

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

Tel: 716.847.7089
www.mcginnsmithreceiver.com

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

August 19, 2011


To: Investors Potentially Interested in McGinn Smith Firstline Funding, LLC

I have filed a Motion which is described at Item 12 of the Receiver's website (www.mcginnsmithreceiver.com) which will be heard by the Court on August 30, 2011 at 9:30 a.m. There is no requirement for you to appear at the settlement hearing. But, as a courtesy, I want to remind you to monitor the website in order to stay abreast of developments since I am not able to mail notices in every instance.

This Motion involves the repayment of a loan incurred by McGinn Smith Firstline Funding, LLC as a result of the March 2010 alarm contract acquisition from Firstline. The loan is being repaid to Security Systems, Inc. ("SSI") on substantially reduced terms which are very attractive to the Receivership estates compared to the original contract terms. Additionally, SSI is also purchasing about \$665,000 of contracts which are collateral for an unrelated loan made by a McGinn Smith entity at full value to Integrated Excellence, thus repaying the loan in full. This is being done contemporaneously with the McGinn Smith Firstline Funding, LLC settlement, and again is a favorable result for the estates.

If you have any questions, please contact me.

Very truly yours,


William J. Brown
Receiver