CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

$3,850,000

TDM VERIFIER TRUST 08

MAXIMUM OFFERING $3,850,000
MINIMUM OFFERING $250,000
EIGHTEEN MONTHS: 8.50%
THIRTY SIX MONTHS: 10.00%

TDM VERIFIER TRUST 08 (the "Trust Fund") is hereby offering $3,850,000 of Contract Certificates, entitled to interest at the per annum rate of 8.50% or 10.00% per annum (the "Certificates"). Interest on the Certificates is payable in quarterly installments commencing April 1, 2008. 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	$250,000	$23,750	$226,250
Maximum Offering	$3,850,000	$365,750	$3,484,250

The date of this Memorandum is December 17, 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 30, 2008, 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 ("Accredited Investors") as that term is defined under Regulation D promulgated under the Securities Act of 1933, as amended (the "Act"). McGinn, Smith & Co., Inc. (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 Act, 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 GPUs (as hereinafter defined) 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 of 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 this Memorandum.

The Trust Fund

TDM VERIFIER TRUST 08 (the "Trust Fund") is a common law trust formed under the laws of the State of New York on December 17, 2007. The Trustee of the Trust Fund is McGinn, Smith Capital Holdings Corp., a New York corporation (the "Trustee"). The Trustee 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. Certificateholders will have recourse to all assets of the Trust Fund, which include an assignment of $3,000,000 face value of Guaranteed Payment Units (the "GPUs") issued by Verifier Capital LLC (the "Company"), which when discounted to a present value at the blended interest rates contemplated by this offering, will have a value of $3,850,000.

The Trust Fund will advance funds to McGinn, Smith Funding LLC, a New York State limited liability company. McGinn, Smith Funding LLC will in turn purchase $3,000,000 of face value GPUs from the Company or such lesser amount as will equal the funds advanced by the Trust Fund to McGinn, Smith Funding LLC.

The Company 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 such dealers service and monitoring obligations in respect of the purchased accounts for a fixed percentage of RMR received from the underlying customers. As of September 30, 2007, the Company owned 2,800 security alarm accounts purchased from six independent security alarm dealers, generating total RMR of $319,000. The average purchase price paid for accounts was twenty-seven times RMR and the average subcontract fee was 35%.

The Company intends to use the net proceeds of the transaction contemplated hereby, together with the sale of $2,500,000 to $4,000,000 of equity, to purchase approximately $133,000 of RMR in England and $100,000 of RMR in Hawaii.

The Investment

Certificateholders will purchase either a Certificate with an eighteen month maturity (June 30, 2009) or a Certificate with a thirty six month maturity (December 31, 2010). The rate of interest payable on the eighteen month maturity Certificates will be 8.50% per annum, payable quarterly; and the rate of interest payable on the thirty six month maturity Certificates will be 10.00%, 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 8.50% or 10.00%. 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 April 1, 2008.

Use of Proceeds

The net proceeds from the Offering will be lent by the Trust Fund to McGinn, Smith Funding LLC for the purpose of purchasing $3,000,000 face value of Guaranteed Payment Units issued by the Company.

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 Act 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 the Company under the terms of the GPUs 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 the Company's GPUs. It is anticipated that each of the maturities will be refinanced at approximately similar

interest rates until the Company's redeems the GPUs. It is currently contemplated by the Company that such redemption will occur after six years.

No Independent Counsel to Investors

Purchasers of the Certificates offered hereby will not be afforded the services of independent counsel. Disclosure of material facts and risks has been reviewed by counsel to McGinn, Smith & Co., Inc.

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 making a loan to McGinn, Smith Funding LLC to enable it to aquire the GPUs from the Company.

Conflicts of Interest

The Trust Fund will make a loan to McGinn, Smith Funding LLC which in turn will acquire the GPUs from the Company. The Trustee of the Trust Fund is McGinn, Smith Capital Holdings Corp., the sales agent for this offering is McGinn, Smith & Co., Inc., the principals of McGinn, Smith Funding LLC and McGinn, Smith & Co., Inc. are Timothy McGinn, David Smith, and Thomas E. Livingston. Matthew Rogers is the Chairman of the Board of the Company and is the beneficial owner of 12.50% of the common units of the Company. 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 GPUs, and Certificateholders will not have a voice in the amount paid, McGinn, Smith Funding LLC will only purchase the GPUs after it represents to the Trustee that the price paid for the GPUs will allow McGinn, Smith Funding LLC to repay the Trust Fund amounts sufficient 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 $3,484,250 (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 $226,250 (90.5% of gross proceeds) if the Minimum Offering for the Certificates is achieved. The net proceeds from the offering will be lent by the Trust Fund to McGinn, Smith Funding LLC for the purpose of acquiring $3,000,000 of face value GPUs. Additionally, certain fees and expenses will be paid as more fully described below:

	Maximum Offering
Sources	
Maximum Net Proceeds	$3,484,250
Uses by TDM Verifier Trust 08	
Legal Fees	75,000
Printing, Marketing, Postage	20,000
Bridge Financing	100,000
Loan to McGinn, Smith Funding LLC	3,073,250
Trust Administration Fee	216,000
Total uses by TDM Verifier Trust '08	$3,484,250

	Minimum Offering
Sources	
Minimum Net Proceeds	$226,250
Uses by TDM Verifier Trust 08	
Legal Fees	10,750
Printing, Marketing, Postage	3,000
Bridge Financing	7,000
Loan to McGinn, Smith Funding LLC	176,000
Trust Administration Fee	29,500
Total uses by TDM Verifier Trust '08	$226,250

THE TRUST FUND

The Trust Fund is a common law trust formed under the laws of the State of New York on December 17, 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%).

Business of the Trust Fund

The Trust Fund has been formed solely for the purpose of lending the net proceeds of the Offering to McGinn, Smith Funding, LLC. Subsequent to the closing date, the Trust Fund will lend the net proceeds of the offering to McGinn, Smith Funding LLC. McGinn, Smith Funding LLC will, in turn, purchase up to $3,000,000 face value of GPUs issued by the Company. The Trustee believes that the present value of the GPUs, discounted at the blended interest rates hereby offered, equals or exceeds $3,850,000.

VERIFIER CAPITAL LLC

The Company provides capital to security alarm dealers by purchasing some or all of their security alarm monitoring accounts at an agreed 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 September 30, 2007, the Company owned approximately 2,800 security alarm accounts purchased from six independent dealers, generating total RMR of $319,000. The average purchase price paid for accounts in fiscal year 2007 was 27 times RMR and the average subcontract fee was 35% of the RMR.

To date, the Company has primarily financed franchisees of Sonitrol Corporation, which manufactures and distributes a proprietary range of security alarms that use a proprietary audio intrusion technology, 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 premises and an operator at the central monitoring station ("CMS") during which the 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, from which the Company has derived its 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 significantly. This increase significantly reduces response time, thereby providing subscribers with an enhanced level of protection. Sonitrol is the North American market leader in

verified systems and claims 157,000 apprehensions[1] 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 Security Distribution & Marketing 100[2].

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.[3] 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 rate on Sonitrol systems is consistently lower than that for conventional systems. For the year ended December 31, 2006, The Company's net attrition rate was 4.4%, as compared with market leader ADT North America's 13.3% for its fiscal year ended September 30, 2006.[4]

Company Information

The Company was initially established as Verifier Inc. in 1995 by two former owners of Sonitrol Corporation. Verifier Inc. was acquired by Verifier, LLC on March 7, 2006 for an enterprise value of $7.7 million before transaction expenses, equivalent to 31.4 times the RMR of $244,277. Verifier LLC changed its name to Verifier Capital LLC in December, 2006. Since the acquisition, the Company has recruited additional management, maintained excellent relations with the five dealers acquired, recruited one additional dealer, expanded its customer base to two new asset classes, grown RMR at an annualized rate of 19% to $319,000, raised $3.8 million by way of the sale of common units and reduced the interest rate on its senior loan facility by an effective 125bps.

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[5]. The market is highly fragmented with only three participants with commercial revenues in excess of $100 million per annum and over 10,000 participants.[6] The Company 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. The Company expects to significantly increase its market share of the franchisee RMR from its current 3.9% 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.

The Company has investigated a number of alternate market niches into which it can aggressively grow and believes that entering the market in the United Kingdom satisfies its investment criteria for a

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[1] www.sonitrol.com / About Sonitrol/History

[2] Security Distributing and Marketing annual industry review and rankings, www.sdmmag.com

[3] Management research

[4] Net attrition rate is defined as (Lost RMR minus holdback RMR minus price increases) divided by average RMR in period.

[5] Management research

[6] Security Distributing and Marketing annual industry review and rankings, www.sdmmag.com

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 8-9% 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 the Company with an attractive pricing environment. Lastly, the background of the Company'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 it confidence that the Company has sufficient local industry knowledge and contacts to successfully enter this market.

The Company is also proposing to acquire 100% of the shares of Sonitrol of Hawaii Inc. which, after the acquisition, will be managed by two individuals who have each been in the alarm business in excess of fifteen years. It is projected that the Company will ultimately end up with approximately $100,000 of RMR from this transaction which it expects to close on or before January 31, 2008, at which time the current owner will also enter into a 2 year consulting agreement with the Company to assist the Company though the transition period.

Strategy

The Company believes that its 12 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. The Company's management has experience in the security alarm industry with many different business models, market segments and geographies. The Company intends to leverage this combined experience to grow its current asset base and seek out other asset classes with similar financial characteristics to generate value for its Common Unit holders, including management. With this end in mind, the Company is pursuing the following business strategies:

- *Grow Market Share within the Sonitrol Franchise Network.* The Company is using its good relationships with its current dealers, together with its industry knowledge, to develop discussions with other Sonitrol franchisees about how the Company can play a role in addressing their capital requirements. The Company is currently in discussions with two franchisees that have an aggregate $150,000 of RMR, both of whom are looking to retire and transfer the business to their children who are actively involved in the business.

- *Expand into New Product Markets.* The Company is continually evaluating expansion opportunities into other asset classes that share financial characteristics with their Sonitrol contract pools. In Q2 2007, the Company closed a transaction to acquire 40% of Hidden Eyes Guard Service, Inc. including $26,000 of remote video monitoring RMR relating to remote management of entry/exit points into gated residential communities in Florida and Texas.

- *Reduction of Cost of Capital.* The Company's current senior loan agreement is priced off the "Prime Rate" (as stated in the "Money Rates" section of *The Wall Street Journal*), which stands, as of the date hereof at 7.50%, plus a variable margin based on senior debt to RMR, which is currently 1.00% for a total cost of debt of 8.50%. The Company is continually evaluating alternate financing proposals with multiple financial institutions regarding the refinancing of its senior line and believes it can reduce its borrowing costs by more than 100 bps, while at the same time increasing credit available under the facility.

- *Expand into New Geographic Markets.* The Company 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. To date, the Company has conducted due diligence on two potential UK alarm dealers, and has several other prospects that it intends to examine before the end of 2007 in order to identify its first UK dealer.

- *Improve Back Office Efficiencies.* Key to its business plan is the Company's ability to benefit from operating leverage as the Company grows its assets faster than its expenses, thereby generating more income attributable to its Common Unit holders. The Company is currently investing in various back office automation projects designed to improve their efficiencies and thereby leverage their existing overhead over more RMR.

