

FORM B1

**United States Bankruptcy Court  
Eastern District of Virginia**

**Voluntary Petition**

Name of Debtor (if individual, enter Last, First, Middle): <b>Movie Gallery US, LLC</b>	Name of Joint Debtor (Spouse) (Last, First, Middle):
All Other Names used by the Debtor in the last 8 years (include married, maiden, and trade names): <b>SEE RIDER 1</b>	All Other Names used by the Joint Debtor in the last 8 years (include married, maiden, and trade names):
Last four digits of Soc. Sec./Complete EIN or other Tax I.D. No. (if more than one, state all): <b>41-1461110</b>	Last four digits of Soc. Sec./Complete EIN or other Tax I.D. No. (if more than one, state all):
Street Address of Debtor (No. & Street, City, and State): <b>900 West Main Street Dothan, Alabama</b>	Street Address of Joint Debtor (No. & Street, City, and State):
ZIP CODE <b>36301</b>	ZIP CODE
County of Residence or of the Principal Place of Business: <b>Houston</b>	County of Residence or of the Principal Place of Business:
Mailing Address of Debtor (if different from street address):	Mailing Address of Joint Debtor (if different from street address):
ZIP CODE	ZIP CODE

<b>Type of Debtor</b> (Form of Organization) (Check one box.)	<b>Nature of Business</b> (Check one box.)	<b>Chapter of Bankruptcy Code Under Which the Petition is Filed</b> (Check one box)
<input type="checkbox"/> Individual (includes Joint Debtors) <i>See Exhibit D on page 2 of this form.</i> <input checked="" type="checkbox"/> Corporation (includes LLC and LLP) <input type="checkbox"/> Partnership <input type="checkbox"/> Other (If debtor is not one of the above entities, check this box and state type of entity below.)	<input type="checkbox"/> Health Care Business <input type="checkbox"/> Single Asset Real Estate as defined in 11 U.S.C. § 101(51B) <input type="checkbox"/> Railroad <input type="checkbox"/> Stockbroker <input type="checkbox"/> Commodity Broker <input type="checkbox"/> Clearing Bank <input checked="" type="checkbox"/> Other  <b>Tax-Exempt Entity</b> (Check box, if applicable.) <input type="checkbox"/> Debtor is a tax-exempt organization under Title 26 of the United States Code (the Internal Revenue Code).	<input type="checkbox"/> Chapter 7 <input type="checkbox"/> Chapter 9 <input checked="" type="checkbox"/> Chapter 11 <input type="checkbox"/> Chapter 12 <input type="checkbox"/> Chapter 13  <input type="checkbox"/> Chapter 15 Petition for Recognition of a Foreign Main Proceeding <input type="checkbox"/> Chapter 15 Petition for Recognition of a Foreign Nonmain Proceeding
<b>Nature of Debts</b> (Check one box) <input type="checkbox"/> Debts are primarily consumer debts, defined in 11 U.S.C. § 101(8) as "incurred by an individual primarily for a personal, family, or household purpose." <input checked="" type="checkbox"/> Debts are primarily business debts.		

<b>Filing Fee</b> (Check one box.) <input checked="" type="checkbox"/> Full Filing Fee attached <input type="checkbox"/> Filing Fee to be paid in installments (Applicable to individuals only) Must attach signed application for the court's consideration certifying that the debtor is unable to pay fee except in installments. Rule 1006(b). See Official Form 3A. <input type="checkbox"/> Filing Fee waiver requested (Applicable to chapter 7 individuals only). Must attach signed application for the court's consideration. See Official Form 3B.	<b>Chapter 11 Debtors</b> Check one box: <input type="checkbox"/> Debtor is a small business debtor as defined in 11 U.S.C. § 101(51D). <input checked="" type="checkbox"/> Debtor is not a small business debtor as defined in 11 U.S.C. § 101(51D). Check if: <input type="checkbox"/> Debtor's aggregate noncontingent liquidated debts owed to non-insiders or affiliates are less than \$2,190,000 <hr/> Check all applicable boxes: <input type="checkbox"/> A plan is being filed with this petition. <input type="checkbox"/> Acceptances of the plan were solicited prepetition from one or more classes of creditors, in accordance with 11 U.S.C. § 1126(b).
--	---

<b>Statistical/Administrative Information</b> <input checked="" type="checkbox"/> Debtor estimates that funds will be available for distribution to unsecured creditors. <input type="checkbox"/> Debtor estimates that, after any exempt property is excluded and administrative expenses paid, there will be no funds available for distribution to unsecured creditors. Estimated Number of Creditors <table style="width:100%; text-align: center;"> <tr> <td>1-49</td> <td>50-99</td> <td>100-199</td> <td>200-999</td> <td>1,000-5,000</td> <td>5,001-10,000</td> <td>10,001-25,000</td> <td>25,001-50,000</td> <td>50,001-100,000</td> <td>OVER 100,000</td> </tr> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> </table> Estimated Assets <table style="width:100%; text-align: center;"> <tr> <td><input type="checkbox"/> \$0 to \$10,000</td> <td><input type="checkbox"/> \$10,001 to \$100,000</td> <td><input type="checkbox"/> \$100,001 to \$1 million</td> <td><input type="checkbox"/> \$1,000,001 to \$100 million</td> <td><input checked="" type="checkbox"/> More than \$100 million</td> </tr> </table> Estimated Debts <table style="width:100%; text-align: center;"> <tr> <td><input type="checkbox"/> \$0 to \$50,000</td> <td><input type="checkbox"/> \$50,001 to \$100,000</td> <td><input type="checkbox"/> \$100,001 to \$1 million</td> <td><input type="checkbox"/> \$1,000,001 to \$100 million</td> <td><input checked="" type="checkbox"/> More than \$100 million</td> </tr> </table>	1-49	50-99	100-199	200-999	1,000-5,000	5,001-10,000	10,001-25,000	25,001-50,000	50,001-100,000	OVER 100,000	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> \$0 to \$10,000	<input type="checkbox"/> \$10,001 to \$100,000	<input type="checkbox"/> \$100,001 to \$1 million	<input type="checkbox"/> \$1,000,001 to \$100 million	<input checked="" type="checkbox"/> More than \$100 million	<input type="checkbox"/> \$0 to \$50,000	<input type="checkbox"/> \$50,001 to \$100,000	<input type="checkbox"/> \$100,001 to \$1 million	<input type="checkbox"/> \$1,000,001 to \$100 million	<input checked="" type="checkbox"/> More than \$100 million	THIS SPACE IS FOR COURT USE ONLY
1-49	50-99	100-199	200-999	1,000-5,000	5,001-10,000	10,001-25,000	25,001-50,000	50,001-100,000	OVER 100,000																						
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>																						
<input type="checkbox"/> \$0 to \$10,000	<input type="checkbox"/> \$10,001 to \$100,000	<input type="checkbox"/> \$100,001 to \$1 million	<input type="checkbox"/> \$1,000,001 to \$100 million	<input checked="" type="checkbox"/> More than \$100 million																											
<input type="checkbox"/> \$0 to \$50,000	<input type="checkbox"/> \$50,001 to \$100,000	<input type="checkbox"/> \$100,001 to \$1 million	<input type="checkbox"/> \$1,000,001 to \$100 million	<input checked="" type="checkbox"/> More than \$100 million																											



