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*Attorneys for Corliss Moore & Associates, LLC solely in
its capacity as Liquidating Trustee for the First Lien
Term Lenders Liquidating Trust*

**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., ¹	)	Chapter 11
	)	Hon. Douglas O. Tice, Jr.
Debtors.)	
)	

**NOTICE OF MOTION FOR ENTRY OF A FINAL DECREE AND TO CLOSE
CHAPTER 11 CASES**

PLEASE TAKE NOTICE THAT Corliss Moore & Associates, LLC (the “Liquidating Trustees”), solely in its capacity as Liquidating Trustee for the First Lien Term Lenders Liquidating Trust (the “Liquidating Trust”) has filed with the Court the Motion for Entry of a Final Decree and to Close Chapter 11 Cases (the “Motion”).

PLEASE TAKE FURTHER NOTICE THAT your rights may be affected. You should read these papers carefully and discuss them with your attorney, if you have one in these bankruptcy cases. (If you do not have an attorney, you may wish to consult one.)

¹ The debtors in these proceedings were: Movie Gallery, Inc.; Hollywood Entertainment Corporation; M.G. Digital, LLC; M.G.A. Realty I, LLC; MG Automation LLC; and Movie Gallery US, LLC.



PLEASE TAKE FURTHER NOTICE THAT in connection with the chapter 11 cases, an Order Establishing Certain Notice, Case Management and Administrative Procedures [Docket No. 88] (the “Case Management Order”) was entered by the Court on October 17, 2007, which, among other things, prescribes the manner in which objections must be filed and served and when hearings will be conducted. A copy of the Case Management Order may be obtained at no charge at www.kccllc.net/moviegallery or for a fee via PACER at www.vaeb.uscourts.gov/.

PLEASE TAKE FURTHER NOTICE THAT if you do not timely file and serve a written objection to the relief requested in the Motion, the Court may deem any opposition waived, treat the Motion as conceded and enter an order granting the relief requested in the Motion without further notice or a hearing.

PLEASE TAKE FURTHER NOTICE THAT in accordance with the Case Management Order, if you wish to oppose the Motion, **on or before 5:00 p.m. prevailing Eastern Time on December 5, 2011, or such shorter time as the Court may hereafter order and of which you may receive subsequent notice (the “Objection Deadline”)**, you must file with the Court, at the address shown below, a written objection pursuant to Local Bankruptcy Rule 9013-1 and the Case Management Order:

Clerk of the Court
United States Bankruptcy Court
701 East Broad Street
Richmond, Virginia 23219

PLEASE TAKE FURTHER NOTICE THAT in accordance with the Case Management Order, you must also serve a copy of your written objection on the Core Group, the 2002 List and the Affected Entities, as such terms are defined in the Case Management Order so that the documents **are received on or before the Objection Deadline**.

PLEASE TAKE FURTHER NOTICE THAT no hearing is requested in this matter. If an objection is filed, however, the matter will be scheduled for the next applicable Omnibus Hearing, as such term is defined in the Case Management Order, which hearing will be conducted on December 8, 2011 at 2:00 p.m. prevailing Eastern Time, in the United States Bankruptcy Court, 701 East Broad Street, Room 5100, Richmond, Virginia 23219.

PLEASE TAKE FURTHER NOTICE THAT you should consult the Case Management Order before filing any written objection to the Motion.

Dated: 11/23/2011
Richmond, Virginia

Respectfully submitted,

KUTAK ROCK LLP

By: /s/ Michael A. Condyles_____

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**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., ¹	)	Chapter 11
	)	Hon. Douglas O. Tice, Jr.
Debtors.)	
)	

MOTION FOR ENTRY OF A FINAL DECREE AND TO CLOSE CHAPTER 11 CASES

Corliss Moore & Associates, LLC (the “Liquidating Trustee”), solely in its capacity as Liquidating Trustee for the First Lien Term Lenders Liquidating Trust (the “Liquidating Trust”), by their undersigned counsel, files this motion (the “Motion”) for entry of a final decree, the proposed form of which is attached as Exhibit A, pursuant to sections 105 and 350 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (as amended, the “Bankruptcy Code”) and Rule 3022 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), closing the bankruptcy cases of the above-captioned debtors (collectively, the “2007 Debtors”).

