

CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM**FIRST ADVISORY INCOME NOTES, LLC**

\$2,000,000 Minimum Offering
\$20,000,000 Maximum Offering

6.0% Secured Senior Notes due 2006
7.75% Secured Senior Subordinated Notes due 2008
10.25% Secured Junior Notes due 2010

We are offering up to \$20 million aggregate principal amount of our 6.0% secured senior notes due 2006, (the "original senior notes"), 7.75% secured senior subordinated notes due 2008 (the "senior subordinated notes") and 10.25% secured junior notes due 2010 (the "junior notes" and together with the senior notes (as defined below) and the senior subordinated notes, the "notes"). Upon the maturity of the original senior notes, we may continue to issue additional senior notes (the "additional senior notes") and together with the original senior notes, the "senior notes") with a one-year maturity date and an interest rate of the lesser of 6% or the then current Prime Rate, as set forth in the Wall Street Journal ("Prime Rate") +1%. Upon the maturity of the senior subordinated notes, the Company may issue additional two year notes with a maturity date of November 15, 2010, and an interest rate of the lesser of 7.75% or the then Prime Rate + 2%, provided that the aggregate principal amount of the outstanding notes at any one time does not exceed \$20 million. The original senior notes will mature on November 15, 2006 and any additional senior notes will mature on November 15, 2007, 2008, 2009 or 2010, respectively. The senior subordinated notes will mature on November 15, 2008. Any additional senior subordinated notes issued will have a two year maturity of November 15, 2010 and carry interest at the lesser of 7.75 % or the then Prime Rate + 2%. The junior notes will mature on November 15, 2010. We will pay interest on the notes quarterly on the 15th day of February, May, August, and November commencing on February 15, 2006. The notes are secured by all of the various public and/or private investments that we may acquire, which may include, without limitation, debt securities, collateralized debt obligations, bonds, equity securities, trust preferreds, collateralized stock, convertible stock, bridge loans, leases, mortgages, equipment leases, securitized cash flow instruments, and any other investments that may add value to our asset portfolio (individually an "Investment" and collectively, the "Investments"), and any cash proceeds from the offering that are not used to acquire an Investment, after deducting commissions, fees and expenses. The senior subordinated notes and the junior notes are subordinated in right of payment to the senior notes. Additionally, the junior note holders' right to payment is subordinated in right of payment to the senior subordinated note holders. At our option, we may redeem a pro rata portion of the notes upon the removal, whether voluntary or involuntary, of an Investment from our portfolio.

The notes will be sold through McGinn, Smith & Co., Inc., which is acting as our placement agent for the notes. No public market exists with respect to the notes.

The notes are not certificates of deposit or similar obligations of, and are not guaranteed or insured by, any depository institution, the Federal Deposit Insurance Corporation or any other governmental or private fund or entity. Investing in the notes involves a high degree of risk. See "Risk Factors", beginning on page 5, for a discussion of risks that you should consider before making a decision to invest in the notes.

The notes have not been registered under the Securities Act of 1933 (the "Securities Act"), as amended, or any applicable state or foreign securities laws, nor has the Securities and Exchange Commission or any state or foreign securities commission or other regulatory authority passed upon the accuracy or adequacy of this document or endorsed the merits of this offering. Any representation to the contrary is unlawful. The notes are offered by virtue of exemptions provided by Section 4(2) of the Securities Act, Regulation D promulgated under the Securities Act, certain state and foreign securities laws and certain rules and regulations promulgated pursuant thereto. The notes may not be resold or otherwise transferred unless we receive an opinion of counsel or other documentation acceptable to us and our counsel that such registration is not required, or there is an effective registration statement under the Securities Act and any applicable state and foreign securities laws.

	Per note	Total
Offering price.....	100%	100%
Placement agent commissions	2%	2%
Proceeds to First Advisory Income Notes, LLC, before expenses	98%	98%

McGinn, Smith & Co., Inc. has agreed, as our placement agent, to offer the notes on a "best efforts, all or none" basis with respect to the minimum offering of \$2,000,000, and on a "best efforts" basis thereafter until the earlier of the termination of the offering or the completion of the maximum offering.

We will issue the notes in certificated form. We expect that delivery of the notes will be made in Albany, New York on or about November 15, 2005, subject to the right to extend the offering as set forth herein. McGinn, Smith Capital Holdings Corp. will act as trustee for the notes. See "Affiliated Transactions."

McGINN, SMITH & CO., INC.

The date of this Private Placement Memorandum is October 1, 2005.

MGS0014691

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NOTICE TO INVESTORS

The information contained in this private placement memorandum (the "memorandum") is not complete and its contents may differ from that of memoranda designed to conform to the requirements applicable to registration statements under United States securities laws. The notes are being offered only to "accredited investors", as that term is defined by Regulation D under the Securities Act, and the rules and regulations thereunder, who directly or through their advisors have the expert knowledge to evaluate information and data and whose potential investment is sufficiently large to justify the utilization by them of the access being granted them to other information. Prospective investors will be granted access to all reasonably available, relevant data concerning First Advisory Income Notes, LLC and are urged to request whatever documents or material they believe will be useful in making their investment decision. Potential investors should base their investment decision on their own analysis of all information they deem to be relevant.

The information presented herein was prepared by us and is being furnished by McGinn, Smith & Co., Inc., the placement agent, solely for use by prospective investors in connection with this offering. The placement agent has not independently verified the information contained herein or otherwise made any further investigation of First Advisory Income Notes, LLC and makes no representation or warranty, express or implied, as to the accuracy or completeness of such information. Neither we nor the placement agent make any representation or warranty, express or implied, as to our future performance.

Because the notes have not been registered under the Securities Act or any state or foreign securities laws, they may not be resold, transferred or otherwise disposed of unless the resale, transfer or other disposition is registered under the Securities Act or any applicable state and foreign securities laws or an exemption therefrom is available. No public market exists with respect to any of our securities, including the notes. Investors should be aware that they may be required to bear the risks of this investment for an indefinite period.

This memorandum does not constitute an offer to sell or a solicitation of an offer to buy any of our securities to any person in any jurisdiction in which such offer or solicitation is unlawful. This offering is not being made to, nor will subscriptions be accepted from or on behalf of, any person in any jurisdiction in which the making or acceptance thereof would not be in compliance with the laws of such jurisdiction. We may, however, in our sole and absolute discretion, take such action as we deem necessary to make the offering in any such jurisdiction and extend the offering to offerees in such jurisdiction.

This memorandum is submitted to prospective investors on a confidential basis and is for their informational use solely in connection with the offering described herein. The disclosure of any of the information contained herein or its use for any other purpose except with our prior written consent is prohibited. This memorandum may not be reproduced, in whole or in part, and it is accepted with the understanding that it will be returned on request if the recipient does not purchase the securities offered hereby or if the recipient's subscription is not accepted or if the offering is terminated.

This memorandum supercedes any documents previously supplied to prospective investors concerning us and the terms and conditions of the offering being made hereby. This memorandum contains summaries of the contents of certain agreements and other documents. Reference should be made to these agreements and documents for complete information concerning the rights and obligations of the parties thereto and the matters described therein. Subject to any applicable restrictions as to confidentiality, all of these agreements and documents shall be made available upon request.

No person has been authorized to make any representations concerning this offering, and no person other than the placement agent has been authorized to furnish any information, other than as set forth in this memorandum, and, if made or given, these other representations or information must not be relied upon by prospective investors.

Prospective investors are not to construe the contents of this memorandum as legal, tax or investment advice. Each prospective investor should consult its advisors as to legal, tax, financial and related matters concerning an investment in the notes. Without limiting the generality of the foregoing, prospective investors outside the United States should consult their legal, tax or financial advisers in order to ascertain the tax consequences of buying, holding and receiving proceeds from the notes.

Neither the delivery of this memorandum nor any sale made hereunder shall, under any circumstances, create any implication that the information herein is correct as of any time subsequent to the date hereof or that there has not been any change in the information contained herein or in our affairs since the date hereof.

The notes are offered subject to our acceptance of subscriptions and other conditions as set forth in this memorandum. We reserve the right in our discretion to reject any subscription in whole or in part or to allot to any investor less than the aggregate principal amount of the notes subscribed for, and to withdraw, cancel or modify the offering at any time without notice.

This memorandum does not constitute an offer of or an invitation by or on behalf of the issuer to subscribe or purchase any notes and may not be used for the purpose of an offer to, or a solicitation by, anyone in any circumstances in which such offer or solicitation is not authorized or lawful. The distribution of this document and the offering of the notes in certain jurisdictions may be restricted by law. Persons who obtain this document are required by the issuer to inform themselves about and to observe any such restrictions. No action is being taken to permit a public offering of the notes or the distribution of this document in any jurisdiction where action would be required for such purposes.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES ANNOTATED, 1955, AS AMENDED, WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

NOTICE TO FLORIDA RESIDENTS

THE SECURITIES REFERRED TO HEREIN WILL BE SOLD TO, AND ACQUIRED BY, THE HOLDER IN A TRANSACTION EXEMPT UNDER SECTION 517.061(1) OF THE FLORIDA SECURITIES ACT. THE SECURITIES BEING OFFERED HAVE NOT BEEN REGISTERED UNDER SAID ACT IN THE STATE OF FLORIDA. IN ADDITION, ALL FLORIDA RESIDENTS SHALL HAVE THE PRIVILEGE OF VOIDING THE PURCHASE WITHIN THREE (3) DAYS AFTER THE FIRST TENDER OF CONSIDERATION IS MADE BY SUCH PURCHASER TO THE ISSUER, AN AGENT OF THE ISSUER, OR AN ESCROW AGENT OR WITHIN THREE DAYS AFTER THE AVAILABILITY OF THAT PRIVILEGE IS COMMUNICATED TO SUCH PURCHASER, WHICHEVER OCCURS LATER.

NOTICE TO PENNSYLVANIA RESIDENTS

UNDER PROVISIONS OF THE PENNSYLVANIA SECURITIES ACT OF 1972, EACH PENNSYLVANIA RESIDENT SHALL HAVE THE RIGHT TO WITHDRAW HIS ACCEPTANCE WITHOUT INCURRING ANY LIABILITY TO THE SELLER, UNDERWRITER (IF ANY) OR ANY PERSON, WITHIN TWO (2) BUSINESS DAYS FROM THE DATE OF RECEIPT BY THE ISSUER OF HIS WRITTEN BINDING CONTRACT OR PURCHASE OR IN THE CASE OF A TRANSACTION IN WHICH THERE IS NO WRITTEN BINDING CONTRACT OF PURCHASE, WITHIN TWO BUSINESS DAYS AFTER HE MAKES THE INITIAL PAYMENT FOR THE SECURITIES BEING OFFERED.

NOTICE TO NEW YORK INVESTORS

THIS PRIVATE PLACEMENT MEMORANDUM HAS NOT BEEN FILED WITH OR REVIEWED BY THE ATTORNEY GENERAL OF THE STATE OF NEW YORK PRIOR TO ITS ISSUANCE AND USE. THE ATTORNEY GENERAL OF THE STATE OF NEW YORK HAS NOT PASSED ON OR ENDORSED THE MERITS OF THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

THIS PRIVATE PLACEMENT MEMORANDUM DOES NOT CONTAIN ANY UNTRUE STATEMENT OF A MATERIAL FACT OR OMIT TO STATE A MATERIAL FACT NECESSARY TO MAKE THE STATEMENTS MADE IN LIGHT OF THE CIRCUMSTANCES UNDER WHICH THEY WERE MADE, NOT MISLEADING. IT

CONTAINS A FAIR SUMMARY OF THE MATERIAL TERMS AND DOCUMENTS PURPORTED TO BE SUMMARIZED HEREIN.

NOTICE TO NEW JERSEY RESIDENTS

THIS PRIVATE PLACEMENT MEMORANDUM HAS NOT BEEN FILED OR REVIEWED BY THE NEW JERSEY BUREAU OF SECURITIES OR THE DEPARTMENT OF LAW AND PUBLIC SAFETY OF THE STATE OF NEW JERSEY PRIOR TO ITS ISSUANCE AND USE. NEITHER THE ATTORNEY GENERAL OR THE STATE OF NEW JERSEY BUREAU OF SECURITIES HAS PASSED ON OR ENDORSED THE MERITS OF THIS MEMORANDUM (OR THE PRIVATE OFFERING CONTAINED HEREIN). ANY REPRESENTATIONS TO THE CONTRARY ARE UNLAWFUL. ALL PROCEEDS OF THE OFFERING WILL BE HELD IN TRUST BY THE COMPANY FOR THE BENEFIT OF THE PURCHASERS OF NOTES TO BE USED ONLY FOR THE PURPOSES SET FORTH UNDER THE CAPTION "USE OF PROCEEDS".

NOTICE TO CONNECTICUT RESIDENTS

THE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE CONNECTICUT SECURITIES LAW. THE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND SALE.

NOTICE TO MASSACHUSETTS RESIDENTS

THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE MASSACHUSETTS UNIFORM SECURITIES ACT OR THE SECURITIES ACT OF 1933, AS AMENDED, BY REASON OF SPECIFIC EXEMPTIONS THEREUNDER RELATING TO THE LIMITED AVAILABILITY OF THE OFFERING. THESE SECURITIES CANNOT BE SOLD, TRANSFERRED OR OTHERWISE DISPOSED OF TO ANY PERSON OR ENTITY UNLESS SUBSEQUENTLY REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED.

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

This memorandum includes "forward-looking statements". All statements other than statements of historical facts included in this memorandum may constitute forward-looking statements. In addition, forward-looking statements generally can be identified by the use of forward-looking terminology such as "may", "will", "expect", "intend", "estimate", "anticipate", "believe" or "continue" or the negatives thereof or variations thereon or similar terminology. Although we believe that the expectations reflected in such forward-looking statements are reasonable, we can give no assurance that such expectations will prove to have been correct. Important factors such as those discussed in the "Risk Factors" section could cause actual results to differ materially from our expectations. All subsequent written and oral forward-looking statements attributable to us, the placement agent or any other persons acting on our behalf are expressly qualified in their entirety by this paragraph. These forward-looking statements speak only as of the date of this memorandum. We expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein to reflect any change in our expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

ADDITIONAL INFORMATION

We have retained McGinn, Smith & Co., Inc. to act as our placement agent in connection with arranging the private placement of the notes. With respect to the minimum offering of \$2,000,000, McGinn, Smith & Co., Inc., as our placement agent, has agreed to offer the notes on a "best efforts, all or none" basis, and on a "best efforts" basis thereafter until the earlier of the termination of the offering or the completion of the maximum offering period on December 31, 2005, provided however that the placement agent has agreed to extend the offering period for up to an additional twelve (12) months. The placement agent will act as primary contact for, and will be available to consult with, any prospective investor who receives this document.

We undertake to make available to every investor, during the course of the offering and prior to sale, the opportunity to ask questions of and receive answers from us concerning the terms and conditions of the offering and to obtain any appropriate additional information necessary to verify the accuracy of the information contained in this document or for any other purpose relevant to a prospective investment in the notes offered herein.

All communications or inquiries relating to the notes should be directed to the following individual at McGinn, Smith & Co., Inc.:

David L. Smith
President
McGinn, Smith & Co., Inc.
Capital Center, 5th Floor
99 Pine Street
Albany, New York 12207
Phone: 518-449-5131
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E-Mail: smithd@mcginnsmith.com

SUMMARY

This summary highlights selected information from this memorandum and may not contain all the information that may be important to you. The following summary is qualified in its entirety by the more detailed information appearing elsewhere in this memorandum. You should read the entire memorandum before making an investment decision. Unless the context otherwise requires, all references to "FAIN", "we", "us" or "our" refer to First Advisory Income Notes, LLC.

FAIN

First Advisory Income Notes, LLC ("FAIN") is a newly formed, single purpose limited liability company. We were organized in New York in 2005.

Our sole and managing member is McGinn, Smith Advisors, LLC, a New York limited liability company. McGinn, Smith Advisors, LLC is a wholly-owned subsidiary of McGinn, Smith Holdings, LLC, a New York limited liability company and an affiliate of this offering's placement agent, McGinn, Smith & Co., Inc.

Our principal offices are located at Capital Center, 5th Floor, 99 Pine Street, Albany, New York, 12207 and our telephone number is (518) 449-5131.

Business

FAIN has been formed to identify and acquire various public and/or private investments, which may include, without limitation, debt securities, collateralized debt obligations, bonds, equity securities, trust preferreds, collateralized stock, convertible stock, bridge loans, leases, mortgages, equipment leases, securitized cash flow instruments, and any other investments that may add value to our portfolio (individually an "Investment" and collectively, the "Investments"). We may acquire such Investments directly, or from our managing member or an affiliate of us or our managing member that has purchased the Investment. If the Investment is purchased from our managing member or any affiliate, we will not pay above the price paid by our managing member or such affiliate for the Investment, other than to reimburse our managing member or such affiliate for its costs and any discounts that it may have received by virtue of a special arrangement or relationship. In other words, if we purchase an Investment from our managing member or any affiliate, we will pay the same price for the Investment that we would have paid if we had directly purchased the Investment. We may also purchase securities from issuers in offerings for which McGinn, Smith & Co., Inc. is acting as underwriter or placement agent and for which McGinn, Smith & Co., Inc. will receive a commission. We may retain the Investments beyond the term of the notes, sell such Investments during the term of the notes or offer the notes to preferred investors. If an Investment is removed, whether voluntarily or involuntarily, from our asset portfolio during the term of the notes, we may, at our option, redeem a pro rata portion of the notes. See "Description of the Notes – Redemption at the Option of FAIN".

Our profitability is largely determined by the difference, or "spread," between the effective rate we pay on the Investments we acquire and the full rate of return received on such Investments.

The Offering

The following summary is not intended to be complete. For a more detailed description of the notes, see "Description of the Notes."

