

# UNITED STATES BANKRUPTCY COURT

Eastern DISTRICT OF Virginia

In re: M.G. Digital, LLC  
Debtor

Case No. 07-33850  
(if known)

## STATEMENT OF FINANCIAL AFFAIRS

This statement is to be completed by every debtor. Spouses filing a joint petition may file a single statement on which the information for both spouses is combined. If the case is filed under chapter 12 or chapter 13, a married debtor must furnish information for both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed. An individual debtor engaged in business as a sole proprietor, partner, family farmer, or self-employed professional, should provide the information requested on this statement concerning all such activities as well as the individual's personal affairs. Do not include the name or address of a minor child in this statement. Indicate payments, transfers and the like to minor children by stating "a minor child." See 11 U.S.C. § 112; Fed. R. Bankr. P. 1007(m).

Questions 1 - 18 are to be completed by all debtors. Debtors that are or have been in business, as defined below, also must complete Questions 19 - 25. **If the answer to an applicable question is "None," mark the box labeled "None."** If additional space is needed for the answer to any question, use and attach a separate sheet properly identified with the case name, case number (if known), and the number of the question.

### DEFINITIONS

**"In business."** A debtor is "in business" for the purpose of this form if the debtor is a corporation or partnership. An individual debtor is "in business" for the purpose of this form if the debtor is or has been, within six years immediately preceding the filing of this bankruptcy case, any of the following: an officer, director, managing executive, or owner of 5 percent or more of the voting or equity securities of a corporation; a partner, other than a limited partner, of a partnership; a sole proprietor or self-employed full-time or part-time. An individual debtor also may be "in business" for the purpose of this form if the debtor engages in a trade, business, or other activity, other than as an employee, to supplement income from the debtor's primary employment.

**"Insider."** The term "insider" includes but is not limited to: relatives of the debtor; general partners of the debtor and their relatives; corporations of which the debtor is an officer, director, or person in control; officers, directors, and any owner of 5 percent or more of the voting or equity securities of a corporate debtor and their relatives; affiliates of the debtor and insiders of such affiliates; any managing agent of the debtor. 11 U.S.C. § 101.

### 1. Income from employment or operation of business

None

☐

State the gross amount of income the debtor has received from employment, trade, or profession, or from operation of the debtor's business, including part-time activities either as an employee or in independent trade or business, from the beginning of this calendar year to the date this case was commenced. State also the gross amounts received during the **two years** immediately preceding this calendar year. (A debtor that maintains, or has maintained, financial records on the basis of a fiscal rather than a calendar year may report fiscal year income. Identify the beginning and ending dates of the debtor's fiscal year.) If a joint petition is filed, state income for each spouse separately. (Married debtors filing under chapter 12 or chapter 13 must state income of both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)



073384907113000000000018

## AMOUNT

## SOURCE

The Debtor's financials are presented on a consolidated basis and are reported under Movie Gallery, Inc. (Case No. 07-33849). See response to question 1 of the Statement of Financial Affairs for Movie Gallery, Inc. for more information.

**2. Income other than from employment or operation of business**

None



State the amount of income received by the debtor other than from employment, trade, profession, operation of the debtor's business during the **two years** immediately preceding the commencement of this case. Give particulars. If a joint petition is filed, state income for each spouse separately. (Married debtors filing under chapter 12 or chapter 13 must state income for each spouse whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

## AMOUNT

## SOURCE

**3. Payments to creditors**

*Complete a. or b., as appropriate, and c.*

None



a. *Individual or joint debtor(s) with primarily consumer debts:* List all payments on loans, installment purchases of goods or services, and other debts to any creditor made within **90 days** immediately preceding the commencement of this case if the aggregate value of all property that constitutes or is affected by such transfer is not less than \$600. Indicate with an asterisk (\*) any payments that were made to a creditor on account of a domestic support obligation or as part of an alternative repayment schedule under a plan by an approved nonprofit budgeting and creditor counseling agency. (Married debtors filing under chapter 12 or chapter 13 must include payments by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CREDITOR

DATES OF  
PAYMENTSAMOUNT  
PAIDAMOUNT  
STILL OWING

Not Applicable

None



b. *Debtor whose debts are not primarily consumer debts:* List each payment or other transfer to any creditor made within **90 days** immediately preceding the commencement of the case if the aggregate value of all property that constitutes or is affected by such transfer is not less than \$5,475. (Married debtors filing under chapter 12 or chapter 13 must include payments and other transfers by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CREDITOR

