what is the exact process of getting refunded my exsisting credit back to my credit card?

source:va\_support\_update\_bot

December 31, 2015 at 5:34 am

Reply



Jason

Anonymous

If you decide you have finished using VidAngel you can cash-out your remaining credits. It takes 7-10 business days to receive the funds back to your card, so you don't want to choose this unless you know you're done watching movies with VidAngel for awhile. (Any taxes, gifted credit, or promotional credit are not eligible for cash-out) Just email us and we can do this for you.

source:va\_support\_update\_bot

Reply



March 29, 2016 at 7:50 pm

Just heard about you service today in a work meeting of all places. Excited to support your mission making movies family friendly. Question, we currently have a WiiU to stream through. Any chance you will include that platform in near future? Or do I need to go buy a Roku soon? Thanks.

CBC

Reply



Neal Harmon April 1, 2016 at 9:22 pm

The Wii is not currently in our development cycle for this year. I would get a Roku.

Reply



Sarah Badat Richardso n April 17, 2016 at 9:55 pm

Hi. I'm thinking of signing up. Just want to be clear in pricing.

1st purchase my credit card is billed 20\$.

Watch a movie

Sell it back for 19\$

End up only paying 1\$ for that movie

Next movie I buy, a new 1\$ charge will appear on my CC

The original 19\$ is like a "security deposit" that one keeps using to "buy" the movies.

I would get that back only when I "move out" i.e stop using your service.

Right?

It's like investing 19\$ To be able to rent filtered movies for 1\$ each time...

Thanks.

☐ Reply



Neal Harmon

April 30, 2016 at 10:06 pm

Pretty close to true. But the money in your account is yours. You can cash it out if you need it but most people just leave it there to watch their next movie. Simple explanation: https://www.youtube.com/watch?

v=map6EIP41bY

Reply



May 14, 2016 at 11:28 am

If I mark the box "manual sell-back" am I allowed to watch the movie multiple times within a 24 hour period before selling it back? And still only being charged for 1 day rental?

Reply



Neal Harmon

May 18, 2016 at 6:26 am

Yes. That's correct.

Reply



May 16, 2016 at 2:30 pm

I'm looking to sign up. Is VidAngel only streaming or can I download a movie, watch, then sell back? My bad internet at home is the reason for my question.

Thanks for this service! I hope I can take advantage.

Reply

A.

Neal Harmon May 18, 2016 at 6:25 am

Offline viewing is not yet available but it is something we'd like to add in the future.

Reply



June 5, 2016 at 7:48 am

So I don't know where to ask this but is there a language filter for terms of diety?

Reply



Neal Harmon June 10, 2016 at 3:53 pm

It's called Blasphemy under the default filters:

https://www.vidangel.com/filters

Reply

### Leave a Reply

Your email address will not be published. Required fields are marked \*

Comment

# **EXHIBIT S**

# **EXHIBIT V**

### **EXHIBIT W**

### **EXHIBIT X**

### **EXHIBIT Y**

### **EXHIBIT Z**

### **EXHIBIT AA**

### **EXHIBIT BB**

### **EXHIBIT DD**

### **EXHIBIT EE**

1	GLENN D. POMERANTZ (SBN 112503 glenn.pomerantz@mto.com	)
2	glenn.pomerantz@mto.com KELLY M. KLAUS (SBN 161091) kelly.klaus@mto.com	
3	ROSE LEDA EHLER (SBN 296523) rose.ehler@mto.com	
4	ALLYSON R. BENNETT (SBN 302090) allyson.bennett@mto.com	
5	MUNGER, TOLLES & OLSON LLP 355 South Grand Avenue, Thirty-Fifth Flo	oor
6 7	Los Angeles, California 90071-1560 Telephone: (213) 683-9100 Facsimile: (213) 687-3702	
8	Attorneys for Plaintiffs and Counter-Defendants	
9		
10	UNITED STATES	DISTRICT COURT
11	CENTRAL DISTRIC	CT OF CALIFORNIA
12	WESTERN	N DIVISION
13		
14	DISNEY ENTERPRISES, INC.;	Case No. 16-cv-04109-AB (PLAx)
15 16	TWENTIETH CENTURY FOX FILM CORPORATION and WARNER BROS. ENTERTAINMENT INC.,	REDACTED VERSION OF DOCUMENT PROPOSED TO BE FILED UNDER SEAL
17	Plaintiffs and Counter-	DECLARATION OF ROBERT
18	Defendants,	SCHUMANN IN SUPPORT OF PLAINTIFFS' MOTION FOR PRELIMINARY INJUNCTION
19	VS.	
20	VIDANGEL, INC.,	Judge: Hon. André Birotte Jr. Date: October 24, 2016
21	Defendant and Counter- Claimant.	Time: 10:00 a.m. Crtrm.: 4
22		Trial Date: None Set
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I	I .	