Issuer	First Advisory Income Notes, LLC
Amount of Offering	Up to \$20 million in three tranches: a minimum of \$500,000 and up to \$5 million to senior note holders; a minimum of \$500,000 and up to \$5 million to senior subordinated note holders; and a minimum of \$1 million and up to \$10 million to junior note holders
Placement Agent	McGinn, Smith & Co., Inc.
Trustee	McGinn, Smith Capital Holdings Corp.
Securities Offered	6.0% Secured Senior Notes due 2006 (the "original senior notes"), 7.75% Secured Senior Subordinated Notes due 2008 (the "senior subordinated

notes”) and 10.25% Secured Junior Notes due 2010 (the “junior notes”) and together with the senior notes (as defined below) and senior subordinated notes, the “notes”). Upon the maturity of the original senior notes, we may continue to issue additional senior notes (the “additional senior notes”) and together with the original senior notes, the “senior notes”) with a one-year maturity date and an interest rate of the lesser of 6% or the then current Prime Rate + 1% . Upon the maturity of the senior subordinated notes, the Company may issue additional senior subordinated notes with an two year maturity date and at an interest rate of the lesser of 7.75% or the then current Prime Rate + 2 % provided that the aggregate principal amount of the outstanding notes at any one time does not exceed \$20 million. The notes issued by the Company are secured promises to pay. By purchasing a note, you are lending money to us. The notes represent our obligation to repay your loan with interest.

Security	All of the various public and/or private investments that we may acquire, which may include, without limitation, debt securities, collateralized debt obligations, bonds, equity securities, trust preferreds, collateralized stock, convertible stock, bridge loans, leases, mortgages, equipment leases, securitized cash flow instruments, and any other investments that may add value to our portfolio (individually an “Investment” and collectively, the “Investments”), and any cash proceeds from the offering that are not used to acquire an Investment, after deducting commissions, fees and expenses.
First Closing	Occurs upon the receipt of \$2 million aggregate principal amount from the sale of the notes.
Escrow Account	All subscription proceeds will be held in an escrow account and no subscription agreement will be accepted until the minimum proceeds requirement is met for the first closing.
Method of Purchase	Prior to your purchase of notes, you will be required to complete a subscription agreement that will set forth the principal amount of your purchase and certain other information regarding your ownership of the notes.
Minimum Subscription	Minimum aggregate principal amount of \$25,000 for each of the senior notes, senior subordinated notes and junior notes
Offering Price.....	100% of the principal amount per note
Maturity	November 15, 2006 for the original senior notes and November 15, 2007, 2008, 2009 or 2010, respectively, for any additional senior notes. November 15, 2008 for each of the senior subordinated notes and November 15, 2010 for any additional senior subordinated notes. November 15, 2010 for the junior notes.
Interest Rate	The notes will accrue interest from the date of the first closing at the following rates per year: 6.0% for the original senior notes and the lesser of 6% or the then current Prime Rate + 1% for any additional senior notes; 7.75% for the original senior subordinated notes and the lesser of 7.75% or the then current Prime Rate + 2% for any additional senior subordinated notes; and 10.25% for the junior notes.
Interest Payment Dates.....	Quarterly on the 15 th day of February, May , August and November , commencing on February 15, 2006
Principal Payment	Unless we choose to redeem a pro rata portion of the notes upon the removal, whether voluntary or involuntary, of an Investment from our asset portfolio, we will not pay principal over the term of the notes. See “Description of the

Notes – Redemption at the Option of FAIN”. We are obligated to pay the entire principal balance of the outstanding notes upon maturity.

- Payment Method Principal and interest payments will be made by whatever means you indicate in your subscription agreement, including by an electronic funds transfer to a depository account you designate in your subscription documents.
- Redemption at Maturity Unless we choose to redeem a pro rata portion of the notes, the notes may only be redeemed at, and not prior to, Maturity.
- Optional Redemption At the option of FAIN, a pro rata percentage of the notes may be redeemed if an Investment is removed, whether voluntarily or involuntarily, from our asset portfolio during the term of the notes. See “Description of the Notes – Redemption at the Option of FAIN”.
- Ranking The senior subordinated notes and junior notes are subordinate in right of payment to the senior notes, and the junior notes are additionally subordinate in right of payment to the senior subordinated notes.
- Use of Proceeds If all the notes are sold, we would expect to receive approximately \$19.6 million of net proceeds from this offering after deducting the placement agent's commissions and estimated offering expenses payable by us. We intend to use the net proceeds to acquire Investments. Assuming we received the maximum amount of the offering, we will not invest more than 25% of the net proceeds of the offering in any single Investment. See “Use of Proceeds.”
- Absence of Public Market There is no existing or public market for the notes. We cannot provide you with any assurance as to:
- the liquidity of any market that may develop for the notes;
 - your ability to sell or pledge your notes; or
 - the prices at which you will be able to sell your notes.
- Transfer Restrictions The notes are subject to significant restrictions on resale. We have not registered, and do not plan to register, the notes under the Securities Act or any state securities laws and you may not offer or sell the notes except under an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.
- Plan of Distribution We are offering the notes without registration under the Securities Act in reliance upon an exemption afforded by Section 4(2) of the Securities Act and Rule 506 of Regulation D promulgated under the Securities Act.

McGinn, Smith & Co., Inc., as our placement agent, will solicit offers to purchase the notes, for which it will receive commissions on an annual basis equal to 2% of the purchase price of the notes. With respect to the minimum offering of \$2,000,000, McGinn, Smith & Co., Inc., as our placement agent, has agreed to offer the notes on a “best efforts, all or none” basis, and on a “best efforts” basis thereafter until the earlier of the termination of the offering or the completion of the maximum offering. The offering period will extend until the earlier of (i) the sale of all of the notes, or (ii) December 31, 2005, provided that we have retained the right, in our discretion, and our placement agent has agreed in that event, to extend the offering period for up to twelve (12) additional months.

Suitability Requirements..... The risks associated with an investment in the notes and the lack of liquidity makes this investment suitable only for an investor who has substantial net worth, no need for liquidity with respect to this investment and who can bear the economic risk of a complete loss of the investment. In addition, the investment is suitable only for an investor who has sufficient knowledge and experience in financial and business matters and investments in organizations such as FAIN to enable the investor to evaluate the merits and risk associated with a purchase of the notes. Subscriptions will be accepted only from "accredited investors," as that term is defined in Regulation D promulgated under the Securities Act.

Risk Factors

See "Risk Factors", immediately following this summary, for a discussion of risks relating to an investment in the notes.

RISK FACTORS

Before you invest in the notes, you should carefully consider these risk factors, as well as the other information contained in this memorandum.

Risk Factors Relating to the Notes

The Notes May Not Be A Suitable Investment for All Investors. *The notes may not be a suitable investment for you, and we advise you to consult your investment, tax and other professional financial advisors prior to purchasing notes.*

The risks described below set forth many of the risks associated with the purchase of notes. In addition to those risks, the characteristics of the notes, including maturity, interest rate and lack of liquidity, may not satisfy your investment objectives or otherwise be a suitable investment for you. This may be based on your ability to withstand a loss of interest or principal or other aspects of your financial situation, including your income, net worth, financial needs, investment risk profile, return objectives, investment experience and other factors. For instance, prior to purchasing any notes, you should consider your investment allocation with respect to the amount of your contemplated investment in the notes in relation to your other investment holdings and the diversity of those holdings.

The Notes Will Not Be Registered Under The Securities Act And You May Not Be Able To Sell The Notes Quickly, Or At All. *Your ability to liquidate your investment is limited because of transfer restrictions and the lack of a trading market.*

The notes are being offered without registration under the Securities Act in reliance upon an exemption afforded by Section 4(2) of the Securities Act and Rule 506 of Regulation D promulgated under the Securities Act. We have no plans or intention to register the notes. As a result, there are significant restrictions on your ability to sell or otherwise transfer the notes and we cannot assure you that you will be able to sell the notes quickly, or at all. Therefore, the notes are suitable for purchase only by investors who are capable of bearing the economic risks of holding the notes for an indefinite period of time. Due to the non-transferable nature of the notes and the lack of a market for the sale of the notes, you might be unable to sell, pledge or otherwise liquidate your investment. See "Description of the Notes."

You Will Have Only Limited Protection Under The Indenture. *The indenture governing the notes contains only limited restrictions on our activities and only limited events of default, and thus, provides only limited protection to you.*

The indenture governing the notes contains limited restrictions on our activities. Because there are only very limited restrictions and limited events of default under the indenture, we will not be required to maintain any ratios of assets to debt in order to increase the likelihood of timely payments to you under the notes. See "Description of the Notes - Events of Default."

The Senior Subordinate Note Holders And Junior Note Holders Lack Priority In Payment On The Notes. *The senior subordinated note holders' and junior note holders' right to receive payments on the notes is subordinated in right of payment to the senior note holders.*

The senior subordinated notes and junior notes will be subordinated to the prior payment in full of the senior notes. The junior notes will also be subordinated in right of payment to the senior subordinated notes. The senior note holders will have priority over up to 25% of our secured assets over the senior subordinated and junior note holders, and the senior note holders and senior subordinated note holders will have priority over up to 50% of our secured assets over the junior note holders. Because of the subordination provisions of the notes, in the event of our bankruptcy, liquidation or dissolution, our assets would be available to make payments to the senior subordinated note holders and the junior note holders only after all payments had been made on the senior notes, and to the junior note holders only after all payments had been made on the senior subordinated notes. Sufficient assets may not remain after all such senior note payments have been made to make any payments to the senior subordinated notes and the junior notes, including payments of interest when due or principal upon maturity. Likewise, sufficient assets may not remain after all senior subordinated note payments have been made to make any payments to the junior notes, including payments of interest when due or principal upon maturity.

The Secured Assets May Be Inadequate To Repay The Notes. *If an Investment is redeemed, prepaid, liquidated or sold, there may be insufficient security for you to collect upon in an event of default.*

Your security interest is in the pool of Investments as a whole, not a particular Investment, and in any cash proceeds from the offering that are not used to acquire an Investment, after deducting commissions, fees and expenses. Even though the proceeds from your purchase of a note may be used to acquire a particular Investment, specific notes are not limited to or payable from a particular Investment. All notes in the same tranche will be equably and ratably secured by all of our Investments. We are not restricted in the indenture from selling any of the Investments that we acquire. Although we have the option to redeem a portion of the notes upon the removal, whether voluntary or involuntary, of an Investment from our asset portfolio, we are not required to do so. Therefore, in an event of default, your security interest in the Investments may be insufficient for you to be repaid on the notes.

The Notes Will Have No Insurance Or Guarantee. *There is no insurance or guarantee for our obligation to make payments on the notes, so you will have to rely on our cash flow from operations and the Investments for the repayment of principal and payment of interest.*

The notes are not certificates of deposit or similar obligations of, and are not guaranteed or insured by, any depository institution, the Federal Deposit Insurance Corporation, or any other governmental or private fund or entity. Therefore, if you invest in the notes, you will have to rely on our cash flow from operations and the Investments for repayment of principal at maturity and payment of interest when due. The senior notes will have priority over the Investments. If, after the payment of the senior notes, the Investments and cash flow from operations and other sources of funds are not sufficient to pay the senior subordinated notes and junior notes, then the senior subordinated note holders and junior note holders may lose all or part of their investment. Likewise, if, after the payment of the senior subordinated notes, the Investments and cash flow from operations and other sources of funds are not sufficient to pay the junior notes, then the junior note holders may lose all or part of their investment.

Risk Of Redemption At The Option Of FAIN. *Redemption by us prior to maturity may result in reinvestment risk to you.*

If an Investment is removed, whether voluntarily or involuntarily, from our asset portfolio during the term of the notes, we have the option to redeem a pro rata portion of the notes prior to its stated maturity upon 10 days written notice to you. For those notes that are redeemed, 100% of the principal amount plus accrued but unpaid interest up to the redemption date will be paid. Any such redemption may have the effect of reducing the income or return on investment that you may receive in an investment in the notes by reducing the term of the investment. In addition, you may not be able to reinvest the proceeds of any such redemption for the remainder of the original term of the notes at an interest rate comparable to the rate paid on the notes. See "Description of the Notes - Redemption at the Option of FAIN."

The Trustee May Experience A Conflict Of Interest. *The trustee under the indenture governing the notes is an affiliate of our managing member, acts as our servicing agent and represents all three tranches of notes.*

The trustee is McGinn, Smith Capital Holdings Corp., which is an affiliate of our managing member, McGinn, Smith Advisors, LLC and of our placement agent, McGinn, Smith & Co., Inc. In addition, we have retained McGinn, Smith Capital Holdings Corp. to act as our servicing agent. In the event that you feel that you are not adequately represented by the trustee in an event of default, holders of 25% of the aggregate principal amount of all notes outstanding may vote to remove the trustee and elect a successor trustee.

The trustee under the indenture will represent all three tranches of notes. The note holders of a particular tranche of notes may feel that the trustee has a conflict of interest when it acts in a way that favors one tranche of notes over another tranche of notes. In that event, holders of 25% of the aggregate principal amount of notes in a particular tranche may vote to remove the trustee with respect to that tranche of notes and appoint a successor trustee to represent that tranche of notes.

Risk Factors Relating to FAIN

FAIN Is A Newly-Formed Limited Liability Company. *We have no historical financial information or results of operations on which you can base your investment decision.*

FAIN was organized in New York in 2005. We have no historical financial statements or results of operations. As a result, you have no historical data on which to base your estimation of our likelihood success in achieving our business and financial goals.

We May Be Unable To Finance Our Operations. *If we are unable to generate a sufficient cash flow, our results of operations and financial condition would be materially and adversely affected and we may be unable to make payments on the notes.*

We require a substantial amount of cash liquidity to operate our business. Among other things, we use such cash liquidity to:

- pay incentive commissions to our managing member's salesmen at the rate of 2% of the aggregate principal amount of the notes per year over the term of the notes;
- pay our managing member a portfolio management fee of 1% of the aggregate principal amount of the notes per year over the term of the notes;
- pay our servicing agent a fee for administering the notes of 0.25% of the aggregate principal amount of the notes per year over the term of the notes;
- satisfy working capital requirements and pay operating expenses, including accounting and legal expenses that we estimate to equal 0.25% of the aggregate principal amount of the notes per year; and
- pay interest expenses.

Our cash flow is wholly dependent on our ability to find and acquire suitable Investments. We cannot assure you that our business strategy will succeed or that we will achieve our anticipated financial results. We may not be able to find such opportunities and our ability to generate cash flow depends on market and other factors beyond our control. These factors include:

- the current economic and competitive conditions; and
- any delays in implementing any strategic projects we may have.

Depending upon the outcome of one or more of these factors, we may not be able to generate sufficient cash flow from operations to satisfy all of our obligations, including the notes. If we are unable to pay our debts, we will be required to pursue one or more alternative strategies, such as selling assets, or refinancing or restructuring our indebtedness. These alternative strategies may not be feasible at the time or prove adequate.

We Are Subject To Rate Fluctuations. *Rate fluctuations between instruments may materially and adversely affect our results of operations, financial condition and cash flows and our ability to make payments on the notes.*

Our profitability is largely determined by the difference, or "spread," between the effective rate we pay on the Investments we acquire and the full rate received on such Investments. We may not be able to receive the same rate of return on all of our Investments. If one of our Investments is redeemed, prepaid, liquidated or sold prior to maturity, we may not be able to find a comparable Investment to replace it that would generate the same yields.

We Will Be Adversely Affected When Investments Are Prepaid Or Defaulted. *If an Investment is prepaid or experiences a default, our results of operations, financial condition and cash flows and our ability to make payments on the notes could be materially and adversely affected.*

Our results of operations, financial condition, cash flows and liquidity, and consequently our ability to make payments on the notes, depend, to a material extent, on the performance of the Investments that we purchase. A portion of

the Investments that we acquire may default or prepay. We bear the risk of losses resulting from payment defaults and may not realize the full value of our investment. Our income can also be adversely affected by prepayment of an Investment in our portfolio. Our revenue is based on a percentage of the outstanding principal balance of an Investment in our portfolio. If an Investment is prepaid or charged-off, then our revenue will decline while our servicing costs may not decline proportionately.

We Depend On Our Managing Member And On Key Personnel. *The success of our operations depends on our managing member and on certain key personnel.*

Our future operating results depend in significant part upon the continued service of our managing member, to which we pay 1% of the aggregate principal amount of the notes per year over the term of the notes to act as our portfolio manager and give us investment advice. We rely solely on the expertise of our managing member to make the proper investment decisions to generate cash flow.

Our future operating results also depend in part upon our ability to attract and retain qualified management, technical, and sales and support personnel for our operations. Competition for such personnel is intense. We cannot assure you that we will be successful in attracting or retaining such personnel. The loss of any key employee, the failure of any key employee to perform in his or her current position or our inability to attract and retain skilled employees, as needed, could materially and adversely affect our results of operations, financial condition and cash flows.

Our Industry Is Competitive. *Increased competition could materially and adversely affect our operations and profitability.*

We may have to compete with other investors. These competitors may have greater financial resources than we do or have better relationships or offer other forms of financing or services not provided by us. Our ability to compete successfully depends largely upon establishing and maintaining relationships in the investment community and acquiring suitable Investments.

We May Be Harmed By Adverse Economic Conditions. *Adverse economic conditions could materially and adversely affect our revenues and cash flows.*

A prolonged downturn in the economy could have a material adverse impact upon us, our results of operations and our ability to implement our business strategy. Similarly, adverse economic conditions or other factors might adversely affect the performance of our Investments, including the level of delinquencies, which could materially and adversely affect our results of operation, financial condition and cash flows and our ability to perform our obligations under the notes. These economic conditions could result in severe reductions in our revenues or the cash flows available to us and adversely affect our ability to make payments on the notes.

We Are Subject To Regulations. *Failure to materially comply with all laws and regulations applicable to us could materially and adversely affect our ability to operate our business and our ability to make payments on the notes.*

We believe that we are in compliance in all material respects with all such laws and regulations, and that such laws and regulations have had no material adverse effect on our ability to operate our business. However, we will be materially and adversely affected if we fail to comply with:

- applicable laws and regulations;
- changes in existing laws or regulations;
- changes in the interpretation of existing laws or regulations; or
- any additional laws or regulations that may be enacted in the future.

USE OF PROCEEDS

If all of the notes are sold, we would expect to receive approximately \$19.6 million of net proceeds from this offering after deducting the 2% placement agent commission and other offering expenses payable by us.

We intend to use the net proceeds to acquire various public and/or private investments, which may include, without limitation, debt securities, collateralized debt obligations, bonds, equity securities, trust preferreds, collateralized stock, convertible stock, bridge loans, leases, mortgages, equipment leases, securitized cash flow instruments, and any other investments that may add value to our portfolio (individually an "Investment" and collectively, the "Investments"). Assuming we received the maximum amount of the offering, we will not invest more than 25% of the proceeds of this offering in any single Investment. All subscription proceeds will be held in an escrow account and no subscription agreement will be accepted until the minimum proceeds requirement is met for the first closing. Once we achieve the minimum amount required for the first closing, we will begin to acquire Investments.