Verifiers Investors

The Company's largest member is Thomas Buffett, who owns 520,000 of its Common Units. Mr. Buffett was one of the founders of Verifier Inc. and was the Chairman and Chief Executive Officer of Automated Security Holdings PLC ("ASH") between 1976 and 1995. ASH purchased Sonitrol Corporation ("Sonitrol") in 1992 and operated the business until Sonitrol was in turn purchased by ADT in 1996. Collectively, the Company's directors and executive officers own 1,180,000 Common Units out of a total of 2,250,000 (52.4%), and the remaining 1,070,000 Common Units are owned by ten private investors.

SUMMARY CONSOLIDATED FINANCIAL DATA

The following table sets forth the Company's summary consolidated financial data. The statements of operations and cash flow data for the years ended December 31, 2005 and the balance sheet data as of December 31, 2005 are derived from its audited consolidated financial statements. The statements of operations and cash flow data for the years ended December 31, 2006 and December 31, 2007 and the balance sheet data as of December 31, 2006 and December 31, 2007 are derived from its unaudited management accounts and forecasts.

The results included below and elsewhere in this Memorandum are not necessarily indicative of the Company's future financial performance. You should read this information together with "Selected Historical Financial Data", and "Management's Discussion and Analysis of Financial Condition and Results of Operations".

	For the Years Ended December 31		
	2005	2006	2007
	(dollars in thousands)		
Statement of Operations Data: [1]			
Monitoring, service, and other revenues	$ 2,490	$ 3,023	$ 3,888
Monitoring and service expense	864	1,039	1,258
Gross profit	1,626	1,984	2,630
Gross margin	65%	66%	68%
Operating expenses	758	781	1,000
Earnings before interest, tax, depreciation and amortization (EBITDA)	868	1,203	1,630
EBITDA margin	35%	40%	42%
Other (income)/expense [2]	(435)	2	(3)
Depreciation, amortization and impairment of subscriber contracts	801	638	754
Interest expense, net	284	640	555
Net income/ (loss) before taxes	$ 218	$ (77)	$ 324
Statement of Cash Flow Data: [3]			
Net cash provided by operating activities	$ 1,007	$ 739	$ 1,340
Net cash (used in)/ provided by investing activities	(1,102)	(4,124)	(2,788)
Net cash (used in)/ provided by financing activities	233	3,509	1,262

(1) 2007 figures include actual results through September 30, 2007 and forecast results through December 31, 2007. No adjustments for the impact of this Offering are included in the forecast results.

(2) 2005 Other Income of $435,000 is mainly comprised of a one-time, non-operating transaction related to the sale of subscriber contracts.

(3) 2006 Cash Flow Data does not include all the cash flows from the investing and financing activities related to the acquisition of Verifier Inc. by Verifier LLC.

	December 31,		
	2005	2006	2007
	(dollars in thousands)		
Balance Sheet Data:			
Cash	$ 212	$ 336	$ 150
Accounts receivable	291	348	399
Other current assets	186	28	31
Property, equipment, and intangibles net [4]	5,982	8,250	9,826
Note receivable Hidden Eyes LLC	-	-	275
Investment in Hidden Eyes LLC	-	-	183
Goodwill	-	649	649
Total assets	6,671	9,611	11,513
Accounts payable and accrued expenses	297	355	629
Deferred revenue	442	528	581
Holdback liability	128	130	129
Senior debt	4,823	5,820	5,865
Subordinated debt	-	750	-
Total members' equity	981	2,028	4,309
Total liabilities and members' equity	$ 6,671	$ 9,611	$ 11,513

	For the Years Ended December 31		
	2005	2006	2007
	(dollars in thousands)		
Operating and Other Data:			
End of period RMR	$ 240	$ 274	$ 335
RMR purchased in period	$ 44	$ 49	$ 75
RMR lost in period	$ 21	$ 21	$ 26
Gross attrition rate	9.1%	8.0%	8.5%
Net attrition rate	6.7%	4.4%	4.0%
Senior debt/ RMR	20.1x	21.2x	17.5x
Total debt/ RMR	20.1x	24.0x	17.5x
Total capital/ RMR	22.0x	33.0x	32.5x

(4) 2007 intangibles includes $329,000 of organizational costs and operating expenses for Verifier Capital Ltd., which has been capitalized in the management accounts as start-up costs related to the first year of operations in the UK In 2008, the Company expects the financial statements of Verifier Capital Ltd., a wholly owned subsidiary of Verifier Capital LLC, to be consolidated with the US financial statements.

RISK FACTORS

An investment in the Certificates involves a high degree of risk. The following risks should be carefully considered before participating in this Offering:

The Company had a loss before taxes in the year ended December 31, 2006

The Company has incurred losses since its acquisition of Verifier, Inc. in March 2006. This is a result of an increase in overhead expense resulting from the cost of the new management and the increase in its interest expense associated with financing its purchase of the shares of Verifier, Inc. 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. The Company anticipates incurring a net profit in fiscal year 2007, for the US operations only, as it continues to grow gross profits through RMR purchases and other revenue sources. Expensing organizational and start-up costs in the United Kingdom would bring its consolidated net profit to approximately break-even in fiscal year 2007.

The Company attrition rates may increase in the future

Its purchase price for an acquired alarm account and the service fee the Company pays 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 the contract remains with them, the inverse of its attrition rate. While the Company has a 12 year track record of attrition rates of less than ten percent per annum, at which rate it believes it generate attractive rates of return, there is no guarantee that attrition rates will remain at or around these levels. Were its attrition rates to double in the future, the Company would be in breach of its covenants with its senior lender and would generate rates of return significantly below its weighted average cost of capital.

The Company relies on its dealers to service and monitor its security alarm accounts

The Company 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 and ownership, or access to, specialized monitoring equipment provided by Sonitrol. The Company does not own the assets necessary to perform these services and monitoring obligations. While the Company has not had a dealer default on a service agreements in its 12 year history, nor has it experienced a material breach thereof, such a default or breach would likely require the Company to source an alternate service provider. This alternate provider would likely demand a higher service fee, adversely affecting the gross margins, and the transition of the alarm accounts to the new service provider would likely cause an upward spike in attrition.

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

The Company's Chief Financial Officer has worked in his position for the Company's entire 12 year history and has a unique understanding of its business model and long-standing relations with its dealers. Three of its remaining employees have unique experience across the domestic and global security industry from their employment at the world market leader, ADT. While the Company believes it maintains adequate key man insurance to protect it 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 for the Company to find replacements of equal quality and experience.

The Company has a floating rate senior secured facility

The Company's 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 7.50% would increase the annual interest expense by $58,260, based on the drawn amount as of December 31, 2006. The Company does not believe it is economically prudent for it to hedge this exposure at this time and has not done so.

The Company has exposure to hurricanes in Florida and Alabama

Approximately 56% of its total RMR is located in Florida and Mobile, AL. While the Company 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. It 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.

The Company has entered the United Kingdom market where they have no experience

The Company has historically only done business in the United States with franchisees of Sonitrol. In order to accelerate the growth of its business, it has established operations in the United Kingdom, where it intends to purchase conventional security alarm accounts. While the Company believes it has adequate experience in the United Kingdom, its estimates of the requirement of that market for growth capital, the prices at which it can buy these security alarm accounts, the rates of attrition it will suffer and the cost of running its operations there may be incorrect, which would adversely affect the profitability and rates of return it earns through this geographic expansion.

Risks Related to this Offering

There is no existing market for the Company's Guaranteed Payment Units or the Certificates. You may not be able to resell them

Currently there is no public market for the Company's GPUs or the Certificates. The Company cannot predict the extent to which investor or acquirer interest in them will lead to the development of a trading market or sale transaction or otherwise provide liquidity to you. The offering price has been determined by discounting the anticipated cash flow from the GPUs at a discount rate equivalent to the blended rate ascribed to the Certificates as offered hereby.

DESCRIPTION OF TRUST AGREEMENT AND THE CERTIFICATES

On December 17, 2007 Timothy M. McGinn, as Chairman of McGinn, Smith Capital Holdings Corp., ("McGinn, Smith") executed the Declaration of Trust ("Declaration") of TDM Verifier Trust 08 ("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 lend the net proceeds of this offering to McGinn, Smith Funding LLC. McGinn, Smith Funding LLC will use the proceeds of the loan to purchase $3,000,000 face value of GPUs issued by the Company. 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 $3,850,000 will be offered by the Trust Fund. The Certificates will bear interest on the outstanding principal at a per annum rate of 8.50% for eighteen month maturity Certificates and 10.00% for thirty six month maturity Certificates. Interest on the Certificates will be paid in quarterly installments on the first day of each quarter commencing April 1, 2008.

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 the Company, owns 12.5% of the common units of the Company 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 59, 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 62, 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 46, 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 McGinn, Smith Funding LLC. McGinn, Smith & Co., Inc. will receive a fee for administrating the Trust Fund.

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 $3,850,000 (the "Maximum Offering") and the minimum amount of $250,000 (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 four 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 four 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 denominations of $5,000.00 with a minimum investment of $10,000.00. 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 08*". 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 $3,850,000 of Certificates, and a minimum of $250,000. The minimum investment by an investor is $10,000.00 with increments of $5,000.00. The Offering period will end not later than April 30, 2008. No Certificates will be sold unless subscriptions for the Minimum Offering are received and accepted by April 30, 2008. 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 December 17, 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 Certificate-holder'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 & Co., Inc., Fifth Floor, 99 Pine Street, Albany, New York 12207.

EXHIBIT "A"

DECLARATION OF TRUST

DECLARATION OF TRUST OF TDM VERIFIER TRUST 08

This Trust Agreement made as of the 11th of December, 2007, by and between McGinn, Smith Capital Holdings Corp., a New York Corporation with an address at Capital Center, 99 Pine Street - 5th Floor, Albany, New York 12207 ("Trustee"), and those persons who acquire an interest herein by the execution and performance of a subscription agreement ("Subscription Agreement") attached as Exhibit B to the Confidential Private Placement Memorandum dated as of December 17, 2007 ("Confidential Memorandum").

WITNESSETH:

WHEREAS, McGinn, Smith Capital Holdings Corp. desires to create a trust (the "Trust") for the purpose of enabling and authorizing a loan from the Trust to McGinn, Smith Funding LLC and

WHEREAS, the Trustee is willing to accept the duties and obligations imposed hereby on the terms and conditions hereinafter set forth;

NOW, THEREFORE, the Trustee does hereby declare, that the Trustee will hold said property which it may acquire as such Trustee, together with the proceeds thereof in trust, to manage and dispose of the same for the benefit of the Certificateholders hereunder in the manner and subject to the stipulations herein contained.

ARTICLE I
NAME

This Trust shall be designated and known as the "TDM VERIFIER TRUST 08", not incorporated, and under that name shall, so far as practicable, conduct all activities and execute all instruments in writing in the performance of the Trust.

ARTICLE II
DEFINITIONS

The following words, terms and phrases used herein shall be given the meaning stated below in this Article, unless such meaning would be clearly in conflict with the purposes and spirit of this instrument.

"Certificateholder" shall mean the holder for the time being, according to the books of the Trustee, of the Certificates as evidenced by this Declaration and the Certificates issued by the Trustee.

"Permitted Investments" means a promissory note (the "Note") evidencing a loan from the Trust to McGinn, Smith Funding LLC. In addition, to the extent not employed for the loan from the Trust to McGinn, Smith Funding LLC, temporary investments may be made in (1) certificates of deposit, in (2) short term AAA rated debt obligations regularly traded on a recognized exchange in the United States, or in (3) obligations issued by the United States Treasury or other obligations backed by the "full face and credit" of the United States.