### **DECLARATION OF ROBERT SCHUMANN**

I, Robert Schumann, declare as follows:

- 1. I have been retained by Plaintiffs as an expert in this litigation. I have personal knowledge of the facts set forth herein, except as to those stated on information and belief and, as to those, I am informed and believe them to be true. If called as a witness, I could and would testify competently to the facts stated herein.
- 2. I have worked in the computer and technology industry for the past 31 years. In 1985, I received a Bachelor of Science in Computer Science from Rochester Institute of Technology. Since that time, I have worked in various facets of the computer industry, in connection with the design and development of computer software, computer networking systems, computer automation, consumer electronics, large-scale database processing, physical and electronic Audio/Video distribution systems, digital security and other content-protection systems. During this time, I have been personally involved in and overseen the development and licensing of sophisticated technical specifications including work on industry-standard specifications for digital content processing and security; the design and development of software in a variety of computer languages, including C++; the design and development of consumer electronics products and devices, including hardware DVD players, web-based services and the integration and licensing of third-party software packages, technologies and associated technical specifications.
- 3. I have seventeen issued and pending United States Patents, many of which involve digital content protection and consumer products. I was a founding member of the Digital Watermarking Alliance, an industry trade group for digital watermarking, and have spoken extensively at trade shows and other professional venues on content security.
- 4. From August of 1999 until October 2008, I was President and General Manager of Cinea, Inc. Cinea specialized in developing and operating content

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27 28 security solutions for digital content, particularly motion picture content. Among other products, Cinea developed and sold the SView DVD player for use in professional content production as well as distribution of screeners to highly controlled audiences. This was an enhanced, DVD CCA-licensed DVD player that incorporated a Cinea-proprietary content security system in addition to the Content Scramble System (CSS).

- 5. I have previously testified in three cases regarding the Content Scramble System and related technology: *Universal City Studios, Inc. v. Reimerdes*, No. 00-Civ.-0277 (LAK) (S.D.N.Y. 2000), 321 Studios, Inc. v. Metro Goldwyn Mayer Studios, Inc., No. C-02-1995-SI (N.D. Cal. 2004) and RealNetworks, Inc. v. DVD Copy Control Association, Inc.,641 F. Supp. 2d 913 (N.D. Cal. 2009). I also testified in an arbitration as an expert on the online video industry on behalf of NBCUniversal and Hulu. Attached as Exhibit A is a copy of my resume.
- 6. The following analysis is based upon my professional experience with CSS, AACS and BD+, as well as my usage and testing of the VidAngel service. I have also reviewed associated design and development documents, VidAngel's Answer and Counter Complaint, and the deposition testimony of Neal Harmon. I have also reviewed the other documents identified in Exhibit B as well as any other documents referenced in this Declaration.

### **The VidAngel Service**

7. VidAngel is an online streaming service that allows customers to watch film and television content via the Internet on a variety of devices, including personal computers, iPads, mobile phones, and on their television through a device like Apple TV, Roku, or Google Chromecast. It also requires users to set at least one filter. The filters have the effect of muting audio content or skipping audiovisual content in categories specified by VidAngel and selected by the users. Based on my own investigation of the VidAngel service, documents provided by

content into many short media segments, with each segment generally lasting
between two and ten seconds and downloaded by the user's device individually. At
the beginning of an HLS streaming session, the user's device downloads an index
file, which provides the device a list of segment files that the device can then request

and play in order to watch the content.