We may acquire such Investments directly, or from our managing member or an affiliate of us or our managing member that has purchased the Investment. If the Investment is purchased from our managing member or any affiliate, we will not pay above the price paid by our managing member or such affiliate for the Investment, other than to reimburse our managing member or such affiliate for its costs and any discounts that it may have received by virtue of a special arrangement or relationship. In other words, if we purchase an Investment from our managing member or any affiliate, we will pay the same price for the Investment that we would have paid if we had directly purchased the Investment. We may also purchase securities from issuers in offerings for which McGinn, Smith & Co., Inc. is acting as underwriter or placement agent and for which McGinn, Smith & Co., Inc. will receive a commission. We may retain the Investments beyond the term of the notes, sell such Investments during the term of the notes or offer the notes to preferred investors. If an Investment is removed, whether voluntarily or involuntarily, from our asset portfolio during the term of the notes, we may, at our option, redeem a pro rata portion of the notes. See "Description of the Notes – Redemption at the Option of FAIN".

CAPITALIZATION

Our sole member is our managing member, McGinn, Smith Advisors, LLC, which holds 100% of the membership interest in FAIN.

BUSINESS

FAIN has been formed to acquire various public and/or private investments, which may include, without limitation, debt securities, collateralized debt obligations, bonds, equity securities, trust preferreds, collateralized stock, convertible stock, bridge loans, leases, mortgages, equipment leases, securitized cash flow instruments, and any other investments that may add value to our portfolio (individually an "Investment" and collectively, the "Investments"). We may acquire such Investments directly, or from our managing member or an affiliate of us or our managing member that has purchased the Investment. If the Investment is purchased from our managing member or any affiliate, we will not pay above the price paid by our managing member or such affiliate for the Investment, other than to reimburse our managing member or such affiliate for its costs and any discounts that it may have received by virtue of a special arrangement or relationship. In other words, if we purchase an Investment from our managing member or any affiliate, we will pay the same price for the Investment that we would have paid if we had directly purchased the Investment. We may also purchase securities from issuers in offerings for which McGinn, Smith & Co., Inc. is acting as underwriter or placement agent and for which McGinn, Smith & Co., Inc. will receive a commission.

Our profitability is largely determined by the difference, or "spread," between the effective rate we pay on the Investments we acquire and the full rate of return received on such Investments.

MANAGEMENT

We are solely managed by our managing member, McGinn, Smith Advisors, LLC, a New York limited liability company. McGinn, Smith Advisors, LLC was formed in 2003. McGinn, Smith Advisors, LLC is a wholly-owned subsidiary of McGinn, Smith Holdings, LLC, a New York limited liability company and an affiliate of this offering's placement agent, McGinn, Smith & Co., Inc.

DESCRIPTION OF THE NOTES

The following statements with respect to the notes are not complete and are qualified in all respects by the provisions of the notes and indenture, copies of which are available from FAIN upon request. See "Additional Information."

General. We will issue the notes under a indenture between First Advisory Income Notes, LLC and McGinn, Smith Capital Holdings Corp., as trustee (the "trustee") in a private transaction that is not subject to the registration requirements of the Securities Act. The terms and conditions of the notes include those stated in the indenture. The following is a summary of some, but not all, provisions of the notes and the indenture. For a complete understanding of the notes, you should review the definitive terms and conditions contained in the actual notes and the indenture, which include definitions of certain terms used below. The indenture, and not this description, defines your rights as holders of the notes. Copies of the form of the notes and the indenture are available from us at no charge upon request.

We are offering up to \$20 million at aggregate principal amount of our 6.0% secured senior notes due 2006 (the "original senior notes"), 7.75% secured senior subordinated notes due 2008 (the "the original senior subordinated notes") and 10.25% secured junior notes due 2010. Upon the maturity of the original senior notes, we may continue to issue additional senior notes (the "additional senior notes") and together with the original senior notes, the "senior notes") with a one-year maturity date and an interest rate of the lesser of 6% or the then current Prime Rate +1% . Upon the maturity of the senior subordinated notes, we may continue to issue additional senior subordinated notes with a two year maturity period and with interest at the lesser of 7.75% or the then current Prime Rate + 2%, provided that the aggregate principal amount of the outstanding notes at any one time does not exceed \$20 million.

The notes are secured by all of the various public and/or private investments that we may acquire, which may include, without limitation, debt securities, collateralized debt obligations, bonds, equity securities, trust preferreds, collateralized stock, convertible stock, bridge loans, leases, mortgages, equipment leases, securitized cash flow instruments, and any other Investments that may add value to our asset portfolio and any cash proceeds from the offering that are not used to acquire an Investment, after deducting commissions, fees and expenses. Even though the proceeds from your purchase of a note may be used acquire a particular Investment, specific notes are not limited to or payable from a particular Investment. All notes in the same tranche will be equably and ratably secured by all of our Investments. The senior subordinated notes and junior notes will be subordinated in right of payment to the prior payment in full of the senior notes. Additionally, the junior notes will be subordinated in right of payment to the prior payment in full of the senior subordinated notes. The notes are not insured by the Federal Deposit Insurance Corporation, the Securities Investor Protection Corporation or any other agency or company.

If not earlier redeemed, the original senior notes will mature on November 15, 2006 and any additional senior notes will mature on November 15, 2007, 2008, 2009 or 2010, respectively. If not earlier redeemed, each of the senior subordinated notes will mature on November 15, 2008 and additional two year notes may be issued to mature on November 15, 2010 . The junior notes on mature on November 15, 2010. We will pay interest on the notes quarterly on the 15th day of February, May, August and November.

You may determine the amount (minimum \$25,000 plus integral multiples of \$5,000) of the notes you would like to purchase when you subscribe. See "- Denomination" below. If your subscription is rejected by us, all funds deposited will be promptly returned to you without any interest. Investors whose subscriptions for notes have been accepted and anyone who subsequently acquires notes in a qualified transfer are referred to as "holders" or "registered holders" in this memorandum and in the indenture.

We may modify or supplement the terms of the notes described in this memorandum from time to time in a supplement to the indenture and this memorandum. Except as set forth under "- Amendment, Supplement And Waiver" below, any modification or amendment will not affect notes outstanding at the time of such modification or amendment.

Denomination. You may purchase notes in the minimum principal amount of \$25,000 plus integral multiples of \$5,000. You will determine the original principal amount of each note you purchase when you subscribe.

First Closing. The first closing will occur once a minimum of \$2 million aggregate principal amount of the notes is purchased.

Term. The original senior notes will mature on November 15, 2006 and any additional senior notes will mature on November 15, 2007, 2008, 2009 or 2010, respectively. The senior subordinated notes mature on November 15, 2008 and any additional senior subordinated notes mature on November 15, 2010. The junior notes will mature on November 15, 2010 respectively

Interest Rate. The original senior notes will accrue interest at an annual rate of 6% and any additional senior notes will accrue interest at an annual rate of the lesser of 6% or the then current Prime Rate +1%. The senior subordinated notes will accrue interest at the annual rate of 7.75% and any additional senior subordinated notes will accrue interest at the lesser of 7.75% or the then current Prime Rate + 2%. The junior notes will accrue interest at an annual rate of 10.25%.

Computation of Interest. We will compute interest on notes on the basis of an actual calendar year. Interest will compound daily and accrue from the date of the first closing.

Interest Payment Dates. Interest will be paid quarterly on the 15th day of February, May, August and November commencing on February 15, 2006, to the person in whose name the note is registered at the close of business on the 15th day of the month preceding the month in which the interest payment date occurs. Your last interest payment will be made on the maturity date. Any interest not paid on an interest payment date will be paid at maturity.

Place and Method of Payment. We will pay principal and interest on the notes through our paying agent, by whatever means is chosen by you in your subscription agreement, including the use of an electronic funds transfer to a depository account you specify in your subscription documents.

Servicing Agent. We have engaged McGinn, Smith Capital Holdings Corp., an affiliate of our managing member, McGinn, Smith Advisors, LLC, and of our placement agent, McGinn, Smith & Co., Inc., to act as our servicing agent for the notes. The responsibilities as servicing agent will involve the performance of certain administrative and customer service functions for the notes that we are responsible for performing as the issuer of the notes. For example, the servicing agent will serve as our registrar and transfer agent and will manage all aspects of the customer service function for the notes, including handling all phone inquiries, meeting with investors, processing subscription agreements, distributing our annual statement of operations upon request by a note holder, and dealing with any administrative tax matters with regards to the notes. In addition the servicing agent will provide us with monthly reports and analysis regarding the status of the notes and the amount of notes that remain available for purchase, if any.

As compensation for the services as servicing agent, we will pay the servicing agent an annual fee equal to 0.25% of the aggregate principal amount of the notes so long as the servicing agent is engaged. Such ongoing fee will be paid quarterly.

You may contact our servicing agent as follows with any questions about the notes:

McGinn, Smith Capital Holdings Corp.
Capital Center, 5th Floor
99 Pine Street
Albany, New York 12207
Attn: David L. Smith
Tel: 518-449-5131
Fax: 518-449-4894
E-Mail: smithd@mcginnsmith.com

On each interest payment date, the servicing agent will credit interest due on each account and make such payments to the holders.

Our servicing agent, McGinn, Smith Capital Holdings Corp., an affiliate of our managing member McGinn, Smith Advisors, LLC and of our placement agent, McGinn, Smith & Co., Inc., is also the trustee under the indenture governing the notes. As a result, McGinn, Smith Capital Holdings Corp. may experience a conflict of interest between its role as our servicing agent and as the trustee for the note holders. See "Risk Factors – Risk Factors Relating to the Notes – The Trustee May Experience a Conflict of Interest."

Subscriptions. Each subscriber will be required to complete an investor questionnaire in the form attached to this memorandum as Exhibit A and submit an executed subscription agreement in the form attached to this memorandum as

Exhibit B. Each prospective investor must deliver with his or her subscription agreement a check in the full amount of the purchase price for the notes for which he or she has subscribed. The checks shall be made payable to CharterOne Bank, FSB, Escrow Agent for First Advisory Income Notes, LLC", and upon receipt shall be deposited into an escrow account maintained by the placement agent at M & T Bank for the benefit of the investors (the "escrow account"). The proceeds of sale of the notes will remain in the escrow account until a subscription has been accepted by us and the placement agent, or until a subscription is rejected, at which time the amount of such subscription will be returned to the investor without interest. Subscriptions will be accepted only after satisfaction of the minimum offering amount and completion of the first closing. All such funds shall continue to be the property of the subscribers and shall be held in trust for their benefit until the subscribers receive their notes. We may reject any subscription for notes in our sole discretion.

Redemption at the Option of FAIN. If an Investment is removed, whether voluntarily or involuntarily, from our asset portfolio during the term of the notes, we have the right, at our option, to redeem a pro rata portion of the notes prior to their stated maturity upon 10 days written notice to you. For example, if an Investment that comprises 20% of our secured assets is no longer owned by us, we may redeem 20% of the notes pro rata across all tranches and all note holders within each tranche. The notes that are redeemed will be redeemed at 100% of the principal amount plus accrued but unpaid interest up to but not including the redemption date without any penalty or premium. The holder has no right to require us to prepay or repurchase any note prior to its maturity date.

Payment upon Maturity. On the maturity date, we will pay the holder the principal amount and any accrued and unpaid interest.

Transfers. The notes are subject to significant restrictions on resale. We have not registered, and do not plan to register, the notes under the Securities Act or any state securities laws. You may not offer or sell the notes except (i) with an opinion of counsel or other documentation acceptable to us that the transfer is exempt from, or not subject to, the registration requirements of the Securities Act, or (ii) under an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Security. The notes are secured by all of the various Investments that may add value to our asset portfolio, and any cash proceeds from the offering that are not used to acquire an Investment, after deducting commissions, fees and expenses. Even though the proceeds from your purchase of a note may be used to acquire a particular Investment, specific notes are not limited to or payable from a particular Investment. All notes in the same tranche will be equably and ratably secured by all of our Investments.

Subordination. The indebtedness evidenced by the senior subordinated notes and the junior notes, and any interest thereon, are subordinated in right of payment to the senior notes. The indenture does not prevent holders of the senior notes from disposing of, or exercising any other rights with respect to, any or all of the collateral securing the senior notes. See "Risk Factors - Risk Factors Relating to the Notes – The Senior Subordinate Note Holders and Junior Note Holders Lack Priority in Payment on the Notes." Likewise, the indebtedness evidenced by the junior notes, and any interest thereon, are subordinated in right of payment to the senior subordinated notes. The indenture does not prevent holders of the senior subordinated notes from disposing of, or exercising any other rights with respect to, any or all of the collateral securing the senior subordinated notes. The notes are not guaranteed by any of our subsidiaries, affiliates or control persons.

In the event of any liquidation, dissolution or any other winding up of us, or of any receivership, insolvency, bankruptcy, readjustment, reorganization or similar proceeding under the U.S. Bankruptcy Code or any other applicable federal or state law relating to bankruptcy or insolvency, no payment may be made on the senior subordinated notes and junior notes until all the senior notes have been paid in full, and no payment may be made on the junior notes until all the senior notes and senior subordinated notes have been paid in full. If any of the above events occurs, holders of the senior notes may also submit claims on behalf of holders of the senior subordinated and junior notes and retain the proceeds for their own benefit until they have been fully paid, and any excess will be turned over to the holders of the senior subordinated notes and junior notes. If any distribution is nonetheless made to holders of the senior subordinated notes or junior notes, the money or property distributed to them must be paid over to the holders of the senior notes to the extent necessary to pay the senior notes in full.

In the event and during the continuation of any default in the payment of principal of or interest on the senior notes, we will not make any payment, direct or indirect, on the senior subordinated and junior notes unless and until (i) the default has been cured or waived or has ceased to exist or (ii) the end of the payment blockage period. Any payment blockage period will commence on the date the trustee receives written notice of default from a holder of the senior notes

and will end on the earliest of (a) 179 days after the trustee's receipt of the notice of default; (b) the trustee's receipt of a valid waiver of default from the holders of the senior notes; or (c) the trustee's receipt of a written notice from the holders of the senior notes terminating the payment blockage period.

Consolidation, Merger or Sale. The indenture generally permits a consolidation or merger between us and another entity. It also permits the sale or transfer by us of all or substantially all of our property and assets. These transactions are permitted if:

- we survive such merger or consolidation;
- such consolidation, merger or transfer is with one of our affiliates;
- the resulting or acquiring entity, if other than us, is organized and existing under the laws of a domestic jurisdiction and expressly assumes all of our responsibilities and liabilities under the indenture, including the payment of all amounts due on the notes and performance of the covenants in the applicable indenture; and
- immediately after the transaction, and giving effect to the transaction, no event of default under the indenture exists.

If we consolidate or merge with or into any other entity or sell or lease all or substantially all of our assets, according to the terms and conditions of the indenture, the resulting or acquiring entity will be substituted for us in the indenture with the same effect as if it had been an original party to the indenture. As a result, such successor entity may exercise our rights and powers under the indenture, in our name and we will be released from all our liabilities and obligations under the indenture and under the notes.

Events Of Default. The indenture provides that each of the following constitutes an event of default:

- a failure to pay interest on a note within 30 days after the due date for such payment (whether or not prohibited by the subordination provisions of the indenture);
- failure to pay principal on a note within 30 days after the due date for such payment (whether or not prohibited by the subordination provisions of the indenture);
- our failure to observe or perform any material covenant or our breach of any material representation or warranty, but only after we have been given notice of such failure or breach and such failure or breach is not cured within 60 days after our receipt of notice;
- certain events of bankruptcy, insolvency, liquidation or reorganization with respect to us, whether voluntary or involuntary; and
- any security interest granted to the trustee on behalf of the note holders on any material portion of the Investments shall cease to be valid and effective.

If any event of default occurs and is continuing (other than an event of default involving certain events of bankruptcy or insolvency with respect to us) for a particular tranche of notes, the trustee or the holders of at least a majority in aggregate principal amount of the then outstanding notes for such tranche may declare the unpaid principal and any accrued interest on the notes to be due and payable immediately. In the case of an event of default arising from certain events of bankruptcy or insolvency, with respect to us, all outstanding notes will become due and payable without further action or notice.

Holders of the notes may not enforce the indenture or the notes except as provided in the indenture. Subject to certain limitations, holders of a majority in principal amount of the then outstanding notes for a particular tranche of notes may direct the trustee in its exercise of any trust or power. The trustee may withhold from holders of the notes notice of any continuing default or event of default (except a default or event of default relating to the payment of principal or interest) if the trustee in good faith determines that withholding notice would have no material adverse effect on the holders.

The holders of a majority in aggregate principal amount of the notes then outstanding for a particular tranche of notes by notice to the trustee may, on behalf of all holders of such tranche, waive any existing default or event of default and its consequences under the indenture, except a continuing default or event of default in the payment of interest on, or the principal of, a note.

Amendment, Supplement and Waiver. Except as provided in this memorandum or the indenture, the terms of the notes then outstanding may be amended or supplemented with the consent of the holders of at least a majority in aggregate principal amount of the notes affected by such amendment or supplement, and any existing default or compliance with any provision of the indenture or the notes may be waived with the consent of the holders of a majority in aggregate principal amount of the notes affected.

Notwithstanding the foregoing, an amendment or waiver will not be effective with respect to the notes held by a holder who has not consented if it has any of the following consequences:

- reduces the principal of or changes the fixed maturity of any note or alters the redemption provisions or the price at which we shall offer to redeem the note;
- reduces the rate of or changes the time for payment of interest on any note;
- makes any note payable in money other than that stated in the notes;
- makes any change in the provisions of the indenture relating to waivers of past defaults or the rights of holders of notes to receive payments of principal of or interest on the notes;
- makes any change to the subordination provisions of the indenture that has a material adverse effect on holders of notes; or
- makes any change in the foregoing amendment and waiver provisions.

Notwithstanding the foregoing, without the consent of any holder of the notes, we and the trustee may amend or supplement the indenture or the notes:

- to cure ambiguity, defect or inconsistency;
- to provide for assumption of our obligations to holders of the notes in the case of a merger, consolidation or sale of all or substantially all of our assets;
- to provide for additional certificates; or
- to make any change that would provide any additional rights or benefits to the holders of the notes or that does not materially adversely affect the legal rights under the indenture of any such holder.

