

Name of Investment Adviser:

Private Capital Management Inc.

Address: (Number and Street) (City) (State) (Zip Code)
 250 Steele Street, Suite 350 Denver Colorado 80206

Area Code: Telephone Number:
 (303) 370-0055

**This part of Form ADV gives information about the investment adviser and its business for the use of clients.
 The information has not been approved or verified by any government authority.**

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(Schedules A, B, C, D, and E are included with Part I of the Form, for the use of regulatory bodies, and are not distributed to clients.)

FORM ADV
Part II - Page 2

Applicant:
Private Capital Management, Inc.

SEC File Number:
801-55237

Date:
10/7/2010

Definitions for Part II

Related person -- Any officer, director or partner of applicant or any person directly or indirectly controlling, controlled by, or under common control with the applicant, including any non-clerical, non-ministerial employee.

Investment Supervisory Services -- Giving continuous investment advice to a client (or making investments for the client) based on the individual needs of the client. Individual needs include, for example, the nature of other client assets and the client's personal and family obligations.

1. **A. Advisory Services and Fees.** (Check the applicable boxes) For each type of service provided, state the approximate % of total advisory billings from that service. (See instruction below.)
- Applicant:
- | | |
|---|--------|
| <input checked="" type="checkbox"/> (1) Provides investment supervisory services..... | 100.0% |
| <input type="checkbox"/> (2) Manages investment advisory accounts not involving investment supervisory services | % |
| <input type="checkbox"/> (3) Furnishes investment advice through consultations not included in either service described above | % |
| <input type="checkbox"/> (4) Issues periodicals about securities by subscription | % |
| <input type="checkbox"/> (5) Issues special reports about securities not included in any service described above | % |
| <input type="checkbox"/> (6) Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities..... | % |
| <input type="checkbox"/> (7) On more than an occasional basis, furnishes advice to clients on matters not involving securities (Commod Trad Adv) | % |
| <input type="checkbox"/> (8) Provides a timing service | % |
| <input type="checkbox"/> (9) Furnishes advice about securities in any manner not described above | % |

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

- B. Does applicant call any of these services it checked above financial planning or some similar term?.....
- | | |
|--------------------------|-------------------------------------|
| Yes | No |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> |

C. Applicant offers investment advisory services for: (check all that apply)

- | | |
|--|--|
| <input checked="" type="checkbox"/> (1) A percentage of assets under management | <input type="checkbox"/> (4) Subscription fees |
| <input type="checkbox"/> (2) Hourly charges | <input type="checkbox"/> (5) Commissions |
| <input checked="" type="checkbox"/> (3) Fixed fees (not including subscription fees) | <input checked="" type="checkbox"/> (6) Other |

D. For each checked box in A above, describe on Schedule F:

- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

2. **Types of Clients** -- Applicant generally provides investment advice to: (check those that apply)

- | | |
|---|--|
| <input checked="" type="checkbox"/> A. Individuals | <input checked="" type="checkbox"/> E. Trusts, estates, or charitable organizations |
| <input type="checkbox"/> B. Banks or thrift institutions | <input checked="" type="checkbox"/> F. Corporations or business entities other than those listed above |
| <input type="checkbox"/> C. Investment companies | <input type="checkbox"/> G. Other (describe on Schedule F) |
| <input checked="" type="checkbox"/> D. Pension and profit sharing plans | |

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3. **Types of Investments.** Applicant offers advice on the following: (check those that apply)

