

**MOVIE GALLERY, INC.**  
**Glossary of Restructuring Terms for Web Site**

**Administrative Claim:** A claim that arises after the filing date, which is granted priority treatment and entitled to payment in full under the Bankruptcy Code. For example, obligations to suppliers for anything provided after the filing date generally would give rise to an administrative claim if the obligations were not paid.

**Automatic Stay:** An injunction that takes effect immediately upon filing a Chapter 11 petition. It prohibits, among other things, all collection actions against a debtor and all actions to exercise control over property of a debtor. The automatic stay also affects lawsuits commenced prior to the date of filing, preventing them from moving forward until the Chapter 11 case is over.

**Bankruptcy Judge:** Presides over the administration of a Chapter 11 case and decides contested aspects of that case related to the restructuring of a debtor.

**Bankruptcy Petition:** The legal pleading filed with the Bankruptcy Court that initiates a bankruptcy proceeding.

**Bar Date:** The last date on which a creditor must file a claim against the debtor relating to a pre-petition debt (proof of claim). The Bankruptcy Court will establish the bar date and then notice of the bar date will be announced and sent to creditors.

**Business Plan:** A strategic plan prepared by management that sets forth the debtor's objectives as well as the specific steps that will be taken to achieve those goals.

**Cash Collateral:** Cash in which an entity other than the debtor has an interest, e.g., a security interest by a secured lender or a lien.

**Chapter 11:** The chapter of the United States Bankruptcy Code that contains the provisions relating to a court-supervised restructuring of debtor companies. It is a legal mechanism for court-supervised reorganization or modification of an organization's debt and/or structure while it continues day-to-day operations.

**Chapter 11 Petition:** The document filed with the Bankruptcy Court to commence a bankruptcy case. The Chapter 11 petition is, in most cases, filed with a variety of other supporting documents that contain information about the debtor, including financial information.

**Claim:** A right to payment, whether that right is fixed, liquidated, potential or contingent (i.e., based on the outcome of litigation). Claims can fall into different categories: priority, secured, unsecured, contingent, liquidated, disputed or matured, based on the creditor's legal rights.

**Confirmation:** The official approval of the Plan of Reorganization by the Bankruptcy Court.

**Confirmation Date:** The date on which the Bankruptcy Court approves the debtor's Plan of Reorganization.

**Creditor:** A person or entity, such as a vendor, employee, bank lender or bondholder, to whom a debt is owed by the debtor and, therefore, has a claim against the debtor, which arose prior to the date that the debtor filed for Chapter 11 protection. Creditors' claims fall into different classes depending on whether or not they are secured by collateral, are within a group of priority creditors identified by Congress in the Bankruptcy Code, or hold an administrative claim.

**Creditors' Committee:** Appointed by the United States trustee and is composed of representatives of the unsecured creditors, i.e., those creditors who do not have existing liens against the Debtor. This committee represents the unsecured creditors, consults with the debtor, reviews and gathers information about the debtor's activities and financial condition, and participates in the formulation and negotiation of a Chapter 11 Plan of Reorganization.

**Debtor:** A person or company who files a voluntary petition to restructure under Chapter 11.

**Debtor-in-Possession:** In most Chapter 11 business cases, a debtor is a "Debtor-in-Possession" meaning that it continues to operate its business while retaining possession of its assets and property following a Chapter 11 filing. In other words, the Court does not appoint a trustee to operate the business or manage the property of a Debtor-in-Possession.

**Discharge:** The legal term for the elimination of the debtor's liabilities or its debt upon emergence from bankruptcy.

**Disclosure Statement:** A document that is presented to the Bankruptcy Court, and ultimately to creditors, that discloses and describes the terms of the Debtor's Plan of Reorganization, as well as sufficient information about the debtor and other matters so that holders of claims against or interests in the company can make an informed decision as to whether to vote for or against the Plan.

**Effective Date:** Date that the Plan becomes effective.

**Exclusivity Period:** For 120 days after the filing of a Chapter 11 petition, the debtor is the only party with the right to submit a Plan of Reorganization to the Bankruptcy Court. The "Exclusivity Period" may be extended for up to 18 months by the Bankruptcy Judge if the debtor makes a motion to extend the 120-day period.

**Filing Date or Petition Date:** The date on which the Chapter 11 petition is filed.

**First Day Motions:** Motions and applications typically filed on the same day the Chapter 11 petition is filed that seek authorization for the debtor to continue to conduct its business in the ordinary course. First day motions are intended to provide support to the company's associates, vendors and customers, so that the debtor can continue to operate in the ordinary course of business.

**First Day Orders:** The orders entered by the Bankruptcy Court granting the requests made by the debtor in the first day motions.

**Plan of Reorganization:** The formal plan setting forth in detail how the claims of each class of creditors and interest holders will be treated. The Plan must be voted on and approved by a certain percentage of creditors and then be approved or "confirmed" by the Bankruptcy Court to become effective.

**Post-Petition:** Refers to the period of time following a Chapter 11 filing. It also typically is used to identify business transactions that accrue on or after the filing date.

**Pre-Petition:** Refers to the period of time preceding a Chapter 11 filing. It also typically is used to identify claims that existed prior to the filing date.

**Priority Claim:** Certain classes of claims are given priority by the Bankruptcy Code, such as claims for unpaid wages or taxes. Claims must be paid in order of priority. Pursuant to the debtor's Plan of Reorganization, a priority claim will be paid ahead of other unsecured claims.

**Proof of Claim:** The form filed with the Bankruptcy Court that provides the support for a creditor's "pre-petition" Claim. The debtor will set a bar date by which all proofs of claim must be filed to preserve the creditor's right to payment.

**Reorganized Debtor:** After the debtor receives Bankruptcy Court approval of a Plan of Reorganization, the Plan of Reorganization becomes effective, and the debtor emerges from Chapter 11. At this time, the company is then considered a reorganized debtor.

**Restructuring:** One of the ways an organization that has too much debt and interest expense for its revenues (or sales) can decrease these items.

**Schedule of Assets and Liabilities:** Lists a debtor's assets (what it has or owns) and its liabilities (what it owes). Every debtor is required to file a schedule of assets and liabilities with the Bankruptcy Court shortly after the filing date.

**Secured Claim:** A claim that is based on a debt or obligation that is secured by a lien on certain assets. Secured claims receive the highest priority in the payment of an organization's obligations to the extent of the value of the collateral. Certain classes of "secured" bondholders, lenders (usually banks) and holders of subordinated debt may fall into this category. A mortgage is an example of a debt that is secured by a lien on certain assets (e.g., real property).

**United States Trustee:** Part of the United States Department of Justice and supervises all bankruptcy cases filed in a particular district. The role of the United States trustee is to interview the debtor shortly after the filing of the case, to schedule the first meeting of creditors (the "341 Meeting"), to inform the debtor of its duties and responsibilities, to ensure that the debtor complies with its duties and responsibilities, to ensure that the debtor complies with its duties and responsibilities, to appoint creditors and equity-holder committees, to apply to the Bankruptcy Court for appropriate relief and to make recommendations to the Bankruptcy Court.

**Unsecured Claim:** A claim that is based on a debt or obligation that is not secured by a lien or otherwise subject to a security interest, nor granted a priority by the Bankruptcy Code.