DATES OF  
PAYMENTS/  
TRANSFERSAMOUNT  
PAID OR  
VALUE OF  
TRANSFERSAMOUNT  
STILL  
OWING

See attached rider

None

☐

c. *All debtors:* List all payments made within **one year** immediately preceding the commencement of this case to or for the benefit of creditors who are or were insiders. (Married debtors filing under chapter 12 or chapter 13 must include payments by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CREDITOR AND RELATIONSHIP TO DEBTOR	DATE OF PAYMENT	AMOUNT PAID	AMOUNT STILL OWING
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See attached rider

#### 4. Suits and administrative proceedings, executions, garnishments and attachments

None

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a. List all suits and administrative proceedings to which the debtor is or was a party within **one year** immediately preceding the filing of this bankruptcy case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

CAPTION OF SUIT AND CASE NUMBER	NATURE OF PROCEEDING	COURT OR AGENCY AND LOCATION	STATUS OR DISPOSITION
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None

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b. Describe all property that has been attached, garnished or seized under any legal or equitable process within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning property of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF PERSON FOR WHOSE BENEFIT PROPERTY WAS SEIZED	DATE OF SEIZURE	DESCRIPTION AND VALUE OF PROPERTY
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#### 5. Repossessions, foreclosures and returns

None

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List all property that has been repossessed by a creditor, sold at a foreclosure sale, transferred through a deed in lieu of foreclosure or returned to the seller, within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning property of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CREDITOR OR SELLER	DATE OF REPOSSESSION, FORECLOSURE SALE, TRANSFER OR RETURN	DESCRIPTION AND VALUE OF PROPERTY
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**6. Assignments and receiverships**

None



a. Describe any assignment of property for the benefit of creditors made within **120 days** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include any assignment by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF ASSIGNEE	DATE OF ASSIGNMENT	TERMS OF ASSIGNMENT OR SETTLEMENT
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None



b. List all property which has been in the hands of a custodian, receiver, or court-appointed official within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning property of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF CUSTODIAN	NAME AND LOCATION OF COURT CASE TITLE & NUMBER	DATE OF ORDER	DESCRIPTION AND VALUE OF PROPERTY
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**7. Gifts**

None



List all gifts or charitable contributions made within **one year** immediately preceding the commencement of this case except ordinary and usual gifts to family members aggregating less than \$200 in value per individual family member and charitable contributions aggregating less than \$100 per recipient. (Married debtors filing under chapter 12 or chapter 13 must include gifts or contributions by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF PERSON OR ORGANIZATION	RELATIONSHIP TO DEBTOR, IF ANY	DATE OF GIFT	DESCRIPTION AND VALUE OF GIFT
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**8. Losses**

None



List all losses from fire, theft, other casualty or gambling within **one year** immediately preceding the commencement of this case **or since the commencement of this case**. (Married debtors filing under chapter 12 or chapter 13 must include losses by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

DESCRIPTION AND VALUE OF PROPERTY	DESCRIPTION OF CIRCUMSTANCES AND, IF LOSS WAS COVERED IN WHOLE OR IN PART BY INSURANCE, GIVE PARTICULARS	DATE OF LOSS
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**9. Payments related to debt counseling or bankruptcy**

None

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List all payments made or property transferred by or on behalf of the debtor to any persons, including attorneys, for consultation concerning debt consolidation, relief under the bankruptcy law or preparation of a petition in bankruptcy within **one year** immediately preceding the commencement of this case.

NAME AND ADDRESS OF PAYEE	DATE OF PAYMENT, NAME OF PAYER IF OTHER THAN DEBTOR	AMOUNT OF MONEY OR DESCRIPTION AND VALUE OF PROPERTY
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Creditors of the Debtor would have been paid by and through Movie Gallery US LLC. See response to question 9 for Movie Gallery US LLC (Case No. 07-33853) for payments made on behalf of the Debtor.

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**10. Other transfers**

None

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a. List all other property, other than property transferred in the ordinary course of the business or financial affairs of the debtor, transferred either absolutely or as security within **two years** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include transfers by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF TRANSFEREE, RELATIONSHIP TO DEBTOR	DATE	DESCRIBE PROPERTY TRANSFERRED AND VALUE RECEIVED
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None

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b. List all property transferred by the debtor within **ten years** immediately preceding the commencement of this case to a self-settled trust or similar device of which the debtor is a beneficiary.