The Trustee. McGinn, Smith Capital Holdings Corp. has agreed to be the trustee for all of the notes under the indenture. McGinn, Smith Capital Holdings Corp. is an affiliate of our managing member, McGinn, Smith Advisors, LLC, and of our placement agent, McGinn, Smith & Co., Inc., and has been engaged to act as our servicing agent. Because of the trustee's affiliation with our managing member and its role as our servicing agent, you may not feel that you are adequately represented by the trustee in an event of default. In that instance, holders of 25% of the aggregate principal amount of all notes outstanding may vote to remove the trustee and replace it with a successor trustee.

As earlier stated, the trustee represents all three tranches of note holders. As a result, a conflict of interest may arise in situations where one tranche of note holders wishes the trustee to act in a way that is not beneficial to another tranche of note holders. If such conflict arises, holders of 25% of the aggregate principal amount of notes for a particular tranche may remove the trustee with respect to that tranche and appoint a successor trustee with respect to that tranche pursuant to the procedures set forth in the indenture.

Subject to certain exceptions, the holders of a majority in aggregate principal amount of notes for a particular tranche of notes will have the right to direct the time, method and place of conducting any proceeding or exercising any remedy available to the trustee. The indenture provides that in case an event of default specified in the indenture shall occur

and not be cured, the trustee will be required, in the exercise of its power, to use the degree of care of a reasonable person in the conduct of his own affairs.

Subject to such provisions, the trustee will be under no obligation to exercise any of its rights or powers under the indenture at the request of any holder of notes, unless the holder shall have offered to the trustee security and indemnity satisfactory to it against any loss, liability or expense.

Resignation or Removal of the Trustee. The trustee may resign at any time, may be removed by the holders of 25% of the aggregate principal amount of all outstanding notes, or may be removed by the holders of 25% of the aggregate principal amount of notes of a particular tranche with respect to that tranche. In addition, upon the occurrence of contingencies relating generally to the insolvency of the trustee or the trustee's ineligibility to serve as trustee, we may remove the trustee or a court of competent jurisdiction may remove the trustee. However, no resignation or removal of the trustee may become effective until a successor trustee has accepted the appointment as provided in the indenture.

Reports to Trustee. We will provide to the trustee reports containing any information reasonably requested by the trustee. These reports may include information on each note outstanding during the preceding quarter, including outstanding principal balance, interest credited and paid, transfers made, any redemption and interest rate paid.

No Personal Liability of Our or Our Servicing Agent's Directors, Officers, Employees, Members and Stockholders. None of our or our servicing agent's directors, officers, employees, incorporators, members or stockholders will have any liability for any of our obligations under the notes, the indenture or for any claim based on, in respect to, or by reason of, these obligations or their creation. Each holder of the notes waives and releases these persons from any liability. The waiver and release are part of the consideration for issuance of the notes. We have been advised that the waiver may not be effective to waive liabilities under the federal securities laws and it is the view of the Securities and Exchange Commission that such a waiver is against public policy.

Service Charges. Our servicing agent may assess service charges for changing the registration of any note to reflect a change in name of the holder or transfers (whether by operation of law or otherwise) of a note by the holder to another person.

Reports. At the request of the holder, our servicing agent will provide to the holders of the notes our annual statement of the operations consisting of a balance sheet and income statement.

Variations by State. We may offer different securities and vary the terms and conditions of the offer (including, but not limited to, different interest rates and service charges for all notes) depending upon the state where the purchaser resides.

Liquidity. There is not currently a public market for the notes, and we do not expect that a public market for the notes will develop.

Satisfaction and Discharge of Indenture. The indenture shall cease to be of further effect upon the payment in full of all of the outstanding notes and upon deposit with the trustee of funds sufficient for the payment in full of all of the outstanding notes.

PLAN OF DISTRIBUTION

McGinn, Smith & Co., Inc., as our placement agent, will solicit offers to purchase the notes, for which it will receive commissions equal to 2% of the purchase price of the notes. With respect to the minimum offering of \$2,000,000, McGinn, Smith & Co., Inc., as our placement agent, has agreed to offer the notes on a "best efforts, all or none" basis, and on a "best efforts" basis thereafter until the earlier of the termination of the offering or the completion of the maximum offering. The offering period will extend until the earlier of (i) the sale of all of the notes, or (ii) December 31, 2005 provided that we have retained the right, in our discretion, and our placement agent has agreed in that event, to extend the offering period for up to twelve (12) additional months. The placement agent is not obligated to purchase any of the notes. We have agreed to indemnify the placement agent and certain affiliated persons with respect to certain liabilities, including certain liabilities under the Securities Act. We also have agreed to reimburse the placement agent for reasonable expenses, including legal fees of its counsel. Affiliates of the placement agent may purchase a portion of the notes offered hereby.

The following table summarizes the compensation we will pay the placement agent for its services in selling the notes:

Form of Compensation

Total commissions	\$400,000(1)
Reimbursement of expenses up to a maximum of	\$50,000

(1) Assumes the sale of 100% of aggregate principal amount of notes offered.

The placement agent agreement provides for reciprocal indemnification between us and the placement agent, including the placement agent's and our officers, directors and controlling persons, against civil liabilities in connection with this offering, including certain liabilities under the Securities Act. Insofar as indemnification for liabilities arising under the Securities Act may be permitted pursuant to such indemnification provisions, we have been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

We are offering the notes without registration under the Securities Act in reliance upon an exemption afforded by Section 4(2) of the Securities Act and Rule 506 of Regulation D promulgated under the Securities Act.

The foregoing is a summary of the material provisions relating to selling and distribution of the notes in the placement agent agreement.

OWNERSHIP STRUCTURE AND PRINCIPAL EQUITY HOLDERS

History

First Advisory Income Notes, LLC, a New York limited liability company, was formed in 2005 for the purpose of identifying and acquiring various public and/or private investments, which may include, without limitation, debt securities, collateralized debt obligations, bonds, equity securities, trust preferreds, collateralized stock, convertible stock, bridge loans, leases, mortgages, equipment leases, securitized cash flow instruments, and any other investments that may add value to our asset portfolio (individually an "Investment" and collectively, the "Investments").

Principal Equity Holders of FAIN

First Advisory Income Notes, LLC is solely owned by our managing member, McGinn, Smith Advisors, LLC, a New York limited liability company. McGinn, Smith Advisors, LLC is a wholly-owned subsidiary of McGinn, Smith Holdings, LLC, a New York limited liability company and an affiliate of this offering's placement agent, McGinn, Smith & Co., Inc.

Key Governance Provisions

Management of FAIN is vested in our managing member. Our managing member has authority to take all actions necessary or appropriate in connection with the operation and financing of FAIN. The managing member is solely responsible for finding suitable Investments and is paid an annual fee of 1% of the aggregate principal amount of the notes to make such decisions and manage our portfolio.

Indemnification of Managing Member

Our articles of organization provide that FAIN will indemnify and hold harmless our managing member from any loss or damage, including attorney's fees incurred by such managing member, relating to any action taken, or failed to be taken, on behalf of FAIN so long as the managing member acted in good faith. The managing member is not entitled to be indemnified from any liability for fraud, bad faith, willful misconduct or gross negligence.

AFFILIATED TRANSACTIONS

Our managing member is McGinn, Smith Advisors, LLC, a New York limited liability company. McGinn, Smith Advisors, LLC is a wholly-owned subsidiary of McGinn, Smith Holdings, LLC, a New York limited liability company and an affiliate of this offering's placement agent, McGinn, Smith & Co., Inc. David L. Smith, who is 50% owner of McGinn, Smith Holdings Corp. and the President and Chief Executive Officer of our placement agent, McGinn, Smith & Co., Inc., is the principal officer of McGinn, Smith Advisors, LLC. We will pay our managing member 1% of the aggregate principal amount of the notes per year over the term of the notes to act as our portfolio manager and give us investment advice. In addition, we will pay incentive commissions to our managing member's salesmen at the rate of 2% of the aggregate principal amount of the notes per year over the term of the notes. We may acquire Investments from our managing member or an affiliate of our managing member that has purchased the Investments. If the Investment is purchased from our managing member or any affiliate, we will not pay above the price paid by our managing member or such affiliate for the Investment, other than to reimburse our managing member or such affiliate for its costs and any discounts that it may have received by virtue of a special arrangement or relationship. In other words, if we purchase an Investment from our managing member or any of its affiliates, we will pay the same price for the Investment that we would have paid if we had purchased the Investment directly. We may also purchase securities from issuers in offerings for which McGinn, Smith & Co., Inc. is acting as underwriter or placement agent and for which McGinn, Smith & Co., Inc. will receive a commission.

Our servicing agent, McGinn, Smith Capital Holdings Corp., is an affiliate of our managing member, McGinn Smith Advisors, LLC, and of our placement agent, McGinn, Smith & Co., Inc. McGinn, Smith Capital Holdings Corp. is 50% owned by David L. Smith, principal officer of our managing member, McGinn, Smith Advisors, LLC, and President and Chief Executive Officer of our placement agent, McGinn, Smith & Co., Inc. We will pay our servicing agent a fee for administering the notes in the amount of 0.25% of the aggregate principal amount of the notes per year over the term of the notes.

The trustee under the indenture governing the notes is also McGinn, Smith Capital Holdings Corp., an affiliate of our managing member, McGinn Smith Advisors, LLC, and of our placement agent, McGinn, Smith & Co., Inc. McGinn, Smith Capital Holdings Corp. is 50% owned by David L. Smith, principal officer of our managing member, McGinn, Smith Advisors, LLC, and President and Chief Executive Officer of our placement agent, McGinn, Smith & Co., Inc.

INVESTOR SUITABILITY REQUIREMENTS

General

An investment in the notes involves significant risks and is suitable only for persons of adequate financial means who have no need for liquidity with respect to their investment and who can bear the economic risk of a complete loss of their investment. This offering is made in reliance on exemptions from the registration requirements of the Securities Act and applicable state and foreign securities laws and regulations.

The suitability standards discussed below represent minimum suitability standards for prospective investors. The satisfaction of such standards by a prospective investor does not necessarily mean that the notes are a suitable investment for such prospective investor. Prospective investors are encouraged to consult their personal financial advisors to determine whether an investment in the notes is appropriate. We may reject subscriptions, in whole or in part, in our sole discretion.

We will require each investor to represent in writing that, among other things, (i) by reason of the investor's business or financial experience, or that of the investor's professional advisor, the investor is capable of evaluating the merits and risks of an investment in the notes and of protecting its own interests in connection with the transaction; (ii) the investor is acquiring the notes for its own account, for investment only and not with a view toward the resale or distribution thereof; (iii) the investor is aware that the notes have not been registered under the Securities Act or any state or foreign securities laws and that transfer thereof is restricted by the Securities Act, applicable state or foreign securities laws and the absence of a market for the notes; and (iv) such investor meets the suitability requirements set forth below.

CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

\$3,550,000

TDM CABLE TRUST 06

MAXIMUM OFFERING \$3,550,000 CONTRACT CERTIFICATES

MINIMUM OFFERING \$500,000 CONTRACT CERTIFICATES

TWENTY FOUR MONTHS: 7.75%

FORTY EIGHT MONTHS: 9.25%

TDM CABLE TRUST 06 (the "Trust Fund") is hereby offering \$3,550,000 of Contract Certificates, entitled to interest at the per annum rate of 7.75% or 9.25% per annum (the "Certificates"). Interest on the Certificates is payable in monthly installments commencing December 1, 2006 See "Description of the Certificates and the Trust Agreement".

The Certificates will be issued and registered in the names of the purchasing Certificateholders. Interests in the Certificates will be shown on, and transfers thereof will be effected through, records maintained by the Trustee under the Trust Agreement. See "Description of the Certificates and the Trust Agreement."

Price of Certificates 100%

See "Risk Factors" for a discussion of certain risks that should be considered by prospective purchasers of the Certificates offered hereby.

THESE CERTIFICATES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

	Price to the Public	Underwriting Discount	Proceeds to the Trust Fund
	100%	3.0%	97%
Minimum Offering	\$500,000	\$15,000	\$485,000
Maximum Offering	\$3,550,000	\$106,500	\$3,443,500

The date of this Memorandum is November 13, 2006

MCGINN, SMITH & CO., INC.
Capital Center • 99 Pine Street
Albany, New York 12207

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The Offering of Certificates will terminate on December 15, 2006, unless the Minimum Amount of Certificates are sold prior to that date. All subscriptions will be held in an escrow account (the "Escrow Account") at Mercantile Bank (the "Escrow Agent") or such other financial institution as may be selected by the Trust Fund in the event that the Escrow Agent is unable or unwilling to serve. Interest will be earned on funds held in the Escrow Account commencing three days after the funds are deposited until the earlier of the termination of this Offering or the investment of such funds in Certificates. During the period that an investor's funds are held in the Escrow Account, he will not be a Certificateholder of the Trust Fund. An investor's funds will not be held in the Escrow Account more than two months before being invested in the Certificates, with Escrow Agent fees being deducted from escrow interest payable to investors. See "Terms of the Offering".

The Trust Fund will furnish to investors certain reports, financial statements and tax information. See "Description of the Certificates and the Trust Agreement - Reports".

WHO MAY INVEST

The Certificates will generally be offered only to accredited investors as that term is defined under Regulation D promulgated under the Act ("Accredited Investors"). The Sales Agent may, however, offer and sell Certificates to 35 or fewer non-accredited investors. With certain exceptions (primarily with respect to institutional investors) an Accredited Investor is an individual who (i) has a net worth (along and together with the Investor's spouse) in excess of \$1,000,000 or (ii) has had gross income in excess of \$200,000 in each of the past two years or joint income with that person's spouse in excess of \$300,000 in each of those years and reasonably expects gross income at the same level in the current year. Corporations, partnerships and other entities will be considered Accredited Investors if each of its beneficial owners individually qualify as Accredited Investors, or if such entity has total assets in excess of \$5 million. Prospective investors to be admitted as Accredited Investors will be required to represent that they satisfy the requirements of an Accredited Investor. See "Suitability".

The Certificates offered hereby are suitable only for those investors whose business and investment experience makes them capable of evaluating the merits and risks of their prospective investment in the Certificates, who can afford to bear the economic risk of their investment for an indefinite period of time and have no need for liquidity in this investment. Each investor will be required to represent in the Subscription Agreement that he is acquiring the Certificates for his own account as principal for investment, and not with a view to resale or distribution, and that he is aware that (a) his transfer rights are restricted; and (b) that the Certificates have not been registered under the Securities Act of 1933, as amended, and therefore, cannot be resold unless they are so registered or unless exemption from registration is available with respect to such transaction. (See "Suitability".) Since there can be no assurance that the Contracts will generate sufficient income necessary to pay the Certificates, investment in the Certificates is suited for persons who have substantial income from other sources. See "Risk Factors".

The Trust Fund may require prospective investors to complete a questionnaire relating to the suitability on the investment for them, and may make or cause to be made such further inquiry as it deems appropriate. The Trust Fund and Sales Agent will collectively have the sole discretion regarding sale of the Certificates to any prospective investor. The Trust Fund and Sales Agent reserve the right to reject any subscription for any reason and to allocate to any investor a smaller amount of Certificates, or fractions thereof, than that for which he has subscribed. See "Suitability".

SUMMARY OF THE OFFERING

The following summary is qualified in its entirety by the detailed information appearing elsewhere in this Memorandum and the exhibits attached to the Memorandum.

The Trust Fund

TDM CABLE TRUST 06 (the "Trust Fund") is a common law trust formed under the laws of the State of New York on October 23, 2006. The Trustee of the Trust Fund is McGinn, Smith Capital Holdings Corp., a New York Corporation. The Trustee of the Trust Fund will have no liability in connection with the Certificates or the affairs of the Trust Fund in the absence of willful misconduct or gross negligence. Although Certificateholders will have recourse to all assets of the Trust Fund, which include the allocated Preferred Return arising out of the sale of cable TV, broad-band internet, and fiber optic telephone services to the homeowners associations of Cutler Cay and Keys Cove as well as certain preferred payments received in connection with the ADT Note.

The Trust Fund will advance funds to TDM Cable Funding LLC, a New York State Limited Liability Corporation. TDM has advanced certain funds to PrimeVision Funding of Cutler Cay; PrimeVision Funding of Keys Cove, LLC; and ADT. Subsequent to such funding, PrimeVision Funding of Cutler Cay LLC; and PrimeVision of Keys Cove, LLC have in turn purchased from PrimeVision Management of Keys Cove, LLC a Preferred Return. Additionally, as more homes are sold in each project, incremental purchased of preferred return will be made by and among the same parties.

The mechanics of such purchases are more fully described in the Amended and Restated Operating Agreement of PrimeVision Management of Keys Cove LL and the Amended and Restated Operating Agreement of PrimeVision Management of Cutler Cay LLC.

Each Homeowners Association will be required to pay for services for a period of approximately 122 months. A Preferred Return equal to 29.15% of the gross revenue from the Bulk Services Agreement will be afforded to PrimeVision Management of Keys Cove and PrimeVision Management of Cutler Cay.

The Trust Fund will enter into an agreement with TDM, PrimeVision Funding of Keys Cove and PrimeVision Funding of Cutler Cay to provide on going monitoring and supervision of the financial and operating metrics required by the underlying agreements with each of the Homeowners Associations. Additionally, TDM, PrimeVision Funding of Keys Cove, and PrimeVision Funding of Cutler Cay will promptly remit the proceeds of the Preferred Return to the Trust Fund for distribution to Certificateholders.

Additionally, TDM has acquired a Preferred position in a note owned by ADT Security Services, Inc. "ADT". The note obligated PrimeVision Communications, LLC to pay to ADT or its assigns \$3,165,410 on August 6, 2010. Upon payment thereof, TDM will receive the first \$1,366,831 plus 20% the monies realized in excess of \$1,366,831. TDM expects PrimeVision Communication LLC to discharge the note in full, thereby resulting in a cash payment to TDM in the amount of \$1,726,547.

The Investment

Certificateholders will purchase either a two year maturing (November 15, 2008) or a four year maturity (November 15, 2010). The rate of interest payable on the two year maturity certificate will be 7.75% per annum, payable monthly; and the rate of interest payable on the four year maturity certificates will be 9.25%, payable monthly.

Certificates may be purchased in denominations of \$5,000 with a minimum purchase of \$10,000.

Risk Factors

In evaluating this Offering, prospective investors should consider carefully, among others, the following risk factors:

- No assurance that the Certificates will be paid;
- No market for resale of Certificates;
- Illiquid collateral;
- Potential for Contract defaults;
- Potential conflicts of interest in connection with the acquisition of the assets to be consigned to the Trust Fund;
- No amortization of principal.