073385307101600000000001

<b>Voluntary Petition</b> <i>(This page must be completed and filed in every case)</i>		Name of Debtor(s): <b>Movie Gallery US, LLC</b>	
<b>All Prior Bankruptcy Cases Filed Within Last 8 Years</b> (If more than two, attach additional sheet.)			
Location Where Filed: <b>- None -</b>	Case Number:	Date Filed:	
Location Where Filed:	Case Number:	Date Filed:	
<b>Pending Bankruptcy Case Filed by any Spouse, Partner, or Affiliate of this Debtor</b> (If more than one, attach additional sheet.)			
Name of Debtor: <b>SEE RIDER 2</b>	Case Number:	Date Filed:	
District:	Relationship:	Judge:	
<b>Exhibit A</b>  (To be completed if debtor is required to file periodic reports (e.g., forms 10K and 10Q) with the Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 and is requesting relief under chapter 11.)  <input type="checkbox"/> Exhibit A is attached and made a part of this petition.		<b>Exhibit B</b> (To be completed if debtor is an individual whose debts are primarily consumer debts.)  I, the attorney for the petitioner named in the foregoing petition, declare that I have informed the petitioner that [he or she] may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, and have explained the relief available under each such chapter. I further certify that I delivered to the debtor the notice required by 11 U.S.C. § 342(b).  X _____ Signature of Attorney for Debtor(s) Date	
<b>Exhibit C</b> Does the debtor own or have possession of any property that poses or is alleged to pose a threat of imminent and identifiable harm to public health or safety?  <input type="checkbox"/> Yes, and Exhibit C is attached and made a part of this petition. <input checked="" type="checkbox"/> No*			
<b>Exhibit D</b> (To be completed by every individual debtor. If a joint petition is filed, each spouse must complete and attach a separate Exhibit D.)  <input type="checkbox"/> Exhibit D completed and signed by the debtor is attached and made a part of this petition. If this is a joint petition: <input type="checkbox"/> Exhibit D also completed and signed by the joint debtor is attached and made a part of this petition.			
<b>Information Regarding the Debtor - Venue</b> (Check any applicable box)  <input type="checkbox"/> Debtor has been domiciled or has had a residence, principal place of business, or principal assets in this District for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other District. <input checked="" type="checkbox"/> There is a bankruptcy case concerning debtor's affiliate, general partner, or partnership pending in this District. <input type="checkbox"/> Debtor is a debtor in a foreign proceeding and has its principal place of business or principal assets in the United States in this District, or has no principal place of business or assets in the United States but is a defendant in an action or proceeding [in a federal or state court] in this District, or the interests of the parties will be served in regard to the relief sought in this District.			
<b>Statement by a Debtor Who Resides as a Tenant of Residential Property</b> <i>Check all applicable boxes.</i>  <input type="checkbox"/> Landlord has a judgment against the debtor for possession of debtor's residence. (If box checked, complete the following.)  _____ _____ _____ _____  <input type="checkbox"/> Debtor claims that under applicable nonbankruptcy law, there are circumstances under which the debtor would be permitted to cure the entire monetary default that gave rise to the judgment for possession, after the judgment for possession was entered, and  <input type="checkbox"/> Debtor has included in this petition the deposit with the court of any rent that would become due during the 30-day period after the filing of the petition.			

\* The Debtor is not aware of any definition of "imminent and identifiable harm" as used in this form. The Debtor does not believe it owns or possesses property that poses or is alleged to pose a threat of such harm.