NAME OF TRUST OR OTHER DEVICE	DATE(S) OF TRANSFER(S)	AMOUNT OF MONEY OR DESCRIPTION AND VALUE OF PROPERTY OR DEBTOR'S INTEREST IN PROPERTY
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**11. Closed financial accounts**

None

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List all financial accounts and instruments held in the name of the debtor or for the benefit of the debtor which were closed, sold, or otherwise transferred within **one year** immediately preceding the commencement of this case. Include checking, savings, or other financial accounts, certificates of deposit, or other instruments; shares and share accounts held in banks, credit unions, pension funds, cooperatives, associations, brokerage houses and other financial institutions. (Married debtors filing under chapter 12 or chapter 13 must include information concerning accounts or instruments held by or for either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

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NAME AND ADDRESS OF INSTITUTION	TYPE OF ACCOUNT, LAST FOUR DIGITS OF ACCOUNT NUMBER, AND AMOUNT OF FINAL BALANCE	AMOUNT AND DATE OF SALE OR CLOSING
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**12. Safe deposit boxes**

None



List each safe deposit or other box or depository in which the debtor has or had securities, cash, or other valuables within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include boxes or depositories of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

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NAME AND ADDRESS OF BANK OR OTHER DEPOSITORY	NAMES AND ADDRESSES OF THOSE WITH ACCESS TO BOX OR DEPOSITORY	DESCRIPTION OF CONTENTS	DATE OF TRANSFER OR SURRENDER, IF ANY
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**13. Setoffs**

None



List all setoffs made by any creditor, including a bank, against a debt or deposit of the debtor within **90 days** preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

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NAME AND ADDRESS OF CREDITOR	DATE OF SETOFF	AMOUNT OF SETOFF
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The Debtors routinely incur setoffs from suppliers and customers during the ordinary course of business. Setoffs in the ordinary course can result from various items including, but not limited to, vendor funded markdowns related primarily to game titles, changes in vendor pricing, returns, warranties, and other disputes between the Debtors and their suppliers or customers. These normal setoffs are consistent with the ordinary course of business in the Debtors' industries and can be particularly voluminous, making it unduly burdensome and costly for the Debtors to list all such normal setoffs. Therefore, such normal setoffs are excluded from the Debtors' Statements and Schedules.

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**14. Property held for another person**

None



List all property owned by another person that the debtor holds or controls.

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NAME AND ADDRESS OF OWNER	DESCRIPTION AND VALUE OF PROPERTY	LOCATION OF PROPERTY
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**15. Prior address of debtor**

None



If debtor has moved within **three years** immediately preceding the commencement of this case, list all premises which the debtor occupied during that period and vacated prior to the commencement of this case. If a joint petition is filed, report also any separate address of either spouse.

ADDRESS

NAME USED

DATES OF OCCUPANCY

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### 16. Spouses and Former Spouses

None



If the debtor resides or resided in a community property state, commonwealth, or territory (including Alaska, Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Puerto Rico, Texas, Washington, or Wisconsin) within **eight years** immediately preceding the commencement of the case, identify the name of the debtor's spouse and of any former spouse who resides or resided with the debtor in the community property state.

NAME

Not Applicable

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### 17. Environmental Information

For the purpose of this question, the following definitions apply:

"Environmental Law" means any federal, state, or local statute or regulation regulating pollution, contamination, releases of hazardous or toxic substances, wastes or material into the air, land, soil, surface water, groundwater, or other medium, including, but not limited to, statutes or regulations regulating the cleanup of these substances, wastes, or material.

"Site" means any location, facility, or property as defined under any Environmental Law, whether or not presently or formerly owned or operated by the debtor, including, but not limited to, disposal sites.

"Hazardous Material" means anything defined as a hazardous waste, hazardous substance, toxic substance, hazardous material, pollutant, or contaminant or similar term under an Environmental Law.

None



a. List the name and address of every site for which the debtor has received notice in writing by a governmental unit that it may be liable or potentially liable under or in violation of an Environmental Law. Indicate the governmental unit, the date of the notice, and, if known, the Environmental Law:

SITE NAME  
AND ADDRESSNAME AND ADDRESS  
OF GOVERNMENTAL UNITDATE OF  
NOTICEENVIRONMENTAL  
LAW

None



b. List the name and address of every site for which the debtor provided notice to a governmental unit of a release of Hazardous Material. Indicate the governmental unit to which the notice was sent and the date of the notice.

SITE NAME AND ADDRESS	NAME AND ADDRESS OF GOVERNMENTAL UNIT	DATE OF NOTICE	ENVIRONMENTAL LAW
<hr/>			

None ☒ c. List all judicial or administrative proceedings, including settlements or orders, under any Environmental Law with respect to which the debtor is or was a party. Indicate the name and address of the governmental unit that is or was a party to the proceeding, and the docket number.