"Share" shall mean a share in the beneficial interest of the property, assets, trust fund and corpus of the Trust.

"Transaction Documents" shall mean this Declaration of Trust and the Note.

"Trust", "Trust Estate", and "Capital" shall mean the trust fund hereunder, consisting of the corpus of the estate; that is, all property, real, personal and mixed of every kind and description howsoever acquired and wherever situated, held under this Declaration of Trust by the Trustee.

"Trustee" shall mean the trustee herein named, and those who are or may be trustees.

ARTICLE III
OFFICE OF THE TRUST

The principal office of this Trust shall be located at Capital Center, 99 Pine Street, Albany, New York 12207, until changed by the Trustee. The principal office may be changed and branch offices established, maintained, changed and discontinued at such times and places as the Trustee in its discretion may determine, with notice to the Certificateholders.

ARTICLE IV
CAPITAL OF THE TRUST

The initial Capital of this Trust shall be One Hundred Dollars ($100), paid to the Trustee concurrently with execution and delivery hereof. The Capital of the Trust or any part thereof, shall be held for the use and benefit of the Trust at such places and upon such terms as the Trustee may fix. The Trustee may not require any Certificateholder to make any contribution, in addition to the initial contribution made by such Certificateholder, to increase the Capital of the Trust. The Trustee shall receive such contributions to the Capital of the Trust as may be made by Certificateholders from time to time and apply the same for the purpose stated by Article V of this Trust Agreement.

ARTICLE V
PURPOSE OF THE TRUST

The purpose of the Trust is to lend the net proceeds derived from subscriptions from the Certificateholders to McGinn, Smith Funding LLC for the purpose of acquiring $3,000,000 of face value guaranteed payment units ("GPUs") from Verifier Capital LLC. If the maximum offering for the Certificates is achieved, $3,000,000 of GPU's will be acquired. If only the minimum is achieved, $176,000 will be acquired.

(1) the Trustee shall, as far as convenient and practicable, take and hold the title, both legal and equitable, to all property, however acquired under the terms hereof, in the name of the Trust. All conveyances of every kind and description, at any time made to or in the name of the Trustee of the Trust shall be held to vest the title to property so conveyed in the Trustee as such under this instrument, the title "TDM VERIFIER TRUST 08" being merely intended as a convenient designation of the Trustee hereunder.

(2) The Trustee shall administer and dispose of all properties for the benefit of Certificateholders hereunder, as represented by their Certificates.

(3) The Trustee shall manage, control and dispose of all the Trust Estate and its business affairs, of every kind and character within the authority granted hereunder.

(4) The Trustee shall, in such capacity, exclusively and absolutely, have full, absolute and plenary rights, authority to pledge, exchange, mortgage and convey or otherwise dispose of property of every kind, character and description, real, personal and mixed, that may be part of the Trust Estate.

(5) The Trustee shall have, in furtherance of the purposes of the Trust, the absolute right, power and authority to institute, maintain and defend actions, suits and proceedings in any court of law or equity either in the name of said Trust or in its name as Trustee thereof; to sell, transfer, assign and convey the whole or any part of the Trust Estate, invest and reinvest the proceeds thereof at any time in Permitted Investments provided that the Trustee shall have no obligation to invest such proceeds and shall not be accountable for any losses howsoever incurred; to collect any money, and pledge the assets of the Trust as security therefor; to execute and deliver in the manner herein provided all deeds, leases, mortgages, powers of attorney and other instruments in writing which the Trustee may deem necessary and proper in the exercise of the powers conferred hereunder; and to perform or withhold any act or

thing of any kind or character, which in the Trustee's judgment may be necessary, proper or expedient, in carrying into effect the purposes of this Trust or any purposes specified in this Declaration of Trust, or in any amendments hereto, duly made and adopted.

ARTICLE VI
LIMITATION OF LIABILITY OF TRUSTEE AND CERTIFICATEHOLDERS

Neither the Trustee, nor any of its officers or servants shall have any right, power or authority, under any circumstances, or in any event to act as the agent of the Certificateholders or to bind them personally or to impose any liability or obligation upon them in any way whatsoever with respect to this Trust Estate or otherwise. All persons contracting with the Trustee or its officers, agents or employees shall look only to the Trust Fund for the payment of any damage, claim, judgment or decree, or of any money that may become due or payable in any way to them whether founded upon contract or tort, and neither the Trustee nor the Certificateholders, present or future, nor any of them shall as such be personally liable therefor or on any agreement or contract made by the Trustee, or by any officers, agents or employees of the Trustee, its officers or agents, or employees in connection with the Trust Estate. No amendment shall ever be made to this Declaration of Trust, increasing or enlarging the liability of either the Trustee or the Certificateholders as herein stipulated.

ARTICLE VII
LIMITATION OF LIABILITY OF TRUSTEE; INDEMNIFICATION

The Trustee shall not be liable hereunder in any event or under any circumstances, for the acts or omissions of any other Trustee or of any officer, agent or employee, or any other person whatsoever, whether employed by such Trustee or not, or for any act or thing whatsoever, other than such Trustee's own willful misconduct or gross negligence. The Trustee in its individual capacity and as Trustee shall be indemnified by, and receive reimbursement from the Trust Estate against and from any and all liability, claim, damage or loss, suit, action, tax (including interest and penal ties), fine, penalty, cost and expense (including but not limited to legal fees and disbursements) of whatsoever kind and nature which may be imposed upon, incurred by or asserted at any time against the Trustee (in its individual or trust capacity) in any way relating to or arising out of the administration of the Trust Estate, or arising from any act or omission hereunder or under the Transaction Documents, except such as may arise from such Trustee's own willful misconduct or gross negligence. In addition, the Trustee shall be entitled to indemnification from the Trust Estate for any liability, obligation, loss, damage, penalty, tax, claim, action, suit, cost, expense or disbursement indemnified against pursuant to this Article VII and to secure the same the Trustee shall have a lien on the Trust Estate prior to the interest of the Certificateholders or any other person. Trustee shall file all tax returns and other governmental reports required to be filed by the Trustee in connection with the transaction contemplated hereby. Without limiting the foregoing, the Trustee shall under no circumstances be required to take any action or omit to take any action in the administration of the Trust Estate or otherwise in connection with the transactions contemplated hereunder unless the Trustee determines in its absolute discretion that indemnification in respect of such action or omission is available to it to its reasonable satisfaction, provided that the Trustee shall not be required to take or omit any action if the Trustee shall have been advised by its counsel that taking or omitting such action is contrary to the terms of any other agreement or instrument referred to herein or is otherwise contrary to law. The indemnities contained in this Article VII shall survive the termination of this Trust Agreement.

The Trustee shall not be entitled to receive compensation for its services from the Trust Estate. The Trustee shall not have any duty or obligation to manage, control, use, sell, dispose or otherwise deal with the Trust Estate or to otherwise refrain from taking any such action under or in connection with this Trust Agreement or the other agreements or instruments referred to herein except as expressly provided by the terms of this Trust Agreement, and no implied duties shall be read into this Trust Agreement against the Trustee. The Trustee shall not be answerable or accountable under any circumstances except for its own willful misconduct or gross negligence. The Trustee shall no duty to see to the payment or

discharge of any tax, assessment or other governmental charge or any lien or encumbrance of any kind owing with respect to, or assessed or levied against, any part of the Trust Estate.

The Trustee shall at all times be entitled to request and receive instructions from the Certificateholders prior to being required to take or omit to take any action hereunder, provided that except as therein specified no further instruction is required for taking of the actions provided by the second sentence of Article V hereof.

THE TRUSTEE MAKES NO REPRESENTATION OR WARRANTY AS TO THE VALUE, CONDITIONS, MERCHANTABILITY, FITNESS FOR USE, VALIDITY, ENFORCEABILITY OF OR TITLE TO ANY PROPERTY AT ANY TIME CONSTITUTING PART OF THE TRUST ESTATE, and makes no representation or warranty as to the validity, legality or enforceability of this Trust Agreement or any agreement or instrument referred to herein, except that the Trustee hereby represents and warrants that this Trust Agreement has been duly executed and delivered by one of its officers, who is duly authorized to execute and deliver such document on its behalf.

The Trustee shall not incur any liability to anyone in acting upon any signature, instrument, notice, resolution, request, consent, telegram, order, certificate, report, opinion, bond, or other document or paper believed by it to be genuine and believed by it to be signed or sent by the proper party or parties. As to any fact or matter, the manner of ascertainment of which is not specifically described herein, the Trustee may for all purposes rely on a certificate signed by an officer of any Certificateholder as to such fact or matter, and such certificate shall constitute full protection to the Trustee for any action taken or omitted to be taken by it in reliance thereon. In the performance of its duties hereunder, the Trustee may act directly or through its agents or attorneys and may, at the expense of the Trust Estate, consult with counsel, accountants and other skilled persons to be selected and employed by it, and the Trustee shall not be liable for anything done, suffered or omitted by it in accordance with the advice or opinion of any such counsel, accountants or other skilled persons.

The Trustee or successor trustee may resign at any time without cause by giving at least 10 days' prior written notice to the Certificateholders, such resignation to be effective on the date specified in such notice. In such event, the Certificateholders shall appoint such new Trustee. If a successor trustee shall not have been appointed prior to the effective date of such resignation, the Trustee may apply to any court of competent jurisdiction to appoint a successor trustee until such time, if any, as a successor trustee shall have been appointed. Any successor trustee shall execute and deliver to the predecessor trustee an instrument accepting such appointment and thereupon the predecessor trustee shall be released from its obligations hereunder and the successor trustee shall be vested with all rights, powers, duties and obligations of the Trustee hereunder, and the predecessor trustee shall transfer, deliver, and pay over, at the expense of the Trust Estate, any monies or other property then held by such predecessor trustee upon the Trust herein expressed.

All monies received hereunder by the Trustee shall constitute trust funds for the purpose of which they were paid or are held, but need not be segregated in any manner from any other monies and may be deposited and paid by the Trustee under such conditions as may be prescribed or permitted by law for trust funds.

ARTICLE VIII
CERTIFICATEHOLDERS, LACK OF CONTROL AND MANAGEMENT

No Certificateholder shall have any title, legal or equitable, to the Trust Estate, real or personal, held from time to time by the Trustee, or to any part thereof, or any right or voice in the management or control of the property or affairs of the Trust, each Certificateholder's interest being only such as is defined in this Declaration of Trust. No Certificateholder shall have the right to call for or demand or secure any partition or accounting during the continuance of this Trust. Its interest in this Trust shall be personal property, carrying only the right to payments pursuant to the Certificate. The Trust shall not be dissolved, nor affected by the death, insolvency or incapacity of the Certificateholder or one or more of

the Trustees, nor shall such death, insolvency or incapacity entitle the legal representatives or heirs or assigns, voluntary holder, receiver or trustee to any accounting or to any action at law or in equity or otherwise, against the Certificateholders or Trustee, or against the Trust Estate, or any part thereof, but such legal representative, heir, assign, receiver, or trustee shall succeed to the rights of the deceased, insolvent, bankrupt or incapacitated Certificateholder, subject to this Declaration of Trust and any amendments hereto, and shall succeed to nothing more.