- | | |
|---|--|
| <input type="checkbox"/> A. Equity Securities | <input checked="" type="checkbox"/> H. United States government securities |
| <input checked="" type="checkbox"/> (1) exchange-listed securities | |
| <input checked="" type="checkbox"/> (2) securities traded over-the-counter | <input type="checkbox"/> I. Options contracts on: |
| <input type="checkbox"/> (3) foreign issuers | <input type="checkbox"/> (1) securities |
| | <input type="checkbox"/> (2) commodities |
| <input type="checkbox"/> B. Warrants | <input type="checkbox"/> J. Futures contracts on: |
| <input checked="" type="checkbox"/> C. Corporate debt securities
(other than commercial paper) | <input type="checkbox"/> (1) tangibles |
| | <input type="checkbox"/> (2) intangibles |
| <input checked="" type="checkbox"/> D. Commercial paper | <input type="checkbox"/> K. Interests in partnerships investing in: |
| <input checked="" type="checkbox"/> E. Certificates of deposit | <input type="checkbox"/> (1) real estate |
| <input checked="" type="checkbox"/> F. Municipal securities | <input type="checkbox"/> (2) oil and gas interests |
| | <input type="checkbox"/> (3) other (explain on Schedule F) |
| <input type="checkbox"/> G. Investment company securities: | <input type="checkbox"/> L. Other (explain on Schedule F) |
| <input checked="" type="checkbox"/> (1) variable life insurance | |
| <input checked="" type="checkbox"/> (2) variable annuities | |
| <input checked="" type="checkbox"/> (3) mutual fund shares | |

4. **Methods of Analysis, Sources of Information, and Investment strategies.**

A. Applicant's security analysis methods include: (check those that apply)

- | | |
|---|--|
| (1) <input checked="" type="checkbox"/> Charting | (4) <input type="checkbox"/> Cyclical |
| (2) <input checked="" type="checkbox"/> Fundamental | (5) <input type="checkbox"/> Other (explain on Schedule F) |
| (3) <input checked="" type="checkbox"/> Technical | |

B. The main sources of information applicant uses include : (check those that apply)

- | | |
|---|--|
| (1) <input checked="" type="checkbox"/> Financial newspapers and magazines | (5) <input type="checkbox"/> Timing services |
| (2) <input type="checkbox"/> Inspections of corporate activities | (6) <input checked="" type="checkbox"/> Annual reports, prospectuses, filings with the
Securities and Exchange Commission |
| (3) <input checked="" type="checkbox"/> Research materials prepared by others | (7) <input type="checkbox"/> Company press releases |
| (4) <input checked="" type="checkbox"/> Corporate rating services | (8) <input type="checkbox"/> Other (explain on Schedule F) |

C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- | | |
|--|--|
| (1) <input checked="" type="checkbox"/> Long term purchases
(securities held at least a year) | (5) <input checked="" type="checkbox"/> Margin transactions |
| (2) <input checked="" type="checkbox"/> Short term purchases
(securities sold within a year) | (6) <input type="checkbox"/> Option writing, including covered options,
uncovered options or spreading strategies |
| (3) <input type="checkbox"/> Trading (securities sold within 30 days) | (7) <input type="checkbox"/> Other (explain on Schedule F) |
| (4) <input type="checkbox"/> Short sales | |

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5. Education and Business Standards.

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients? ☐ Yes ☒ No

(If yes, describe these standards on Schedule F.)

6. Education and Business Background.

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the application has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- name
- formal education after high school
- year of birth
- business background for the preceding five years

7. Other Business Activities. (check those that apply)

- ☐ A. Applicant is actively engaged in a business other than giving investment advice.
- ☐ B. Applicant sells products or services other than investment advice to clients.
- ☐ C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box, describe the other activities, including the time spent on them , on Schedule F.)

8. Other Financial Industry Activities or Affiliations. (Check those that apply)

- ☐ A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- ☐ B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:
- | | |
|--|--|
| <input type="checkbox"/> (1) broker-dealer | <input type="checkbox"/> (7) accounting firm |
| <input type="checkbox"/> (2) investment company | <input type="checkbox"/> (8) law firm |
| <input type="checkbox"/> (3) other investment adviser | <input type="checkbox"/> (9) insurance company or agency |
| <input type="checkbox"/> (4) financial planning firm | <input type="checkbox"/> (10) pension consultant |
| <input type="checkbox"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant | <input type="checkbox"/> (11) real estate broker or dealer |
| <input type="checkbox"/> (6) banking or thrift institution | <input type="checkbox"/> (12) entity that creates or packages limited partnerships |

(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

- D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest? ☐ Yes ☒ No

(If yes, describe on Schedule F the partnerships and what they invest in.)