<p style="text-align: center;"><b>Voluntary Petition</b></p> <p><i>(This page must be completed and filed in every case)</i></p>	<p>Name of Debtor(s): <b>Movie Gallery US, LLC</b></p>		
<b>Signatures</b>			
<p style="text-align: center;"><b>Signature(s) of Debtor(s) (Individual/Joint)</b></p> <p>I declare under penalty of perjury that the information provided in this petition is true and correct. [If petitioner is an individual whose debts are primarily consumer debts and has chosen to file under chapter 7] I am aware that I may proceed under chapter 7, 11, 12 or 13 of title 11, United States Code, understand the relief available under each such chapter, and choose to proceed under chapter 7.</p> <p>[If no attorney represents me and no bankruptcy petition preparer signs the petition] I have obtained and read the notice required by 11 U.S.C. § 342(b).</p> <p>I request relief in accordance with the chapter of title 11, United States Code, specified in this petition.</p> <p>X _____ Signature of Debtor</p> <p>X _____ Signature of Joint Debtor</p> <p>_____ Telephone Number (If not represented by attorney)</p> <p>_____ Date</p>	<p style="text-align: center;"><b>Signature of a Foreign Representative</b></p> <p>I declare under penalty of perjury that the information provided in this petition is true and correct, that I am the foreign representative of a debtor in a foreign proceeding, and that I am authorized to file this petition.</p> <p>(Check only one box.)</p> <p><input type="checkbox"/> I request relief in accordance with chapter 15 of title 11, United States Code. Certified copies of the documents required by 11 U.S.C. § 1515 are attached.</p> <p><input type="checkbox"/> Pursuant to 11 U.S.C. § 1511, I request relief in accordance with the chapter of title 11 specified in this petition. A certified copy of the order granting recognition of the foreign main proceeding is attached.</p> <p>X _____ Signature of Foreign Representative</p> <p>_____ Printed Name of Foreign Representative</p> <p>_____ Date</p>		
<p style="text-align: center;"><b>Signature of Attorney</b></p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <p>X /s/ Anup Sathy, P.C. _____ Signature of Attorney for Debtor(s) <b>Anup Sathy, P.C.</b> _____ Printed Name of Attorney for Debtor(s) <b>Kirkland &amp; Ellis LLP</b> _____ Firm Name  <b>200 E. Randolph</b> _____ <b>Chicago, Illinois 60601</b> _____ Address <b>312-861-2000</b> _____ Telephone Number <b>October 16, 2007</b> _____ Date</p> </td> <td style="width: 50%; vertical-align: top;"> <p>X /s/ Michael Condyles _____ Signature of Attorney for Debtor(s) <b>Michael Condyles</b> _____ Printed Name of Attorney for Debtor(s) <b>Kutak Rock LLP</b> _____ Firm Name  <b>1111 East Main Street</b> _____ <b>Suite 800</b> _____ <b>Richmond, VA 23219-3500</b> _____ Address <b>804-343-5227</b> _____ Telephone Number <b>October 16, 2007</b> _____ Date</p> </td> </tr> </table>	<p>X /s/ Anup Sathy, P.C. _____ Signature of Attorney for Debtor(s) <b>Anup Sathy, P.C.</b> _____ Printed Name of Attorney for Debtor(s) <b>Kirkland &amp; Ellis LLP</b> _____ Firm Name  <b>200 E. Randolph</b> _____ <b>Chicago, Illinois 60601</b> _____ Address <b>312-861-2000</b> _____ Telephone Number <b>October 16, 2007</b> _____ Date</p>	<p>X /s/ Michael Condyles _____ Signature of Attorney for Debtor(s) <b>Michael Condyles</b> _____ Printed Name of Attorney for Debtor(s) <b>Kutak Rock LLP</b> _____ Firm Name  <b>1111 East Main Street</b> _____ <b>Suite 800</b> _____ <b>Richmond, VA 23219-3500</b> _____ Address <b>804-343-5227</b> _____ Telephone Number <b>October 16, 2007</b> _____ Date</p>	<p style="text-align: center;"><b>Signature of Non-Attorney Bankruptcy Petition Preparer</b></p> <p>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 in that section. Official form 19B is attached.</p> <p>_____ Printed Name and title, if any, of Bankruptcy Petition Preparer</p> <p>_____ Social Security number (If the bankruptcy petition preparer is not an individual, state the Social Security number of the officer, principal, responsible person or partner of the bankruptcy petition preparer.)(Required by 11 U.S.C. § 110.)</p> <p>_____ Address</p> <p>X _____ Date</p> <p>Signature of Bankruptcy Petition Preparer or officer, principal, responsible person, or partner whose social security number is provided above. 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</p> <p>If more than one person prepared this document, attach additional sheets conforming to the appropriate official form for each person.</p> <p><i>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 11 U.S.C. § 110; 18 U.S.C. § 156.</i></p>
<p>X /s/ Anup Sathy, P.C. _____ Signature of Attorney for Debtor(s) <b>Anup Sathy, P.C.</b> _____ Printed Name of Attorney for Debtor(s) <b>Kirkland &amp; Ellis LLP</b> _____ Firm Name  <b>200 E. Randolph</b> _____ <b>Chicago, Illinois 60601</b> _____ Address <b>312-861-2000</b> _____ Telephone Number <b>October 16, 2007</b> _____ Date</p>	<p>X /s/ Michael Condyles _____ Signature of Attorney for Debtor(s) <b>Michael Condyles</b> _____ Printed Name of Attorney for Debtor(s) <b>Kutak Rock LLP</b> _____ Firm Name  <b>1111 East Main Street</b> _____ <b>Suite 800</b> _____ <b>Richmond, VA 23219-3500</b> _____ Address <b>804-343-5227</b> _____ Telephone Number <b>October 16, 2007</b> _____ Date</p>		
<p style="text-align: center;"><b>Signature of Debtor (Corporation/Partnership)</b></p> <p>I declare under penalty of perjury that the information provided in this petition is true and correct, and that I have been authorized to file this petition on behalf of the debtor. The debtor requests relief in accordance with the chapter of title 11, United States Code, specified in this petition.</p> <p>X /s/ S. Page Todd _____ Signature of Authorized Individual</p> <p><b>S. Page Todd</b> _____ Printed Name of Authorized Individual</p> <p><b>Executive Vice President, Secretary and General Counsel</b> _____ Title of Authorized Individual</p> <p><b>October 16, 2007</b> _____ Date</p>			

## **RIDER 1 - PRIOR TRADE NAMES**

All Other Names used by the Debtor in the last 8 years:

M.G. Midwest

M.G.A., Inc.

M.G.A. Realty I, Inc.

Moovies, Inc.

Movie Gallery Asset Management, Inc.

Movie Gallery Finance, Inc.

Movie Gallery Licensing, Inc.

Movie Gallery Promotions, Inc.

Movie Gallery Services, Inc.

MovieGallery.com, Inc.

Sun and Soul

Video Library, Inc.

Video Update, Inc.

## **RIDER 2 - LIST OF FILING ENTITIES**

Along with the Debtor, Movie Gallery US, LLC, the following affiliated debtors contemporaneously have filed chapter 11 petitions in the United States Bankruptcy Court for the Eastern District of Virginia Richmond Division:

1. Hollywood Entertainment Corporation
2. MG Automation LLC
3. M.G. Digital, LLC
4. M.G.A. Realty I, LLC
5. Movie Gallery, Inc.

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

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

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

Proposed Co-Counsel to the Debtors

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

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

**CONSOLIDATED LIST OF CREDITORS HOLDING  
THE 30 LARGEST UNSECURED CLAIMS**

---

The above-captioned debtors and debtors in possession (collectively, the “Debtors”) each filed a petition in the Court for relief under chapter 11 of the Bankruptcy Code, 11 U.S.C. §§ 101-1532. The following is the consolidated list of the Debtors’ creditors holding the 30 largest unsecured claims (the “Consolidated List”) based on the Debtors’ books and records as of approximately October 11, 2007. The Consolidated List is prepared in accordance with Fed. R. Bankr. P. 1007(d) for filing in these chapter 11 cases. The Consolidated List does not include (1) persons who come within the definition of “insider” set forth in 11 U.S.C. § 101(31), or (2) secured creditors unless the value of the collateral is such that the unsecured deficiency places the creditor among the holders of the Consolidated List of 30 largest unsecured claims. The information herein shall not constitute an admission of liability by, nor is it binding on, the Debtors. The information herein, including the failure of the Debtors to list any claim as contingent, unliquidated or disputed, does not constitute a waiver of the Debtors’ right to contest the validity, priority or amount of any claim.

<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.