NAME AND ADDRESS OF GOVERNMENTAL UNIT	DOCKET NUMBER	STATUS OR DISPOSITION
<hr/>		

**18. Nature, location and name of business**

None ☒ a. *If the debtor is an individual*, list the names, addresses, taxpayer identification numbers, nature of the businesses, and beginning and ending dates of all businesses in which the debtor was an officer, director, partner, or managing executive of a corporation, partner in a partnership, sole proprietor, or was self-employed in a trade, profession, or other activity either full- or part-time within **six years** immediately preceding the commencement of this case, or in which the debtor owned 5 percent or more of the voting or equity securities within **six years** immediately preceding the commencement of this case.

*If the debtor is a partnership*, list the names, addresses, taxpayer identification numbers, nature of the businesses, and beginning and ending dates of all businesses in which the debtor was a partner or owned 5 percent or more of the voting or equity securities, within **six years** immediately preceding the commencement of this case.

*If the debtor is a corporation*, list the names, addresses, taxpayer identification numbers, nature of the businesses, and beginning and ending dates of all businesses in which the debtor was a partner or owned 5 percent or more of the voting or equity securities within **six years** immediately preceding the commencement of this case.

NAME	LAST FOUR DIGITS OF SOC. SEC. NO./ COMPLETE EIN OR OTHER TAXPAYER I.D. NO.	ADDRESS	NATURE OF BUSINESS	BEGINNING AND ENDING DATES
<hr/>				

None ☒ b. Identify any business listed in response to subdivision a., above, that is "single asset real estate" as defined in 11 U.S.C. § 101.

NAME	ADDRESS
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The following questions are to be completed by every debtor that is a corporation or partnership and by any individual debtor who is or has been, within **six years** immediately preceding the commencement of this case, any of the following: an officer, director, managing executive, or owner of more than 5 percent of the voting or equity securities of a corporation; a partner, other than a limited partner, of a partnership, a sole proprietor, or self-employed in a trade, profession, or other activity, either full- or part-time.

*(An individual or joint debtor should complete this portion of the statement **only** if the debtor is or has been in business, as defined above, within six years immediately preceding the commencement of this case. A debtor who has not been in business within those six years should go directly to the signature page.)*

#### 19. Books, records and financial statements

None

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a. List all bookkeepers and accountants who within **two years** immediately preceding the filing of this bankruptcy case kept or supervised the keeping of books of account and records of the debtor.

NAME AND ADDRESS	DATES OF SERVICES RENDERED
Samuel A. Patterson 9275 SW Peyton Lane Wilsonville, OR 97070	10/16/05 - 10/16/07
Erik Schendel 9275 SW Peyton Lane Wilsonville, OR 97070	10/16/05 - 10/16/07
Steven C. Short 9275 SW Peyton Lane Wilsonville, OR 97070	10/16/05 - 10/16/07
Justin Pyne 9275 SW Peyton Lane Wilsonville, OR 97070	10/16/05 - 10/16/07
Bart Walker 9275 SW Peyton Lane Wilsonville, OR 97070	10/16/05 - 05/01/06
Catherine Gopaulsingh 7650 Marathon Drive Suite A Livermore, CA 94550	03/05/07 - 10/16/07
June Wells 7650 Marathon Drive Suite A Livermore, CA 94550	03/05/07 - 10/16/07
Michael Le Coz 7650 Marathon Drive Suite A Livermore, CA 94550	03/05/07 - 10/16/07

None

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b. List all firms or individuals who within **two years** immediately preceding the filing of this bankruptcy case have audited the books of account and records, or prepared a financial statement of the debtor.

NAME

ADDRESS

DATES SERVICES RENDERED

NAME	ADDRESS	DATES SERVICES RENDERED
Ernst & Young, LLP	AmSouth/Harbert Plaza 1901 Sixth Ave N, Ste 1200 Birmingham, AL 35203	2005 - Present
Ernst & Young, LLP	Umpqua Bank Building One SW Columbia St, Ste 1050 Portland, OR 97258	2005 - Present

None

☐

c. List all firms or individuals who at the time of the commencement of this case were in possession of the books of account and records of the debtor. If any of the books of account and records are not available, explain.