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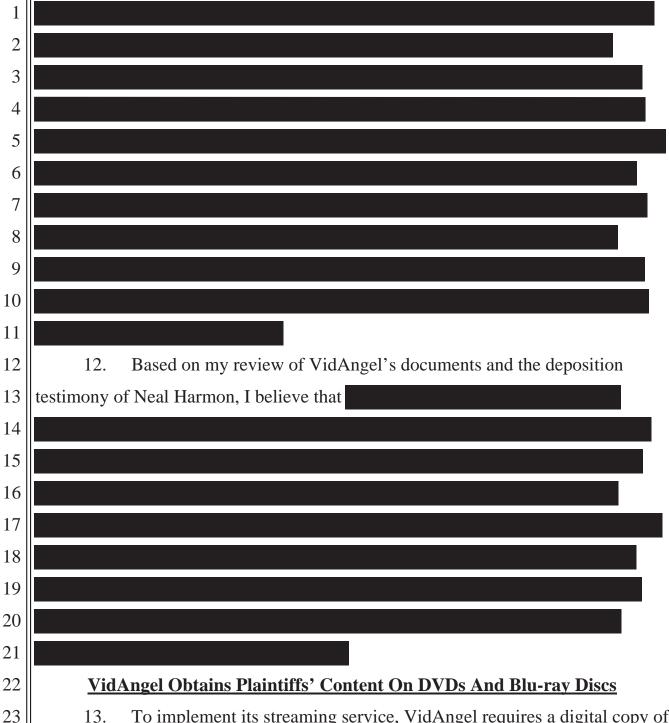
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14	and play in order to water the content.
13	9. VidAngel's filtering technology allows it to
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17	Until the lawsuit was filed, one category of filterable content
18	that VidAngel offered was skipping the opening or closing credits.
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20	10. When a user streams a movie or television show from VidAngel, the
21	filtering technology
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	-4- DECLARATION OF ROBERT SCHUMA



13. To implement its streaming service, VidAngel requires a digital copy of Plaintiffs' films and television content. To acquire the digital version of a particular piece of content VidAngel purchases copies of Plaintiffs' movies and television shows on DVDs and Blu-ray discs, circumvents the digital content protection associated with the Blu-ray and DVD content and then copies that content onto its

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27 28 servers. This process of removing content protection then copying the unprotected content is popularly referred to as "ripping."

- A DVD, or "Digital Versatile Disc," is a high capacity digital storage medium, which can store data such as personal files, emails, etc. Depending on its configuration, a DVD can store up to a maximum of 18 gigabytes of data. By comparison, a typical audio CD will store about 700 megabytes of data. Since one gigabyte equals 1024 megabytes, a 9 gigabyte DVD holds many times more—more than 12 times more—data than a 700 megabyte CD.
- 15. DVDs' large capacities allow them to store motion pictures (movies). DVDs used to store motion pictures will most often hold approximately 9 gigabytes of data. Content on DVDs is stored in a Standard Definition format. This format is a relatively low-resolution format (640x480 pixels per frame) and thus provides a good picture but not a modern High Definition image.
- Blu-ray discs are a newer high capacity storage medium. The term "blu-ray" refers to the blue laser that is used to read the disc. Blu-ray discs can store even more data than DVDs. A Blu-ray disc can store a maximum of 128 gigabytes of data, and, when used for motion pictures, will most commonly hold about 50 gigabytes—more than five times the storage capacity of the typical DVD. Content on Blu-ray discs is encoded in a high definition format, typically 1080P, which represents an image of 1920x1280 pixels per frame. Blu-ray discs have a significantly higher image quality than DVD discs due to their denser pixel count.
- Subject to the security and encryption restrictions discussed below, both DVDs and Blu-ray discs are viewable either on a television (using a standalone DVD player or Blu-ray player) or on a computer with a DVD or Blu-ray drive and specialized playback software.
- 18. DVDs and Blu-ray discs offer many advantages over VHS cassettes, including a much better viewing experience, but they also make a more attractive target for individuals to copy their content without authorization. When one copies

the contents from a VHS tape, the quality of the copy is less than that of the original. The same is not true for digital formats like DVDs and Blu-ray discs. For those formats, the copy and the original are of the same quality. Further, digital copies are much easier to distribute than analog copies. Accordingly, a movie that has been copied can easily be uploaded online and distributed around the world. There are, therefore, security measures that can be used for both DVDs and Blu-ray discs to protect their contents.

