USDS SDNY

UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF NEW YORK

PEARSON EDUCATION, INC., :
JOHN WILEY & SONS, INC.,

CENGAGE LEARNING INC. AND
THE MCGRAW-HILL COMPANIES, INC.,

Plaintiffs,

-against- 07 Civ. 7890 (PKC)

THE TEXTBOOK GUY LLC
D/B/A THETEXTBOOKGUY.COM,
MATTHEW STIRLING AND
JOHN DOES NOS. 1-5,

Defendants. :

SUPPLEMENTAL ORDER TO SHOW CAUSE

Upon the annexed declaration of William Dunnegan, sworn to June 26, 2008, and all prior proceedings herein, it is hereby ORDERED that defendant Matthew Stirling ("Stirling"), non-party Christ Gaetanos ("Attorney Gaetanos") and non-party Richard Galbo ("Attorney Galbo") SHOW CAUSE before Hon. P. Kevin Castel, United States District Judge, in Courtroom 12C of the Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, New York, New York 10007, at 1 .m. on July 2, 2008, or as soon thereafter as counsel may be heard, why an order, pursuant to the inherent power of the Court and/or 28 U.S.C. § 1927, should not be entered:

- (a) Adjudging Stirling in contempt of the March 5,

 2008 final judgment and permanent injunction by consent
 ("Final Judgment") as a result of (i) endorsing a check on
 or about June 2, 2008 from The Hartford Insurance Company
 ("Hartford") payable to The Textbook Guy LLC ("TTG") and
 Attorney Galbo in the amount of \$35,000 to Attorney
 Gaetanos, and (ii) endorsing a check on or about June 2,
 2008 from Hartford payable to TTG and Attorney Galbo in the
 amount of \$38,000 to the escrow account of Attorney Galbo,
 without proving instructions that it be used
 unconditionally to pay the Final Judgment, knowing at all
 material times that TTG had defaulted on its obligation
 make payments to plaintiffs under the Final judgment;
- (b) Adjudging Attorney Gaetanos in contempt of the Final Judgment by inducing Stirling and Attorney Galbo to endorse and deliver to him a check from Hartford payable to TTG and Attorney Galbo in the amount of \$35,000 and by depositing that check in his operating account, knowing at all material times that TTG had defaulted on its obligation to make payments to plaintiffs under the Final judgment;
- (c) Adjudging Attorney Galbo in contempt of the Final Judgment by inducing Stirling to endorse and deliver a check from Hartford payable to TTG and Attorney Galbo in the amount of \$38,000, depositing that check in his escrow

account, and withdrawing \$5,000 from that escrow account and depositing it in his operating account, knowing at all material times that TTG had defaulted on it obligation to make payments to plaintiffs under the Final judgment;

- (d) imposing appropriate coercive sanctions on Stirling (not his bankruptcy estate), Attorney Gaetanos and Attorney Galbo to compel compliance with the Final Judgment, including but not limited to coercive fines in an amount to be determined by the Court;
- (e) imposing reasonable costs, and attorneys' fees upon Stirling, Attorney Gaetanos and Attorney Galbo as a consequence of their conduct; and
- (f) Granting such other and further relief as the Court deems just and proper.

Let service of this supplementary order to show cause on Matthew Stirling, Attorney Gaetanos and Attorney Galbo, be

deemed good and sufficient if dispatched by overnight courier on or before \int (.m. on June 27, 2008, for next morning delivery to the addresses set forth below, with proof of service filed promptly thereafter.

Dated: New York, New York June 16, 2008

P. Kevin Castel U.S.D.J.

TO: Matthew Stirling 200 Rosencrans Avenue, Apt. A Manhattan Beach, CA 90266

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