In support of this Motion, the Liquidating Trustee submits as follows:

¹ The debtors in these proceedings were: Movie Gallery, Inc.; Hollywood Entertainment Corporation; M.G. Digital, LLC; M.G.A. Realty I, LLC; MG Automation LLC; and Movie Gallery US, LLC.

JURIDICTION

1. The Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334(b).
2. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.
3. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2).
4. The predicates for the relief requested herein are sections 105 and 350 of the Bankruptcy Code and Bankruptcy Rule 3022.

BACKGROUND

5. On October 16, 2007 (the “Petition Date”), the 2007 Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code.²
6. The Official Committee of General Unsecured Creditors has been dissolved.
7. As of the Petition Date, the 2007 Debtors were the second largest North American home entertainment specialty retailer. They operated approximately 4,200 retail stores located throughout all 50 states. They rented and sold DVDs, videocassettes and video games through three distinct brands — Movie Gallery, Hollywood Video and Game Crazy.
8. On February 2, 2010, Movie Gallery, Inc., Hollywood Entertainment Corporation, Movie Gallery US, LLC, MG Real Estate, LLC, and HEC Real Estate, LLC (collectively, the “2010 Debtors”) filed voluntary petitions under chapter 11 of the Bankruptcy Code (the “Second Bankruptcy”). As of the date of this filing, the 2007 Debtors and the 2010 Debtors have completely ceased operations and a Chapter 11 plan has been confirmed in the Second Bankruptcy with the Court that provides for the liquidation of the 2010 Debtors’ assets (the “2010 Plan”). Other than \$5.0 million transferred to a trust for the benefit of the general

² Capitalized terms used but not defined herein shall have the meanings assigned to them in the 2008 Plan (as hereinafter defined).

unsecured creditors, the assets of the 2010 Debtors were transferred to the Liquidating Trust and the Liquidating Trustee is in the process of completing a liquidation.

Chapter 11 Plan

9. On April 10, 2008, the Court entered the Findings of Fact, Conclusions of Law and Order Confirming Second Amended Joint Plan of Reorganization of Movie Gallery, Inc. and its Debtor Subsidiaries Under Chapter 11 of the Bankruptcy Code with Technical Modifications (the “2008 Confirmation Order”) [Docket No. 2191] confirming 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 (the “2008 Plan”) [Docket No. 2188]. The 2008 Plan became effective on May 20, 2008 (the “Effective Date”).

10. The 2008 Plan provided for the manner in which distributions would be made to creditors and as of the filing of this Motion all disputes with respect to claims against the 2007 Debtors have been resolved and paid in accordance with the 2008 Plan or otherwise made moot by the filing of the Second Bankruptcy.

11. Other than the payment of claims, the 2008 Plan contemplated no transfers of property of the 2007 Debtors that has not occurred.

BASIS FOR RELIEF

12. By this Motion, the Liquidating Trustee seeks entry of a final decree, pursuant to sections 105(a) and 350 of the Bankruptcy Code and Bankruptcy Rule 3022, closing the chapter 11 cases of each of the 2007 Debtors.

13. Section 350(a) of the Bankruptcy Code provides, “[a]fter an estate is fully administered and the court has discharged the trustee, the court shall close the case.” 11 U.S.C. § 350.

14. Pursuant to Rule 3022 of the Bankruptcy Rules, once an estate is fully administered in a chapter 11 reorganization case, the bankruptcy court shall enter an order closing the case. Fed. R. Bankr. P. 3022.

15. Section 105(a) of the Bankruptcy Code provides, in pertinent part, that “[t]he court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title.” 11 U.S.C. § 105(a).