NAME	ADDRESS
Samuel A. Patterson	9275 SW Peyton Lane Wilsonville, OR 97070
Erik Schendel	9275 SW Peyton Lane Wilsonville, OR 97070
Steven C. Short	9275 SW Peyton Lane Wilsonville, OR 97070
Justin Pyne	9275 SW Peyton Lane Wilsonville, OR 97070
Catherine Gopaulsingh	7650 Marathon Drive Suite A Livermore, CA 94550
June Wells	7650 Marathon Drive Suite A Livermore, CA 94550
Michael Le Coz	7650 Marathon Drive Suite A Livermore, CA 94550

None

☐

d. List all financial institutions, creditors and other parties, including mercantile and trade agencies, to whom a financial statement was issued by the debtor within **two years** immediately preceding the commencement of this case.

NAME AND ADDRESS	DATE ISSUED
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The Debtor is a public company registered with the SEC and as such, in the ordinary course, the Debtor may have provided financial information to banks, customers, suppliers, rating agencies and various other interested parties.

## 20. Inventories

None

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a. List the dates of the last two inventories taken of your property, the name of the person who supervised the taking of each inventory, and the dollar amount and basis of each inventory.

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DATE OF INVENTORY	INVENTORY SUPERVISOR	DOLLAR AMOUNT OF INVENTORY (Specify cost, market or other basis)
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None



b. List the name and address of the person having possession of the records of each of the inventories reported in a., above.

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DATE OF INVENTORY	NAME AND ADDRESSES OF CUSTODIAN OF INVENTORY RECORDS
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**21. Current Partners, Officers, Directors and Shareholders**

None



a. If the debtor is a partnership, list the nature and percentage of partnership interest of each member of the partnership.

NAME AND ADDRESS	NATURE OF INTEREST	PERCENTAGE OF INTEREST
Not Applicable		

None



b. If the debtor is a corporation, list all officers and directors of the corporation, and each stockholder who directly or indirectly owns, controls, or holds 5 percent or more of the voting or equity securities of the corporation.

NAME AND ADDRESS	TITLE	NATURE AND PERCENTAGE OF STOCK OWNERSHIP
See attached rider		

**22. Former partners, officers, directors and shareholders**

None



a. If the debtor is a partnership, list each member who withdrew from the partnership within **one year** immediately preceding the commencement of this case.

NAME	ADDRESS	DATE OF WITHDRAWAL
Not Applicable		

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None ☐ b. If the debtor is a corporation, list all officers, or directors whose relationship with the corporation terminated within **one year** immediately preceding the commencement of this case.

NAME AND ADDRESS	TITLE	DATE OF TERMINATION
Michelle K. Lewis	Senior Vice President, Finance	06/29/2007
Richard R. Langford	Senior Vice President/Chief Information Officer	04/13/2007

### 23. Withdrawals from a partnership or distributions by a corporation

None ☐ If the debtor is a partnership or corporation, list all withdrawals or distributions credited or given to an insider, including compensation in any form, bonuses, loans, stock redemptions, options exercised and any other perquisite during **one year** immediately preceding the commencement of this case.

NAME & ADDRESS OF RECIPIENT, RELATIONSHIP TO DEBTOR	DATE AND PURPOSE OF WITHDRAWAL	AMOUNT OF MONEY OR DESCRIPTION AND VALUE OF PROPERTY
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See the answer to Question 3c.

### 24. Tax Consolidation Group

None ☐ If the debtor is a corporation, list the name and federal taxpayer identification number of the parent corporation of any consolidated group for tax purposes of which the debtor has been a member at any time within **six years** immediately preceding the commencement of the case.

NAME OF PARENT CORPORATION	TAXPAYER IDENTIFICATION NUMBER (EIN)
Movie Gallery US, LLC	41-1461110

### 25. Pension Funds

None ☒ If the debtor is not an individual, list the name and federal taxpayer identification number of any pension fund to which the debtor, as an employer, has been responsible for contributing at any time within **six years** immediately preceding the commencement of the case.

NAME OF PENSION FUND	TAXPAYER IDENTIFICATION NUMBER (EIN)
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**SOFA 3b**  
**PAYMENTS TO CREDITORS MADE WITHIN 90 DAYS PRIOR TO FILING**  
**M.G. DIGITAL LLC, CASE NO. 07-33850**