(1) Name of creditor and complete mailing address, including zip code	(2) Name, telephone number and complete mailing address, including zip code of employee, agents, or department of creditor familiar with claim who may be contacted	(3) Nature of claim (trade debt, bank loan, government contracts, etc.)	(4) Indicate if claim is contingent, unliquidated, disputed or subject to set off	(5) Amount of claim (secured also state value of security)
U.S. Bank Corporate Trust Services, EX-GA-ATPT 1349 Peachtree Street, Suite 1050 Atlanta, Georgia 30309	U.S. Bank Corporate Trust Services, EX-GA-ATPT 1349 Peachtree Street, Suite 1050 Atlanta, Georgia 30309 (404) 898-8830 Fax: (404) 898-8844 Attn: Jack Ellerin	Bond		\$322,419,999
Paramount Home Video 5555 Melrose Avenue Hollywood, California 90038	Paramount Home Video 5555 Melrose Avenue Hollywood, California 90038 (323) 956-5489 Fax: (323) 862-1183 Attn: Andi Marygold	Trade		\$11,198,737
Sony Pictures Home Entertainment 10202 W. Washington Boulevard, Suite 2400 Culver City, California 90232	Sony Pictures Home Entertainment 10202 West Washington Boulevard, Suite 2400 Culver City, California 90232 (310) 244-8485 Fax: (310) 244-2626 Attn: Grace Aprillia	Trade		\$10,954,171
Twentieth Century Fox Home Entertainment 2121 Avenue of the Stars, #2500 Los Angeles, California 90067-5049	Twentieth Century Fox Home Entertainment 2121 Avenue of the Stars, #2500 Los Angeles, California 90067-5049 (310) 369-3900 Fax: (310) 369-5262 Attn: Laura Cook, General Counsel	Trade		\$7,591,134
Warner Home Video 3400 Riverside Drive, Building 160 Burbank, California 91505	Warner Home Video 3400 Riverside Drive, Building 160 Burbank, California 91505 (818) 977-8219 (818) 977-3095 Fax: (818) 977-5740 Attn: Jacob Marlen and Laura Bermudez	Trade		\$6,897,627
Universal Studios Home Entertainment 10 Universal City Plaza, 4th Floor Universal City, California 91608	Universal Studios Home Entertainment 10 Universal City Plaza, 4th Floor Universal City, California 91608 (818) 777-5159 Fax: (818) 866-3330 Attn: Janice Sasaki	Trade		\$5,052,179
VPD, Inc. 150 Park Shore Drive Folsom, California 95630	VPD, Inc. 150 Park Shore Drive Folsom, California 95630 (916) 605-1540 Fax: (916) 605-1679 Attn: David Sedin	Trade		\$3,672,022
Lions Gate Entertainment 2700 Colorado Avenue, 2nd Floor Santa Monica, California 90404	Lions Gate Entertainment 2700 Colorado Avenue, 2nd Floor Santa Monica, California 90404 (310) 255-4083 Fax: (310) 255-3870 Attn: Brian John	Trade		\$2,252,918
First Look Home Entertainment 2000 Avenue of the Stars, #410 Los Angeles, California 90067	First Look Home Entertainment 2000 Avenue of the Stars, #410 Los Angeles, California 90067 (323) 337-1000 (323) 337-1040 Fax: (424) 202-5310 Attn: Pam Flake and Ken Lynch	Trade		\$1,000,754

(1) Name of creditor and complete mailing address, including zip code	(2) Name, telephone number and complete mailing address, including zip code of employee, agents, or department of creditor familiar with claim who may be contacted	(3) Nature of claim (trade debt, bank loan, government contracts, etc.)	(4) Indicate if claim is contingent, unliquidated, disputed or subject to set off	(5) Amount of claim (secured also state value of security)
Banta Direct Marketing Group Corporate Headquarters 2075 Busse Road Elk Grove, Illinois 60007-5738  RR Donnelly Legal Department 111 South Wacker Drive Chicago, Illinois 60606	Banta Direct Marketing Group Corporate Headquarters 2075 Busse Road Elk Grove, Illinois 60007-5738 (847) 593-1200 Fax: (847) 593-0729 Attn: Jim Cyze, President	Trade		\$821,546
The Brualdi Law Firm 29 Broadway, Suite 2400 New York, New York 10022  Lerach Coughlin Stoia Geller Rudman & Robbins, LLP 655 West Broadway, Suite 1900 San Diego, California 92101	The Brualdi Law Firm 29 Broadway, Suite 2400 New York, New York 10022 (212) 952-0602 Fax: (212) 952-0608 Attn: Richard B. Brualdi  Lerach Coughlin Stoia Geller Rudman & Robbins, LLP 655 West Broadway, Suite 1900 San Diego, California 92101 (619) 231-1058 Fax: (619) 231-7423 Attn: A. Rick Atwood	Settlement of Litigation		\$700,000
BNY Western Trust Co. 550 Kearny Street, Suite 600 San Francisco, California 94108	BNY Western Trust Co. 550 Kearny Street, Suite 600 San Francisco, California 94108 (415) 263-2000 Fax: (415) 399-1647 Attn: Corporate Trust Department	Bond		\$450,000
Random House, Inc. 1745 Broadway New York, New York 10019	Random House, Inc. 1745 Broadway New York, New York 10019 (212) 782-9000 Fax: (212) 940-7381 Attn: General Counsel or Officer	Trade		\$419,025
ORIX Commercial Finance, LLC (successor in interest to ORIX Financial Services, Inc.) c/o Gebhardt & Smith LLP One South Street, Suite 2200 Baltimore, Maryland 21202	ORIX Commercial Finance, LLC c/o Gebhardt & Smith LLP One South Street, Suite 2200 Baltimore, Maryland 21202 (410) 752-5830 Fax: (410) 385-5119 Attn: Michael D. Nord	Litigation		\$400,000
Realty Income Corporation 220 West Crest Street Escondido, California 92025	Realty Income Corporation 220 West Crest Street Escondido, CA 92025 (760) 741-2111 Fax: (760) 741-2235 Attn: Thomas A. Lewis, Chief Executive Officer	Trade		\$359,732
Emdeon Business Services 26 Century Boulevard, Suite 601 Nashville, Tennessee 37214	Emdeon Business Services 26 Century Boulevard, Suite 601 Nashville, Tennessee 37214 (615) 886-9000 Fax: (615) 231-4965 Attn: General Counsel or Officer	Trade		\$322,469
Inland Commercial Property 2901 Butterfield Road Oak Brook, Illinois 60523	Inland Commercial Property 2901 Butterfield Road Oak Brook, Illinois 60523 (630) 218-5262 Fax: (630) 218-4900 Attn: Janice J. Fox	Trade		\$311,231



