

Richard M. Cieri (NY 4207122)  
KIRKLAND & ELLIS LLP  
Citigroup Center  
153 East 53rd Street  
New York, New York 10022-4611  
Telephone: (212) 446-4800

and

Anup Sathy, P.C. (IL 6230191)  
Marc J. Carmel (IL 6272032)  
KIRKLAND & ELLIS LLP  
200 East Randolph Drive  
Chicago, Illinois 60601-6636  
Telephone: (312) 861-2000

Co-Counsel to the Debtors

Michael A. Condyles (VA 27807)  
Peter J. Barrett (VA 46179)  
Ronald A. Page, Jr. (VA 71343)  
KUTAK ROCK LLP  
Bank of America Center  
1111 East Main Street, Suite 800  
Richmond, Virginia 23219-3500  
Telephone: (804) 644-1700

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF VIRGINIA  
RICHMOND DIVISION**

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In re:	)	Case No. 07-33849
	)	Jointly Administered
MOVIE GALLERY, INC., et al., <sup>1</sup>	)	Chapter 11
	)	Hon. Douglas O. Tice, Jr.
Debtors.	)	

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**NOTICE OF PLAN SUPPLEMENT:  
SUPPLEMENTAL LIST OF RETAINED CAUSES OF ACTION**

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**PLEASE TAKE NOTICE THAT** the above-captioned debtors (collectively, the “Debtors”) have filed with the Court the non-exhaustive list of retained Causes of Action [Docket No. 2130],<sup>2</sup> which includes: (a) claims related to contracts and leases; (b) claims related to insurance policies; (c) claims related to deposits, adequate assurance postings and other

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<sup>1</sup> The Debtors in these proceedings are: Movie Gallery, Inc.; Hollywood Entertainment Corporation; M.G. Digital, LLC; M.G.A. Realty I, LLC; MG Automation LLC; and Movie Gallery US, LLC.

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Second Amended Joint Plan of Reorganization of Movie Gallery, Inc. and Its Debtor Subsidiaries under Chapter 11 of the Bankruptcy Code with Technical Modifications [Docket No. 2188].



collateral postings; (d) potential actions under chapter 5 of the Bankruptcy Code or applicable state law; (e) claims, defenses, cross-claims and counter-claims related to litigation and possible litigation; (f) claims related to accounts receivable; and (g) claims related to customer obligations. The Debtors hereby supplement the list of retained Causes of Action by adding the following claims listed on Exhibit 1H attached hereto. Exhibit 1H is subject to the information provided on Exhibit 1 attached hereto.

Richmond, Virginia  
Dated: May 16, 2008

/s/ Michael A. Condyles  
Richard M. Cieri (NY 4207122)  
KIRKLAND & ELLIS LLP  
Citigroup Center  
153 East 53rd Street  
New York, New York 10022-4611  
Telephone: (212) 446-4800  
Facsimile: (212) 446-4900  
and

Anup Sathy, P.C. (IL 6230191)  
Marc J. Carmel (IL 6272032)  
KIRKLAND & ELLIS LLP  
200 East Randolph Drive  
Chicago, Illinois 60601-6636  
Telephone: (312) 861-2000  
Facsimile: (312) 861-2200  
and

Michael A. Condyles (VA 27807)  
Peter J. Barrett (VA 46179)  
Ronald A. Page, Jr. (VA 71343)  
KUTAK ROCK LLP  
Bank of America Center  
1111 East Main Street, Suite 800  
Richmond, Virginia 23219-3500  
Telephone: (804) 644-1700  
Facsimile: (804) 783-6192  
Co-Counsel to the Debtors

## EXHIBIT 1

### Retained Causes of Action

Article X.F. of the Second Amended Joint Plan of Reorganization of Movie Gallery, Inc. and Its Debtor Subsidiaries Under Chapter 11 of the Bankruptcy Code with Technical Modifications dated April 9, 2008 [Docket No. 2188] (the “Plan”) provides as follows:

Except as otherwise provided in the Plan or Confirmation Order and except as provided in the Litigation Trust Agreement, after the Effective Date, the Reorganized Debtors shall retain all rights to commence, pursue, litigate or settle, as appropriate, any and all Causes of Actions, whether existing as of the Commencement Date or thereafter arising, in any court or other tribunal including, without limitation, in an adversary proceeding Filed in one or more of the Chapter 11 Cases.

Unless a claim or Cause of Action against a Holder of a Claim or an Equity Interest or other Entity is expressly waived, relinquished, released, compromised or settled in the Plan or any Final Order (including, without limitation, the Confirmation Order), the Debtors expressly reserve such claim or Cause of Action for later adjudication by the Debtors, the Reorganized Debtors or the Litigation Trust (including, without limitation, claims and Causes of Action not specifically identified or of which the Debtors may presently be unaware or which may arise or exist by reason of additional facts or circumstances unknown to the Debtors at this time or facts or circumstances that may change or be different from those the Debtors now believe to exist) and, therefore, no preclusion doctrine, including, without limitation, the doctrines of *res judicata*, collateral estoppel, issue preclusion, claim preclusion, waiver, estoppel (judicial, equitable or otherwise) or laches shall apply to such claims or Causes of Action upon or after the Confirmation or Consummation of the Plan based on the Disclosure Statement, the Plan or the Confirmation Order, except where such claims or Causes of Action have been expressly released in the Plan (including, without limitation, and for the avoidance of doubt, the Debtor Release contained in Article X.B. hereof) or any other Final Order (including, without limitation, the Confirmation Order). In addition, the Debtors, the Reorganized Debtors and the Litigation Trust expressly reserve the right to pursue or adopt any claims alleged in any lawsuit in which the Debtors are a plaintiff, defendant or an interested party, against any Entity, including, without limitation, the plaintiffs or co-defendants in such lawsuits.

Notwithstanding and without limiting the generality of Article X.F. of the Plan, Exhibit 1H includes specific types of Causes of Actions expressly preserved by the Debtors and the Reorganized Debtors.

**EXHIBIT 1H:**

Claims, Defenses, Cross-Claims and Counter-Claims Related To Non-Released Parties

The following Exhibit 1H includes Entities that are Non-Released Parties [Docket No. 2164]. The Debtors expressly reserve all Causes of Action against or related to all Non-Released Parties.

1. Boards, Inc. and any Affiliates thereof.
2. Boards Video Company, LLC and any Affiliates thereof.
3. Mark J. Wattles and any relative (as defined in section 101(45) of the Bankruptcy Code) thereof.