Description of the Certificates and the Trust Agreement

The Certificates will be issued under a Declaration of Trust by McGinn, Smith & Co., Inc., the Trustee. The Certificates will be available for purchase in denominations of \$5,000.00 with a minimum investment of \$10,000.00. The Certificates will be registered in the name of the individual Certificateholders. See "Description of the Trust Agreement and the Certificates."

The Certificates will bear interest at a per annum rate of 7.75% or 9.25%. Interest will accrue commencing on the Closing Date for the purchase of such Certificate and will be payable to Certificateholders monthly on the first day of each month commencing December 1, 2006.

Uses of Proceeds

The net proceeds from the Offering will be used to purchase the Preferred Return cash flow stream arising out of the sale of cable TV, broadband internet, and fiber optic telephone services to the Homeowners Association of Cutler Cay and Keys Cove as well as certain preferred payments received in connection with the purchase of the ADT Note.

Income Tax Considerations

The Certificates will be treated as indebtedness of the Trust Fund for federal income tax purposes. Each Certificateholder will generally be required to report interest income on a Certificate in accordance with such Certificateholder's method of accounting. Each prospective investor should consult with his or her own tax advisor with respect to the tax consequences of the acquisition, ownership and disposition of the Certificates.

RISK FACTORS

In evaluating this Offering, prospective investors should consider carefully all of the information contained in this Memorandum and, in particular, the factors discussed below. The following summary is not intended to state in full or replace portions of this Memorandum that discuss these factors and others in greater depth. Although the risk factors are intended to be presented in order of their materiality to investors, such order may not be indicative of their relative importance to any particular investor.

Limitation of Transfer of Certificates

The Certificates may not be offered for resale to any person without the consent of the Trust Fund. Prior to this offering, there has been no market for the Certificates of the Trust Fund. Each investor will be required to represent that his purchase of the Certificates will be for investment only and not with a view towards the resale or distribution thereof. A Certificateholder will not have any right to sell, transfer, exchange or otherwise dispose of his Certificates, or to cause a security interest to be created therein, unless the Trust Fund has received evidence satisfactory to it that such disposition or creation of a security interest is not in violation of federal or state securities laws. The Certificates have not been registered or qualified under the Securities Act of 1933 or applicable state securities laws and may not be sold or transferred without such registration or qualification or an exemption therefrom.

Potential for Contract Defaults

Defaults by the Homeowners Association under the terms of the Bulk Services Agreement would result in an interruption in available cash distributable to Certificateholders. Further, a default under the PrimeVision Communications LLC "PrimeVision" note with ADT would reduce available cash to the trust by \$1,726,547.

No Monthly Amortization Schedule

There will be no amortization of the notes arising out of the cash flow generated from the Preferred Returns. Repayment of principal on the two year notes is intended to be accomplished by refinancing the principal amount due in November 2008. There can be no assurance that the Trust will be able to accomplish such refinancing. A default under the terms of the PrimeVision Communications LLC obligation to a ADT, would have a material adverse effect on the Trust ability to repay the notes.

It is further contemplated that the four year notes will be repaid from the proceeds of the "ADT Note", which upon receipt of full payment from PrimeVision Communications LLC, will provide approximately \$1,726,547 of cash to the Trust.

No Independent Counsel to Investors

The Bulk Services Agreement which requires the Homeowners Association of Cutler Cay and Keys Cove to maintain a cable TV, broadband internet service, and telephone service to the residents of each of these gated communities. Since the Agreement is an executory contract, should PrimeVision or its' affiliates fail to provide such services, the respective Homeowners Association could pursue certain legal remedies including, but not limited to, declaring the Agreement is null and void. Under the terms of the Operating Agreements entered into by the affiliated of TDM Cable Funding LLC, "TDM"; TDM would have the ability to substitute a service provider.

Lack of Financial Statements

This Memorandum does not include financial statements for the Trust Fund. The Trust Fund is newly formed for the limited purpose of acquiring the Portfolio of Contracts.

Conflicts of Interest

The Trust Fund will acquire the Preferred Returns and the ADT Note participation from TDM Cable Funding. The Trustee of the Trust Fund is McGinn, Smith Capital Holdings Corp., the sales agent for this offering is McGinn, Smith & Co. Inc., and two of the principals of TDM Cable Funding, LLC are Timothy M. McGinn and David L. Smith. Although there is no specified formula for determining the purchase price paid for the assets of the Trust Fund, and Certificateholders will not have a voice in the amount paid by the Trust Fund, the Trustee will purchase the assets only when TDM represents to the Trustee that the price of such assets will allow the Trust Fund to pay its operating expenses and discharge its obligations with request to the Certificates.

USE OF PROCEEDS

The net proceeds to the Trust Fund from the sale of the Certificates offered hereby, after deducting the Underwriting Discount, will be approximately \$3,443,500 (97% of gross proceeds) if the Maximum Offering for the Certificates is achieved.

The net proceeds to the Trust Fund from the sale of the Certificates offered hereby, after deducting the Underwriting Discount, will be approximately \$485,000 (97% of gross proceeds) if the Minimum Offering for the Certificates is achieved. The Trust Fund intends to use all of the net proceeds of the Offering to purchase approximately fourteen percent (14%) of the described Assets.

The Preferred Returns from PrimeVision Management of Cutler Cay LLC and PrimeVision Management of Keys Cove LLC as well as the participation in the ADT Note were acquired in arms length negotiations.

THE TRUST FUND

The Trust Fund is a common law trust formed under the laws of the State of New York on July 28, 2000. The principal executive office of the Trust Fund is located at c/o McGinn, Smith & Co., Inc., Trustee, Capital Center, 99 Pine Street, Albany, New York 12207, and its telephone number is 518-449-5131. McGinn, Smith & Co., Inc. is the Trustee of the Trust Fund. The owners of all issued and out-standing common stock of the Trustee are Timothy M. McGinn (30%), David L. Smith (50%), and Thomas E. Livingston (20%); McGinn, Smith & Co., Inc. is also the Sales Agent for the offering.

Business of the Trust Fund

The Trust Fund has been formed solely for the acquisition of the Disclosed Assets. Subsequent to the closing date, the Trust Fund will utilize the net proceeds from the offering to acquire the Preferred Returns from PrimeVision Management of Cutler Cay LLC PrimeVision of Keys Cove LLC; and a procured Return from the ADT Note.

Under the terms of the Amended and Restated Operating Agreement of PrimeVision Management of Cutler Cay LLC and PrimeVision Management of Keys Cove LLC, the Trust Fund by assignment, will be entitled to a Preferred Cash Return equal to 29.15% of the Bulk Services Revenue from the respective Homeowners Association.

Additionally, the Trust Fund will own a participation in the ADT Note. The ADT Note requires PrimeVision Communications LLC to pay to ADT \$3,165,000 on August 6, 2010. The note is unsecured. The Trust Fund is entitled to \$1,726,547 upon full payment of the note and will receive, on a preferred basis, the first \$1,366,831 received and twenty percent (20%) of any funds received in excess of \$1,366,831.

Further under the terms of the Amended and Restated Operating Agreements, PrimeVision Communications LLC and its affiliate companies will be responsible for servicing the communication network, procuring satellite TV signals and bearing all costs associated therewith.

There are 500 homes in the Cutler Cay project, of which 371 have been sold and 1,000 homes in Keys Cove of which 714 have been sold.

The "Triple Play" Service Industry

The "Triple Play" Service business is one in which a proprietary communications network which provides Cable TV, Internet Broadband, and Fiber Optic Telephone Service is bundled and sold to the subscriber, generally at a substantial discount to the ala carte pricing.

PrimeVision Communications LLC, "PrimeVision", a Florida Limited Liability Company formed in 2003, has developed broadband communication systems providing video, voice data, and security monitoring services to residential customers in various master-planned communities. PrimeVision partners with developers of master-planned communities to provide such services to the Homeowners Association of each such community.

Typically, PrimeVision procures a 10 year contract to provide such services. Of note, the 10 years begins to toll once the project achieves a 90% sell out. Consequently the average life of the contract on a subscriber basis is significantly greater than 10 years.

PrimeVision's current sales pipeline includes completed contract negotiations on approximately 12 master-planned communities generating approximately 50,000 residential subscribers.

DESCRIPTION OF TRUST AGREEMENT AND THE CERTIFICATES

On October 23, 2006, David L. Smith, as President of McGinn, Smith Capital Holdings Corp., ("McGinn, Smith") executed the Declaration of Trust ("Declaration") of TDM Cable Trust 06 ("Trust"), declaring that McGinn, Smith was the Trustee of the Trust, establishing the Trust for the benefit of Certificateholders, and defining its purpose.

The Trust is intended to be a common law trust under the laws of the State of New York, with its principal office at Capital Center, 99 Pine Street, Albany, New York 12207, which is the office of McGinn, Smith. The initial capital of the Trust was established at \$100.00, and the purpose of the Trust is to acquire the Preferred Returns described in the Amended and Restated Operating Agreement of Cutler Cay LLC; and Keys Cove LLC; as well as a preferred return arising from the participation in the ADT Note. Under the Declaration, the Trustee acquires virtually complete discretion in the operation of the Trust, so long as that discretion is exercised within the purpose of the Trust. The Declaration limits the liability of the Trustee in two ways. The Trustee will not be liable in the absence of willful misconduct or gross negligence. Further, the Trustee will not be liable, in any event, to pay sums of money beyond the corpus of the Trust. The Trustee is entitled to indemnification from the funds of the Trust (except in the case of willful misconduct or gross negligence) and to reimbursement for the reasonable and necessary fees and expenses incurred in the administration of the Trust. The Trustee is entitled to indemnification and reimbursement from the corpus of the Trust before payments are made to Certificateholders.

The Declaration specifically provides that the Certificateholder shall not have any legal or equitable title to the Trust Estate, that no Certificateholder shall have a voice in the management or control of the property or affairs of the Trust, that the Trustee has no authority to require additional capital contributions from any Certificateholder, and that the Trustee is precluded from taking any action to make Certificateholders liable for the debts or obligations of the Trust.

Certificates

The Certificates will be issued under the Declaration, a copy of which is included as an exhibit to this Memorandum. The rights of the Certificateholders and the obligations of the Trustee as they relate to the Certificates will be governed by the Declaration. Reference should be made to the Declaration for its complete terms. The statements contained in this Memorandum concerning the Declaration are merely a summary thereof, do not purport to be complete, and do not modify or amend the Declaration.

Subject to the conditions set forth in this Memorandum, Certificates in the maximum amount of \$3,550,000 will be offered by the Trust Fund. The Certificates will bear interest on the outstanding principal at a per annum rate of 7.75% and 9.25%. Interest on the Certificates will be paid in monthly installments on the first day of each month commencing December 1, 2006.

The Certificates will be issued and registered in the name of the purchasing Certificateholder(s). Interest on the Certificates will be shown on, and transfers thereof will be effected through, records maintained by the Trustee.

Payments

Payment on the Certificates will be made out of the Preferred Return payments received from the Cutler Cay and Keys Cove projects. Additionally, \$1,726,547 is contemplated to be received in August 2010; which sum represents the proceeds from the ADT Note.

Prepayments

The Certificates are not subject to a mandatory prepayment or redemption provision.

Registration

Each Certificate will be registered in the name of the purchaser thereof.

Limited Transferability of the Certificates

The Certificates are not freely transferable, and there is no secondary market for the Certificates and none is expected to develop. The Certificates should not be treated by Certificateholders as securities.

The Certificates have not been registered under the Securities Act of 1933. They may not be offered for resale in the absence of an opinion of counsel, satisfactory to the Trust Fund, that registration is not required.

Reports

Not later than January 31 of each year, the Trust Fund will furnish to the Certificateholders statements of interest income on IRS Form 1099-INT and such tax information as shall be necessary in the preparation of such person's Federal income tax return.

CONFLICTS OF INTEREST

Timothy M. McGinn, David L. Smith, and Thomas E. Livingston collectively own 100% of the issued and outstanding common shares of McGinn, Smith & Co., Inc. McGinn, Smith & Co., Inc. is acting as the Sales Agent for this Offering and will receive an Underwriting Discount equal to three percent (3%) of the gross proceeds of this Offering. The Underwriting Discount was not negotiated at arms length.

McGinn, Smith & Co., Inc. may experience a conflict of interest in performing its obligation to exercise due diligence with respect to the statements made in this Memorandum and, therefore, its due diligence review cannot be considered independent. A qualified independent underwriter has not been retained by the Trust Fund in connection with this offering. However, McGinn, Smith & Co., Inc. believes that such due diligence has, in fact, been exercised.

There has been no independent counsel retained to represent the interests of the Certificateholders.

THE TRUSTEE

The names and positions of the directors and executive officers of the Trustee are as follows:

<u>Name</u>	<u>Position</u>
Timothy M. McGinn	Chairman of the Board and Director
David L. Smith	President and Director
Thomas E. Livingston	Treasurer

The officers and directors of the Trustee will devote such time and effort to the business of the Trust Fund as they may deem necessary and will actively be engaged in other business ventures.

The principal business occupations of the officers and directors during the past five (5) years are as follows:

Timothy M. McGinn, age 58, is the Chairman of the Board and Secretary of McGinn, Smith & Co., Inc. He has served as Chairman of the Board since the inception of this firm in 1980. From 2003 to 2006, Mr. McGinn served as Chairman of the Board and CEO of Integrated Alarm Services Group, Inc. a NASDAQ listed public company. Prior to founding McGinn, Smith & Co., Inc. he was with Paine, Webber, Jackson & Curtis. He has served on a number of corporate and charitable boards of directors and holds a bachelor's degree in Mechanical Engineering from Rochester Institute of Technology.

David L. Smith, age 61, is the President of McGinn, Smith & Co., Inc. and a member of the Board of Directors. He has served in this capacity since 1980. Prior to founding McGinn, Smith & Co., Inc. he was with Paine Webber, Jackson & Curtis. Mr. Smith has served on a number of charitable and corporate boards of directors and holds a bachelor's degree from Hamilton College.

Thomas E. Livingston, age 45, is Sr. Vice President of McGinn, Smith & Co., Inc. and a member of its Board of Directors. Mr. Livingston has been employed by McGinn, Smith & Co., Inc. since 1986. Prior to joining McGinn, Smith he was affiliated with Prudential Bache Securities.

COMPENSATION AND FEES

The Trustee of the Trust Fund will serve without fee but will be reimbursed for expenses incurred by the Trustee in connection with the Trust Fund by TDM Cable Funding LLC.

SUITABILITY

Certificates will be sold only to investors who make a minimum purchase of \$10,000.00.

As described elsewhere in this Memorandum, the Certificates will generally be sold only to Accredited Investors as defined in Rule 501 of Regulation D promulgated by the Securities and Exchange Commission under the Securities Act of 1933, as amended; provided, however, that at the discretion of the Sales Agent and the Company, Certificates may be sold to up to 35 non-accredited investors. Included in the definition of "Accredited Investor", as defined in Rule 501, are the following:

(a) any natural person whose individual net worth (including personal residences, furnishings and automobiles), or joint net worth with that person's spouse, at the time of purchase exceeds \$1,000,000;

(b) any natural person who had an individual income in excess of \$200,000 in each of the two most recent years or joint income with that person's spouse in excess of \$300,000 in each of those years and who reasonably expects gross income at the same level in the current year; and

(c) any entity in which all of the equity owners are Accredited Investors or which has total assets in excess of \$5,000,000.

Each investor accepted as an Accredited Investor will be required to represent that he satisfies the requirements of an Accredited Investor under Rule 501.

Among other things, each investor will be required to acknowledge and represent in the Subscription Agreement that: (i) he is purchasing the Certificates for his own account for investment and not with a view to the sale or distribution thereof; (ii) he is aware that the Certificates have not been registered for sale under the Securities Act of 1933 as amended, and that he will not transfer his Certificates in the absence of an opinion of counsel satisfactory to the Trust Fund that the Certificates have been registered or that registration is not required under the Securities Act of 1933, as then in effect, and under applicable state securities laws, if any; (iii) he understands that this investment involves a high degree of risk; (iv) he has adequate means of providing for his current needs and foreseeable personal contingencies, has no need for liquidity in this investment; (v) all books, records and documents pertaining to this investment have been made available to him; and (vi) his overall commitment to investments which are not readily marketable is not disproportionate to his net worth and his purchase of Certificates will not cause such overall commitment to become excessive.

The Sales Agent and Trust Fund reserve the right to reject any subscription in its entirety for any reason or to allocate to any investor Certificates in an aggregate principal amount less than that for which he has subscribed. In the event a subscription is rejected, the investor's subscription check for his Certificates (or the amount thereof) will be returned, and in the event of a partial rejection, a pro rata amount of his subscription check for his Certificates will be refunded.

Prospective investors may be required to complete an Investor Representation Letter relating to the suitability of the investment for them, and the Trust Fund may make or cause to be made such further inquiry as the Trust Fund deems appropriate.

Any prospective investor will be afforded the opportunity to obtain from the Trust Fund prior to the consummation of the transaction contemplated herein any additional information he may request necessary to verify the accuracy of the contents of this Memorandum and which the Trust Fund

possesses or can acquire without unreasonable effort or expense and to confer with, ask questions of, and receive answers from the Trust Fund or persons authorized to act on its behalf, concerning the terms and conditions of the transaction, this memorandum and any additional information which has been requested and supplied to a prospective investor or his purchaser representative.

The purchase of Certificates may be suitable for individuals seeking an investment intended to provide income. An investment in Certificates may also be appropriate for corporations and trusts seeking investments which are structured to provide income. Nevertheless, this investment involves a number of significant risks, including no assurance that the Certificates will be paid and illiquidity. See "Risk Factors." Accordingly, the suitability of a purchase of Certificates for any particular investor will depend upon, among other things, such investor's investment objectives and such investor's ability and willingness to accept the risks of an investment in the Certificates.

The Sales Agent Agreement between the Trust Fund and the Sales Agent requires the Sales Agent to make diligent inquiries as required by law of all prospective purchasers in order to ascertain whether a purchase of Certificates is suitable for such person and to transmit promptly to the Trust Fund all fully completed Subscription Agreements. By tendering payment for a Certificate and by acceptance of the confirmation of purchase, an investor represents that he or it satisfies any applicable suitability standards. See "Plan of Distribution."