ARTICLE IX
NO PARTNERSHIP

It is expressly declared that a trust, and not a partnership, is created and established by this instrument. Neither the Trustee nor any Certificateholder shall ever be deemed in any way whatsoever to be liable or responsible hereunder as partners or otherwise.

ARTICLE X
CERTIFICATEHOLDERS; NO PERSONAL LIABILITY

No assessment or other personal liability or obligation shall, under any circumstances or in any event, be made or imposed upon the Certificateholders.

ARTICLE XI
REFERENCE TO INSTRUMENT

The Trustee shall, as far as practicable, make reference to the Declaration in every written contract or undertaking that shall be entered into in the name of the Trustee or on behalf of, or relating to the business, affairs or property of this Trust.

ARTICLE XII
RELATIONSHIP WITH THIRD PARTIES; NO INQUIRY

In no event and under no circumstances shall any one dealing with the Trustee be obligated either at law or in equity to see to the application of any funds or properties passing into the hands of the Trustee, there being no intention that purchasers of Trust property, or any other parties dealing with the Trustee, shall see that the purchase money is applied to the purposes of the Trust.

ARTICLE XIII
INTEREST AND EARNINGS

The Capital of the Trust and the earnings and interest thereon shall be apportioned and distributed to the Certificateholders in accordance with this Declaration and the Certificates issued by the Trustee.

ARTICLE XIV
AGREEMENT OF CERTIFICATEHOLDERS

The Certificateholders shall be held to have assented to this Declaration of Trust, and to all acts performed by Trustee within the authority granted by this Declaration.

ARTICLE XV
TERM AND TERMINATION

Unless earlier terminated, as hereinafter provided, this Trust shall continue until the earlier of either (i) ten years from the date first hereinabove mentioned or (ii) the date when the Trust shall have

distributed all of its Capital. The Trustee may otherwise terminate this Trust only with the unanimous written consent of the Certificateholders, provided, however, that any termination of the Trust shall not impair or have any effect whatever upon the contracts, obligations, and liabilities of said Trust Estate existing or outstanding at the time of such termination. At the expiration or upon the termination of the Trust, the Trustee shall proceed to wind up its affairs, liquidate its assets and distribute the same to the Certificateholders, without recourse or warranty of any kind, and for these purposes the then Trustee shall continue act until such duties have been fully performed. Upon completion of such duties, the Trustee shall be deemed discharged in full.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals as of the 18th day of January 2007.

MCGINN, SMITH CAPITAL HOLDINGS CORP., not in its individual capacity, except as specified herein, but solely as Trustee under this Declaration of Trust dated as of December 11, 2007.

By: _____
Timothy M. McGinn, Chairman

STATE OF NEW YORK)
COUNTY OF ALBANY) SS.:

On the 11th day of December in the year 2007 before me, the undersigned, a Notary Public in and for said State, personally appeared Timothy M. McGinn, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in her/his capacity, and that by her/his signature on the instrument, the individuals, or the person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

CAROLYN GRACEY
Notary Public, State of New York
No. 01GR6037985
Qualified in Rensselaer County
Commission Expires March 6, 20 10

EXHIBIT "B"

SUBSCRIPTION AGREEMENT

SUBSCRIPTION AGREEMENT

THE CERTIFICATES WHICH ARE THE SUBJECT OF THIS AGREEMENT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. 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. IN ADDITION, THIS AGREEMENT AND THE CERTIFICATES CONTAIN SUBSTANTIAL RESTRICTIONS ON TRANSFERABILITY.

TDM VERIFIER TRUST 08

(a New York Trust)

TO: TDM VERIFIER TRUST 08 (the "Trust Fund"):

1. Subscriptions. I hereby subscribe for and agree to purchase the dollar amount of the Trust Fund's Certificates (the "Certificates") as is set forth opposite my name acknowledging the minimum purchase to be Ten Thousand Dollars ($10,000) and increments of Five Thousand Dollars ($5,000).

2. Payment. I hereby agree to pay the Trust Fund the purchase price for the Certificates by delivery herewith of a check in the face amount of the Certificates subscribed for payable to the order of **"MERCANTILE BANK-Escrow Agent for TDM Verifier Trust 08".**

3. Restriction on Transfer of the Certificates. I understand that any resale or transfer of the Certificates by me is subject to substantial restriction, in that:

   (i) The Certificates have not been registered under the Securities Act of 1933 or applicable state securities laws. The Certificates cannot be sold or transferred by subscribers in the absence of an opinion of counsel that registration is not necessary. The Trust Fund is not required to register the Certificates or to make any exemption from registration available.

   (ii) My right to sell or transfer any of the Certificates will be restricted as follows: (1) restrictions against sale or transfer in violation of applicable securities law; (2) the requirement that I furnish an opinion of counsel that any proposed sale or transfer by me will not violate such laws; (3) the Trust Fund must consent to the transfer of my Certificates; and (4) other restrictions and requirements, including such restrictions on transfer arising under state securities laws.

   (iii) There will be no public market for the Certificates, and I may not be able to sell my Certificates. Accordingly, I must bear the economic risk of my investment for an indefinite period of time.

4. Investment Representation. I represent and warrant that I am acquiring my Certificates for my own account and not on behalf of other persons, and that I am acquiring my Certificates for investment purposes only and not with a view to the resale or distribution thereof; I understand that the Certificates will be offered and sold in a manner which would qualify the transaction for an exemption as a private placement under Rule 506 of the Securities Act of 1933. The Certificates may not be transferred or assigned except as provided herein.

5. Subscription Irrevocable by Certificateholder. This Subscription Agreement is not, and shall not be, revocable by me, except as provided by applicable state securities law requirements, and I intend to be legally bound by this Subscription Agreement.

6. Subscription Subject to Acceptance or Rejection by the Trust Fund. The Trust Fund, in its sole discretion, shall have the right to accept or reject this subscription at any time on or before the Closing.

7. Offering of Certificates Subject to Withdrawal. If the Trust Fund does not receive subscriptions for Certificates in the minimum amount of $250,000.00 before the Termination Date, the Offering of Certificates will be withdrawn and I understand that all my subscription documents and payments will be returned to me, with interest, less the cost of escrow, and without further obligation of the Trust Fund.

8. Additional Representations and Warranties. I represent and warrant that:

(a) (i) I have received and have carefully read and understood the Private Placement Memorandum dated December 17, 2007 (the "Memorandum") given to me by the Trust Fund in connection with the offering of Certificates.
(ii) I have been furnished with all additional documents and information which I have requested.
(iii) I have had the opportunity to ask questions of and receive answers from the Trust Fund concerning the Trust Fund and the offering of Certificates and to obtain any additional information necessary to verify the accuracy of the information furnished.
(iv) I have relied only on the foregoing information and documents in determining to make this subscription, and the decision to acquire Certificates of the Trust Fund has been made based upon my own evaluation of the merits and risks of the Trust Fund.
(v) I will not offer to sell, or resell, the Certificates except in accordance with Section 3(ii) hereof.
(vi) I will require any purchaser to provide the Trust Fund with his address.

(b) I recognize that investment in the Certificates involves substantial risk factors, including those set forth under "Risks" in the Memorandum.

(c) I have adequate means of providing for my current needs and possible personal contingencies, and I have no need for liquidity in my investment in the Certificates.

(d) My overall commitment to investments which are not readily marketable is not disproportionate to my net worth and my purchase of Certificates will not cause such overall commitment to become excessive.

9. Indemnification and Hold Harmless. If I breach any agreement, representation or warranty I have made in this Subscription Agreement or any other document I have executed in connection with this offering, I agree to indemnify and hold harmless the Trust Fund, the Trustee, or any officer or director of the Trustee and any person controlling either or any of them against any claims, actions, liability, loss, damage or expense (including attorney's fees and other costs of investigation and litigating claims) caused, directly or indirectly, by my breach.

10. Subscriber Information. This Subscription and my Certificates shall be recorded on the Trust Fund's books.

IN WITNESS WHEREOF, I have executed this Subscription Agreement this ___ day of_____, _____.

_____
Print exact name in which title is to be held

Name: _____ _____
Printed Name Tax ID # Printed Name Tax ID#

Signature: **X** _____ Signature **X** _____

Address: _____

_____

Amount Purchased: $_____
Rate ☐ 8.50% ☐ 10.00%

ACCEPTED BY TDM VERIFIER TRUST 08 this _____ of _____, 20___.

McGinn, Smith Capital Holdings Corp.
Trustee

By: _____
David L. Smith, Principal
or Timothy M. McGinn, Principal

EXHIBIT "C"

INVESTOR REPRESENTATION LETTER

CONFIDENTIAL

PURCHASER QUESTIONNAIRE FOR INDIVIDUALS

TDM VERIFIER TRUST 08
(A New York Trust)

The offering is being made pursuant to Regulation D under the Securities Act of 1933, as amended, (the "Act"). One of the requirements of the Regulation is that the persons involved in the offering and sale of the securities must have reasonable grounds to believe either:

(i) that the Offeree has such knowledge and experience in financial and business matters that he is capable of evaluating the merits and risks of the prospective investment; or

(ii) the undersigned is acquiring the Certificates for investment purposes only and not with a view towards resale.

The undersigned is aware that this offering will involve Certificates for which no resale market exists, thereby requiring this investment to be maintained for the stated term of each Certificate.

Your answers will, at all times, be kept strictly confidential; however, each party who signs the questionnaire hereby agrees that the Trust may present this questionnaire to such parties as may seem appropriate in order to insure that the offer and sale of the Certificates to you will not result in violation of any exemption from registration under the Act which may be relied upon by the Trust in connection with the sale of the Certificates.

Please complete this questionnaire as thoroughly as possible and sign, date and return to the Trust c/o McGinn, Smith & Co., Inc., 5th Floor, 99 Pine Street, Albany, New York 12207.

Please print or type:

Name: _____

Home Address: _____

_____

Date of Birth: _____

Social Security No.: _____

Occupation: _____

Business Address: _____

Business Telephone: _____

Home Telephone: _____

Communications should be sent to:

Home Address _____ or Business Address _____

1. What is your approximate net worth?

_____$50,000 - $100,000
_____$100,000 - $250,000
_____$250,000 - $500,000
_____$500,000 - $1,000,000
_____Greater than $1,000,000

2. Did your individual income exceed $200,000.00 in 2005 and 2006, or did your joint income with your spouse exceed $300,000.00 in each of those years?

Yes _____ No_____

3. If the answer to #2 above is "yes", do you expect to reach the same income level in 2007?

Yes _____ No _____

4. What was your approximate gross income for calendar year 2006?

_____$25,000 - $100,000
_____$100,000 - $200,000
_____$200,000 - $300,000
_____$300,000 - $500,000
_____Greater than $500,000

5. What will your approximate gross income be for calendar year 2007?

_____$25,000 - $100,000
_____$100,000 - $200,000
_____$200,000 - $300,000
_____$300,000 - $500,000
_____Greater than $500,000

To the best of my information and belief, the above information is accurate and complete in all respects. I agree to notify the Trust promptly of any changes which occur prior to sale of the Certificates.