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9. **Participation or Interest in Client Transactions.**

Applicant or a related person: (check those that apply)

- ☐ A. As principal, buys securities for itself from or sells securities it owns to any client.
- ☐ B. As broker or agent effects securities transactions for compensation for any client.
- ☐ C. As broker or agent for any person other than a client, effects transactions in which client securities are sold to or bought from a brokerage customer.
- ☐ D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- ☒ E. Buys or sells for itself securities that it also recommends to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

10. **Conditions for Managing Accounts.** Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services and impose a minimum dollar value of assets or other conditions for starting or maintaining an account?..... Yes No
☒ ☐

(If yes, describe on Schedule F.)

11. **Review of Accounts.** If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similarly termed services:

- A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggering factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

REVIEWS: Accounts managed by the Applicant are reviewed at least quarterly. The calendar is the triggering factor.

REVIEWERS: The Applicant's manager reviews all client accounts. He does so on a portfolio analysis basis.

- B. Describe below the nature and frequency of regular reports to clients on their accounts.

Clients will be sent statements from their mutual funds, broker/dealers and money managers. In addition, the Applicant prepares supplementary reports for client accounts, usually on a quarterly basis; the type and frequency of such reports varies based on client agreements.

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10/7/2010

12. Investment or Brokerage Discretion.

A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:

- | | Yes | No |
|--|-------------------------------------|-------------------------------------|
| (1) securities to be bought or sold? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (2) amount of the securities to be bought or sold? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (3) broker or dealer to be used? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (4) commission rates paid? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

B. Does applicant or a related person suggest brokers to clients? ☒ Yes ☐ No

For each yes answer to A, describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for products and research services received.

13. Additional Compensation.

Does the applicant or a related person have any arrangements, oral or in writing, where it:

- A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients? ☒ Yes ☐ No
- B. directly or indirectly compensates any person for client referrals? ☒ Yes ☐ No

(For each yes, describe the arrangements on Schedule F.)

14. Balance Sheet. Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- has custody of client funds or securities; or
- requires prepayment of more than \$500 in fees per client and 6 or more months in advance

Has applicant provided a Schedule G balance sheet? ☐ Yes ☒ No

**Schedule F of
Form ADV
Continuation Sheet for Form ADV Part
II**

Applicant:
Private Capital Management, Inc.

SEC File Number:
801-55237

Date:
10/7/2010

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Private Capital Management, Inc.	IRS Empl. Ident. No.: 84-1193601										
Item of Form (identify)	Answer										
Part II, No I-D	<p>Applicant's investment advisory services are comprised of determining an asset allocation plan with a client and selecting securities for the client based on the allocation plan. Applicant's fees for its investment advisory services are negotiable based on the size and complexity of a client's account. Applicant's basic fees are based on a percentage of a clients' total assets which are under management by Applicant. Applicant's basic annual percentage fee varies from 0.5% to 1.25% of assets under management, with a \$1,500 minimum annual fee. In addition, Applicant may charge an hourly fee of \$250 for portfolio review and analysis if the below fee schedule is not applied to the client account.</p> <p>Applicant's basic annual fee structure is as follows:</p> <p>Minimum Fee: \$1,500</p> <p>Graduated Fee:</p> <table data-bbox="381 997 941 1165"> <tr> <td>(i) \$250,000 or less</td> <td>1.25%</td> </tr> <tr> <td>(ii) \$250,000.01 to \$1,000,000</td> <td>1.00%</td> </tr> <tr> <td>(iii) \$1,000,000.01 to \$3,000,000</td> <td>0.90%</td> </tr> <tr> <td>(iv) \$3,000,000.01 to \$5,000,000</td> <td>0.80%</td> </tr> <tr> <td>(v) \$5,000,000.01 and over</td> <td>0.70%</td> </tr> </table> <p>Applicant's fee is paid by a client quarterly at the start of each quarter. The relationship between a client and Applicant may be terminated at any time by either party, by providing written notice of termination to the other party. If a client terminates the Applicant's services prior to the end of a quarter, any prepaid fees will be refunded by Applicant to the client on a pro-rata basis based on the number of days which have elapsed in the quarter in which termination occurs.</p> <p>Thomas Earl Meade, Applicant's Manager, was born in 1941. Mr. Meade received a BA in history from the University of Virginia in 1963. During the past five years, Mr. Meade has served as President of Private Capital Management, Inc. For additional information on Mr. Meade, see Schedule D.</p> <p>Mary Rickerson Meade, Applicant's Manager, was born in 1945. Mrs. Meade attended Northern Illinois University. During the past five years, Mrs. Meade served as Vice President of Private Capital Management, Inc. For additional information on Mrs. Meade, see Schedule D.</p>	(i) \$250,000 or less	1.25%	(ii) \$250,000.01 to \$1,000,000	1.00%	(iii) \$1,000,000.01 to \$3,000,000	0.90%	(iv) \$3,000,000.01 to \$5,000,000	0.80%	(v) \$5,000,000.01 and over	0.70%
(i) \$250,000 or less	1.25%										
(ii) \$250,000.01 to \$1,000,000	1.00%										
(iii) \$1,000,000.01 to \$3,000,000	0.90%										
(iv) \$3,000,000.01 to \$5,000,000	0.80%										
(v) \$5,000,000.01 and over	0.70%										