19. Based on my review of VidAngel's documents, my own review of the VidAngel service, and the deposition testimony of Neal Harmon, I believe that VidAngel almost always uses as the source of the digital copies rather than This allows VidAngel to make higher quality copies of the movies and television shows. VidAngel will use as the source for their ripped content only when are unavailable

See Ex. D.

### **CSS Is An Effective Access-Control System For DVDs**

20. Plaintiffs in this case use the Content Scramble System ("CSS") in order to protect their copyrighted works on DVDs. CSS is a digital rights management system that prevents access to—but not viewing of—digital copies of works stored on DVDs in order to prevent effective copying. Both DVD player manufacturers and DVD content distributors can obtained authorization to use CSS only through a license from the DVD Copy Control Association ("DVD CCA"). A license allows a DVD player manufacturer to obtain the necessary requirements and specifications for building a CSS-compliant DVD player (i.e., one that is capable of lawfully accessing and playing a DVD that is protected by CSS) and for obtaining access to the necessary "keys" that enable the content on a CSS-protected DVD to be lawfully unscrambled.

- 21. CSS uses several layers of different types of protection mechanisms, including authentication, encryption, secure storage of encryption keys, timevariable session keys, and other technological measures. CSS works slightly differently depending on whether the user is using a computer or a standalone DVD player to access a DVD disc. Because I understand VidAngel to use a computer to circumvent CSS protections from DVDs, this declaration focuses on the aspects of CSS that control access to CSS-protected content with computers.
- 22. CSS has control measures that operate across three different mediums: the DVD disc itself, software players (players that are implemented primarily as software on computer systems) and the DVD drive (an optical DVD Disc reader that is capable of operating as an internal or peripheral component of a personal computer or other computing device). First, the data on the DVD disc is encrypted, with decryption "keys" stored in areas of the disc that are inaccessible without software that implements CSS. Second, the DVD drive provides an additional layer of protection. It requires authentication, which requires that receiving software programs are trustworthy, and uses other methods of encryption before it will transmit certain types of information from the disc.
- 23. For example, CSS provides for a "locking" mechanism, whereby a computer's DVD Drive will not allow access to CSS-protected content on a DVD disc unless and until the DVD Drive has confirmed that the software seeking access is an authentic CSS-compliant DVD player that can be trusted. If the DVD player software is unable to provide this authentication, indicating to the DVD drive that it is "safe" to release the DVD data, then the protected contents of the DVD will remain "locked" in the DVD drive.
- 24. CSS also utilizes encryption. Encryption selectively scrambles the video stream. Only devices that have access to the "decryption keys" can descramble the data. This encryption provides an additional layer of copy- and access-protection to the protection provided by the "locking" mechanism. Thus,

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even if one were able to defeat the "locking" mechanism and gain unauthorized access to the protected files on the DVD disc, the data would be scrambled and thus neither viewable nor playable.

- 25. In addition to encryption, CSS utilizes an "authentication" mechanism, which requires that an authorized player engage in a bi-directional dialogue with the DVD Drive before playing back the video content of a DVD disc. This authentication mechanism further ensures that the DVD content cannot be played back unless such authentication with the DVD Drive is successful. Authentication with the DVD Drive will fail if the DVD being played is not in the DVD Drive.
- 26. Notably, the process described above allows a licensed-DVD player to enable the viewing of an authorized DVD's contents. The DVD CCA license prohibits DVD players from copying, or enabling the copying of, the content on a CSS-protected DVD.

#### AACS And BD+ Are Effective Access-Control Systems For Blu-ray Discs

- In order to protect the copyrighted content on Blu-ray discs, all Plaintiffs use the Advanced Access Content System ("AACS"), and Twentieth Century Fox Film Corporation ("Fox") additionally uses BD+ protection for content on Fox's Blu-ray discs. Like CSS, both AACS and BD+ effectively prevent access to the digital content on Blu-ray discs, while still allowing the viewing of that content through the use of licensed Blu-ray players. Also similar to CSS, Blu-ray player manufacturers and Blu-ray content distributors can obtain authorization to use AACS and BD+ only through the authorized licensing organization.
- 28. Like CSS, AACS uses a combination of encryption and authentication to protect the content on Blu-ray discs. The content on a Blu-ray disc is encrypted. It can be decrypted only by using certain "keys," called "Title Keys." Each Title Key is also encrypted, using a different key generated from the "Media Key" (which is necessary to decrypt the encrypted Title Key) stored on the Blu-ray disc, along with the encrypted Title Key. The place where the Media Key is stored is called the

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"Media Key Block." In addition to storing Keys, the Media Key Block also provides a mechanism whereby certain Blu-ray players can be prevented from being able to play back content if the players become compromised.

