## EXHIBIT E

FORM OF LETTER TO VOTING CLASSES





Movie Gallery, Inc. and its subsidiaries (collectively, the "Debtors") have filed (a) the Disclosure Statement for the Second Amended Joint Plan of Movie Gallery, Inc. and Its Debtor Subsidiaries Under Chapter 11 of the Bankruptcy Code (the "Disclosure Statement") and (b) the Second Amended Joint Plan of Movie Gallery, Inc. and Its Debtor Subsidiaries Under Chapter 11 of the Bankruptcy Code (as it may be amended from time to time, the "Plan") with the Bankruptcy Court. On December 21, 2007 the Debtors filed the Motion of the Debtors for an Order Approving the Debtors' Disclosure Statement and Relief Related Thereto (the "Motion").<sup>1</sup> On February 5, 2008, the Bankruptcy Court entered the Order Approving the Disclosure Statement and Relief Related Thereto, which, among other things, approved certain procedures with respect to the solicitation of votes to accept or reject the Plan (the "Solicitation Procedures").

## You have received this letter and the enclosed materials because you are entitled to vote on the Plan.

The enclosed materials constitute the Debtors' "Solicitation Package" and consist of the following:

- (a) this cover letter: (i) describing the contents of the Solicitation Package and instructions on how paper copies of any materials that may be provided in CD-ROM format can be obtained at no charge; (ii) explaining that the Plan Supplement will be filed on or before five business days before the Confirmation Hearing; and (iii) urging the Holders in each of the Voting Classes to vote to accept the Plan;
- (b) if applicable, a letter from the Debtors' significant constituents urging the Holders in each of the Voting Classes to vote to accept the Plan, and otherwise support the Plan and all transactions contemplated thereby;
- (c) the Disclosure Statement Order (with the Solicitation Procedures, attached thereto as <u>Exhibit 1</u>);
- (d) an appropriate form of Ballot and/or Master Ballot and Ballot Instructions with respect thereto, if applicable (with a pre-addressed, postage prepaid return envelope);

<sup>&</sup>lt;sup>1</sup> Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Motion and Disclosure Statement, as applicable.

- (e) the Confirmation Hearing Notice;
- (f) the approved form of the Disclosure Statement (together with the Plan, which is <u>Exhibit A</u> thereto) in either paper or CD-ROM format;
- (g) the Release Opt-Out Form, pursuant to which Holders of Claims in Voting Classes who did not vote to accept or reject the Plan may elect to opt out of the Third Party Release; and
- (h) such other materials as the Bankruptcy Court orders to be made available.

The Board of Directors of Movie Gallery, Inc., the ultimate parent company to each of Hollywood Entertainment Corporation, M.G. Digital, LLC, M.G.A. Realty I, LLC, MG Automation LLC and Movie Gallery US, LLC, each of which is a Debtor in these Chapter 11 Cases, has approved the filing and solicitation of the Plan. The Debtors believe that the acceptance of the Plan is in the best interests of the Holders of Claims against each of the Debtors. Moreover, the Debtors believe that any alternative other than Confirmation of the Plan could result in extensive delays and increased administrative expenses, thereby resulting in smaller distributions or no distributions on account of Claims.

## THE DEBTORS THEREFORE RECOMMEND THAT ALL ENTITIES ENTITLED TO VOTE SUBMIT A TIMELY BALLOT VOTING TO ACCEPT THE PLAN.

The materials in the Solicitation Package are intended to be self-explanatory. If you have any questions, however, please feel free to contact the Debtors' Voting and Claims Agent, Kurtzman Carson Consultants LLC, by (a) writing to Movie Gallery Balloting Center, c/o Kurtzman Carson Consultants LLC, 2335 Alaska Avenue, El Segundo, California 90245, (b) calling (888) 647-1730, (c) emailing moviegalleryinfo@kccllc.com or (d) visiting the Voting and Claims Agent's website at http://www.kccllc.net/moviegallery. If you are a Holder of Claims on account of publicly-traded securities, you may also contact the Debtors' Securities Voting Agent, Financial Balloting Group, LLC, by (a) writing Movie Gallery, Inc., c/o Financial Balloting Group, LLC, 757 Third Avenue, 3rd Floor, New York, New York 10017, Attention: Ballot Processing Center or (b) calling (866) 910-8392.