16. Neither the Bankruptcy Code nor the Bankruptcy Rules define the term “fully administered.” The notes of the Advisory Committee on the Bankruptcy Rules to Bankruptcy Rule 3022 (the “Advisory Committee’s Notes”) identify the following non-exclusive factors to be considered to determine whether a case has been fully administered:

- a) whether the order confirming the plan has become final;
- b) whether deposits required by the plan have been distributed;
- c) whether the property proposed by the plan to be transferred has been transferred;
- d) whether the debtor or the successor of the debtor under the plan has assumed the business or the management of the property dealt with by the plan;
- e) whether payments under the plan have commenced; and
- f) whether all motions, contested matters, and adversary proceedings have been finally resolved.

Fed. R. Bankr. P. 3022, Advisory Committee’s note to 1991 amendment.

17. Regarding the Advisory Committee’s Notes, it has been found that “[i]n the end . . . these factors are but a guide in determining whether a case has been fully administered, and not all factors need to be present before the case is closed.” *In re SLI, Inc.*, 2005 Bankr. LEXIS 132, *5 (Bankr. D. Del. June 24, 2005) (citation omitted). In fact, “Bankruptcy Rule 3022 is

intended to allow bankruptcy courts flexibility in determining whether an estate is fully administered.” *In re Union Home and Industrial, Inc.*, 375 B.R. 912, 916 (10th Cir. B.A.P. 2007).

18. The factors identified in the Advisory Committee Notes have been met in this instance to the extent they are applicable and they support entering a final decree closing the chapter 11 cases of the 2007 Debtors. For instance, the 2008 Confirmation Order is final and non-appealable, the claims have been resolved and paid to the extent possible and the 2008 Plan provided for the 2007 Debtors to remain in control of their businesses and continue to operate after the Effective Date. The 2008 Plan did not contemplate any other individual or business taking control or assisting the 2007 Debtors in the management of their businesses and properties. Following the Effective Date, the 2007 Debtors remained in control and operated their businesses pursuant to the terms of the 2008 Plan.

19. All pending motions, contested matters, fee applications and adversary proceedings have either been resolved or made moot as a result of the filing of the Second Bankruptcy.

20. All fees due in connection with the 2007 Debtors’ cases as of the date hereof to the U.S. Trustee have been paid in accordance with 28 U.S.C. § 1930(a)(6). All quarterly reports due in connection with the 2007 Debtors’ cases as of the date hereof have been filed with the U.S. Trustee.

21. Based on the foregoing, the 2008 Plan has been substantially consummated within the meaning of Section 1101(2) of the Bankruptcy Code as the 2007 Debtors: (i) transferred all property proposed to be transferred under the 2008 Plan; (ii) assumed the business

and management of all property dealt with by the 2008 Plan; and (iii) commenced, and in large part completed, making the distributions contemplated by the 2008 Plan.

22. Performance under the 2010 Plan and the administration and liquidation of the assets of the Liquidating Trust, including, without limitation, the resolution of claims, will not be impacted by the closing of the 2007 Debtors' case and the continuation of the 2007 Debtors' chapter 11 cases serves no remaining purpose. Therefore, based on the foregoing, the Liquidating Trustee submits that it is appropriate for the Court to enter a final decree closing the chapter 11 cases of the 2007 Debtors.

Request for Waiver of Local Rule 9013-1(G)

23. The Liquidating Trustee respectfully requests that this Court treat this Motion as a written memorandum of points and authorities or waive any requirement that this Motion be accompanied by a written memorandum of points and authorities as described in Local Rule 9013-1(G).

Notice

24. Notice of this Motion has been given to the Core Group, the 2002 List and holders of Claims as required by the Order Establishing Certain Notice, Case Management and Administrative Procedures [Docket No. 88] entered by the Court on October 17, 2007 (the "Case Management Order").³ In light of the nature of the relief requested, the 2007 Debtors respectfully submit that no further notice is required.