Purchaser Date:

_____ _____
Name (printed)

_____
Signature

CONFIDENTIAL

PURCHASER QUESTIONNAIRE FOR CORPORATIONS AND PARTNERSHIPS

TDM VERIFIER TRUST 08
(A New York Trust)

The offering is being made pursuant to Regulation D under the Securities Act of 1933, as amended, (the "Act"). One of the requirements of the Regulation is that the persons involved in the offering and sale of the securities must have reasonable grounds to believe either:

(i) that the Offeree has such knowledge and experience in financial and business matters that he is capable of evaluating the merits and risks of the prospective investment; or

(ii) that the Offeree and its Offeree Representative(s), together, have such knowledge and experience in financial and business matters, that they are capable of evaluating the merits and risks of the prospective investment and that the Offeree is able to bear the economic risk of the invest.

The purpose of this Questionnaire is to assist TDM VERIFIER TRUST 08 (the "Trust") in complying with the above requirement.

Please contact McGinn, Smith & Co, Inc., 5th Floor, 99 Pine Street, Albany, New York 12207 (518-449-5131) if you have any questions in answering this questionnaire.

If the answer to any questions "None" or "Not Applicable", please so state.

Your answers will, at all times, be kept strictly confidential; however, each party who signs the Questionnaire hereby agrees that the Trust may present this Questionnaire to such parties as may seem appropriate in order to insure that the offer and sale of the Certificates to you will not result in violation of any exemption from registration under the Act which may be relied upon by the Trust in connection with the sale of the Certificates.

Please complete this Questionnaire as thoroughly as possible and sign, date and return one (1) copy to the Trust c/o McGinn, Smith & Co., Inc., 5th Floor, 99 Pine Street, Albany, New York 12207.

Please print or type:

Name of Organization: _____

Business Address: _____

Business Telephone: _____

Federal ID Number: _____

1. Was the organization formed for the specific purpose of acquiring the Trust's Certificates?

Yes_____ No_____

2. Does the organization possess total assets in excess of $5,000,000?

Yes_____ No_____

3. Does each equity owner of the organization:

A. Have a net worth, exclusive of home, furnishings, and automobiles, of at least $1,000,000?

Yes_____ No_____

B. Had an individual net income in excess of $200,000 in 2005 and 2006, or joint income with that person's spouse in excess of $300,000 in each of those years, and have a reasonable expectation of reaching the same income level in 2007?

Yes_____ No_____

4. I am aware that the Certificates proposed to be offered will not be readily marketable or transferable.

Yes_____ No_____

5. The organization can afford the complete loss of its investments in the Certificates and has no need for liquidity in this investment.

Yes_____ No_____

6. Stated below are the organization's previous investments in similar securities and other private placements during the past five years:

_____

_____

_____

7. I understand that, unless the organization satisfies certain criteria, in order to qualify as a purchaser of Certificates, I must have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of an investment in the Trust or I must engage an attorney, accountant or other financial advisor for the purpose of this particular transaction.

I hereby represent, by initialing on the Representation A or Representation B line below, that:

A. I have such knowledge and experience in financial and business matters that I am capable of evaluating the merits and risks of an investment in the Certificates and will not require a Purchase Representative.

Representation A._____

B. I have relied upon the advice of the following Purchaser Representative(s) in evaluating the merits and risks of an investment in the Certificates:

Representation B._____

_____ _____

Name Name

_____ _____

Relationship Relationship

To the best of my information and belief, the above information is accurate and complete in all respects. I agree to notify the Trust promptly of any changes which occur prior to sale of the Trust's Certificates.

Purchaser: Date:

_____ _____

Print Name of Organization

By: _____

Title: _____

PURCHASER REPRESENTATIVE QUESTIONNAIRE

TDM VERIFIER TRUST 08

The information contained herein is being furnished to TDM VERIFIER TRUST 08 (the "Trust") in order to facilitate a determination as to whether the undersigned may act as a Purchaser Representative, as such term is used in Regulation D promulgated under the Securities Act of 1933, as amended, (the "Act"), in connection with the proposed offer and sale by the Trust of its Contract Certificates (hereinafter referred to as the "Certificates"). The answers below are correct, and the Trustee is entitled to rely on them in making the foregoing determination.

REPRESENTATIONS

I represent, warrant and covenant to you that:

(a) the information contained herein is complete and accurate and may be relied upon by you in determining whether I may act as a Purchaser Representative pursuant to Regulation D in connection with offers and sales of the Certificates;

(b) I will notify you immediately of any material change in any of such information occurring within ninety (90) days of the close of sale of the Certificates to the Purchaser;

(c) (i) I have been designated, or will be designated, pursuant to the Purchaser Questionnaire of each Purchaser, as the Purchaser Representative or such Purchaser, in connection with evaluating the merits and risks of his prospective investment in the Certificates;

(ii) I have disclosed or will disclose, to each Purchaser, in writing, prior to the designation referred to above, any material relationship between me or my affiliates and the Trust, which now exists or is mutually understood to be contemplated, or which has existed at any time during the previous two (2) years, and any compensation received as a result of such relationship, including any compensation received in connection the offering of Certificates herein; and

(iii) I will deliver to each of you a counterpart of the disclosure statement referred to in (ii) above, and such other documents or information as each of you may request relating to the performance by me of my duties as a Purchaser Representative.

(Attach additional sheets if required)

1. Name: _____

   Age: _____

   Social Security No.:_____

2. Names of offerees I am representing:

   _____

   _____

   _____

3. Firm name: _____

   Empl. Iden. No.:_____

   Position: _____

   Nature of Duties: _____

Business Address: _____

Business telephone number: (____)_____

4. Prior occupations or positions during the past five years:

_____

_____

_____

_____

5. Description of prior experience in advising clients with respect to investments, including a description of the types of investments, the dollar amounts involved, and the number of years of experience which you have in financial, business and tax oriented matters:

General Investments (specify)

_____

_____

_____

Private Placements (specify)

_____

_____

Other Investments (specify)

_____

_____

6. The Professional licenses or registrations (including bar admissions, accounting certificates, real estate brokerage licenses, broker-dealer or investments advisory registrations) held by me are as follows:

Registration	Year Received	Is License or Registration Still Effective?

7. My educational background, including degrees obtained and date of attendance:

_____

_____

_____

8. (a) Neither I nor any of my affiliates now have or have had any material relationship with the Trust or any of its affiliates, are not affiliates or the Trust, and no such relationship is contemplated in the future, except as follows:

_____

_____

_____

(b) The amounts of compensation received or to be received as a result of the material relationship(s) described in Item 8(a)(including any compensation received or to be received in connection with this transaction) are as follows:

_____
_____
_____

9. Neither I nor any of my affiliates own beneficially any interest in the Trust except as follows:

_____
_____
_____

10. I have received and read the Trust's Private Placement Memorandum dated December 12, 2007 and Exhibits thereto and have reviewed it with the Offeree.

11. Other comments or disclosures:

_____
_____
_____

_____
Purchaser Representative Signature

_____
Type Purchaser Representative Name

_____
Firm Name

_____
Street Address

_____
City and State

(___)_____
Telephone

Acknowledgement of Investor(s)

I acknowledge receipt of the foregoing disclosures this _____ day of _____, 200__, and this represents my acknowledgment in writing to the Trust that I have read the foregoing and desire that the above stated person serve as my Purchaser Representative with respect to the offering of the Trust's Certificates.

_____
Investor's Signature

_____
Investor's Signature

_____
Investor's Signature

$3,850,000 MAXIMUM
$250,000 MINIMUM

TDM Verifier Trust 08

CONTRACT CERTIFICATES
EIGHTEEN MONTHS—8.50%
THIRTY SIX MONTHS—10.00%

PRIVATE PLACEMENT MEMORANDUM

MCGINN, SMITH & CO., INC.
ALBANY, NEW YORK

December 12, 2007

No dealer, salesman or other person has been authorized to give any information or to make any representations other than those contained in this Memorandum and if given or made, such information or representations must not be relied upon as having been authorized. This Memorandum does not constitute an offer to sell or a solicitation of an offer to buy any securities to which it relates. This Memorandum does not constitute an offer to sell or a solicitation of an offer to buy such securities in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction. Neither the delivery of this Memorandum nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Trust since the date hereof or that the information contained herein is correct as of any time subsequent to its date. However, in the event of any material change, this Memorandum will be amended, supplemented or updated accordingly.

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CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

$3,250,000
13% due March 1, 2010

CRUISE CHARTER VENTURES TRUST 08

MAXIMUM OFFERING $3,250,000
MINIMUM OFFERING $250,000

CRUISE CHARTER VENTURES TRUST 08 (the "Trust Fund") is hereby offering $3,250,000 of Contract Certificates entitled to interest at the per annum rate of 13% per annum (the "Certificates"). Interest on the Certificates is payable in quarterly installments commencing June 1, 2008. 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%	4%	96%
Minimum Offering	$250,000	$10,000	$240,000
Maximum Offering	$3,250,000	$130,000	$3,120,000

The date of this Memorandum is February 14, 2008

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

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The Offering of Certificates will terminate on May 31, 2008, 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 Trustee of 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, such investor 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 ("Accredited Investors") as that term is defined under Regulation D promulgated under the Securities Act of 1933, as amended (the "Act). McGinn, Smith & Co., Inc. (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 $5,000,000. 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 a Subscription Agreement that such investor is acquiring the Certificates for such investor's own account as principal for investment, and not with a view to resale or distribution, and that such investor is aware that (a) such investor's transfer rights are restricted; and (b) that the Certificates have not been registered under the Act, 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 there will be sufficient income available 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 of 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 such investor 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 this Memorandum.

The Trust Fund

CRUISE CHARTER VENTURES TRUST 08 (the "Trust Fund") is a common law trust formed under the laws of the State of New York on February 12, 2008. 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. However, Certificateholders will have recourse to all assets of the Trust Fund, which include an obligation of Cruise Charter Ventures LLC ("CCV") to pay to the Trust Fund an amount equal to that advanced by the Trust Fund to CCV plus interest thereon calculated at a rate of 10.00% per annum.

CCV will use the net proceeds of the offering to (i) charter M/V Princess Cruises' Sapphire Princess for a one week cruise from Los Angeles, departing January 24, 2009, the cost of which charter will be approximately $2,300,000 (ii) underwrite the marketing, sales and administration expenses associated with selling 2,678 berths for the cruise and (iii) if successful, replicating the plan for additional cruises.

The Investment

Certificateholders will purchase a Certificate with a two year maturity due March 1, 2010. The rate of interest payable on the Certificates will be 13% per annum, 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 CCV loan 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 13%. 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 June 1, 2008.

Use of Proceeds

The net proceeds from the Offering will be lent to CCV for the charter of the M/V Sapphire Princess and the sale, marketing and administrative expenses associated with selling 2,678 berths for the cruise.

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 such investor's 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 such Certificateholder's 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 Act or applicable state securities laws and may not be sold or transferred without such registration or qualification or an exemption therefrom.

Potential for Payment Defaults

Default by CCV on its obligations to the Trust 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 sale of berths. It is anticipated that the Certificates will be liquidated on March 1, 2010.

No Independent Counsel to Investors

Purchasers of the Certificates offered hereby 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 lending approximately $2,600,000 to CCV.

Conflicts of Interest

The Trust Fund will lend approximately $2,600,000 to CCV. CCV is 50% owned by McGinn, Smith Holdings, LLC, the parent of McGinn, Smith & Co., Inc., the placement agent for this offering. The Trustee of the Trust is McGinn, Smith Capital Holdings Corp., the Sales Agent for this offering is McGinn,

Smith & Co., Inc. McGinn, Smith Holdings, LLC is also the parent of McGinn, Smith Capital Holdings Corp.