**Schedule F of
Form ADV
Continuation Sheet for Form ADV Part
II**

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Applicant:
Private Capital Management,
Inc.

SEC File Number:
801-55237

Date:
10/7/2010

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Private Capital Management, Inc.	IRS Empl. Ident. No.: 84-1193601
Item of Form (identify)	Answer
Part II, No. 9-E	On occasion, Applicant's Manager may buy or sell securities that Applicant recommends to its clients. There will be no conflict of interest with respect to such transactions as the securities purchased or sold by Applicant's Manager will be widely held and publicly traded.
Part II, No. 10	Unless otherwise agreed to by Applicant, Applicant imposes a minimum annual fee of \$1,500.
Part II, No. 12-A (1) - (2)	Unless otherwise agreed to by Applicant, Applicant will manage a client's account on a discretionary basis. Applicant's discretionary authority is limited as follows: (i) Applicant is prohibited from withdrawing funds or securities from a client's account other than investment advisor fees authorized by the client contract and (ii) Applicant may place purchase and sale orders only with respect to mutual funds, stocks, bonds, government securities and annuities.
Part II, No 12-A (3)-(4), No. 12-B	It is the policy of the Applicant that each client wishing to implement Applicant's advice select Charles Schwab & Co. or Fidelity Investments as broker/dealer. Applicant's policy is based on the broker/dealers' costs, skills, reputation, dependability, possible research services and compatibility with the client. PCM is independently owned and operated and not affiliated with Schwab or Fidelity. The broker/dealers provide PCM with access to institutional trading and custody services, which are typically not available to retail investors, as long as PCM maintains a set minimum of its client assets at the broker/dealer. As a fiduciary, PCM endeavors to act in its clients' best interests, basing its choice of broker/dealers on the nature, cost and quality of custody and brokerage services provide by the firms. Affiliated products and services offered by these broker/dealers enable PCM to provide high quality services at competitive costs, further benefiting its clients. Effective December 10, 2007, PCM received a "courtesy" discount of \$1,417 on its initial purchase of the PortfolioCenter® Enhanced Reporting Module from Schwab Performance Technologies®, a subsidiary of the Charles Schwab Corporation. Subsequently, the firm has received an annual "courtesy" discount of up to \$2,500 on the PortfolioCenter® service.
Part II, No. 13	Applicant, at its discretion, may compensate other persons for client referrals. Compensation is determined on a case by case basis, based on a percentage of investment advisory fees paid by the client to the Applicant each quarter. Referrals comply with Rule 206(4)-3 under the Investment Advisors Act of 1941.