TERMS OF THE OFFERING

Subject to the conditions set forth in this Memorandum, Certificates in the maximum amount of \$3,550,000 (the "Maximum Offering") and the minimum amount of \$500,000 (the "Minimum Offering") will be offered by the Trust Fund.

The Certificates will be offered through McGinn, Smith & Co., Inc., the Sales Agent, on a best efforts basis over a period of two months. The Sales Agent is a member of the National Association of Securities Dealers, Inc.

All funds received by the Sales Agent from subscriptions for the Certificates will be placed in an escrow account (the "Escrow Account") maintained at Mercantile Bank, (the "Escrow Agent"). During the period that an investor's funds are held in the Escrow Account he will not be considered a Certificateholder.

With respect to the Certificates, no funding from the Escrow Account will occur until the Minimum Offering is subscribed for. If subscriptions for the Minimum Offering are not received within two months from the date of this Memorandum, subscriptions received with respect to the Certificates will be promptly returned in full to the investor by the Escrow Agent.

How to Subscribe.

The Certificates will be available for purchase in the minimum denomination of \$10,000.00 and increments of \$5,000.00. An investor who meets the qualifications set forth under "Who May Invest" and "Suitability" may subscribe for Certificates by completing, signing and delivering to the Sales Agent an executed copy of the Subscription Agreement contained in this Memorandum. All subscriptions must be accompanied by a check in the amount of the Certificate(s) purchased payable to "Mercantile Bank, Escrow Agent for TDM Cable Trust 06". Upon execution of a Subscription Agreement, the investor agrees to all of the terms and conditions contained in the Agreement. Subscriptions are, however, subject to acceptance by the Trust Fund.

PLAN OF DISTRIBUTION

The Trust Fund is offering a maximum of \$3,550,000 of Certificates, and a minimum of \$500,000. The minimum investment by an investor is \$10,000.00 with increments of \$5,000.00. The Offering period will end not later than two (2) months from the date of this Memorandum. No Certificates will be sold unless subscriptions for the Minimum Offering are received and accepted within two months of the date

of this Memorandum. Subscriptions are subject to acceptance by the Trust Fund. See "Suitability"; "Who May Invest".

During the course of the Offering, the subscription payments will be promptly forwarded by the Sales Agent to the Escrow Agent for deposit in the Escrow Account. For a description of the distribution of funds from the Escrow Account, see "Terms of the Offering".

The Certificates will be offered on a "best efforts" basis by the Sales Agent.

DISCLAIMER OF LIABILITY OF TRUSTEE

Reference is hereby made to the Declaration of Trust dated July 28, 2000, a copy of which is attached hereto as Exhibit "A". Other than potential liability under the Securities Act, the Trustee, nor any shareholder, manager, officer, employee, affiliate or agent of the Trustee may be held to any liability in connection with the Offering or the Certificates, or in connection with the affairs of the Trust Fund, in the absence of willful misconduct or gross negligence. Further, the Trustee will not be liable, in any event, to pay sums of money beyond the corpus of the Trust.

INCOME TAX CONSIDERATIONS

The following discussion summarizes certain material anticipated federal income tax consequences relevant to the acquisition, ownership and disposition of Certificates, but does not purport to address all potential consequences. The summary is for general information only and does not discuss all of the tax consequences that may be relevant to particular investors in light of their personal investment circumstances or holders who receive special treatment under the Internal Revenue Code of 1986, as amended (the "Code"), such as insurance companies, financial institutions, and broker-dealers. In addition, this discussion does not describe any tax consequences arising out of foreign, state or local jurisdictions.

The discussion is based upon current provisions of the Code, applicable regulations promulgated thereunder, judicial authority and administrative rulings and practice. All of the foregoing are subject to change which may be retroactive and could affect the continuing validity of this discussion. There can be no assurance that the Internal Revenue Service (the "IRS") will not take a contrary view, and no ruling from the IRS has been or will be sought.

The Trust Fund has not obtained an independent tax opinion with regard to this Offering. Prospective investors should consult their own tax advisors regarding the federal, foreign, state, local and other tax consequences of purchasing, holding and disposing of the Certificates.

Interest Income to Certificateholders

It is anticipated that the Certificates will be issued at par value and, therefore, no original issue discount will arise with respect to the Certificates. Accordingly, a Certificateholder will be required to report interest on a Certificate as income for federal income tax purposes in accordance with such holder's method of accounting.

Gain or Loss on Disposition of Certificates

In general, the holder of a Certificate will recognize gain or loss on the sale, exchange, redemption or other disposition of a Certificate equal to the difference between the amount realized (except to the extent attributable to the payment of accrued interest) and the adjusted basis in his Certificate. Any gain or loss recognized will generally be a Trust gain or loss if the Certificate is held as a Trust asset and will be long-term gain or loss if the Certificate is held for more than one year.

Information Reporting

The Trust Fund will report interest income to Certificateholders on IRS Form 1099-INT and as otherwise consistent with such treatment.

Backup Withholding

A Certificateholder may be subject to "backup withholding" at the rate of 31% (see IRC§3406(a)) with respect to interest paid on, or the proceeds of a sale, exchange or redemption of, such Certificates, unless such holder (i) is a corporation or comes within certain other exempt categories and, when required, demonstrates this fact, or (ii) provides a taxpayer identification number, certifies as to no loss of exemption from backup withholding, and otherwise complies with applicable exemption from backup

withholding rules. Any amount withheld under these rules will be creditable against the Certificateholder's federal tax liability.

THE FOREGOING DISCUSSION OF CERTAIN FEDERAL INCOME TAX CONSEQUENCES IS FOR GENERAL INFORMATION ONLY AND IS NOT TAX ADVICE. EACH PROSPECTIVE INVESTOR SHOULD CONSULT WITH HIS OR HER OWN TAX ADVISER WITH RESPECT TO THE TAX CONSEQUENCES OF THE ACQUISITION, OWNERSHIP AND DISPOSITION OF THE CERTIFICATES.

TABLE OF CONTENTS OF EXHIBITS

The discussion in this Memorandum of each Exhibit set forth below is qualified in its entirety by reference to such Exhibit.

Exhibit "A"	Declaration of Trust
Exhibit "B"	Subscription Agreement
Exhibit "C"	Investor Representation Letter
Exhibit "D"	Amended and Restated Operating Agreement of Prime Vision Management of Keys Cove LLC
Exhibit "E"	Amended and Restated Operating Agreement of Prime Vision Management of Cutler Cove LLC
Exhibit "F"	ADT Note, as Amended
Exhibit "G"	Assignment of ADT Note, as amended

ADDITIONAL INFORMATION

Additional information is available upon request to the Trust Fund. Only additional information provided by the Trust Fund may be relied upon. Prospective investors may request such information from the Sales Agent, McGinn, Smith & Co., Inc., Fifth Floor, 99 Pine Street, Albany, New York 12207.

CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

\$3,475,000

TDM VERIFIER TRUST 07

MAXIMUM OFFERING \$3,475,000

MINIMUM OFFERING \$500,000

TWELVE MONTHS: 8.25%

TWENTY FOUR MONTHS: 9.00%

TDM VERIFIER TRUST 07 (the "Trust Fund") is hereby offering \$3,475,000 of Contract Certificates, entitled to interest at the per annum rate of 8.25% or 9.00% per annum (the "Certificates"). Interest on the Certificates is payable in quarterly installments commencing May 15, 2007. See "Description of the Certificates and the Trust Agreement".

The Certificates will be issued and registered in the names of the purchasing Certificateholders. Interests in the Certificates will be shown on, and transfers thereof will be effected through, records maintained by the Trustee under the Trust Agreement. See "Description of the Certificates and the Trust Agreement."

Price of Certificates 100%

See "Risk Factors" for a discussion of certain risks that should be considered by prospective purchasers of the Certificates offered hereby.

THESE CERTIFICATES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

	Price to the Public	Underwriting Discount	Proceeds to the Trust Fund
	100%	9.5%	90.5%
Minimum Offering	\$500,000	\$47,500	\$452,500
Maximum Offering	\$3,475,000	\$330,125	\$3,144,875

The date of this Memorandum is February 23, 2007

MCGINN, SMITH & CO., INC.
Capital Center • 99 Pine Street
Albany, New York 12207

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The Offering of Certificates will terminate on April 15, 2007, unless the Minimum Amount of Certificates are sold prior to that date. All subscriptions will be held in an escrow account (the "Escrow Account") at Mercantile Bank, Boca Raton, Florida (the "Escrow Agent") or such other financial institution as may be selected by the Trust Fund in the event that the Escrow Agent is unable or unwilling to serve. Interest will be earned on funds held in the Escrow Account commencing three days after the funds are deposited until the earlier of the termination of this Offering or the investment of such funds in Certificates. During the period that an investor's funds are held in the Escrow Account, he will not be a Certificateholder of the Trust Fund. An investor's funds will not be held in the Escrow Account more than two months before being invested in the Certificates, with Escrow Agent fees being deducted from escrow interest payable to investors. See "Terms of the Offering".

The Trust Fund will furnish to investors certain reports, financial statements and tax information. See "Description of the Certificates and the Trust Agreement - Reports".

WHO MAY INVEST

The Certificates will generally be offered only to accredited investors as that term is defined under Regulation D promulgated under the Act ("Accredited Investors"). The Sales Agent may, however, offer and sell Certificates to 35 or fewer non-accredited investors. With certain exceptions (primarily with respect to institutional investors) an Accredited Investor is an individual who (i) has a net worth (along and together with the Investor's spouse) in excess of \$1,000,000 or (ii) has had gross income in excess of \$200,000 in each of the past two years or joint income with that person's spouse in excess of \$300,000 in each of those years and reasonably expects gross income at the same level in the current year. Corporations, partnerships and other entities will be considered Accredited Investors if each of its beneficial owners individually qualify as Accredited Investors, or if such entity has total assets in excess of \$5 million. Prospective investors to be admitted as Accredited Investors will be required to represent that they satisfy the requirements of an Accredited Investor. See "Suitability".

The Certificates offered hereby are suitable only for those investors whose business and investment experience makes them capable of evaluating the merits and risks of their prospective investment in the Certificates, who can afford to bear the economic risk of their investment for an indefinite period of time and have no need for liquidity in this investment. Each investor will be required to represent in the Subscription Agreement that he is acquiring the Certificates for his own account as principal for investment, and not with a view to resale or distribution, and that he is aware that (a) his transfer rights are restricted; and (b) that the Certificates have not been registered under the Securities Act of 1933, as amended, and therefore, cannot be resold unless they are so registered or unless exemption from registration is available with respect to such transaction. (See "Suitability".) Since there can be no assurance that the Contracts will generate sufficient income necessary to pay the Certificates, investment in the Certificates is suited for persons who have substantial income from other sources. See "Risk Factors".

The Trust Fund may require prospective investors to complete a questionnaire relating to the suitability on the investment for them, and may make or cause to be made such further inquiry as it deems appropriate. The Trust Fund and Sales Agent will collectively have the sole discretion regarding sale of the Certificates to any prospective investor. The Trust Fund and Sales Agent reserve the right to reject any subscription for any reason and to allocate to any investor a smaller amount of Certificates, or fractions thereof, than that for which he has subscribed. See "Suitability".

SUMMARY OF THE OFFERING

The following summary is qualified in its entirety by the detailed information appearing elsewhere in this Memorandum and the exhibits attached to the Memorandum.

The Trust Fund

TDM VERIFIER TRUST 07 (the "Trust Fund") is a common law trust formed under the laws of the State of New York on January 18, 2007. The Trustee of the Trust Fund is McGinn, Smith Capital Holdings Corp., a New York Corporation. The Trustee of the Trust Fund will have no liability in connection with the Certificates or the affairs of the Trust Fund in the absence of willful misconduct or gross negligence. Although Certificateholders will have recourse to all assets of the Trust Fund, which include an assignment of \$2,500,000 face value of Guaranteed Payment Units issued by Verifier Capital LLC ("Verifier"), which when discounted to a present value at the blended interest rates contemplated by this offering, will have a value of \$3,475,000.

The Trust Fund will advance funds to TDM Cable Funding LLC, a New York State Limited Liability Corporation. TDM has in turn purchased \$2,500,000 of face value Guaranteed Payment Units from Verifier Capital LLC.

Verifier provides capital to security alarm dealers by purchasing some or all of their security alarm monitoring accounts at a multiple of recurring monthly revenue ("RMR") and subcontracting back to them service and monitoring obligations in respect of the purchased accounts for a fixed percentage of RMR received from the underlying customers. As of December 31, 2006, Verifier owned 3,500 security alarm accounts purchased from six independent dealers, generating total RMR of \$280,000. The average purchase price paid for accounts was thirty times RMR in fiscal 2006 was thirty times RMR and the average subcontract fee was 35%. This implies a payback period of forty-six months before attrition and overhead expense, on assets with useful lives in excess of ten years.

Verifier Capital LLC will use the net proceeds of the sale of the Guaranteed Payment Units to redeem \$750,000 of Guaranteed Payment Units issued in 2006 including accrued payments in kind, repay its \$750,000 Unsecured Loan Note due January 15, 2015 plus accrued interest, purchase approximately \$25,000 of RMR from "Hidden Eyes" (see page 9), with the remainder used to pay down senior debt.

The Investment

Certificateholders will purchase either a Certificate with a one year maturity (February 15, 2008) or a Certificate with a two year maturity (February 15, 2009). The rate of interest payable on the one year maturity Certificate will be 8.25% per annum, payable quarterly; and the rate of interest payable on the two year maturity Certificates will be 9.00%, payable quarterly.

Certificates may be purchased in denominations of \$5,000 with a minimum purchase of \$10,000.

Risk Factors

In evaluating this Offering, prospective investors should consider carefully, among others, the following risk factors:

- No assurance that the Certificates will be paid;
- No market for resale of Certificates;
- Illiquid collateral;
- Potential for Guaranteed Payment Unit defaults;
- Potential conflicts of interest in connection with the acquisition of the assets to be consigned to the Trust Fund;
- No amortization of principal.

Description of the Certificates and the Trust Agreement

The Certificates will be issued under a Declaration of Trust by McGinn, Smith Capital Holdings Corp., the Trustee. The Certificates will be available for purchase in denominations of \$5,000.00 with a minimum investment of \$10,000.00. The Certificates will be registered in the name of the individual Certificateholders. See "Description of the Trust Agreement and the Certificates."

The Certificates will bear interest at a per annum rate of 8.25% or 9.00%. Interest will accrue commencing on the Closing Date for the purchase of such Certificate and will be payable to Certificateholders quarterly on the first day of each quarter commencing May 15, 2007.

Use of Proceeds

The net proceeds from the Offering will be lent to TDM Cable Funding LLC for the purpose of purchasing \$2,500,000 face value of Guaranteed Payment Units issued by Verifier Capital LLC.

Income Tax Considerations

The Certificates will be treated as indebtedness of the Trust Fund for federal income tax purposes. Each Certificateholder will generally be required to report interest income on a Certificate in accordance with such Certificateholder's method of accounting. Each prospective investor should consult with his or her own tax advisor with respect to the tax consequences of the acquisition, ownership and disposition of the Certificates.

RISK FACTORS

In evaluating this Offering, prospective investors should consider carefully all of the information contained in this Memorandum and, in particular, the factors discussed below. The following summary is not intended to state in full or replace portions of this Memorandum that discuss these factors and others in greater depth. Although the risk factors are intended to be presented in order of their materiality to investors, such order may not be indicative of their relative importance to any particular investor.

Limitation of Transfer of Certificates

The Certificates may not be offered for resale to any person without the consent of the Trust Fund. Prior to this offering, there has been no market for the Certificates of the Trust Fund. Each investor will be required to represent that his purchase of the Certificates will be for investment only and not with a view towards the resale or distribution thereof. A Certificateholder will not have any right to sell, transfer, exchange or otherwise dispose of his Certificates, or to cause a security interest to be created therein, unless the Trust Fund has received evidence satisfactory to it that such disposition or creation of a security interest is not in violation of federal or state securities laws. The Certificates have not been registered or qualified under the Securities Act of 1933 or applicable state securities laws and may not be sold or transferred without such registration or qualification or an exemption therefrom.

Potential for Guaranteed Payment Unit Defaults

Default by Verifier Capital LLC under the terms of the Guaranteed Payment Units would result in an interruption in available cash distributed to Certificateholders and could cause significant loss of principal.

No Monthly Amortization Schedule

There will be no amortization of the principal arising out of the cash flow generated from the Verifier Guaranteed Payment Units "GPUs". It is anticipated that each of the maturities will be refinanced at

approximately similar interest rates until Verifier redeems the GPUs. It is currently contemplated by Verifier that such redemption will occur after six years.

No Independent Counsel to Investors

Purchases of the Certificates offered here by will not be afforded the services of independent counsel. Disclosure of material facts and risks has been reviewed by counsel to the underwriter.

Lack of Financial Statements

This Memorandum does not include financial statements for the Trust Fund. The Trust Fund is newly formed for the limited purpose of acquiring the Portfolio of Contracts.

Conflicts of Interest

The Trust Fund will acquire the GPUs from Verifier Capital LLC. The Trustee of the Trust is McGinn, Smith Capital Holdings Corp., the sales agent for this offering is McGinn, Smith & Co., Inc., the principals of TDM Cable Funding LLC are Timothy McGinn, David Smith, and Matthew Rogers. Mr. Rogers is the Chairman of the Board of Verifier Capital LLC and is the beneficial owner of 12.50% of the common stock of Verifier Capital LLC. Further, Mr. Rogers is a Senior Managing Director of McGinn, Smith & Co., Inc. Although there is no specified formula for determining the purchase price paid for the assets of the Trust Fund, and Certificateholders will not have a voice in the amount paid by the Trust Fund, the Trustee will purchase the assets only when TDM represents to the Trustee that the price of such assets will allow the Trust Fund to pay its operating expenses and discharge its obligations with respect to the Certificates.

USE OF PROCEEDS

The net proceeds to the Trust Fund from the sale of the Certificates offered hereby, after deducting the Underwriting Discount, will be approximately \$3,144,875 (90.5% of gross proceeds) if the Maximum Offering for the Certificates is achieved.

The net proceeds to the Trust Fund from the sale of the Certificates offered hereby, after deducting the Underwriting Discount, will be approximately \$453,750 (90.5% of gross proceeds) if the Minimum Offering for the Certificates is achieved. The Trust Fund intends to use all of the net proceeds of the Offering to purchase approximately fourteen percent (14%) of the described Assets.