³ Capitalized terms used in this paragraph but not otherwise defined herein shall have the meanings set forth in the Case Management Order.

WHEREFORE, the Liquidating Trustee respectfully requests that the Court (a) enter the final decree, substantially in the form annexed hereto as Exhibit A, closing the Chapter 11 cases of the 2007 Debtors and (b) grant such other and further relief as the Court may deem proper.

Dated: 11/23/2011
Richmond, Virginia

Respectfully submitted,

KUTAK ROCK LLP

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EXHIBIT A

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**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., ¹	)	Chapter 11
	)	Hon. Douglas O. Tice, Jr.
Debtors.)	
)	

**FINAL DECREE IN CHAPTER 11 CASES OF
DEBTORS**

Upon the motion (the “Motion”)² of Corliss Moore & Associates, LLC (the “Liquidating Trustee”), solely in its capacity as Liquidating Trustee for the First Lien Term Lenders Liquidating Trust (the “Liquidating Trust”), by counsel, for entry of a final decree, pursuant to sections 105 and 350 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (as amended, the “Bankruptcy Code”) and Rule 3022 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), closing the cases of each of Hollywood Entertainment Corporation [Case No. 07-33848]; Movie Gallery, Inc. [Case No. 07-33849], M.G. Digital, LLC [Case No. 07-33850], M.G.A. Realty I, LLC [Case No. 07-33851], MG Automation LLC

¹ The debtors in these proceedings were: Movie Gallery, Inc.; Hollywood Entertainment Corporation; M.G. Digital, LLC; M.G.A. Realty I, LLC; MG Automation LLC; and Movie Gallery US, LLC.

² Capitalized terms not otherwise defined herein shall have the meanings set forth in the Motion.

[Case No. 07-33852] and Movie Gallery US, LLC [Case No. 07-33853] (collectively, the “2007 Debtors”), the Court finds that: (i) the estates of the 2007 Debtors have been fully administered; (ii) it has jurisdiction over the matters raised in the Motion pursuant to 28 U.S.C. § 1334(b); (iii) this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); (iv) the relief requested in the Motion is in the best interest of the 2007 Debtors, their estates and their creditors; (v) proper and adequate notice of the Motion and the hearing thereon has been given and no other or further notice is necessary; and (vi) upon the record herein, after due deliberation thereon, good and sufficient cause exists for the granting of the relief set forth herein, it is hereby ORDERED, ADJUDGED and DECREED that:

1. The Motion is granted.

2. Pursuant to sections 105(a) and 350(a), the chapter 11 cases of the 2007 Debtors shall be and hereby are closed effective as of the date of the entry of this final decree. The names and chapter 11 case numbers of each of the 2007 Debtors are as follows (the “Case(s)”):

Hollywood Entertainment Corporation
Movie Gallery, Inc.
M.G. Digital, LLC
M.G.A. Realty I, LLC
MG Automation LLC
Movie Gallery US, LLC

Case No. 07-33848-DOT
Case No. 07-33849-DOT
Case No. 07-33850-DOT
Case No. 07-33851-DOT
Case No. 07-33852-DOT
Case No. 07-33853-DOT

3. The Clerk of the Court shall enter this final decree individually on each of the 2007 Debtors’ dockets and thereafter such dockets shall be marked as “Closed.”

4. This final decree is without prejudice to any party’s rights to re-open any Case or Cases.

5. The Liquidating Trustee is authorized to take all actions necessary to effectuate the relief granted pursuant to this final decree in accordance with the Motion.

6. The terms and conditions of this final decree shall be immediately effective and enforceable upon its entry.

7. This Court shall retain jurisdiction with respect to all matters arising from or related to the implementation of this final decree.

Date: _____
Richmond, Virginia

United States Bankruptcy Judge

We ask for this:

KUTAK ROCK LLP

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Jeremy S. Williams (VA 77469)
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