

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

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

**DECLARATION OF INTENT TO SELL,  
TRADE OR OTHERWISE TRANSFER COMMON STOCK**

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PLEASE TAKE NOTICE that \_\_\_\_\_ hereby provides notice of its intention to sell, trade or otherwise transfer shares of the common stock of Movie Gallery or of any beneficial interest therein (the common stock of Movie Gallery and any beneficial interest therein, including Options (as defined in the Interim Order) to acquire such stock, the “Common Stock”) (the “Proposed Transfer”).

PLEASE TAKE FURTHER NOTICE that, if applicable, on \_\_\_\_\_, \_\_, \_\_\_\_\_ filed a Declaration of Status as a Substantial Shareholder<sup>2</sup> with the United States Bankruptcy Court for the Eastern District of Virginia (the “Bankruptcy Court”) and served copies thereof as set forth therein.

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<sup>1</sup> The Debtors in the cases include: 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> For purposes of this Declaration: (a) a “Substantial Shareholder” is any entity (as defined by section 101(15) of the Bankruptcy Code, 11 U.S.C. §§ 101-1532) that has Beneficial Ownership of at least 1,500,000 shares of Common Stock (as defined herein); (b) “Beneficial Ownership” of Common Stock includes direct and indirect ownership (*i.e.*, a holding company would be considered to beneficially own all shares owned or acquired by its subsidiaries), ownership by such holder’s family members and persons acting in concert with such holder to make a coordinated acquisition of stock and ownership of shares that such holder has an option to acquire; and (c) an “Option” to acquire stock includes any contingent purchase, warrant, convertible debt, put, stock subject to risk of forfeiture, contract to acquire stock or similar interest, regardless of whether it is contingent or otherwise not currently exercisable.



PLEASE TAKE FURTHER NOTICE that \_\_\_\_\_ currently has Beneficial Ownership of \_\_\_\_\_ shares of Common Stock.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Proposed Transfer, \_\_\_\_\_ proposes to sell, trade, or otherwise transfer \_\_\_\_\_ shares of Common Stock or an Option with respect to \_\_\_\_\_ shares of Common Stock. If the Proposed Transfer is permitted to occur, \_\_\_\_\_ will have Beneficial Ownership of \_\_\_\_\_ shares of Common Stock after the transfer becomes effective.

PLEASE TAKE FURTHER NOTICE that the last four digits of the taxpayer identification number of \_\_\_\_\_ are \_\_\_\_\_.

PLEASE TAKE FURTHER NOTICE that, pursuant to that certain Order Establishing Notification and Hearing Procedures for Transfers of Certain Common Stock, this Declaration is being (a) filed with the United States Bankruptcy Court for the Eastern District of Virginia, and (b) served on: (i) the Debtors, Movie Gallery, Inc., 900 West Main Street, Dothan, Alabama 36301, Attn: S. Page Todd; (ii) counsel to the Debtors, Kirkland & Ellis LLP, 200 East Randolph Drive, Chicago, Illinois 60601, Attn: Anup Sathy, P.C. and Marc J. Carmel and Kutak Rock LLP, Bank of America Center, 1111 East Main Street, Suite 800, Richmond, Virginia 23219, Attn: Michael A. Condyles and Peter J. Barrett; (iii) the Office of the United States Trustee, 600 East Main Street, Suite 301, Richmond, Virginia 23219; (iv) counsel to any statutory committee appointed in these chapter 11 cases; (v) counsel to the agents for the DIP Lenders and first lien lenders, Skadden Arps Slate Meagher & Flom LLP, Four Times Square, New York, New York 10036, Attn: Jay M. Goffman; and (vi) counsel to the agent for the second lien lenders, Milbank,

Tweed, Hadley & McCloy LLP, One Chase Manhattan Plaza, New York, New York 10005,  
Attn: Matthew S. Barr.

PLEASE TAKE FURTHER NOTICE that the Debtors have 30 calendar days after receipt of this Declaration to object to the Proposed Transfer described herein. If the Debtors file an objection, such Proposed Transfer will not be effective unless such objection is withdrawn by the Debtors or such action is approved by a final order of the Bankruptcy Court that becomes nonappealable. If the Debtors do not object within such 30-day period, then after expiration of such period the Proposed Transfer may proceed solely as set forth in this Declaration.

PLEASE TAKE FURTHER NOTICE that any further transactions contemplated by \_\_\_\_\_ that may result in \_\_\_\_\_ selling, trading or otherwise transferring shares of Common Stock or an Option with respect thereto will each require an additional notice filed with the Bankruptcy Court to be served in the same manner as this Declaration.

PLEASE TAKE FURTHER NOTICE that, pursuant to 28 U.S.C. § 1746, under penalties of perjury, \_\_\_\_\_ hereby declares that he or she has examined this Declaration and accompanying attachments (if any), and, to the best of his or her knowledge and belief, this Declaration and any attachments, which purport to be part of this Declaration, are true, correct and complete.

Respectfully submitted,

(Name of Substantial Shareholder)

By: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_, \_\_\_\_\_  
Dated: \_\_\_\_\_

Telephone: \_\_\_\_\_  
Facsimile: \_\_\_\_\_