The net proceeds from the offering will be lent by the Trust to TDM Cable Funding LLC for the purpose of acquiring \$2,500,000 of face value GPU's. Additionally, certain fees and expenses will be paid as more fully described below:

	Maximum Offering
<u>Sources</u>	
Maximum Net Proceeds	\$3,144,875
<u>Uses by TDM Verifier Trust 07</u>	
Legal Fees	75,000
Printing, Marketing, Postage	20,000
Bridge Financing	100,000
Loan to TDM Cable Funding LLC	2,733,875
Trust Administration Fee	<u>216,000</u>
Total uses by TDM Verifier Trust '07	\$3,144,875

Minimum Offering

Sources

Minimum Net Proceeds	\$452,500
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Uses by TDM Verifier Trust 07

Legal Fees	10,750
Printing, Marketing, Postage	3,000
Bridge Financing	14,250
Loan to TDM Cable Funding LLC	395,000
Trust Administration Fee	29,500
Total uses by TDM Verifier Trust '07	\$452,500

THE TRUST FUND

The Trust Fund is a common law trust formed under the laws of the State of New York on January 18, 2007. The principal executive office of the Trust Fund is located at c/o McGinn, Smith Capital Holdings Corp., Trustee, Capital Center, 99 Pine Street, Albany, New York 12207, and its telephone number is 518-449-5131. McGinn, Smith Capital Holdings Corp. is the Trustee of the Trust Fund. The owners of all issued and out-standing common stock of the Trustee are Timothy M. McGinn (30%), David L. Smith (50%), and Thomas E. Livingston (20%). McGinn, Smith & Co., Inc. is the Sales Agent for the offering.

Business of the Trust Fund

The Trust Fund has been formed solely for the purpose of lending the Net Proceeds to TDM Cable Funding, LLC. Subsequent to the closing date, the Trust Fund will lend the Net Proceeds of the offering to TDM Cable Funding LLC. TDM Cable Funding LLC will, in turn, purchase up to \$2,500,000 face value of GPU's issued by Verifier Capital LLC. The Trustee believes that the present value of the GPU's, discounted at the blended interest rates hereby offered, equals or exceeds \$3,475,000.

BUSINESS OF VERIFIER CAPITAL LLC**Verifier Capital LLC**

Verifier provides capital to security alarm dealers by purchasing some or all of their security alarm monitoring accounts at a multiple of recurring monthly revenue ("RMR") and subcontracting back to them service and monitoring obligations in respect of the purchased accounts for a fixed percentage of RMR received from the underlying customers. As of December 31, 2006, Verifier owned 3,500 security alarm accounts purchased from six independent dealers, generating total RMR of \$280,000. The average purchase price paid for accounts in fiscal 2006 was thirty times RMR and the average subcontract fee was 35%. This implies a payback period of forty-six months before attrition and overhead expense, on assets with useful lives in excess of ten years.

To date, Verifier has solely financed franchisees of Sonitrol Corporation, which manufactures and distributes a proprietary range of security alarms that use microphones, instead of passive infra-red detectors and contact switches, as the primary means of detecting an intrusion. Following detection, a communications session is opened between the control panel at the subscriber's premise and the central monitoring station ("CMS") during which an operator listens in to the system and determines the appropriate response. The CMS operator's ability to use additional information from the system after the initial activation is called 'Verification' by the alarm industry, hence the company's name. Verified systems were developed in order to improve police response to alarm systems, which suffers as confidence in alarms is undermined by repeated false alarms. When an operator using a verified system determines that there is an intrusion in progress, whether through use of audio or video inputs, the probability of the police making an arrest at the site increases exponentially. This increase significantly reduces response time, thereby delivering subscribers with an enhanced level of protection. Sonitrol is the North American market leader in verified systems and claims 156,000 apprehensions from its systems

since the business was founded in 1963. As well as its product development, manufacturing and franchising operations, Sonitrol is a significant operator of alarm systems across the United States with approximately \$5 million of RMR and was ranked number 10 in the 2006 SDM 100.

The enhanced features provided by verified systems means that they cost significantly more than conventional systems both to install and to monitor. The average monthly charge for monitoring a conventional security alarm in the United States is approximately \$30 and the average for a Sonitrol system is approximately \$90, with similar premiums being charged at the installation stage. As a result, Sonitrol systems are usually sold to non residential customers with a demonstrated need for intruder protection, who make significant cash investments in their installation. These factors mean that the attrition, or cancellation, rate on Sonitrol systems is significantly lower than that for conventional systems. For the year ended December, 2006, Verifier's net attrition rate was 7.5%, as compared with market leader ADT North America's 13.3% for its fiscal year ended September 30, 2006.

Verifier Capital LLC was established as Verifier Inc. in 1996 by two former owners of Sonitrol Corporation. Verifier Inc. was acquired by Verifier Capital LLC on February 28, 2006 for an enterprise value of \$7.7 million before transaction expenses, which was 31.4x the RMR of \$244,277. Since the acquisition, Verifier has recruited new management, maintained excellent relations with the five dealers acquired, recruited one additional dealer, grown RMR at an annualized rate of 17.7% to \$280,000, raised \$580,000 by way of the sale of additional common units and reduced the interest rate on its senior loan facility by an effective 125 bps.

The Market Opportunity

The commercial security alarm monitoring industry in North America is worth approximately \$9 billion per annum, and has enjoyed a compound annual growth rate of approximately 8% over the last ten years. Total industry commercial RMR is estimated at over \$300 million. The market is highly fragmented with only three participants with commercial revenues in excess of \$100 million per annum and over 10,000 participants. Verifier has decided to focus its activities on alarm accounts which can reasonably be expected to have lower than average attrition rates and on smaller dealers who have difficulties (as a result of their size) efficiently accessing the capital markets. The Sonitrol network has approximately \$12.5 million of RMR, of which Sonitrol Corporation accounts for \$5 million, leaving \$7.5 million with its franchisees. Verifier expects to significantly increase its market share of this RMR from its current 3.7% both by increasing its share of RMR with its existing dealers, supporting them in their organic and acquisition growth initiatives and by adding new dealers.

Verifier is extremely cautious about extending its offering to conventional alarm dealers because of increased competition in that market which adversely affects purchase multiples and the likely adverse effect such growth would have on our attrition rates.

Verifier has investigated a number of alternate market niches into which it can aggressively grow Verifier Capital LLC and believes that entering the market in the United Kingdom satisfies its investment criteria for a number of reasons. The UK alarm market at \$1.8 billion is approximately 20% of the size of the US market in line with both population and GDP, and is by far the most developed market for security alarms in Europe. In the commercial sector, the insurance industry plays a critical role in mandating the purchase of high quality monitored alarm systems by the insured. This is a significant contributory factor to attrition rates in the UK commercial market being more in line with Sonitrol at 7-9% than with the US average of 12%. However, unlike in the US market, the banking sector in the UK has not developed security alarm industry expertise, which means that alarm companies are unable to release capital in their RMR for growth or other purposes, presenting Verifier with an attractive pricing environment. Lastly, the background of Verifier's management and major shareholder at Automated Security Holdings PLC, which before its purchase by ADT in 1996 was the largest security alarm company in the UK, gives Verifier confidence that it has sufficient local industry knowledge and contacts.

The Strategy

Verifier believes that its ten year operating history gives it unique insights into the critical success factors involved in stripping out the financial from the operating component of a security alarm monitoring contract. Management has experience in the security alarm industry with many different business models, market segments and geographies. Verifier intends to leverage this combined experience to grow its current asset base and seek out other asset classes with similar financial characteristics, in order to generate value for our common unit holders, including ourselves. With this end in mind, Verifier is pursuing the following business strategies:

- *Grow Market Share within the Sonitrol Franchise Network.* Verifier is using its good relations with its current customers, together with its industry knowledge, to develop discussions with other Sonitrol franchisees about how we can play a role in solving their capital requirements. Verifier is currently in discussions with three additional franchisees who have an aggregate \$150,000 of RMR and is discussing financing one of its current customer's purchase of an adjacent franchise.
- *Reduce its Cost of Capital.* The current senior loan agreement is priced off the prime rate, which currently stands at 8.25%, plus a variable margin based on senior debt to RMR, which is currently 1.25% for a total cost of debt of 9.50%. Verifier is currently in discussion with multiple financial institutions about refinancing its senior line and believes it can reduce our borrowing costs by in excess of 100 bps, while at the same time increasing credit available under the facility.
- *Improve Back Office Efficiencies.* Key to Verifier's business plan is its ability to benefit from operating leverage as it grows assets quicker than expenses, thereby generating more income attributable to our common unit holders. Verifier is currently investing in various back office automation projects designed to improve its efficiencies and thereby leverage our existing overhead over more RMR.
- *Expand into New Product Markets.* Verifier is continually evaluating expansion opportunities into other asset classes that share financial characteristics with its Sonitrol contract pools. Verifier is currently in discussions about acquiring monitoring contracts relating to remote management of entry/exit points into gated residential communities in Florida and Texas and acquiring conventional alarm RMR from an existing customer, which is monitored by him at his own CMS.
- *Expand into New Geographic Markets.* Verifier has determined that the UK market represents a compelling opportunity to replicate its business model targeted at a larger addressable market, with significantly less competition.

Hidden Eyes

In addition to Verifier's plans to establish operations in the UK, Verifier is in relatively advanced discussions about partnering with one of its Sonitrol customers, Sonitrol of Sarasota, to purchase the business and assets of Hidden Eyes Guard Services ("Hidden Eyes"). Hidden Eyes provides gated communities with a kiosk that stands at their various entry/exit points. This kiosk contains two CCTV cameras and a duplex intercom system, linked to a Central Monitoring Station ("CMS"), currently based in Sebring Florida. Visitors to the communities press a button and are connected by a high speed internet connection to an operator in the CMS, who authorizes and records their entrance and then opens the gate. This service is a substitute for a security guard at the gate, as provided by the manned guarding companies throughout the US. The guard companies charge out at \$13-\$14 per hour for this service, and Hidden Eyes charges \$9-\$10, thereby delivering savings to the customer as well as significantly improved record keeping. Hidden Eyes currently has contracts with four communities, three in Naples, FL and one in Ft. Myers, FL, generating total RMR of \$24,947. Verifier intends to purchase this RMR for approximately \$450,000, and to subcontract the service and monitoring obligations back to a newly formed LLC ("NEWCO") at 35% of RMR received. This RMR multiple of 18 times compares with the 30 times that Verifier pays for Sonitrol RMR, and Verifier believes that this discount more than compensates it for the risks inherent in a smaller and less well established customer and service portfolio. Sonitrol of

Sarasota will contribute \$150,000 of capital to NEWCO and will own a sixty percent membership interest therein and Verifier will own the remaining 40%. NEWCO will contract with Verifier to sell it at least 50% of all newly originated RMR at twenty-five times RMR with a 35% service fee, which new RMR will be supported by five year subscriber monitoring agreements in a form acceptable to Verifier.

Verifier plans to relocate its monitoring center to Sonitrol of Sarasota's facility within six months following the closing and thereafter sales and service staff will sell, install and maintain the kiosks, such that Verifier can demonstrate the viability of the service offering by acquiring meaningful market share on the West Coast of Florida. To the extent this is achieved, Verifier intends to roll the service out to other geographies, whether through a wholly-owned branch network, through other Sonitrol franchisees or other distribution channels.

Verifier believes this transaction will provide it with a new and growing source of RMR at attractive purchase multiples and thus returns, together with potentially significant upside arising from our equity position in NEWCO.

Verifier Capital Investors

Verifier's largest shareholder is Thomas V. Buffett, who owns 520,000 of its common units. Mr. Buffett was one of the founders of Verifier and was the Chairman and Chief Executive Officer of Automated Security Holdings PLC ("ASH") between 1976 and 1995. ASH purchased Sonitrol Corporation in 1992 and operated the business until it was in turn purchased by ADT in 1996. Collectively Verifier's directors and executive officers own 760,000 common units out of a total of 1,605,000 (47.4%), and the remaining 845,000 are owned by 9 private investors.

SELECTED HISTORICAL FINANCIAL DATA

The following table sets forth Verifier's selected historical financial information. The statement of operations and cash flow data for the years ended December 31 2002, 2003, 2004 and 2005 are derived from its audited consolidated financial statements. The statements of operations data for the year ended December 31, 2006 is derived from the unaudited consolidated financial statements. In the opinion of management, the unaudited consolidated financial statements have been prepared on the same basis as Verifier's audited financial statements and include all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the information set forth therein.

The results included below and elsewhere in this prospectus are not necessarily indicative of our future performance.

	For the Years Ended December 31				
	2002	2003	2004	2005	2006
	(dollars in thousands)				
Statement of Operations Data:					
Monitoring and service revenues	\$ 2,807	\$ 2,922	\$ 2,666	\$ 2,490	\$ 3,027
Monitoring and service expense	982	1,023	933	864	1,040
Gross profit	1,824	1,899	1,733	1,626	1,987
Gross margin	65%	65%	65%	65%	66%
Operating expenses:					
Salaries and wages	287	612	533	1,000	507
Office expenses	38	177	116	85	163
Professional and finance fees	-	53	29	159	122
Other General & Administrative	-	1	4	15	1
Total operating expenses	325	843	682	1,259	792
Earnings before interest, tax, depreciation and amortization (EBITDA)	1,499	1,056	1,051	367	1,195
EBITDA margin	53%	36%	39%	15%	39%
Other (income)/expense:					
Gain on sale of accounts	-	-	70	-	-
Account compensation	-	-	-	188	-
Other (income)/expense	8	15	(7)	9	16
Total other (income)/expense	8	15	63	197	16
Depreciation and amortization	669	731	775	801	888
Earnings before interest and tax (EBIT)	823	310	213	(631)	291
EBIT margin	29%	11%	8%	-25%	10%
Interest expense, net	332	342	304	276	624
Net income/ (loss) before taxes	\$ 491	\$ (32)	\$ (90)	\$ (906)	\$ (333)
Statement of Cash Flow Data:					
Net cash (used in)/ provided by operating activities	\$ 775	\$ 775	\$ 716	\$ 841	\$ (49)
Net cash (used in)/ provided by investing activities	(896)	(664)	(377)	(1,224)	(3,812)
Net cash (used in)/ provided by financing activities	440	(206)	(589)	521	3,713

Risk Factors

An investment in Verifier's Guaranteed Payment Units involves a high degree of risk. The following risks, as well as the other risks discussed in "Risk Factors", should be carefully considered before participating in this offering:

- Verifier's history of net losses before taxes and its need for cash to finance the acquisition of new security alarm accounts;
- While Verifier has a long history of attrition rates below 10%, a significant adverse movement in this metric would have a material adverse effect on its future profitability;
- Verifier depends on its dealers to service its security alarm accounts. Significant breaches or defaults by dealers under their service agreements would likely result in Verifier's being forced to contract with another party to provide the services with likely adverse effects on both attrition and gross margins;
- Verifier has only five employees in its North American business, each with unique relevant experience. Death or disability of any of these employees would, key man insurance proceeds notwithstanding, have an adverse effect on its prospects;
- Verifier's interest expense on its senior facility is linked to the Prime Rate. Increases in the Prime Rate would adversely affect profitability. Verifier does not currently hedge this exposure;
- Verifier has \$71,000 of RMR in the Miami area and \$69,500 in and around Mobile, AL., being 50% of its total RMR. While Verifier did not experience an upturn in attrition from the storms of 2004 and 2005, a category 4 or 5 hurricane in either of these locations may result in a loss of recurring revenue.
- Verifier is about to expand into the UK market, where assumptions regarding the availability of RMR for purchase at its assumed purchase multiples and the attrition performance of that RMR may prove optimistic.

Corporate Information

Verifier was formed in Florida in November, 2005 as Verifier LLC, a limited liability company organized under the laws of the State of Florida, and changed its name to Verifier Capital LLC in December, 2006.

Risk Factors

Investing in Verifier's Guaranteed Payment Units involves a high degree of risk. Any of these risks could materially adversely affect the business, financial condition and results of operations and the fair market value of Verifier's Guaranteed Payment Units, resulting in significant losses.

Risks related Verifier

Verifier had a loss before tax in the year ended December 31, 2006

Verifier has incurred losses since the acquisition of Verifier Inc in February 2006. This is a result of an increase in overhead expense resulting from the cost of its new management and the increase in its interest expense associated with financing its \$2.4 million of goodwill. These adverse movements have been mitigated by a sustained increase in revenues and gross profits resulting from accelerated purchases of RMR from existing and new dealers during the year. Verifier anticipates incurring a net loss in fiscal 2007 as it continues to grow marketing expenses in advance of the revenues resulting from future RMR purchases. Establishing operations in the United Kingdom will, according to estimates, widen its loss in fiscal years 2007 and 2008.

Attrition rates may increase in the future

Verifier's purchase price for an acquired alarm account and the service fee paid to its dealers are fixed by contract with those dealers. The only variable, therefore, that has a significant impact on an account's rate of return is the length of time it survives, the inverse of our attrition rate. While Verifier has a ten year track record of attrition rates of less than ten percent per annum there is no guarantee that attrition rates will remain at or around these levels. Were attrition rates to double in the future, Verifier would be

in breach of its covenants with its senior lender and would generate rates of return significantly below the weighted average cost of capital.

Verifier relies on dealers to service and monitor our security alarm accounts

Verifier subcontracts back to its dealers the service and monitoring obligations related to the security alarm accounts it owns for a fixed percentage of the RMR received by it. Performance of these obligations requires the service provider to be a franchisee in good standing with Sonitrol Corporation and ownership, or access to, specialized monitoring equipment provided by Sonitrol Corporation. Verifier does not own the assets necessary to perform these service and monitoring obligations. While Verifier has not had a dealer default on service agreements in a ten year history, such a default or breach would likely require Verifier to source an alternate service provider. This alternate provider would likely demand a higher service fee, adversely affecting gross margins and the transition of the alarm accounts to the new service provider would likely cause an upward spike in attrition.

Verifier has only five employees, four of whom have uniquely relevant experience

The Chief Financial Officer of Verifier has worked in that position for the entire ten year history of Verifier and has a unique understanding of the business model and long-standing relations with customers. Three of the remaining employees have unique experience across the domestic and global security industry from their time at the world market leader, ADT. While Verifier believes it maintains adequate key man insurance to protect against their death or disability, the loss of their services for any reason would have an adverse effect on the business, as it would be difficult to find replacements of equal quality and experience.