ITEM	NAME AND ADDRESS	CHECK OR WIRE NBR	PAYMENT DATE	TOTAL AMT PAID
1	AT&T - NEWARK, NJ (DATACENTER) PO BOX 13128 NEWARK, NJ 07101-5628	5409	08/09/2007	\$30,417.00
			<b>SUBTOTAL</b>	<b>\$30,417.00</b>
2	BILLSOFT INC. 10100 WEST 87TH STREET SUITE 200 OVERLAND PARK, KS 66212	5393	07/31/2007	\$21,108.00
			<b>SUBTOTAL</b>	<b>\$21,108.00</b>
3	BIRLASOFT 2035 LINCOLN HIGHWAY 2ND FLOOR, SUITE 2000 EDISON, NJ 08817	5399 5494 5502	08/02/2007 10/12/2007 10/12/2007	\$38,984.00 \$9,360.00 \$41,408.00
			<b>SUBTOTAL</b>	<b>\$89,752.00</b>
4	CAPTIONS, INC. 901 W. ALAMEDA AVE BURBANK, CA 91506	5433	08/21/2007	\$7,387.75
			<b>SUBTOTAL</b>	<b>\$7,387.75</b>
5	CARDENAS, JORGE 4834 EMBASY CIRCLE LA PALMA, CA 90623	5371 5471	07/27/2007 08/28/2007	\$8,000.00 \$8,700.00
			<b>SUBTOTAL</b>	<b>\$16,700.00</b>
6	DIGITAL CONTENT PROTECTION, LLC.			

**SOFA 3b**  
**PAYMENTS TO CREDITORS MADE WITHIN 90 DAYS PRIOR TO FILING**  
**M.G. DIGITAL LLC, CASE NO. 07-33850**

ITEM	NAME AND ADDRESS	CHECK OR WIRE NBR	PAYMENT DATE	TOTAL AMT PAID
	3855 SW 153RD DRIVE BEAVERTON, OR 97006	5321	07/18/2007	\$15,000.00
			<b>SUBTOTAL</b>	<b>\$15,000.00</b>
7	FORMULA TELECOM SOLUTIONS, INC. 902 CLINT MOORE RD. BOCA RATON, FL 33487	5326 5416 5504	07/18/2007 08/09/2007 09/19/2007	\$36,750.00 \$36,750.00 \$36,750.00
			<b>SUBTOTAL</b>	<b>\$110,250.00</b>
8	FOTOKEM FILM & VIDEO PO BOX 7755 BURBANK, CA 91510-7755	5325	07/18/2007	\$5,807.23
			<b>SUBTOTAL</b>	<b>\$5,807.23</b>
9	HDMI LICENSING, LLC. 1060 EAST ARQUES AVENUE SUNNYVALE, CA 94085	5329	07/18/2007	\$10,000.00
			<b>SUBTOTAL</b>	<b>\$10,000.00</b>
10	HEPIERIC, INC DBA PRODX 14795 SW MURRAY SCHOLIS DR. #201 BEAVERTON, OR 97007	5331 5374	07/18/2007 07/27/2007	\$30,000.00 \$23,600.00
			<b>SUBTOTAL</b>	<b>\$53,600.00</b>
11	HO, VICTOR 428 HAWTHORNE ST. #313 GLENDALE, CA 91204			

**SOFA 3b**  
**PAYMENTS TO CREDITORS MADE WITHIN 90 DAYS PRIOR TO FILING**  
**M.G. DIGITAL LLC, CASE NO. 07-33850**

ITEM	NAME AND ADDRESS	CHECK OR WIRE NBR	PAYMENT DATE	TOTAL AMT PAID
		5401	08/02/2007	\$5,850.00
			<b>SUBTOTAL</b>	<b>\$5,850.00</b>
12	KOVELMAN, EUGENE 4647 COLDWATER CANYON AVE. STUDIO CITY, CA 91604	5446 5509 5516	08/21/2007 09/19/2007 09/19/2007	\$6,175.00 \$9,120.00 \$6,840.00
			<b>SUBTOTAL</b>	<b>\$22,135.00</b>
13	LAA1 LLC 2000 GENE AUTRY WAY ANAHEIM, CA 92806	5418 5480 5529	08/09/2007 08/28/2007 09/27/2007	\$32,016.40 \$32,016.40 \$32,184.40
			<b>SUBTOTAL</b>	<b>\$96,217.20</b>
14	NATIONAL DATACAST, INC. 2100 CRYSTAL DRIVE SUITE 750 ARLINGTON, VA 22202	5336 5420 5481 5482 5483 5530	07/18/2007 08/09/2007 08/28/2007 08/28/2007 08/28/2007 09/27/2007	\$9,000.00 \$9,000.00 \$9,000.00 \$50,000.00 \$50,000.00 \$50,000.00
			<b>SUBTOTAL</b>	<b>\$177,000.00</b>
15	PROSOURCE NETWORK 15725 SW GREYSTONE CT. SUITE 110 BEAVERTON, OR 97006			