(1) Name of creditor and complete mailing address, including zip code	(2) Name, telephone number and complete mailing address, including zip code of employee, agents, or department of creditor familiar with claim who may be contacted	(3) Nature of claim (trade debt, bank loan, government contracts, etc.)	(4) Indicate if claim is contingent, unliquidated, disputed or subject to set off	(5) Amount of claim (secured also state value of security)
Coyle Reproductions 14949 Firestone Boulevard La Mirada, California 90638	Coyle Reproductions 14949 Firestone Blvd La Mirada, California 90638 (714) 690-8200 Fax: (714) 690-8220 Attn: Frank T. Cutrone, Jr., Chief Executive Officer	Trade		\$307,238
Pepsi – Chicago 1400 West 35th Street Chicago, Illinois 60609	Pepsi – Chicago 1400 West 35th Street Chicago, Illinois 60609 (773) 893-2300 Fax: (773) 893-2306 Attn: Claims Department	Trade		\$286,154
Westcott Group Inc 2346 South Lynhurst Drive, Suite 206 Indianapolis, Indiana 46241	Westcott Group Inc 2346 South Lynhurst Drive, Suite 206 Indianapolis, Indiana 46241 (317) 484-1362 Fax: (317) 484-1369 Attn: Rich Westcott or Bob Sapp	Trade		\$262,492
Starz Entertainment, LLC 8900 Liberty Circle Englewood, Colorado 80112  Anchor Bay Entertainment, Inc. 1699 Stutz Drive Troy, Michigan 48084	Starz Entertainment, LLC 8900 Liberty Circle Englewood, Colorado 80112 (720) 852-7700 Fax: (720) 852-8555 Attn: General Counsel or Officer  Anchor Bay Entertainment, Inc. 1699 Stutz Drive Troy, Michigan 48084 (248) 816-0909 Fax: (248) 816-3335 Attn: General Counsel or Officer	Trade		\$219,669
Waste Management, Inc. 1001 Fannin, Suite 4000 Houston, Texas 77002	Waste Management, Inc. 1001 Fannin, Suite 4000 Houston, Texas 77002 (713) 512-6200 Fax: (713) 512-6299 Attn: General Counsel or Officer	Trade		\$199,296
Universal Music Group Distribution 1755 Broadway New York, NY 10019	Universal Music Group Distribution 1755 Broadway New York, NY 10019 (212) 841-8000 Fax: (212) 331-2580 Attn: General Counsel or Officer	Trade		\$192,038
Coca Cola Enterprises, Inc. 2500 Windy Ridge Parkway Atlanta, Georgia 30339	Coca Cola Enterprises, Inc. 2500 Windy Ridge Parkway Atlanta, Georgia 30339 (770) 989-3323 Fax: (770) 989-3619 Attn: Alex Diaz, General Counsel	Trade		\$183,426
Southern Development of MS, Inc. 40 Deep South Lane Purvis, Mississippi 39475	Southern Development of MS, Inc. 40 Deep South Lane Purvis, Mississippi 39475 (601) 794-2253 Fax: (601) 794-5468 Attn: General Counsel or Officer	Trade		\$177,472
Matrix Telecom 2207 Commerce Street Dallas, Texas 75001	Matrix Telecom 2207 Commerce Street Dallas, Texas 75001 (214) 432-1447 Fax: (214) 432-1576 Attn: General Counsel or Officer	Trade		\$174,804

(1) Name of creditor and complete mailing address, including zip code	(2) Name, telephone number and complete mailing address, including zip code of employee, agents, or department of creditor familiar with claim who may be contacted	(3) Nature of claim (trade debt, bank loan, government contracts, etc.)	(4) Indicate if claim is contingent, unliquidated, disputed or subject to set off	(5) Amount of claim (secured also state value of security)
WYF Properties, LLC 4949 SW Meadows Road Lake Oswego, Oregon 97035	WYF Properties, LLC 4949 SW Meadows Road Lake Oswego, Oregon 97035 (503) 644-9400 Fax: (503) 520-9400 Attn: General Counsel or Officer	Trade		\$170,118
Kronos, Inc. 297 Billerica Road Chelmsford, Massachusetts 01824	Kronos, Inc. 297 Billerica Road Chelmsford, Massachusetts 01824 (978) 250-9800 Fax: (978) 367-5900 Attn: General Counsel or Officer	Trade		\$170,016
Fred Meyer Stores 3800 SE 22nd Avenue Portland, Oregon 97202	Fred Meyer Stores 3800 SE 22nd Avenue Portland, Oregon 97202 (503) 232-8844 Fax: (503) 797-5609 Attn: Michael Ellis, President	Trade		\$162,739
Magnolia Home Entertainment 49 West 27th Street, 7th Floor New York, New York 10001	Magnolia Home Entertainment 49 West 27th Street, 7th Floor New York, New York 10001 (212) 924-6701 Fax: (212) 924-6742 Attn: Randy Wells	Trade		\$161,491

**DECLARATION UNDER PENALTY  
OF PERJURY ON BEHALF OF CORPORATION**

Pursuant to 28 U.S.C. § 1746, I, S. Page Todd, the duly qualified and elected Executive Vice President, Secretary and General Counsel of Movie Gallery US, LLC, declare under penalty of perjury that I have reviewed the Consolidated List of Creditors Holding the 30 Largest Unsecured Claims and that it is true and correct to the best of my information and belief.

Richmond, Virginia

Dated: October 16, 2007

/s/ S. Page Todd

---

S. Page Todd

Executive Vice President, Secretary and  
General Counsel

## **UNANIMOUS CONSENT OF THE SOLE MEMBER OF MOVIE GALLERY US, LLC**

I, S. Page Todd, the duly qualified and elected Executive Vice President, Secretary and General Counsel of Movie Gallery US, LLC, a Delaware limited liability company (the "Company"), hereby certify that the sole member (the "Sole Member") of the Company adopted the following resolutions (collectively, the "Resolutions") by unanimous written consent on October 14, 2007, in accordance with the Company's Operating Agreement and the requirements of the Delaware Limited Liability Company Act and that said Resolutions have not been modified or rescinded and are still in full force and effect on the date hereof:

WHEREAS, the Sole Member reviewed the materials presented by the management and the advisors of the Company and Movie Gallery, Inc. regarding the liabilities and liquidity situation of the Company, the strategic alternatives available to it and the impact of the foregoing on the Company's businesses and members;

WHEREAS, the Sole Member has had the opportunity to consult with the management and the advisors of the Company and Movie Gallery, Inc. and fully consider each of the strategic alternatives available to the Company;

WHEREAS, the Sole Member reviewed the materials presented by the management and the financial and legal advisors of the Company and Movie Gallery, Inc. regarding the agreement with Sopris Capital Advisors LLC to serve as a backstop to a contemplated rights offering to be made in connection with the confirmation and consummation of a chapter 11 plan of reorganization for the purchase of common shares in the Reorganized Movie Gallery, according to the Proposed Restructuring Term Sheet, attached as Exhibit A to the Lock Up Agreement (as defined below) and the impact of the foregoing on the Company's businesses;

### **I. Voluntary Petition Under the Provisions of Chapter 11 of the United States Bankruptcy Code**

**RESOLVED**, that in the judgment of the Sole Member of the Company, it is desirable and in the best interests of the Company, its creditors, and other parties in interest, that the Company file or cause to be filed a voluntary petition for relief under the provisions of chapter 11 of the Bankruptcy Code, 11 U.S.C. §§ 101-1532 (the "Bankruptcy Code"); and

**RESOLVED**, that the officers of the Company (collectively, the “Authorized Officers”), acting alone or with one or more other Authorized Officers be, and they hereby are, authorized and empowered to execute and file on behalf of the Company all petitions, schedules, lists, motions, applications, pleadings and other papers or documents as necessary to commence the case and obtain chapter 11 relief, including but not limited to motions to obtain the use of cash collateral and provide adequate protection therefor and to obtain debtor in possession financing (as provided for below), and to take any and all further acts and deeds that they deem necessary, proper and desirable in connection with the chapter 11 case, with a view to the successful prosecution of such case; and