Verifier has a floating rate senior secured facility

The current \$10 million senior secured revolving credit facility is priced at the Prime Rate plus a margin. A 100 bps increase in the Prime Rate from the prevailing level of 8.25% would increase Verifier's annual interest expense by \$57,050, based on the drawn amount as of December 31, 2006. Verifier does not believe it is economically prudent to hedge this exposure at this time and has not done so.

Verifier has exposure to hurricanes in Florida and Alabama

Approximately fifty percent of the RMR is generated in Miami, FL and Mobile, AL. While Verifier did not suffer any adverse attrition experience as a result of the hurricanes in 2004 and 2005, it is aware of other security alarm dealers who suffered material attrition in the New Orleans area arising out of Hurricane Katrina. Verifier has explored using insurance to mitigate this risk, but has yet to receive an economically viable insurance proposal and therefore has no hedging against this exposure.

Verifier is about to enter the United Kingdom market where it has no experience

Verifier has historically only done business in the United States with franchisees of Sonitrol Corporation. In order to accelerate the growth of business, Verifier plans to establish operations in the United Kingdom, where it intends to purchase conventional security alarm accounts. While it is believed that Verifier has significant experience in the United Kingdom, the estimates of the requirement of that market for growth capital, the prices at which one can purchase security alarm accounts, the rates of attrition which will be suffered and the cost of running operations there may be wrong, thereby adversely affecting the profitability and rates of return earned through this geographic expansion.

Risks Related to this Offering

There is no existing market for Verifier's Guaranteed Payment Units.

Currently there is no public market for Guaranteed Payment Units. Verifier cannot predict the extent to which investor or acquirer interest will lead to the development of a trading market or sale transaction or otherwise provide liquidity to Certificateholders.

DESCRIPTION OF TRUST AGREEMENT AND THE CERTIFICATES

On January 18, 2007 David L. Smith, as President of McGinn, Smith Capital Holdings Corp., ("McGinn, Smith") executed the Declaration of Trust ("Declaration") of TDM Verifier Trust 07 ("Trust"), declaring that McGinn, Smith Capital Holdings was the Trustee of the Trust, establishing the Trust for the benefit of Certificateholders, and defining its purpose.

The Trust is intended to be a common law trust under the laws of the State of New York, with its principal office at Capital Center, 99 Pine Street, Albany, New York 12207, which is the office of McGinn, Smith. The initial capital of the Trust was established at \$100.00, and the purpose of the Trust is to lend the net proceeds of this offering to TDM Cable Funding LLC. TDM Cable Funding LLC will use the proceeds of the loan to purchase \$2,500,000 face value of GPUs issued by Verifier Capital, LLC. Under the Declaration, the Trustee acquires virtually complete discretion in the operation of the Trust, so long as that discretion is exercised within the purpose of the Trust. The Declaration limits the liability of the Trustee in two ways. The Trustee will not be liable in the absence of willful misconduct or gross negligence. Further, the Trustee will not be liable, in any event, to pay sums of money beyond the corpus of the Trust. The Trustee is entitled to indemnification from the funds of the Trust (except in the case of willful misconduct or gross negligence) and to reimbursement for the reasonable and necessary fees and expenses incurred in the administration of the Trust. The Trustee is entitled to indemnification and reimbursement from the corpus of the Trust before payments are made to Certificateholders.

The Declaration specifically provides that the Certificateholders shall not have any legal or equitable title to the Trust Estate, that no Certificateholder shall have a voice in the management or control of the property or affairs of the Trust, that the Trustee has no authority to require additional capital contributions from any Certificateholder, and that the Trustee is precluded from taking any action to make Certificateholders liable for the debts or obligations of the Trust.

Certificates

The Certificates will be issued under the Declaration, a copy of which is included as an exhibit to this Memorandum. The rights of the Certificateholders and the obligations of the Trustee as they relate to the Certificates will be governed by the Declaration. Reference should be made to the Declaration for its complete terms. The statements contained in this Memorandum concerning the Declaration are merely a summary thereof, do not purport to be complete, and do not modify or amend the Declaration.

Subject to the conditions set forth in this Memorandum, Certificates in the maximum amount of \$3,475,000 will be offered by the Trust Fund. The Certificates will bear interest on the outstanding principal at a per annum rate of 8.25% for one year maturity Certificates and 9.00% for two year maturity Certificates. Interest on the Certificates will be paid in quarterly installments on the first day of each quarter commencing May 15, 2007.

The Certificates will be issued and registered in the name of the purchasing Certificateholder(s). Interest on the Certificates will be shown on, and transfers thereof will be effected through, records maintained by the Trustee.

Prepayments

The Certificates are not subject to a mandatory prepayment or redemption provision.

Registration

Each Certificate will be registered in the name of the purchaser thereof.

Limited Transferability of the Certificates

The Certificates are not freely transferable, and there is no secondary market for the Certificates and none is expected to develop. The Certificates should not be treated by Certificateholders as securities.

The Certificates have not been registered under the Securities Act of 1933. They may not be offered for resale in the absence of an opinion of counsel, satisfactory to the Trust Fund, that registration is not required.

Reports

Not later than January 31 of each year, the Trust Fund will furnish to the Certificateholders statements of interest income on IRS Form 1099-INT and such tax information as shall be necessary in the preparation of such person's Federal income tax return.

CONFLICTS OF INTEREST

Timothy M. McGinn, David L. Smith, and Thomas E. Livingston collectively own 100% of the issued and outstanding common shares of McGinn, Smith Capital Holdings Corp. and McGinn, Smith & Co., Inc. McGinn, Smith & Co., Inc. is acting as the Sales Agent for this Offering and will receive an Underwriting Discount equal to nine and one-half percent (9.5%) of the gross proceeds of this Offering. The Underwriting Discount was not negotiated at arms length.

Additionally, Mathew Rogers is the Chairman of the Board of Verifier Capital LLC, owns 12.5% of the common stock of Verifier and is a Senior Managing Director of McGinn, Smith & Co., Inc.

McGinn, Smith Capital Holdings Corp. may experience a conflict of interest in performing its obligation to exercise due diligence with respect to the statements made in this Memorandum and, therefore, its due diligence review cannot be considered independent. A qualified independent underwriter has not been retained by the Trust Fund in connection with this offering. However, McGinn, Smith Capital Holdings Corp. believes that such due diligence has, in fact, been exercised.

There has been no independent counsel retained to represent the interests of the Certificateholders.

THE TRUSTEE

The names and positions of the directors and executive officers of the Trustee are as follows:

Name	Position
Timothy M. McGinn	Chairman of the Board and Director
David L. Smith	President and Director
Thomas E. Livingston	Treasurer

The officers and directors of the Trustee will devote such time and effort to the business of the Trust Fund as they may deem necessary and will actively be engaged in other business ventures.

The principal business occupations of the officers and directors during the past five (5) years are as follows:

Timothy M. McGinn, age 58, is the Chairman of the Board and Secretary of McGinn, Smith & Co., Inc. He has served as Chairman of the Board since the inception of this firm in 1980. From 2003 to 2006, Mr. McGinn served as Chairman of the Board and CEO of Integrated Alarm Services Group, Inc. a NASDAQ listed public company. Prior to founding McGinn, Smith & Co., Inc. he was with Paine, Webber, Jackson & Curtis. He has served on a number of corporate and charitable boards of directors and holds a bachelor's degree in Mechanical Engineering from the Rochester Institute of Technology.

David L. Smith, age 61, is the President of McGinn, Smith & Co., Inc. and a member of the Board of Directors. He has served in this capacity since 1980. Prior to founding McGinn, Smith & Co., Inc. he was with Paine Webber, Jackson & Curtis. Mr. Smith has served on a number of charitable and corporate boards of directors and holds a bachelor's degree from Hamilton College.

Thomas E. Livingston, age 45, is Sr. Vice President of McGinn, Smith & Co., Inc. and a member of its Board of Directors. Mr. Livingston has been employed by McGinn, Smith & Co., Inc. since 1986. Prior to joining McGinn, Smith he was affiliated with Prudential Bache Securities.

COMPENSATION AND FEES

The Trustee of the Trust Fund will serve without fee but will be reimbursed for expenses incurred by the Trustee in connection with the Trust Fund by TDM Cable Funding LLC.

SUITABILITY

Certificates will be sold only to investors who make a minimum purchase of \$10,000.00.

As described elsewhere in this Memorandum, the Certificates will generally be sold only to Accredited Investors as defined in Rule 501 of Regulation D promulgated by the Securities and Exchange Commission under the Securities Act of 1933, as amended; provided, however, that at the discretion of the Sales Agent and Verifier Capital LLC, Certificates may be sold to up to 35 non-accredited investors. Included in the definition of "Accredited Investor", as defined in Rule 501, are the following:

(a) any natural person whose individual net worth (including personal residences, furnishings and automobiles), or joint net worth with that person's spouse, at the time of purchase exceeds \$1,000,000;

(b) any natural person who had an individual income in excess of \$200,000 in each of the two most recent years or joint income with that person's spouse in excess of \$300,000 in each of those years and who reasonably expects gross income at the same level in the current year; and

(c) any entity in which all of the equity owners are Accredited Investors or which has total assets in excess of \$5,000,000.

Each investor accepted as an Accredited Investor will be required to represent that he satisfies the requirements of an Accredited Investor under Rule 501.

Among other things, each investor will be required to acknowledge and represent in the Subscription Agreement that: (i) he is purchasing the Certificates for his own account for investment and not with a view to the sale or distribution thereof; (ii) he is aware that the Certificates have not been registered for sale under the Securities Act of 1933 as amended, and that he will not transfer his Certificates in the absence of an opinion of counsel satisfactory to the Trust Fund that the Certificates have been registered or that registration is not required under the Securities Act of 1933, as then in effect, and under applicable state securities laws, if any; (iii) he understands that this investment involves a high degree of risk; (iv) he has adequate means of providing for his current needs and foreseeable personal contingencies, has no need for liquidity in this investment; (v) all books, records and documents pertaining to this investment

have been made available to him; and (vi) his overall commitment to investments which are not readily marketable is not disproportionate to his net worth and his purchase of Certificates will not cause such overall commitment to become excessive.

The Sales Agent and Trust Fund reserve the right to reject any subscription in its entirety for any reason or to allocate to any investor Certificates in an aggregate principal amount less than that for which he has subscribed. In the event a subscription is rejected, the investor's subscription check for his Certificates (or the amount thereof) will be returned, and in the event of a partial rejection, a pro rata amount of his subscription check for his Certificates will be refunded.

Prospective investors may be required to complete an Investor Representation Letter relating to the suitability of the investment for them, and the Trust Fund may make or cause to be made such further inquiry as the Trust Fund deems appropriate.

Any prospective investor will be afforded the opportunity to obtain from the Trust Fund prior to the consummation of the transaction contemplated herein any additional information he may request necessary to verify the accuracy of the contents of this Memorandum and which the Trust Fund possesses or can acquire without unreasonable effort or expense and to confer with, ask questions of, and receive answers from the Trust Fund or persons authorized to act on its behalf, concerning the terms and conditions of the transaction, this memorandum and any additional information which has been requested and supplied to a prospective investor or his purchaser representative.

The purchase of Certificates may be suitable for individuals seeking an investment intended to provide income. An investment in Certificates may also be appropriate for corporations and trusts seeking investments which are structured to provide income. Nevertheless, this investment involves a number of significant risks, including no assurance that the Certificates will be paid and illiquidity. See "Risk Factors." Accordingly, the suitability of a purchase of Certificates for any particular investor will depend upon, among other things, such investor's investment objectives and such investor's ability and willingness to accept the risks of an investment in the Certificates.

The Sales Agent Agreement between the Trust Fund and the Sales Agent requires the Sales Agent to make diligent inquiries as required by law of all prospective purchasers in order to ascertain whether a purchase of Certificates is suitable for such person and to transmit promptly to the Trust Fund all fully completed Subscription Agreements. By tendering payment for a Certificate and by acceptance of the confirmation of purchase, an investor represents that he or it satisfies any applicable suitability standards. See "Plan of Distribution."

TERMS OF THE OFFERING

Subject to the conditions set forth in this Memorandum, Certificates in the maximum amount of \$3,475,000 (the "Maximum Offering") and the minimum amount of \$500,000 (the "Minimum Offering") will be offered by the Trust Fund.

The Certificates will be offered through McGinn, Smith Capital Holdings Corp., the Sales Agent, on a best efforts basis over a period of two months. The Sales Agent is a member of the National Association of Securities Dealers, Inc.

All funds received by the Sales Agent from subscriptions for the Certificates will be placed in an escrow account (the "Escrow Account") maintained at Mercantile Bank, (the "Escrow Agent"). During the period that an investor's funds are held in the Escrow Account he will not be considered a Certificateholder.

With respect to the Certificates, no funding from the Escrow Account will occur until the Minimum Offering is subscribed for. If subscriptions for the Minimum Offering are not received within two months from the date of this Memorandum, subscriptions received with respect to the Certificates will be promptly returned in full to the investor by the Escrow Agent.

How to Subscribe.

The Certificates will be available for purchase in the minimum denomination of \$10,000.00 and increments of \$5,000.00. An investor who meets the qualifications set forth under "Who May Invest" and "Suitability" may subscribe for Certificates by completing, signing and delivering to the Sales Agent an executed copy of the Subscription Agreement contained in this Memorandum. All subscriptions must be accompanied by a check in the amount of the Certificate(s) purchased payable to "*Mercantile Bank, Escrow Agent for TDM Verifier Trust 07*". Upon execution of a Subscription Agreement, the investor agrees to all of the terms and conditions contained in the Agreement. Subscriptions are, however, subject to acceptance by the Trust Fund.

PLAN OF DISTRIBUTION

The Trust Fund is offering a maximum of \$3,475,000 of Certificates, and a minimum of \$500,000. The minimum investment by an investor is \$10,000.00 with increments of \$5,000.00. The Offering period will end not later than two (2) months from the date of this Memorandum. No Certificates will be sold unless subscriptions for the Minimum Offering are received and accepted within two months of the date of this Memorandum. Subscriptions are subject to acceptance by the Trust Fund. See "Suitability"; "Who May Invest".

During the course of the Offering, the subscription payments will be promptly forwarded by the Sales Agent to the Escrow Agent for deposit in the Escrow Account. For a description of the distribution of funds from the Escrow Account, see "Terms of the Offering".

The Certificates will be offered on a "best efforts" basis by the Sales Agent.

DISCLAIMER OF LIABILITY OF TRUSTEE

Reference is hereby made to the Declaration of Trust dated January 18, 2007 a copy of which is attached hereto as Exhibit "A". Other than potential liability under the Securities Act, neither the Trustee, nor any shareholder, manager, officer, employee, affiliate or agent of the Trustee may be held to any liability in connection with the Offering or the Certificates, or in connection with the affairs of the Trust Fund, in the absence of willful misconduct or gross negligence. Further, the Trustee will not be liable, in any event, to pay sums of money beyond the corpus of the Trust.

INCOME TAX CONSIDERATIONS

The following discussion summarizes certain material anticipated federal income tax consequences relevant to the acquisition, ownership and disposition of Certificates, but does not purport to address all potential consequences. The summary is for general information only and does not discuss all of the tax consequences that may be relevant to particular investors in light of their personal investment circumstances or holders who receive special treatment under the Internal Revenue Code of 1986, as amended (the "Code"), such as insurance companies, financial institutions, and broker-dealers. In addition, this discussion does not describe any tax consequences arising out of foreign, state or local jurisdictions.

The discussion is based upon current provisions of the Code, applicable regulations promulgated thereunder, judicial authority and administrative rulings and practice. All of the foregoing is subject to change which may be retroactive and could affect the continuing validity of this discussion. There can be no assurance that the Internal Revenue Service (the "IRS") will not take a contrary view, and no ruling from the IRS has been or will be sought.

The Trust Fund has not obtained an independent tax opinion with regard to this Offering. Prospective investors should consult their own tax advisors regarding the federal, foreign, state, local and other tax consequences of purchasing, holding and disposing of the Certificates.

Interest Income to Certificateholders

It is anticipated that the Certificates will be issued at par value and, therefore, no original issue discount will arise with respect to the Certificates. Accordingly, a Certificateholder will be required to report interest on a Certificate as income for federal income tax purposes in accordance with such holder's method of accounting.

Gain or Loss on Disposition of Certificates

In general, the holder of a Certificate will recognize gain or loss on the sale, exchange, redemption or other disposition of a Certificate equal to the difference between the amount realized (except to the extent attributable to the payment of accrued interest) and the adjusted basis in his Certificate. Any gain or loss recognized will generally be a Trust gain or loss if the Certificate is held as a Trust asset and will be long-term gain or loss if the Certificate is held for more than one year.

Information Reporting

The Trust Fund will report interest income to Certificateholders on IRS Form 1099-INT and as otherwise consistent with such treatment.

Backup Withholding

A Certificateholder may be subject to "backup withholding" at the rate of 31% (see IRC§3406(a)) with respect to interest paid on, or the proceeds of a sale, exchange or redemption of, such Certificates, unless such holder (i) is a corporation or comes within certain other exempt categories and, when required, demonstrates this fact, or (ii) provides a taxpayer identification number, certifies as to no loss of exemption from backup withholding, and otherwise complies with applicable exemption from backup withholding rules. Any amount withheld under these rules will be creditable against the Certificateholder's federal tax liability.

THE FOREGOING DISCUSSION OF CERTAIN FEDERAL INCOME TAX CONSEQUENCES IS FOR GENERAL INFORMATION ONLY AND IS NOT TAX ADVICE. EACH PROSPECTIVE INVESTOR SHOULD CONSULT WITH HIS OR HER OWN TAX ADVISER WITH RESPECT TO THE TAX CONSEQUENCES OF THE ACQUISITION, OWNERSHIP AND DISPOSITION OF THE CERTIFICATES.

TABLE OF CONTENTS OF EXHIBITS

The discussion in this Memorandum of each Exhibit set forth below is qualified in its entirety by reference to such Exhibit.

Exhibit "A"	Declaration of Trust
Exhibit "B"	Subscription Agreement
Exhibit "C"	Investor Representation Letter

ADDITIONAL INFORMATION

Additional information is available upon request to the Trust Fund. Only additional information provided by the Trust Fund may be relied upon. Prospective investors may request such information from the Sales Agent, McGinn, Smith Capital Holdings Corp., Fifth Floor, 99 Pine Street, Albany, New York 12207.