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 $3,120,000 (96% 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 $240,000 (96% of gross proceeds) if the Minimum Offering for the Certificates is achieved.

The Trust Fund intends to lend 100% of the Net Proceeds of the offering to CCV.

Maximum Offering

Sources	
Maximum Net Proceeds	$3,120,000
Uses by Cruise Charter Ventures Trust 08	
Legal Fees	15,000
Printing, Marketing, Postage	5,000
Loan to CCV	2,600,000
Trust Administration Fee	300,000
Debt Service Reserve Fund	200,000
Total uses by Cruise Charter Ventures Trust 08	$3,120,000

Minimum Offering

Sources	
Minimum Net Proceeds	$240,000
Uses by Cruise Charter Ventures Trust 08	
Legal Fees	15,000
Printing, Marketing, Postage	5,000
Loan to CCV	200,000
Trust Administration Fee	20,000
Total uses by Cruise Charter Ventures Trust 08	$240,000

THE TRUST FUND

The Trust Fund is a common law trust formed under the laws of the State of New York on February 12, 2008. 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 owner of all issued and outstanding common stock of the Trustee is McGinn, Smith Holdings LLC which is owned by Timothy M. McGinn (30%), David L. Smith (50%), and Thomas E. Livingston (20%). McGinn, Smith Holdings LLC is also the sole shareholder of McGinn, Smith & Co., Inc. which 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 from the sale of the Certificates to CCV. CCV will, in turn, contribute its charter of the M/V Sapphire Princess as well as the receipt of deposits made by those who choose to purchase berths for the January 24, 2009 cruise. Additionally, CCV may undertake additional charters in the Mexican Riviera, Caribbean or Mediterranean.

BUSINESS OF CRUISE CHARTER VENTURES LLC

Cruise Charter Ventures LLC

Cruise Charter Ventures LLC ("CCV" or the "Company") is a newly created company that is owned 50% by McGinn, Smith Holdings, LLC, and 50% by the principals of Luxury Cruise Center, Inc. Luxury Cruise Center, Inc. ("Luxury Cruise") is based in Miramar, Florida and is one of the nation's largest specialty cruise travel agencies having sold 29,500 cruises for $158.6 million of cruise revenue between inception in mid 2002 and December 31, 2007, of which 5,500 cruises for $32 million of cruise revenue were sold in calendar year 2007.

McGinn, Smith Holdings, LLC is the parent of McGinn, Smith & Co., Inc. McGinn, Smith & Co., Inc. has successfully placed in excess of $1 billion in various private and public transactions since it founding in 1980.

CCV is engaged in the business of procuring whole ship charters and then selling the berths to various affinity groups. CCV has not completed any such transactions. The charter contemplated to be financed by this offering is to be the charter of the M/V Sapphire Princess owned and operated by Princess Cruise Lines, Ltd., a Bermuda corporation.

CCV intends to draw on the cruise industry experience and expertise of the principals of Luxury Cruise to negotiate and procure the ship as well as to market and sell the 2,678 berths.

Under the agreement with Princess Cruise Lines, Ltd. the payment requirements for CCV to charter the M/V Sapphire Princess are as follows:

a. a non-refundable deposit in the amount of $571,532.30 on or before February 29, 2008;
b. A non-refundable and irrevocable standby letter of credit in the amount of $1,714,596.90; on or before February 29, 2008;
c. A non-refundable deposit in the amount of $571,532.30 on or before June 1, 2008;
d. A non-refundable deposit in the amount of $1,143,064.60 on or before October 1, 2008.

The standby letter of credit as described in b. above shall be reduced by the payments contemplated in c. and d. above.

In addition to the above costs CCV has agreed to pay Princess Cruise Lines, Ltd. an amount of $350.00 per passenger for the number of passengers that are less than 2,678.

Cruise Charter Ventures LLC Principals

The Company's members are Paul Andreassen, who owns approximately 33%, Harry Sommer, who owns approximately 17%, and McGinn, Smith Holdings LLC, which owns 50% of the Company.

Paul was the Director of Treasury Operations of Renaissance Cruises between 1997 and 2000. He subsequently worked with Frank Del Rio to write the business plan for the future Oceania Cruises in 2001. Paul received his Ph.D. from Columbia University in 1984. His first career was as an academic during which he ultimately became an Associate Professor at Harvard University and a visiting scholar at Sloan School of Management, MIT and a resident scholar at the Jerome Levy Economics Institute. Following this he joined JM Family as Director of Long Term Product Development, where he received an Institutional Investor "Deal of the Year" award before moving into the cruise industry with Renaissance. Paul is married with two children.

Harry also worked at Renaissance between 1992 and 2000 in numerous management level positions culminating in Vice President of Revenue Management and Past Guest Marketing. He subsequently worked at Norwegian Cruise Lines between 2000 and 2001 as the Vice President of Revenue Management and Relationship Marketing before founding Luxury Cruise with Paul. Harry is a CPA and received his MBA in Corporate Finance from Pace University in New York. Harry is married with three children.

McGinn, Smith Holdings LLC is the parent of an investment banking firm headquartered in Albany, New York. Founded in 1980, the investment banking firm has raised in excess of $1 Billion in both private and public transactions.

Risk Factors

An investment in the Trust 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:

- The Company has no operating history;
- The Company has not chartered ships of the size of the M/V Sapphire Princess and has had no experience in marketing entire ships;
- The Company's financial stability is totally dependent upon McGinn, Smith & Co., Inc.'s ability to raise sufficient capital to execute the business plan;
- The cruise industry is highly concentrated with the top two participants, Carnival and Royal Caribbean, controlling approximately 75% of the market. Changes in marketing strategy by these two firms could have a material adverse effect on the Company;
- The Company is highly dependent on its owners and managers, two of whom have extensive backgrounds in the cruise industry;
- The Company has no recurring revenues and is highly susceptible to factors affecting overall demand for cruises;
- The Company is highly reliant on its experienced sales agents;
- The Company is based in South Florida, which is susceptible to hurricanes which could interrupt operations,

Corporate Information

Cruise Charter Ventures LLC was organized as a Florida Limited Liability Company in December, 2007.

Risk Factors

Investing in the Trust Fund 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 the Trust Fund, resulting in significant losses.

Risks related to CCV

The Company has no operating history

The Company is a start-up with no operating history, limited financial resources and only one full time employee.

The cruise industry is highly concentrated

The global cruise industry has been through a period of sustained consolidation which created today's two industry leaders Carnival and Royal Caribbean, which hold, through their multiple cruise lines, approximately 75% market share. Any material move away from use of the independent agency sales channel as the primary means of distributing the product to consumers would have a material adverse effect on the Company. While these industry leaders would like nothing more than to reduce expenses by internalizing agency commissions, their efforts to date have been unsuccessful for all cruises other than short Caribbean cruises costing less than $500 per passenger. Were current consumer preferences for booking with independent travel agencies to change, this would have a material adverse effect on the Company.

The Company is highly dependent on its owners and senior managers

Paul Andreassen and Harry Sommer have uniquely relevant backgrounds, having both worked at high levels within a cruise line, as well as within the travel agency business. These "crossovers" are rare, but provide unique insights that add significant value to the Company. Were the services of Mr. Andreassen or Mr. Sommer to be denied to the Company for any reason, this denial would adversely affect the operations and prospects of the Company. The director of sales and marketing for this ventures is Marlene Brussle who has in excess of fifteen years experience in the travel industry, specifically focused on the cruise sector.

The Company has no recurring revenues and is susceptible to factors affecting demand for cruises

The Company's revenues in any given year are a function of how well it sells out ships chartered and the selling price thereof. A number of factors affect customers' propensity to buy cruises from general economic well-being which affects all vacation categories to more unsystematic risks such as the attempted pirate attack on the Seabourn Spirit off Somalia in November, 2005, the PLO hijacking of the Achille Lauro in the Mediterranean in October 1985 or the less life-threatening outbreak of novovirus on the QE2 in January, 2007. Management's experience is that the cost to the cruise lines of empty berths is so significant, given the huge fixed cost in operating the ships, that reductions in demand are usually affected in pricing as opposed to volume.

Risks Related to this Offering

There is no existing market for the loan.

Neither the Sales Agent nor CCV can 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 February 12, 2008 David L. Smith, as President of McGinn, Smith Capital Holdings Corp., (the "Trustee") executed the Declaration of Trust ("Declaration") of Cruise Charter Ventures Trust 08 ("Trust"), declaring that McGinn, Smith Capital Holdings Corp. was the Trustee of the Trust, establishing the Trust for the benefit of Certificateholders, and defining its purpose.

The Trust is a common law trust formed 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 the Trustee. 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 CCV. CCV will use the proceeds of the loan to charter the M/V Sapphire Princess; undertake marketing, sales and administrative expenses of both the business and the offering; and establish a debt service reserve fund (under the maximum offering scenario). 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 $3,250,000 will be offered by the Trust Fund. The Certificates will bear interest on the outstanding principal at a per annum rate of 13%. Interest on the Certificates will be paid in quarterly installments on the first day of each quarter commencing June 1, 2008.

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 Act. 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 McGinn, Smith Holdings LLC which owns all 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 four percent (4%) of the gross proceeds of this Offering. The Underwriting Discount was not negotiated at arms length.

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 59, 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 62, 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 49, 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 be compensated with a minimum fee of $20,000 and approximately 9.33% of the capital raised in excess of the minimum offering. At the maximum offering, the fee will total $300,000 for 2 years. All fees, irrespective of amount, will be paid at closing.

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 Act; provided, however, that at the discretion of the Sales Agent, 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 a 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 $3,250,000 (the "Maximum Offering") and the minimum amount of $250,000 (the "Minimum Offering") will be offered by the Trust Fund.

The Certificates will be offered by McGinn, Smith & Co., Inc., the Sales Agent, on a best efforts basis over a period of approximately three 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 by May 31, 2008, 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 Cruise Charter Ventures Trust 08". 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 $3,250,000 of Certificates, and a minimum of $250,000. The minimum investment by an investor is $10,000.00 with increments of $5,000.00. The Offering period will end not later than May 31, 2008. No Certificates will be sold unless subscriptions for the Minimum Offering are received and accepted May 31, 2008. 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 February 12, 2008 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 Certificate-holder'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 & Co., Inc., Fifth Floor, 99 Pine Street, Albany, New York 12207.

EXHIBIT "A"

DECLARATION OF TRUST

DECLARATION OF TRUST OF CRUISE CHARTER VENTURES TRUST 08

This Trust Agreement made as of the 12th of February, 2008, by and between McGinn, Smith Capital Holdings Corp., a New York Corporation with an address at Capital Center, 99 Pine Street - 5th Floor, Albany, New York 12207 ("Trustee"), and those persons who acquire an interest herein by the execution and performance of a subscription agreement ("Subscription Agreement") attached as Exhibit B to the Confidential Private Placement Memorandum dated as of February 14, 2008 ("Confidential Memorandum").

WITNESSETH:

WHEREAS, the Trustee desires to create a trust (the "Trust") for the purpose of enabling and authorizing a loan to be extended to Cruise Charter Ventures, LLC, a Florida limited liability company ("CCV") and

WHEREAS, the Trustee is willing to accept the duties and obligations imposed hereby on the terms and conditions hereinafter set forth;

NOW, THEREFORE, the Trustee does hereby declare that the Trustee will hold said property which it may acquire as such Trustee, together with the proceeds thereof in trust, to manage and dispose of the same for the benefit of the Certificateholders hereunder in the manner and subject to the stipulations herein contained.