**RESOLVED**, that the Authorized Officers be, and they hereby are, authorized and directed to employ the law firm of Kirkland & Ellis LLP as general bankruptcy counsel to represent and assist the Company in carrying out its duties under the Bankruptcy Code, and to take any and all actions to advance the Company’s rights and obligations, including filing any pleadings; and in connection therewith, the Authorized Officers are hereby authorized and directed to execute appropriate retention agreements, pay appropriate retainers prior to and immediately upon filing of the chapter 11 case, and cause to be filed an appropriate application for authority to retain the services of Kirkland & Ellis LLP; and

**RESOLVED**, that the Authorized Officers be, and they hereby are, authorized and directed to employ the law firm of Kutak Rock LLP as local bankruptcy and conflicts counsel to represent and assist the Company in carrying out its duties under the Bankruptcy Code, and to take any and all actions to advance the Company’s rights and obligations, including filing any pleadings; and in connection therewith, the Authorized Officers are hereby authorized and directed to execute appropriate retention agreements, pay appropriate retainers prior to and immediately upon filing of the chapter 11 case, and cause to be filed an appropriate application for authority to retain the services of Kutak Rock LLP; and

**RESOLVED**, that the Authorized Officers be, and they hereby are, authorized and directed to employ the firm of Ernst & Young LLP as independent auditors, accountants and tax advisors to represent and assist the Company in carrying out its duties under the Bankruptcy Code, and to take any and all actions to advance the Company’s rights and obligations; and in connection therewith, the Authorized Officers are hereby authorized and directed to execute appropriate retention agreements, pay appropriate retainers prior to and immediately upon filing of the chapter 11 case, and cause to be filed an appropriate application for authority to retain the services of Ernst & Young LLP; and

**RESOLVED**, that the Authorized Officers be, and they hereby are, authorized and directed to employ the firm of Lazard Frères & Co. LLC as financial advisor and investment banker to represent and assist the Company in carrying out its duties under the Bankruptcy Code, and to take any and all actions

to advance the Company's rights and obligations; and in connection therewith, the Authorized Officers are hereby authorized and directed to execute appropriate retention agreements, pay appropriate retainers prior to and immediately upon filing of the chapter 11 case, and cause to be filed an appropriate application for authority to retain the services of Lazard Frères & Co. LLC; and

**RESOLVED**, that the Authorized Officers be, and they hereby are, authorized and directed to employ the firms of Alvarez & Marsal North America LLC and Alvarez & Marsal Business Consulting, LLC as restructuring advisors to represent and assist the Company in carrying out its duties under the Bankruptcy Code, and to take any and all actions to advance the Company's rights and obligations; and in connection therewith, the Authorized Officers are hereby authorized and directed to execute appropriate retention agreements, pay appropriate retainers prior to and immediately upon filing of the chapter 11 case and cause to be filed an appropriate application for authority to retain the services of Alvarez & Marsal North America LLC and Alvarez & Marsal Business Consulting, LLC; and

**RESOLVED**, that the Authorized Officers be, and they hereby are, authorized and directed to employ the firm of Kurtzman Carson Consultants LLC as noticing, claims and balloting agent to represent and assist the Company in carrying out its duties under the Bankruptcy Code, and to take any and all actions to advance the Company's rights and obligations; and in connection therewith, the Authorized Officers are hereby authorized and directed to execute appropriate retention agreements, pay appropriate retainers prior to and immediately upon filing of the chapter 11 case, and cause to be filed an appropriate application for authority to retain the services of Kurtzman Carson Consultants LLC; and

**RESOLVED**, that the Authorized Officers be, and they hereby are, authorized and directed to employ the firm of Keen Consultants, the real estate division of KPMG Corporate Finance Realty LLC and its wholly-owned subsidiary KPMG CF Realty LLC, as real estate consultants to represent and assist the Company in carrying out its duties under the Bankruptcy Code, and to take any and all actions to advance the Company's rights and obligations; and in connection therewith, the Authorized Officers are hereby authorized and directed to execute appropriate retention agreements, pay appropriate retainers prior to and immediately upon filing of the chapter 11 case, and cause to be filed an appropriate application for authority to retain the services of Keen Consultants; and

**RESOLVED**, that the Authorized Officers be, and they hereby are, authorized and directed to employ the firm of Great American Group LLC as asset sales consultants to represent and assist the Company in carrying out its duties under the Bankruptcy Code, and to take any and all actions to advance the Company's rights and obligations; and in connection therewith, the Authorized Officers are hereby authorized and directed to execute appropriate retention agreements, pay appropriate retainers prior to and immediately upon filing of the

chapter 11 case and cause to be filed an appropriate application for authority to retain the services of Great American Group LLC; and

**RESOLVED**, that the Authorized Officers be, and they hereby are, authorized and directed to employ any other professionals to assist the Company in carrying out its duties under the Bankruptcy Code; and in connection therewith, the Authorized Officers are hereby authorized and directed to execute appropriate retention agreements, pay appropriate retainers prior to or immediately upon the filing of the chapter 11 case and cause to be filed an appropriate application for authority to retain the services of any other professionals as necessary; and

## **II. Debtor in Possession Financing**

**RESOLVED**, that the form, terms and provisions of the Secured Super-Priority Debtor-in-Possession Credit And Guaranty Agreement (the "DIP Loan Agreement" and together with each other document, instrument or agreement executed by the Company or any other Guarantor (defined below) in connection therewith, including, but not limited to, the fee letter, the "DIP Loan Documents"), among the Company, as debtor and debtor in possession in a case to be filed under chapter 11 of the Bankruptcy Code, and the subsidiaries of the Company signatory thereto (each a "Guarantor" and collectively, the "Guarantors"), each of which Guarantors will be a debtor and debtor in possession in a case to be filed under chapter 11 of the Bankruptcy Code (the case of the Company and the Guarantors, each a "Case" and collectively, the "Cases"), Goldman Sachs Credit Partners, L.P. ("GSCP"), as lead arranger, syndication agent and documentation agent under the DIP Loan Agreement, GSCP and each of the other financial institutions from time to time party to the DIP Loan Agreement (together with GSCP, the "DIP Lenders"), and The Bank of New York, as administrative agent (in such capacity, the "DIP Agent") and collateral agent for the DIP Lenders; which DIP Loan Documents (A) provide the Company with loan facilities of up to \$150,000,000 comprised of revolving credit, term loan and a letter of credit facility, (B) require all of the Company's obligations therein to be guaranteed by the Guarantors, (C) require the grant of the security interests and liens in all assets and properties of the Company and Guarantors, with corresponding adequate protection to existing secured lenders as a result of the priming of existing liens and security interests, and (D) provide for the proceeds therefrom to be used for working capital and for other general corporate purposes of the Company and the Guarantors, including postpetition operating expenses of administration of the Cases and refinancing in full of the Existing Revolver Indebtedness (as defined in the DIP Loan Documents) outstanding as of the petition date, in substantially the form submitted to the Sole Member, be, and the same hereby are in all respects approved, and that any Authorized Officer or other officer of the Company is hereby authorized and empowered, in the name of and on behalf of the Company, to execute and deliver each of the DIP Loan Documents to which the Company is a party, each in the form or substantially in the form thereof submitted to the Sole Member of the Company, with such changes, additions and modifications thereto as the officer of the Company

executing the same shall approve, such approval to be conclusively evidenced by such officer's execution and delivery thereof; and

