

**WARNING:
YOUR FAILURE TO APPEAR IN COURT MAY RESULT
IN YOUR IMMEDIATE ARREST AND IMPRISONMENT
FOR CONTEMPT OF COURT.**

At IAS Part 60 of the Supreme Court of the State of
New York, held in and for the County of New York
at the Courthouse, 60 Centre Street, New York,
New York on the _____th day of September, 2007.

PRESENT: Honorable Justice _____

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

-----X
FICUS INVESTMENTS, INC., individually, and :
derivatively on behalf of PRIVATE CAPITAL :
GROUP, LLC, : **Index No. 600926/07**
: :
Plaintiff, :
: **ORDER TO SHOW CAUSE**
v. :
: :
PRIVATE CAPITAL MANAGEMENT, LLC, :
LAWRENCE A. CLINE, ESQ., THOMAS B. :
DONOVAN, *et al.* :
: :
Defendants. :
----- X

**ORDER TO SHOW CAUSE
FOR CIVIL CONTEMPT**

**PLEASE TAKE NOTICE THAT THE PURPOSE OF THIS APPLICATION IS TO
PUNISH THOMAS B. DONOVAN AND CHRISTOPHER CHALAVOUTIS FOR
CONTEMPT OF COURT AND THAT SUCH PUNISHMENT MAY CONSIST OF A
FINE OR IMPRISONMENT OR BOTH ACCORDING TO THE LAW**

Upon the accompanying affirmation of John F. Cambria, dated September 9, 2007, and
the exhibits annexed thereto; and the accompanying affidavit of Jefferson R. Voss, sworn to on

September 8, 2007, and the exhibits annexed thereto; the affidavit of Vincent D'Amelio, sworn to on September 8, 2007, and the exhibits annexed thereto; the affidavit of Lawrence A. Cline, sworn to on September 7, 2007, and the exhibits annexed thereto; the affidavit of Peter Schancupp, sworn to on September 7, 2007, and the exhibit annexed thereto; Plaintiff's Memorandum of Law; and on all the pleadings and proceedings previously had herein, whereby it is made to appear that Defendants Thomas B. Donovan ("Donovan") and Christopher Chalavoutis ("Chalavoutis") are guilty of contempt of Court by virtue of their misconduct in violating the Temporary Restraining Orders issued by this Court on March 26, 2007, and April 12, 2007, and the Preliminary Injunction issued by this Court on May 1, 2007 (collectively, the "Court Orders"), by virtue of which the rights of Plaintiff Ficus Investments, Inc. ("Ficus"), individually and derivatively on behalf of Private Capital Group LLC (the "Company"), have been defeated, impaired, impeded, and prejudiced,

LET Defendants Donovan and Chalavoutis SHOW CAUSE before Justice Bernard Fried at the Supreme Court of the State of New York, New York County, IAS Part 60, located at 60 Centre Street, New York, New York, Room _____, on September _____, 2007, at _____ a.m./p.m., or as soon thereafter as counsel may be heard, why an order should not be made and entered, pursuant to Sections 753 and 756 of the Judiciary Law, as follows:

1. Holding Donovan and Chalavoutis in civil contempt for their violations of the Temporary Restraining Orders issued by this Court on March 26, 2007, and April 12, 2007, and the Preliminary Injunction issued by this Court on May 1, 2007;
2. Ordering that Donovan return to the Company, within five (5) days, any and all Company funds that were not returned per the directives of the March 26, April 12, and May 1 Court Orders, including without limitation, \$12.5 million removed by Donovan from that certain Commerce Bank account (# 8915974458) in the name of Private Lender Warehouse ("PLW") on March 24, 2007, and subsequently deposited on May 9 2007 into that certain Commerce Bank account (# 8917705413) in the name of Private Capital Management Corp.;

3. Ordering that Donovan return to the Company, within five (5) days, any and all Company funds that were not returned per the directives of the March 26, April 12, and May 1 Court Orders, including without limitation, \$1.6 million of Company funds removed by Donovan from that certain Commerce Bank account (# 8915974458) in the name of PLW from March 26, 2007 through April 27, 2007 and paid out to various third parties and co-Defendants;
4. Ordering that, to the extent Company funds not returned per the directives of the Court Orders have been used by Donovan or Chalavoutis to purchase mortgages or other assets in the name of any entity controlled by or affiliated with Donovan or Chalavoutis, all such mortgages or other assets be assigned or otherwise transferred to the Company within five (5) days;
5. Ordering that Donovan and Chalavoutis return to the Company, within five (5) days, any and all Company books, records, and other assets within their possession, custody, or control (or within the possession, custody or control of any person or entity controlled by or affiliated with Donovan or Chalavoutis) that were not provided to or returned per the Court Orders, including without limitation (a) the accounts payable records and ledgers that were located in the Company office of, or otherwise within the possession, custody or control of, Defendant Alissa Gladstone as of March 20, 2007; (b) the Company personnel records and human resources records that were located in the Company office of, or otherwise within the possession, custody or control of, Defendant Alissa Gladstone as of March 20, 2007; (c) the Company's back-up computer tapes; and (d) the computer server that was located at the Company's offices and was under the control of Chalavoutis as of March 26, 2007, which computer server contained Company books and records and was maintained, at some point, in Chalavoutis's office in Huntington, New York;
6. Ordering that the failure of Donovan and Chalavoutis to comply with the directives set forth above within five (5) days shall result in (a) a civil fine of not less than \$14.1 million which civil fine shall be paid, if applicable, within ten (10) days; and
7. Ordering that the failure of Donovan and Chalavoutis to either comply with the aforesaid orders within five (5) days or pay the aforesaid civil fine within ten (10) days shall result in the issuance of arrest warrants for, and incarceration of, Donovan and Chalavoutis until they comply with the directives set forth above;
8. Awarding Plaintiff the reasonable attorneys' fees incurred in connection with attempting to enforce the Court Orders, and in preparing and submitting this motion for civil contempt; and
9. Granting such other and further relief as the Court may deem just and proper.

Sufficient cause appearing therefor:

LET service by email or overnight mail of a copy of this order and all supporting papers upon counsel for Donovan and Chalavoutis on or before __ o'clock in the ____ noon on _____, be deemed good and sufficient service thereof;

LET any written opposition by counsel for Donovan and Chalavoutis be served as to be received by Plaintiff's counsel on or before September __, 2007; and further

LET any written reply by Plaintiff be served as to be received by counsel for Donovan and Chalavoutis on or before September __, 2007.

ENTER:

J.S.C.

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