**SOFA 3b**  
**PAYMENTS TO CREDITORS MADE WITHIN 90 DAYS PRIOR TO FILING**  
**M.G. DIGITAL LLC, CASE NO. 07-33850**

ITEM	NAME AND ADDRESS	CHECK OR WIRE NBR	PAYMENT DATE	TOTAL AMT PAID
16	RIDER, BRUCE 6505 OCEAN FRONT WALK PLAYA DEL REY, CA 90293	5342	07/18/2007	\$22,000.00
			<b>SUBTOTAL</b>	<b>\$22,000.00</b>
17	RIGHTNOW TECHNOLOGIES, INC. 40 ENTERPRISE BLVD. BOZEMAN, MT 59716	5347 5382 5485	07/18/2007 07/27/2007 08/28/2007	\$25,000.00 \$25,000.00 \$25,000.00
			<b>SUBTOTAL</b>	<b>\$75,000.00</b>
18	SATELLITE ENGINEERING GROUP 11605 S. ALDEN OLATHE, KS 66062	5392	07/31/2007	\$20,676.84
			<b>SUBTOTAL</b>	<b>\$20,676.84</b>
19	TANDBERG TELEVISION PO BOX 933682 ATLANTA, GA 31193-3682	5348	07/18/2007	\$8,265.76
			<b>SUBTOTAL</b>	<b>\$8,265.76</b>
20	TEACHERS INS. & ANNUITY ASSN. CB RICHARD ELLIS FOR TIAA PO BOX 34936, DEPT 2092 SEATTLE, WA 98124-1936	5513	09/19/2007	\$75,000.00
			<b>SUBTOTAL</b>	<b>\$75,000.00</b>
		5383 5395 5455	07/27/2007 07/31/2007 08/21/2007	\$21,933.00 \$8,474.00 \$30,407.00



**SOFA 3b**  
**PAYMENTS TO CREDITORS MADE WITHIN 90 DAYS PRIOR TO FILING**  
**M.G. DIGITAL LLC, CASE NO. 07-33850**

ITEM	NAME AND ADDRESS	CHECK OR WIRE NBR	PAYMENT DATE	TOTAL AMT PAID
			<b>SUBTOTAL</b>	
21	TECHNICOLOR PO BOX 79395 CITY OF INDUSTRY, CA 91716-9395	5456 5486	08/21/2007 08/28/2007	\$19,982.05 \$15,583.95
			<b>SUBTOTAL</b>	<b>\$35,566.00</b>
22	TELEKENEX 3221 20TH STREET SAN FRANCISCO, CA 94110	5352 5457 5520	07/18/2007 08/21/2007 09/19/2007	\$94,577.96 \$69,182.47 \$58,040.82
			<b>SUBTOTAL</b>	<b>\$221,801.25</b>
23	TWENTIETH CENTURY FOX PO BOX 900 LOS ANGELES, CA 90213	5384	07/27/2007	\$6,887.32
			<b>SUBTOTAL</b>	<b>\$6,887.32</b>
24	VERIZON - PITTSBURGH, PA 15250-7355 MCI P.O. BOX 371355 PITTSBURGH, PA 15250-7355	5491	08/28/2007	\$11,537.03
			<b>SUBTOTAL</b>	<b>\$11,537.03</b>
25	VISUAL SCIENCES, INC 10182 TELESIS COURT SAN DEIGO, CA 92121	5394	07/31/2007	\$5,600.00
			<b>SUBTOTAL</b>	<b>\$5,600.00</b>
26	WAREFORCE			

**SOFA 3b**  
**PAYMENTS TO CREDITORS MADE WITHIN 90 DAYS PRIOR TO FILING**  
**M.G. DIGITAL LLC, CASE NO. 07-33850**

ITEM	NAME AND ADDRESS	CHECK OR WIRE NBR	PAYMENT DATE	TOTAL AMT PAID
	2829 W. BURBANK BLVD. BURBANK, CA 91505-2308	5492	08/28/2007	\$10,542.32
			<b>SUBTOTAL</b>	<b>\$10,542.32</b>
27	WARNER BROS. HOME VIDEO 300 HARMON MEADOW BLVD 3RD FL RE: LOCKBOX 13093, WHV ON DEMA SEACAUCUS, NJ 07093	5389	07/27/2007	\$7,167.74
			<b>SUBTOTAL</b>	<b>\$7,167.74</b>

