LETTER OF COMMENT NO. 243

January 10, 2007

Mr. Robert H. Herz
Chairman, Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

On behalf of Movie Gallery, Inc., I strongly urge the Financial Accounting Standards Board to delay the effective date of FIN 48 on *Accounting for Uncertainty in Income Taxes* to allow companies sufficient time to address the myriad substantive, procedural, and documentation challenges posed by the new interpretation. Specifically, I recommend that the effective date of FIN 48 be deferred to fiscal years beginning after December 15, 2007.

Movie Gallery is the second largest North American video rental company with over 4,650 stores located in all 50 U.S. states and Canada. Since the Company's initial public offering in August 1994, Movie Gallery has grown from 97 stores to its present size through acquisitions and new store openings. The impact of these major acquisitions creates significant challenges, especially considering the short period of time between the release of FIN 48 and its effective date. Other challenges of implementing FIN 48 were stated well by Tax Executives Institute in a letter it sent to you on December 12, 2006.

I appreciate the fact that the proposal to delay implementation will be considered in your January 17 meeting. Extending the deadline for implementing Fin 48 will permit us and other companies to work with our independent auditors to resolve unanswered questions and thus reduce the diversity of practice, which in part prompted the development of FIN 48 in the first instance.

Very truly yours,

David E. Stevens
Vice President Taxes
Movie Gallery Inc.

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