**RESOLVED**, that the Company, as debtor and debtor in possession under the Bankruptcy Code shall be, and hereby is, authorized to: incur the Obligations (as defined in the DIP Loan Documents) and undertake any and all related transactions contemplated thereby (collectively, the "Financing Transactions"); and

**RESOLVED**, that each and every officer, including the Authorized Officers, of the Company be, and each of them, acting alone, hereby is authorized, directed and empowered from time to time in the name and on behalf of the Company to take any and all such actions, and to execute and deliver or cause to be executed and delivered under seal of the Company or otherwise, any and all such other documents, agreements, certificates, writings and instruments to be delivered in connection with the DIP Loan Documents (including, without limitation, any amendments, supplements or modifications to the DIP Loan Documents and such other documents, agreements (including, without limitation, security agreements, mortgages and guarantees), certificates, writings and instruments to be delivered in connection therewith), and to grant the security interests in or liens on any real or personal property of the Company now or hereafter acquired as contemplated by the DIP Loan Documents, with full authority to indorse, assign or guarantee any of the foregoing in the name of the Company, in each case, as any such officer may deem necessary or advisable to carry out the intent and purposes of the immediately foregoing resolution, and his or her execution and delivery thereof to be conclusive evidence that he or she deems in necessary or advisable, his or her execution and delivery thereof to be conclusive evidence of his or her authority, to so act and his or her approval thereof; and

**RESOLVED**, that the Authorized Officers be, and they hereby are, authorized and directed, and each of them, acting alone, hereby is, authorized, directed and empowered in the name of, and on behalf of, the Company, as debtor and debtor in possession, to take such actions and execute and deliver (a) the DIP Loan Documents and such agreements (including, without limitation, security agreements, mortgages and guarantees), certificates, instruments, notices and any and all other documents as the Authorized Officers may deem necessary or appropriate to facilitate the Financing Transactions (collectively, the "Financing Documents"); (b) such other instruments, certificates, notices, assignments and documents as may be reasonably requested by the DIP Agent; and (c) such forms of deposit and securities account control agreements, officer's certificates and compliance certificates as may be required by the DIP Loan Documents or any other Financing Document; and

**RESOLVED**, that the Authorized Officers and each other officer of the Company be, and each of them hereby is, authorized and empowered to authorize the DIP Agent (including, without limitation, in its capacity as collateral agent) to



file any Uniform Commercial Code (the "UCC") financing statements and any necessary assignments for security or other documents in the name of the Company that the DIP Agent (including, without limitation, in its capacity as collateral agent) deems necessary or convenient to perfect any lien or security interest granted under the DIP Loan Documents, including any such UCC financing statement containing a super-generic description of collateral, such as "all assets," "all property now or hereafter acquired" and other similar descriptions of like import, and to execute and deliver, and to record or authorize the recording of, such mortgages and deeds of trust in respect of real property of the Company and such other filings in respect of intellectual and other property of the Company, in each case as the DIP Agent (including, without limitation, in its capacity as collateral agent) may reasonably request to perfect the security interests of the DIP Agent (including, without limitation, in its capacity as collateral agent), the DIP Lenders and other secured parties under the DIP Loan Documents; and

**RESOLVED**, that each of the Authorized Officers be, and hereby is, authorized and empowered to take all such further actions including, without limitation, to pay all fees and expenses, in accordance with the terms of the Financing Documents, which shall in their sole judgment be necessary, proper or advisable to perform the Company's obligations under or in connection with the DIP Loan Documents or any of the other Financing Documents and the transactions contemplated therein and to carry out fully the intent of the foregoing resolutions; and

**RESOLVED**, that each of the Authorized Officers be, and hereby is, authorized and empowered to execute and deliver any amendments, supplements, modifications, renewals, replacements, consolidations, substitutions and extensions of the DIP Loan Documents or any of the Financing Documents which shall in their sole judgment be necessary, proper or advisable; and

**RESOLVED**, that all acts and actions taken by the Authorized Officers prior to the date hereof with respect to the transactions contemplated by the DIP Loan Documents and any of the other Financing Documents be, and hereby are, in all respects confirmed, approved and ratified; and

### **III. The Proposed Restructuring and the Lock Up Agreement**

**RESOLVED**, that in the judgment of the Sole Member, it is desirable and in the best interests of the Company, its creditors, stockholders, and other parties in interest, that the Company enter into the Lock Up, Voting and Consent Agreement (the "Lock Up Agreement" and together with each other document, instrument or agreement executed by the Company in connection therewith, including, but not limited to, the Proposed Restructuring Term Sheet and the Rights Offering Term Sheet, the "Restructuring Documents") among the Company, certain holders of claims under the Second Lien Credit Agreement dated as of March 8, 2007, among Movie Gallery, Inc., as borrower, the lenders

party thereto, Goldman Sachs Credit Partners L.P., as lead arranger and syndication agent, and Wells Fargo Bank, N.A., as successor to CapitalSource Inc., as collateral agent and administrative agent, providing for a \$175 million second lien term loan (the "Consenting Second Lien Holders") and certain holders of claims under the 11% Senior Unsecured Notes Indenture dated as of April 27, 2005, between Movie Gallery, Inc., as issuer, certain Movie Gallery, Inc. subsidiaries, as guarantors and U.S. Bank N.A., as trustee (the "Consenting 11% Senior Notes Holders") in order to diminish uncertainty and transaction risk in the chapter 11 plan confirmation process;

**RESOLVED**, that the form, terms and provisions of the Lock Up Agreement, in substantially the form submitted to the Sole Member, be, and the same hereby are in all respects approved, and that any Authorized Officer or other officer of the Company is hereby authorized and empowered, in the name of and on behalf of the Company, to execute and deliver the Lock Up Agreement, in the form or substantially in the form thereof submitted to the Sole Member of the Company, with such changes, additions and modifications thereto as the officer of the Company executing the same shall approve, such approval to be conclusively evidenced by such officer's execution and delivery thereof, and that all acts and actions taken by the officers in regards thereto, including drafting and negotiating the Restructuring Documents, are hereby, in all respects, confirmed, approved and ratified;

