

ATTENTION **HOLLYWOOD VIDEO** PATRONS:

*If Movie Gallery is successful in its aggressive attempt to acquire the **Hollywood Video** chain, your family's next trip for a video could become an introduction to the world of hard-core pornography.*



Is Movie Gallery bringing hard-core pornography to *your* neighborhood?

They're spending an estimated \$850 million to try. As one of America's largest retailers of hard-core sex videos,¹ Movie Gallery is attempting to acquire neighborhood Hollywood Video store across the country!

WHAT YOU SHOULD KNOW

If the name **Hollywood Video** sounds familiar, it's because they have some 1900 family video stores throughout the country. If the name **Movie Gallery** *isn't*, it's because their 2200+ stores are in smaller secondary markets. But they're currently negotiating to buy Hollywood's nationwide operation, putting them right where they want to be...in front of your family.

Movie Gallery's offer is on the table.² Hollywood Video's Board could soon vote to accept it. But here's the bad news: *Movie Gallery isn't just bringing family flicks to your local neighborhood store.*

In more than 400 of their stores, Movie Gallery features back rooms stocked with racks of hard-core pornography featuring titles that can't be printed in this space.

Explicit R-rated and NC-17 videos also line their shelves, mixed in with the general releases outside the hard-core rooms. It's not at all uncommon to find these videos *in full view of children.*

That's not quite the image Hollywood Video has created with its neighborhood store brand.

WHAT MOVIE GALLERY KNOWS

As a former attorney, **Joe Malugen**, Movie Gallery's co-founder and CEO, must understand that some of the sexual material they rent and sell, if exposed to the light of legal scrutiny, could be found illegal. After all, he has received letters as recently as November, 2004 from law enforcement officials threatening prosecution for possible violations of obscenity laws. Yet he and his Board of Directors – **Harrison Parrish, John Jump, James Lockwood, and William Snow** – have consistently put profit over principle in order to expand the reach of their company's hard-core pornography distribution.

Movie Gallery's 2003 Annual Report gives a glimpse into the economics of why. Home video sales and rentals provide a whopping 60% of movie studio revenue³—studios whose films first run in theater chains across America. But sex video producers don't have the same network of theaters and must lean more heavily on a distribution channel like Malugen and Movie Gallery willingly provide.

With thousands of adult movies produced each year,⁴ they have to go somewhere. That means, if Hollywood Video's Board votes to sell out to Movie Gallery, it could immediately make 1900 new neighborhood outlets available to the hard-core pornography industry!

WHAT'S AT ISSUE

The issue here is *law enforcement. All distribution of obscenity is illegal.* Period.

The public prosecutors you pay with your tax dollars must make the investigation *and prosecution* of obscenity a priority.

This is not about "free speech." Obscenity is NOT protected under the First Amendment, despite years of attempts by pornographers to lower the bar.

State and Federal governments have long recognized a societal interest in protecting citizens from the harms of hard-core pornography and obscenity. More than forty States have laws that prohibit the distribution of obscenity, and under Federal law it's illegal to transport obscene material across state lines. That means obscenity produced in California (where 90% of retail sex videos originate) and rented or sold in your town is illegal.

And there's the rub. The laws are on the books. **But the laws are NOT being enforced!** Movie Gallery's Joe Malugen and his Board of Directors need to be held accountable if they are selling hard-core prosecutable pornography that violates obscenity laws!

WHAT YOU CAN DO

In a culture dealing with the ever-increasing fallout of sexual addiction and sexual abuse against women and children, the last thing we need is major corporations taking profits without taking responsibility for the cultural pollution they create.

American families can't trust Movie Gallery to stay out of the business of pornography. And the Hollywood Video Board of Directors must understand that *we'll abandon Hollywood Video stores if they abandon us to pornographers.*

Don't let inaction put your family and community at risk. Movie Gallery put their deal on the table. And that puts your family on the line. *Will you stand up and speak out?*

PLEASE JOIN US TO OPPOSE THIS MERGER AND INSIST OBSCENITY LAWS BE ENFORCED:

1. Contact the U.S. Attorney General at 202-353-1555 or through the website below. Tell him to begin immediate investigation into possible distribution of illegal obscene material, and make **obscenity prosecutions** a high priority.

2. Contact Movie Gallery's Joe Malugen at 800-677-2106 to let him know you will not spend your family's entertainment dollars at **ANY** Movie Gallery store until he removes pornographic sex materials from **ALL** his stores.

3. Tell your family and friends that the videos Movie Gallery willingly provides promote the degradation of women, sexual violence, and work to destroy marriages.

4. Contact a Movie Gallery store in your area (www.movie-gallery.com/movies/base/template/store_locator). Ask the store manager if they have a hard-core area or back-room, then tell them that you plan to call your State and Federal prosecutors to investigate what they are selling.

WWW.VICTIMSOFPORNOGRAPHY.ORG



SPEAKING OUT AGAINST PORNOGRAPHY
THE CAMPAIGN FOR CORPORATE RESPONSIBILITY

Citizens for Community Values American Family Association Concerned Women For America Morality in Media Parents Television Council
American Decency Association National Coalition for the Protection of Children & Families

1. Based on the number of retail outlets offering hard-core pornography. "Somewhere in America: The Truth About Movie Gallery and Hard-Core Pornography," American Family Association, www.afa.net. 2. According to an article by Richard Morgan, posted January 28, 2005 to TheDeal.com, Movie Gallery obtained a definitive merger agreement on January 10, 2005. 3. "Management's Discussion and Analysis," *Movie Gallery, Inc. 2003 Annual Report*, p.8. 4. "Overdosing on Porn," Rebecca Hagelin, www.worldand.com, March, 2004