

**William J. Brown, as Receiver  
of McGinn, Smith & Co., Inc., et al.**

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Tel: 716.847.8400

3400 HSBC Center  
Buffalo, NY 14203  
inquiry@mcginnsmithreceiver.com

August 11, 2010

Dear Sir/Madam:

Re: Securities and Exchange Commission v. McGinn, Smith & Co, Inc., et al.

This letter is being sent to all known persons who have investments with McGinn Smith & Co., Inc. ("McGinn Smith") or a related entity. I am the court-appointed Receiver of McGinn Smith and the other entities related to McGinn Smith which are listed on the Schedule attached to this letter ("Receivership Entities").

This letter will provide some explanation of why a Receiver has been appointed, some basic information about what is going on and how you can learn more, and what you can expect to happen in the future. Finally, the Conclusion section of this letter will instruct you on how to stay in touch with on-going developments.

**INTRODUCTION**

As many of you know from newspaper accounts, your broker, conversations with me, or through other sources including the website ("Website") I maintain (mcginnsmithreceiver.com), the United States Securities & Exchange Commission commenced a lawsuit in the federal court in Albany, New York on April 20, 2010 against McGinn Smith and others. The SEC's complaint which was amended on August 2, alleges that the defendants are guilty of violating specified securities law and seeks a variety of relief including enjoining those practices, appointing a Receiver over the Receivership Entities, and freezing and eventually recovering assets of the defendants for the purpose of creating a fund to help repay investors with legitimate claims.

The Complaint, the Amended Complaint, and the First Report of the Receiver are located on the Website at Docket Numbers 1, 100 and 49. You will also find the other court pleadings there as well. While the Court initially unfroze the Smith Trust account in its decision at Docket No. 86, based on newly discovered evidence not previously provided to the SEC or the Court, the Smith Trust has once again been frozen by the Court subject to a further hearing later this month.

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**THE RECEIVER'S ROLE**

My role is to recover as many assets as possible for the benefit of legitimate investors. Efforts in that regard are already underway. I am overseeing the businesses run directly by McGinn Smith, and I am in control of the bank accounts of the Receivership Entities. Those parties who were making their payments to the Receivership Entities prior to my appointment continue to do so.

I am now proceeding to establish a process for the sale of certain assets to the highest and best bidders. Those sales which will likely take some time to complete will include alarm contracts and triple play deals (cable, telephone and internet service to condominium and apartment complexes), as well as other investments. I have also met with a number of parties who owe money to the Receivership Entities. Some of those parties are resisting payment and others while acknowledging the obligation claim an inability to pay. Collection efforts as you would expect will take time and will take a variety of forms.

**ASSETS**

Upon my interim appointment as Receiver in late April, there was \$485,491 in the bank accounts of the Receivership Entities with checks for over \$200,000 having been previously written to pay some select investors. The Court's Order froze the bank accounts, and the banks returned the checks. Many of you know that McGinn Smith had been illiquid for some time because you were not getting your promised payments.

At this time, I have suspended payments to investors until at least (i) the circumstances of the various investments and who has been paid and not paid can be explored and understood, (ii) monies can be raised from collections and asset sales to create a sufficient fund to pay legitimate investors, and (iii) all taxes are paid and tax returns filed.

**WHAT CAN INVESTORS DO AND WHAT ABOUT A CLAIMS PROCESS?**

As soon as it makes sense to do, I will post a notice of a claims process for you to follow to file a claim with me based on your particular investment or interest. ALL FUTURE NOTICES AND COMMUNICATIONS WILL BE MADE ONLY ON THE WEBSITE MCGINNSMITHRECEIVER.COM. YOU NEED TO REVIEW THE SITE PERIODICALLY. FUTURE MAILINGS THROUGH THE U.S. POSTAL SERVICE ARE TOO EXPENSIVE TO CONTINUE TO PROVIDE TO ALL PARTIES.

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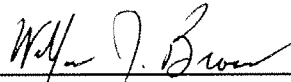
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**CONCLUSION**

As noted above, all future communications will be posted to mcginnsmithreceiver.com. You are responsible for periodically reviewing that site for updates. I suggest you do so at least every other week so you have notice of important developments and the claims process.

This will be a difficult process. I know many of you are in the position of needing your investments returned and are at risk of losing a very substantial portion of your investment depending upon your particular investment. I will do my best to try and recover as much as possible for all of you.



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William/J. Brown  
Receiver

**Schedule A**  
**List of Known Entities Controlled By McGinn and/or Smith**

107th Associates LLC Trust 07  
107th Associates LLC  
74 State Street Capital LP  
Acquisition Trust 03  
Capital Center Credit Corporation  
CMS Financial Services  
Cruise Charter Ventures LLC dba YOLO Cruises  
Cruse Charter Ventures Trust 08  
First Advisory Income Notes LLC  
First Commercial Capital Corp.  
First Excelsior Income Notes LLC  
First Independent Income Notes LLC  
FirstLine Junior Trust 07  
FirstLine Senior Trust 07  
FirstLine Trust 07  
Fortress Trust 08  
Integrated Excellence Junior Trust  
Integrated Excellence Junior Trust 08  
Integrated Excellence Senior Trust  
Integrated Excellence Senior Trust 08  
IP Investors  
James J. Carroll Charitable Fund  
JGC Trust 00  
KC Acquisition Corp.  
KMB Cable Holdings LLC  
Luxury Cruise Center, Inc.  
Luxury Cruise Holdings, LLC  
Luxury Cruise Receivables, LLC  
M & S Partners  
McGinn, Smith & Co.  
McGinn, Smith Acceptance Corp.  
McGinn, Smith Advisors  
McGinn, Smith Alarm Trading  
McGinn, Smith Asset Management Corp.  
McGinn, Smith Capital Holdings  
McGinn, Smith Capital Management LLC  
McGinn, Smith Financial Services Corp.  
McGinn, Smith FirstLine Funding LLC  
McGinn, Smith Funding LLC  
McGinn, Smith Group LLC  
McGinn, Smith Holdings LLC  
McGinn, Smith Independent Services Corp.  
McGinn, Smith Licensing Co.

**Schedule A - continued**  
**List of Known Entities Controlled By McGinn and/or Smith**

McGinn, Smith Transaction Funding Corp.  
Mr. Cranberry LLC  
MS Partners  
MSFC Security Holdings LLC  
NEI Capital LLC  
Pacific Trust 02  
Point Capital LLC  
Prime Vision Communications LLC  
Prime Vision Communication Management Keys Cove LLC  
Prime Vision Communications of Cutler Cay LLC  
Prime Vision Funding of Cutler Cove LLC  
Prime Vision Funding of Key Cove LLC  
RTC Trust 02  
SAI Trust 00  
SAI Trust 03  
Security Participation Trust I  
Security Participation Trust II  
Security Participation Trust III  
Security Participation Trust IV  
Seton Hall Associates  
TDM Cable Funding LLC  
TDM Cable Trust 06  
TDM Luxury Cruise Trust 07  
TDM Verifier Trust 07  
TDM Verifier Trust 07R  
TDM Verifier Trust 08  
TDM Verifier Trust 08R  
TDM Verifier Trust 09  
TDM Verifier Trust 11  
TDMM Benchmark Trust 09  
TDMM Cable Funding LLC  
TDMM Cable Jr Trust 09  
TDMM Cable Sr Trust 09  
Third Albany Income Notes LLC  
Travel Liquidators, LLC  
White Glove Cruises LLC  
White Glove LLC