**RESOLVED**, that each of the Authorized Officers be, and hereby is, authorized and empowered to take all such further actions including, without limitation, to pay all fees and expenses, in accordance with the terms of the Lock Up Agreement, including, without limitation, the Termination Fee, the Commitment Fee and the Expense Reimbursements, all as defined in the Restructuring Documents, which shall in their sole judgment be necessary, proper or advisable to perform the Company's obligations under or in connection with the Lock Up Agreement or any of the other Restructuring Documents and the transactions contemplated therein and to carry out fully the intent of the foregoing resolutions; and

**RESOLVED**, that each of the Authorized Officers be, and hereby is, authorized and empowered to execute and deliver any amendments, supplements, modifications, renewals, replacements, consolidations, substitutions and extensions of the Lock Up Agreement or any of the Restructuring Documents which shall in their sole judgment be necessary, proper or advisable; and

**RESOLVED**, that all acts and actions taken by the Authorized Officers prior to the date hereof with respect to the transactions contemplated by the Lock Up Agreement and any of the Restructuring Documents be, and hereby are, in all respects confirmed, approved and ratified; and

#### **IV. Further Actions and Prior Actions**

**RESOLVED**, that in addition to the specific authorizations heretofore conferred upon the Authorized Officers, each of the officers of the Company or their designees shall be, and each of them, acting alone, hereby is, authorized, directed and empowered, in the name of, and on behalf of, the Company, to take or cause to be taken any and all such further actions, to execute and deliver any and all such agreements, certificates, instruments and other documents and to pay all expenses, including filing fees, in each case as in such officer or officers' judgment shall be necessary or desirable to fully carry out the intent and accomplish the purposes of the Resolutions adopted herein; and

**RESOLVED**, that all acts, actions and transactions relating to the matters contemplated by the foregoing Resolutions done in the name of and on behalf of the Company, which acts would have been approved by the foregoing Resolutions except that such acts were taken before these resolutions were certified, are hereby in all respects approved and ratified.

IN WITNESS WHEREOF, the undersigned has executed this consent as of the 15th day of October, 2007.

By: /s/ S. Page Todd  
S. Page Todd  
Title: Executive Vice President, Secretary and  
General Counsel

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

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

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

Proposed Co-Counsel to the Debtors

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

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

**CONSOLIDATED LIST OF EQUITY SECURITY HOLDERS<sup>2</sup>**

- Movie Gallery, Inc. is 11.7% owned by Joe T. Malugen, 9.2% owned by Verdon Capital, LLC, 6.6% owned by Avenue Capital Management II, L.P., 5.3% owned by Penninsula Capital Management, Inc., 5.2% owned by Contrarian Capital Management, L.L.C., 5.1% owned by Contrarian Equity Fund, L.P., 4.9% owned by LaGrange Capital Partners, L.P., 4.2% owned by Barclays Global Investors, NA, and 3.1% owned by H. Harrison Parrish.<sup>3</sup>
- Hollywood Entertainment Corporation is 100% owned by Movie Gallery, Inc.
- Movie Gallery US, LLC is 100% owned by Movie Gallery, Inc.
- M.G.A. Realty I, LLC is 100% owned by Movie Gallery US, LLC.

<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> This list serves as the disclosure required to be made by the Debtor pursuant to Rule 1007 of the Federal Rules of Bankruptcy Procedure. All equity positions listed are based on information and belief as of 9/30/07.

<sup>3</sup> Movie Gallery, Inc.'s Certificate of Authorization (the "Certificate") authorizes the issuance of 65,000,000 shares of common stock. As of August 1, 2007, 33,096,866 shares of common stock were issued and outstanding. The Certificate also authorizes the issuance of 2,000,000 shares of preferred stock. No preferred stock has been issued.

- M.G. Digital, LLC is 100% owned by Movie Gallery US, LLC.
- MG Automation LLC is 100% owned by Hollywood Entertainment Corporation.

**United States Bankruptcy Court  
Eastern District of Virginia**

In re Movie Gallery US, LLC  
Debtor

Case No. 07-\_\_\_\_\_  
Chapter 11

**DECLARATION OF DIVISIONAL VENUE**

The debtor's domicile, residence, principal place of business or principal assets were located for the greater part of the 180 days preceding the filing of the bankruptcy petition in the indicated city or county [check one box only]:

**Alexandria Division**

**Cities:**

- ☐ Alexandria-510
- ☐ Fairfax-600
- ☐ Falls Church-610
- ☐ Manassas-683
- ☐ Manassas Park-685

**Counties:**

- ☐ Arlington-013
- ☐ Fairfax-059
- ☐ Fauquier-061
- ☐ Loudoun-107
- ☐ Prince William-153
- ☐ Stafford-179

**Richmond Division**

**Cities:**

- ☐ Richmond (city)-760
- ☐ Colonial Heights-570
- ☐ Emporia-595
- ☐ Fredericksburg-630
- ☐ Hopewell-670
- ☐ Petersburg-730

**Counties:**

- ☐ Amelia-007
- ☐ Brunswick-025
- ☐ Caroline-033
- ☐ Charles City-036
- ☐ Chesterfield-041
- ☐ Dinwiddie-053
- ☐ Essex-057
- ☐ Goochland-075
- ☐ Greensville-081
- ☐ Hanover-085
- ☐ Henrico-087
- ☐ King and Queen-097
- ☐ King George-099
- ☐ King William-101
- ☐ Lancaster-103
- ☐ Lunenburg-111
- ☐ Mecklenburg-117
- ☐ Middlesex-119
- ☐ New Kent-127
- ☐ Northumberland-133
- ☐ Nottoway-135
- ☐ Powhatan-145
- ☐ Prince Edward-147
- ☐ Prince George-149
- ☐ Richmond (county)-159
- ☐ Spotsylvania-177
- ☐ Surry-181
- ☐ Sussex-183
- ☐ Westmoreland-193

**Norfolk Division**

**Cities:**

- ☐ Norfolk-710
- ☐ Cape Charles-535
- ☐ Chesapeake-550
- ☐ Franklin-620
- ☐ Portsmouth-740
- ☐ Suffolk-800
- ☐ Virginia Beach-810

**Counties:**

- ☐ Accomack-001
- ☐ Isle of Wight-093
- ☐ Northampton-131
- ☐ Southampton-175

**Newport News Division**

**Cities:**

- ☐ Newport News-700
- ☐ Hampton-650
- ☐ Poquoson-735
- ☐ Williamsburg-830

**Counties:**

- ☐ Gloucester-073
- ☐ James City-095
- ☐ Mathews-115
- ☐ York-199

Date: October 16, 2007

/s/ Michael A. Condyles

Signature of Attorney  
Michael A. Condyles

/s/ Anup Sathy, P.C.

Signature of Attorney  
Anup Sathy, P.C.

☒ There is a bankruptcy case concerning debtor's affiliate, general partner, or partnership pending in this Division.