ARTICLE I
NAME

This Trust shall be designated and known as the "CRUISE CHARTER VENTURES TRUST 08", not incorporated, and under that name shall, so far as practicable, conduct all activities and execute all instruments in writing in the performance of the Trust.

ARTICLE II
DEFINITIONS

The following words, terms and phrases used herein shall be given the meaning stated below in this Article, unless such meaning would be clearly in conflict with the purposes and spirit of this instrument.

"Certificateholder" shall mean the holder for the time being, according to the books of the Trustee, of the Certificates as evidenced by this Declaration and the Certificates issued by the Trustee.

"Permitted Investments" means the loan to CCV. In addition, to the extent not employed for the loan to CCV, temporary investments may be made in (1) certificates of deposit, in (2) short term AAA rated debt obligations regularly traded on a recognized exchange in the United States, or in (3) obligations issued by the United States Treasury or other obligations backed by the "full face and credit" of the United States.

"Share" shall mean a share in the beneficial interest of the property, assets, trust fund and corpus of the Trust.

"Transaction Documents" shall mean this Declaration of Trust, the Confidential Private Placement Memorandum dated February 14, 2008 relative to CCV and the documents which evidence the loan from the Trust to CCV.

"Trust", "Trust Estate", and "Capital" shall mean the trust fund hereunder, consisting of the corpus of the estate; that is, all property, real, personal and mixed of every kind and description howsoever acquired and wherever situated, held under this Declaration of Trust by the Trustee.

"Trustee" shall mean the trustee herein named, and those who are or may be trustees.

ARTICLE III
OFFICE OF THE TRUST

The principal office of this Trust shall be located at Capital Center, 99 Pine Street, Albany, New York 12207, until changed by the Trustee. The principal office may be changed and branch offices established, maintained, changed and discontinued at such times and places as the Trustee in its discretion may determine, with notice to the Certificateholders.

ARTICLE IV
CAPITAL OF THE TRUST

The initial Capital of this Trust shall be One Hundred Dollars ($100), paid to the Trustee concurrently with execution and delivery hereof. The Capital of the Trust or any part thereof, shall be held for the use and benefit of the Trust at such places and upon such terms as the Trustee may fix. The Trustee may not require any Certificateholder to make any contribution, in addition to the initial contribution made by such Certificateholder, to increase the Capital of the Trust. The Trustee shall receive such contributions to the Capital of the Trust as may be made by Certificateholders from time to time and apply the same for the purpose stated by Article V of this Trust Agreement.

ARTICLE V
PURPOSE OF THE TRUST

The purpose of the Trust is to lend an amount between $200,000 and $2,600,000 to Cruise Charter Ventures LLC ("CCV"). All monies lent to CCV will subsequently be utilized to (i) charter Princess Cruise Lines, Ltd's Sapphire Princess for a one week cruise from Los Angeles, departing January 24, 2009, the cost of which charter will be approximately $2,300,000, and (ii) underwrite the marketing, sales and administration expenses associated with selling 2,678 berths for the cruise.

(1) The Trustee shall, as far as convenient and practicable, take and hold the title, both legal and equitable, to all property, however acquired under the terms hereof, in the name of the Trust. All conveyances of every kind and description, at any time made to or in the name of the Trustee of the Trust shall be held to vest the title to property so conveyed in the Trustee as such under this instrument, the title " CRUISE CHARTER VENTURES TRUST 08" being merely intended as a convenient designation of the Trustee hereunder.

(2) The Trustee shall administer and dispose of all properties for the benefit of Certificateholders hereunder, as represented by their Certificates.

(3) The Trustee shall manage, control and dispose of all of the Trust Estate and its business affairs, of every kind and character within the authority granted in Article I hereof.

(4) The Trustee shall, in such capacity, exclusively and absolutely, have full, absolute and plenary rights, authority to pledge, exchange, mortgage and convey or otherwise dispose of property of every kind, character and description, real, personal and mixed, that may be part of the Trust Estate.

(5) The Trustee shall have, in furtherance of the purposes of the Trust, the absolute right, power and authority to institute, maintain and defend actions, suits and proceedings in any court of law or equity either in the name of said Trust or in its name as Trustee thereof; to sell, transfer, assign and convey the whole or any part of the Trust Estate, invest and reinvest the proceeds thereof at any time in

Permitted Investments provided that the Trustee shall have no obligation to invest such proceeds and shall not be accountable for any losses howsoever incurred; to collect any money, and pledge the assets of the Trust as security therefor; to execute and deliver in the manner herein provided all deeds, leases, mortgages, powers of attorney and other instruments in writing which the Trustee may deem necessary and proper in the exercise of the powers conferred hereunder; and to perform or withhold any act or thing of any kind or character, which in the Trustee's judgment may be necessary, proper or expedient, in carrying into effect the purposes of this Trust or any purposes specified in this Declaration of Trust, or in any amendments hereto, duly made and adopted.

ARTICLE VI
LIMITATION OF LIABILITY OF TRUSTEE AND CERTIFICATEHOLDERS

Neither the Trustee, nor any of its officers or servants shall have any right, power or authority, under any circumstances, or in any event to act as the agent of the Certificateholders or to bind them personally or to impose any liability or obligation upon them in any way whatsoever with respect to this Trust Estate or otherwise. All persons contracting with the Trustee or its officers, agents or employees shall look only to the Trust Fund for the payment of any damage, claim, judgment or decree, or of any money that may become due or payable in any way to them whether founded upon contract or tort, and neither the Trustee nor the Certificateholders, present or future, nor any of them shall as such be personally liable therefor or on any agreement or contract made by the Trustee, or by any officers, agents or employees of the Trustee, its officers or agents, or employees in connection with the Trust Estate. No amendment shall ever be made to this Declaration of Trust, increasing or enlarging the liability of either the Trustee or the Certificateholders as herein stipulated.

ARTICLE VII
LIMITATION OF LIABILITY OF TRUSTEE; INDEMNIFICATION

The Trustee shall not be liable hereunder in any event or under any circumstances, for the acts or omissions of any other Trustee or of any officer, agent or employee, or any other person whatsoever, whether employed by such Trustee or not, or for any act or thing whatsoever, other than such Trustee's own willful misconduct or gross negligence. The Trustee in its individual capacity and as Trustee shall be indemnified by, and receive reimbursement from the Trust Estate against and from any and all liability, claim, damage or loss, suit, action, tax (including interest and penalties), fine, penalty, cost and expense (including but not limited to legal fees and disbursements) of whatsoever kind and nature which may be imposed upon, incurred by or asserted at any time against the Trustee (in its individual or trust capacity) in any way relating to or arising out of the administration of the Trust Estate, or arising from any act or omission hereunder or under the Transaction Documents, except such as may arise from such Trustee's own willful misconduct or gross negligence. In addition, the Trustee shall be entitled to indemnification from the Trust Estate for any liability, obligation, loss, damage, penalty, tax, claim, action, suit, cost, expense or disbursement indemnified against pursuant to this Article VII and to secure the same the Trustee shall have a lien on the Trust Estate prior to the interest of the Certificateholders or any other person. Trustee shall file all tax returns and other governmental reports required to be filed by the Trustee in connection with the transaction contemplated hereby. Without limiting the foregoing, the Trustee shall under no circumstances be required to take any action or omit to take any action in the administration of the Trust Estate or otherwise in connection with the transactions contemplated hereunder unless the Trustee determines in its absolute discretion that indemnification in respect of such action or omission is available to it to its reasonable satisfaction, provided that the Trustee shall not be required to take or omit any action if the Trustee shall have been advised by its counsel that taking or omitting such action is contrary to the terms of any other agreement or instrument referred to herein or is otherwise contrary to law. The indemnities contained in this Article VII shall survive the termination of this Trust Agreement.

The Trustee shall not be entitled to receive compensation for its services from the Trust Estate except that a Trust Administration Fee of between $20,000 and $300,000 will be paid depending on the amount of the offering that is achieved. The Trustee shall not have any duty or obligation to manage,

control, use, sell, dispose or otherwise deal with the Trust Estate or to otherwise refrain from taking any such action under or in connection with this Trust Agreement or the other agreements or instruments referred to herein except as expressly provided by the terms of this Trust Agreement, and no implied duties shall be read into this Trust Agreement against the Trustee. The Trustee shall not be answerable or accountable under any circumstances except for its own willful misconduct or gross negligence. The Trustee shall no duty to see to the payment or discharge of any tax, assessment or other governmental charge or any lien or encumbrance of any kind owing with respect to, or assessed or levied against, any part of the Trust Estate.

The Trustee shall at all times be entitled to request and receive instructions from the Certificateholders prior to being required to take or omit to take any action hereunder, provided that except as therein specified no further instruction is required for taking of the actions provided by the second sentence of Article V hereof.

THE TRUSTEE MAKES NO REPRESENTATION OR WARRANTY AS TO THE VALUE, CONDITIONS, MERCHANTABILITY, FITNESS FOR USE, VALIDITY, ENFORCEABILITY OF OR TITLE TO ANY PROPERTY AT ANY TIME CONSTITUTING PART OF THE TRUST ESTATE, and makes no representation or warranty as to the validity, legality or enforceability of this Trust Agreement or any agreement or instrument referred to herein, except that the Trustee hereby represents and warrants that this Trust Agreement has been duly executed and delivered by one of its officers, who is duly authorized to execute and deliver such document on its behalf.

The Trustee shall not incur any liability to anyone in acting upon any signature, instrument, notice, resolution, request, consent, telegram, order, certificate, report, opinion, bond, or other document or paper believed by it to be genuine and believed by it to be signed or sent by the proper party or parties. As to any fact or matter, the manner of ascertainment of which is not specifically described herein, the Trustee may for all purposes rely on a certificate signed by an officer of any Certificateholder as to such fact or matter, and such certificate shall constitute full protection to the Trustee for any action taken or omitted to be taken by it in reliance thereon. In the performance of its duties hereunder, the Trustee may act directly or through its agents or attorneys and may, at the expense of the Trust Estate, consult with counsel, accountants and other skilled persons to be selected and employed by it, and the Trustee shall not be liable for anything done, suffered or omitted by it in accordance with the advice or opinion of any such counsel, accountants or other skilled persons.

The Trustee or successor trustee may resign at any time without cause by giving at least 10 days' prior written notice to the Certificateholders, such resignation to be effective on the date specified in such notice. In such event, the Certificateholders shall appoint such new Trustee. If a successor trustee shall not have been appointed prior to the effective date of such resignation, the Trustee may apply to any court of competent jurisdiction to appoint a successor trustee until such time, if any, as a successor trustee shall have been appointed. Any successor trustee shall execute and deliver to the predecessor trustee an instrument accepting such appointment and thereupon the predecessor trustee shall be released from its obligations hereunder and the successor trustee shall be vested with all rights, powers, duties and obligations of the Trustee hereunder, and the predecessor trustee shall transfer, deliver, and pay over, at the expense of the Trust Estate, any monies or other property then held by such predecessor trustee upon the Trust herein expressed.

All monies received hereunder by the Trustee shall constitute trust funds for the purpose of which they were paid or are held, but need not be segregated in any manner from any other monies and may be deposited and paid by the Trustee under such conditions as may be prescribed or permitted by law for trust funds.