SOFA 3c

PAYMENTS TO INSIDERS MADE WITHIN 1 YEAR PRIOR TO FILING  
M.G. DIGITAL, LLC, CASE NO. 07-33850

ITEM	NAME AND ADDRESS	PAYMENT DATE	TOTAL AMT PAID
1	KOSAL, MARK 16819 142ND AVE SE RENTON, WA 98058	03/30/2007 07/18/2007 10/16/2007	\$504.27 \$2,128.66 \$802.29
SUBTOTAL			\$3,435.22

**SOFA 21b**  
**Current Partners, Officers, Directors and Shareholders**  
**MG Digital, LLC, Case No. 07-33850**

<b>NAME AND ADDRESS</b>	<b>TITLE</b>	<b>NATURE AND PERCENTAGE OF STOCK OWNERSHIP</b>
Movie Gallery US, LLC 900 West Main Street Dothan, AL 36301	Shareholder	100%
J. Kevin Moulton 900 West Main Street Dothan, AL 36301	Assistant Secretary	Not Applicable
Jeffry B. Gordon 900 West Main Street Dothan, AL 36301	Senior Vice President, Chief Administrative Officer, Assistant Secretary and Deputy General Counsel	Not Applicable
Joe T. Malugen 900 West Main Street Dothan, AL 36301	President and Chief Executive Officer	Not Applicable
Mark Kosai 15301 Ventura Blvd, Bldg D, Ste 200 Sherman Oaks, CA 91403	Vice President - Engineering	Not Applicable
Rebecca Brown 900 West Main Street Dothan, AL 36301	Assistant Secretary	Not Applicable
S. Page Todd 900 West Main Street Dothan, AL 36301	Executive Vice President, Secretary, Chief Compliance Officer, and General Counsel	Not Applicable
Samuel A. Patterson 9275 S.W. Peyton Lane Wilsonville, OR 97070	Senior Vice President and Controller	Not Applicable
Thomas D. Johnson, Jr. 900 West Main Street Dothan, AL 36301	Executive Vice President and Chief Financial Officer	Not Applicable
Michael Kang 9275 S.W. Peyton Lane Wilsonville, OR 97070	Deputy Chief Financial Officer	Not Applicable

*[If completed by an individual or individual and spouse]*

I declare under penalty of perjury that I have read the answers contained in the foregoing statement of financial affairs and any attachments thereto and that they are true and correct.

Date \_\_\_\_\_

Signature \_\_\_\_\_  
of Debtor

Date \_\_\_\_\_

Signature \_\_\_\_\_  
of Joint Debtor  
(if any)

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*[If completed on behalf of a partnership or corporation]*

I, declare under penalty of perjury that I have read the answers contained in the foregoing statement of financial affairs and any attachments thereto and that they are true and correct to the best of my knowledge, information and belief.

Date November 30, 2007

Signature /s/ S. Page Todd

S. Page Todd, Executive Vice President, Secretary and General Counsel  
Print Name and Title

[An individual signing on behalf of a partnership or corporation must indicate position or relationship to debtor.]

\_\_\_\_ continuation sheets attached

*Penalty for making a false statement: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571*

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**DECLARATION AND SIGNATURE OF NON-ATTORNEY BANKRUPTCY PETITION PREPARER (See 11 U.S.C. § 110)**

I declare under penalty of perjury that: (1) I am a bankruptcy petition preparer as defined in 11 U.S.C. § 110; (2) I prepared this document for compensation and have provided the debtor with a copy of this document and the notices and information required under 11 U.S.C. §§ 110(b), 110(h), and 342(b); and, (3) if rules or guidelines have been promulgated pursuant to 11 U.S.C. § 110(h) setting a maximum fee for services chargeable by bankruptcy petition preparers, I have given the debtor notice of the maximum amount before preparing any document for filing for a debtor or accepting any fee from the debtor, as required by that section.

\_\_\_\_\_  
Printed or Typed Name and Title, if any, of Bankruptcy Petition Preparer

\_\_\_\_\_  
Social Security No.(Required by 11 U.S.C. § 110.)

*If the bankruptcy petition preparer is not an individual, state the name, title (if any), address, and social security number of the officer, principal, responsible person, or partner who signs this document.*

\_\_\_\_\_  
Address

X \_\_\_\_\_  
Signature of Bankruptcy Petition Preparer

\_\_\_\_\_  
Date

Names and Social Security numbers of all other individuals who prepared or assisted in preparing this document unless the bankruptcy petition preparer is not an individual:

If more than one person prepared this document, attach additional signed sheets conforming to the appropriate Official Form for each person.

***A bankruptcy petition preparer's failure to comply with the provisions of title 11 and the Federal Rules of Bankruptcy Procedure may result in fines or imprisonment or both. 18 U.S.C. § 156.***