- The Blu-ray disc also contains a Volume ID, which is an identifier 29. stored on the disc.
- 30. In order to play content protected by AACS, licensed Blu-ray players contain several "Device Keys" that allow the players to decrypt the content on the Blu-ray disc. First, the Blu-ray player must decrypt the Media Key Block, which provides the player with the Media Key. Second, the player must obtain the Volume ID, which requires the player to have the correct certificate from the licensing body that develops and licenses AACS (the Advanced Access Content System Licensing Administrator ("AACS LA")). Only by using both the Volume ID and the Media Key can the player decrypt the Title Key, which is, in turn, used to decrypt the encrypted content on the Blu-ray disc.
- In the absence of the appropriate keys and certificate, even if one were able to copy the contents off a Blu-ray disc onto another storage device, the content would still be encrypted. Thus, the content would be neither viewable nor playable. Nor would a user be able to manipulate this encrypted content, such as by editing the content or changing the files from one format to another.
- BD+ is a second, optional, layer of protection that can be used on top of 32. AACS. BD+ is a protection system that is implemented through the use of security programs that are specific to a particular movie title (or a particular version of that movie title) that are included on the Blu-ray disc. Those programs are then read and executed by a special BD+ software module, known as a "virtual machine," that is included in licensed Blu-ray players. When executed by the Virtual Machine, the BD+ security programs can perform various functions, including determining whether the Blu-ray player has been compromised.

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33. In addition, when a disc is protected by BD+, the files on the disc can be scrambled in a way that is specific to the relevant title. The BD+ virtual machine then obtains the title-specific code from the disc as well as a "fix-up" table that allows the virtual machine to descramble the scrambled content. In the absence of a licensed Blu-ray player, the content would remain scrambled and could not be viewed or played.

A key feature of both the AACS and BD+ protection systems is the ability to dynamically change, over time, components of the system and thus allow content owners to continually update their security protocols. Thus, entities that seek to illegally remove AACS and/or BD+ protections from Blu-ray discs can do so only if they are also able to continually update their software.

### VidAngel Removes The Encryption From CSS-Protected DVDs And BD+ And **AACS-Protected Blu-ray Discs And Copies The Unencrypted Contents To Its Internal Computer System**

- 35. As noted above, in order to obtain digital copies of Plaintiffs' content, VidAngel must copy that content off of DVDs and Blu-ray discs. VidAngel does so as follows:
  - 36. Regardless of whether VidAngel uses DVDs or Blu-ray discs,
- . In the ordinary course, however, those files would remain encrypted by CSS, AACS and/or BD+. Accordingly, even if VidAngel could copy the files, it could not view them, play them, or manipulate them. VidAngel admits that it uses a product called AnyDVD HD to remove CSS protection from DVDs and AACS and BD+ protection from Blu-ray discs.
- 37. VidAngel places the disc, whether it be a Blu-ray disc or a DVD AnyDVD HD then runs in the background, circumventing the encryption from the DVD or Blu-ray disc.

1	software, AnyDVD HD, to remove the encryption from DVDs and Blu-ray discs to
2	make a usable copy of the digital content on the discs.
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DECLARATION OF ROBERT SCHUMANN

**SER1223** 

# **EXHIBIT C**

### **CERTIFICATION OF SERVICE**

I hereby certify that I electronically filed the foregoing **APPELLEES' SUPPLEMENTAL EXCERPTS OF RECORD VOLUME 2 (Pages SER 1078-SER 1224)** with the Clerk of the Court for the United States Court of Appeals for the Ninth Circuit by using the appellate CM/ECF system on February 8, 2017.

I certify that all the participants in the case are registered CM/ECF users and that service will be accomplished by the appellate CM/ECF system.

DATED: February 8, 2017 <u>s/ Donald B. Verrilli, Jr.</u>

DONALD B. VERRILLI, JR.