ARTICLE VIII
CERTIFICATEHOLDERS, LACK OF CONTROL AND MANAGEMENT

No Certificateholder shall have any title, legal or equitable, to the Trust Estate, real or personal, held from time to time by the Trustee, or to any part thereof, or any right or voice in the management or control of the property or affairs of the Trust, each Certificateholder's interest being only such as is defined in this Declaration of Trust. No Certificateholder shall have the right to call for or demand or secure any partition or accounting during the continuance of this Trust. Its interest in this Trust shall be personal property, carrying only the right to payments pursuant to the Certificate. The Trust shall not be dissolved, nor affected by the death, insolvency or incapacity of the Certificateholder or one or more of the Trustees, nor shall such death, insolvency or incapacity entitle the legal representatives or heirs or assigns, voluntary holder, receiver or trustee to any accounting or to any action at law or in equity or otherwise, against the Certificateholders or Trustee, or against the Trust Estate, or any part thereof, but such legal representative, heir, assign, receiver, or trustee shall succeed to the rights of the deceased, insolvent, bankrupt or incapacitated Certificateholder, subject to this Declaration of Trust and any amendments hereto, and shall succeed to nothing more.

ARTICLE IX
NO PARTNERSHIP

It is expressly declared that a trust, and not a partnership, is created and established by this instrument. Neither the Trustee nor any Certificateholder shall ever be deemed in any way whatsoever to be liable or responsible hereunder as partners or otherwise.

ARTICLE X
CERTIFICATEHOLDERS; NO PERSONAL LIABILITY

No assessment or other personal liability or obligation shall, under any circumstances or in any event, be made or imposed upon the Certificateholders.

ARTICLE XI
REFERENCE TO INSTRUMENT

The Trustee shall, as far as practicable, make reference to the Declaration in every written contract or undertaking that shall be entered into in the name of the Trustee or on behalf of, or relating to the business, affairs or property of this Trust.

ARTICLE XII
RELATIONSHIP WITH THIRD PARTIES; NO INQUIRY

In no event and under no circumstances shall any one dealing with the Trustee be obligated either at law or in equity to see to the application of any funds or properties passing into the hands of the Trustee, there being no intention that purchasers of Trust property, or any other parties dealing with the Trustee, shall see that the purchase money is applied to the purposes of the Trust.

ARTICLE XIII
INTEREST AND EARNINGS

The Capital of the Trust and the earnings and interest thereon shall be apportioned and distributed to the Certificateholders in accordance with this Declaration and the Certificates issued by the Trustee.

ARTICLE XIV
AGREEMENT OF CERTIFICATEHOLDERS

The Certificateholders shall be held to have assented to this Declaration of Trust, and to all acts performed by Trustee within the authority granted by this Declaration.

ARTICLE XV
TERM AND TERMINATION

Unless earlier terminated, as hereinafter provided, this Trust shall continue until the earlier of either (i) ten years from the date first hereinabove mentioned or (ii) the date when the Trust shall have distributed all of its Capital. The Trustee may otherwise terminate this Trust only with the unanimous written consent of the Certificateholders, provided, however, that any termination of the Trust shall not impair or have any effect whatever upon the contracts, obligations, and liabilities of said Trust Estate existing or outstanding at the time of such termination. At the expiration or upon the termination of the Trust, the Trustee shall proceed to wind up its affairs, liquidate its assets and distribute the same to the Certificateholders, without recourse or warranty of any kind, and for these purposes the then Trustee shall continue act until such duties have been fully performed. Upon completion of such duties, the Trustee shall be deemed discharged in full.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals as of the 12th day of February, 2008.

MCGINN, SMITH CAPITAL HOLDINGS CORP., not in its individual capacity, except as specified herein, but solely as Trustee under this Declaration of Trust dated as of February 12, 2008.

By: _____
David L. Smith, President

STATE OF NEW YORK)
COUNTY OF ALBANY) SS.:

On the 12th day of February in the year 2008 before me, the undersigned, a Notary Public in and for said State, personally appeared David L. Smith, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in her/his capacity, and that by her/his signature on the instrument, the individuals, or the person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

JOSEPH B. CARR
Notary Public, State of New York
Qualified in Albany County
No. 02CA6088208
Commission Expires March 3, 20 11

EXHIBIT "B"

SUBSCRIPTION AGREEMENT

SUBSCRIPTION AGREEMENT

THE CERTIFICATES WHICH ARE THE SUBJECT OF THIS AGREEMENT 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. IN ADDITION, THIS AGREEMENT AND THE CERTIFICATES CONTAIN SUBSTANTIAL RESTRICTION ON TRANSFERABILITY.

CRUISE CHARTER VENTURES TRUST 08

(a New York Trust)

TO: CRUISE CHARTER VENTURES TRUST 08 (the "Trust Fund"):

1. Subscriptions. I hereby subscribe for and agree to purchase the dollar amount of the Trust Fund's Certificates (the "Certificates") as is set forth opposite my name acknowledging the minimum purchase to be Ten Thousand Dollars ($10,000) and increments of Five Thousand Dollars ($5,000).

2. Payment. I hereby agree to pay the Trust Fund the purchase price for the Certificates by delivery herewith of a check in the face amount of the Certificates subscribed for payable to the order of **"MERCANTILE BANK-Escrow Agent for Cruise Charter Ventures Trust 08".**

3. Restriction on Transfer of the Certificates. I understand that any resale or transfer of the Certificates by me is subject to substantial restriction, in that:

   (i) The Certificates have not been registered under the Securities Act of 1933, as amended, or applicable state securities laws. The Certificates cannot be sold or transferred by subscribers in the absence of an opinion of counsel that registration is not necessary. The Trust Fund is not required to register the Certificates or to make any exemption from registration available.

   (ii) My right to sell or transfer any of the Certificates will be restricted as follows: (1) restrictions against sale or transfer in violation of applicable securities law; (2) the requirement that I furnish an opinion of counsel that any proposed sale or transfer by me will not violate such laws; (3) the Trust Fund must consent to the transfer of my Certificates; and (4) other restrictions and requirements, including such restrictions on transfer arising under state securities laws.

   (iii) There will be no public market for the Certificates, and I may not be able to sell my Certificates. Accordingly, I must bear the economic risk of my investment for an indefinite period of time.

4. Investment Representation. I represent and warrant that I am acquiring my Certificates for my own account and not on behalf of other persons, and that I am acquiring my Certificates for investment purposes only and not with a view to the resale or distribution thereof; I understand that the Certificates will be offered and sold in a manner which would qualify the transaction for an exemption as a private placement under Rule 506 of the Securities Act of 1933, as amended. The Certificates may not be transferred or assigned except as provided herein.

5. Subscription Irrevocable by Certificateholder. This Subscription Agreement is not, and shall not be, revocable by me, except as provided by applicable state securities law requirements, and I intend to be legally bound by this Subscription Agreement.

6. Subscription Subject to Acceptance or Rejection by the Trust Fund. The Trust Fund, in its sole discretion, shall have the right to accept or reject this subscription at any time on or before the Closing.

7. Offering of Certificates Subject to Withdrawal. If the Trust Fund does not receive subscriptions for Certificates in the minimum amount of $250,000.00 before the Termination Date, the Offering of Certificates will be withdrawn and I understand that all my subscription documents and payments will be returned to me, with interest, less the cost of escrow, and without further obligation of the Trust Fund.

8. Additional Representations and Warranties. I represent and warrant that:

(a) (i) I have received and have carefully read and understood the Private Placement Memorandum dated February 14, 2008 (the "Memorandum") given to me by the Trust Fund in connection with the offering of Certificates.

(ii) I have been furnished with all additional documents and information which I have requested.

(iii) I have had the opportunity to ask questions of and receive answers from the Trust Fund concerning the Trust Fund and the offering of Certificates and to obtain any additional information necessary to verify the accuracy of the information furnished.

(iv) I have relied only on the foregoing information and documents in determining to make this subscription, and the decision to acquire Certificates of the Trust Fund has been made based upon my own evaluation of the merits and risks of the Trust Fund.

(v) I will not offer to sell, or resell, the Certificates except in accordance with Section 3(ii) hereof.

(vi) I will require any purchaser to provide the Trust Fund with such purchaser's address.

(b) I recognize that investment in the Certificates involves substantial risk factors, including those set forth under "Risks" in the Memorandum.

(c) I have adequate means of providing for my current needs and possible personal contingencies, and I have no need for liquidity in my investment in the Certificates.

(d) My overall commitment to investments which are not readily marketable is not disproportionate to my net worth and my purchase of Certificates will not cause such overall commitment to become excessive.

9. Indemnification and Hold Harmless. If I breach any agreement, representation or warranty I have made in this Subscription Agreement or any other document I have executed in connection with this offering, I agree to indemnify and hold harmless the Trust Fund, the Trustee, or any officer or director of the Trustee and any person controlling either or any of them against any claims, actions, liability, loss, damage or expense (including attorney's fees and other costs of investigation and litigating claims) caused, directly or indirectly, by my breach.

10. Subscriber Information. This Subscription and my Certificates shall be recorded on the Trust Fund's books.

"IN WITNESS WHEREOF, I have executed this Subscription Agreement this ___ day of_____, _____.

_____

Print exact name in which title is to be held

Name: _____ _____

Printed Name Tax ID # Printed Name Tax ID#

Signature: X _____ Signature X _____

Address:_____

Amount Purchased: $_____

_____

ACCEPTED BY CRUISE CHARTER VENTURES TRUST 08 this _____ of _____, 2008.

McGinn, Smith Capital Holdings Corp.
Trustee

By: _____
David L. Smith, Principal
or Timothy M. McGinn, Principal

EXHIBIT "C"

INVESTOR REPRESENTATION LETTER

CONFIDENTIAL

PURCHASER QUESTIONNAIRE FOR INDIVIDUALS

CRUISE CHARTER VENTURES TRUST 08
(A New York Trust)

The offering is being made pursuant to Regulation D under the Securities Act of 1933 (the "Act"). One of the requirements of the Regulation is that the persons involved in the offering and sale of the securities must have reasonable grounds to believe either:

(i) that the Offeree has such knowledge and experience in financial and business matters that he is capable of evaluating the merits and risks of the prospective investment; or

(ii) the undersigned is acquiring the Certificates for investment purposes only and not with a view towards resale.

(iii) the undersigned is aware that this offering will involve Certificates for which no resale market exists, thereby requiring this investment to be maintained for the stated term of each Certificate.

Your answers will, at all times, be kept strictly confidential; however, each party who signs the questionnaire hereby agrees that the Trust may present this questionnaire to such parties as may seem appropriate in order to insure that the offer and sale of the Certificates to you will not result in violation of any exemption from registration under the Act which may be relied upon by the Trust in connection with the sale of the Certificates.

Please complete this questionnaire as thoroughly as possible and sign, date and return to the Trust c/o McGinn, Smith & Co., Inc., 5th Floor, 99 Pine Street, Albany, New York 12207.

Please print or type:

Name: _____

Home Address: _____

_____

Date of Birth: _____

Social Security No.: _____

Occupation: _____

Business Address: _____

Business Telephone: _____

Home Telephone: _____

Communications should be sent to:

Home Address _____ or Business Address _____

1. What is your approximate net worth?

_____$50,000 - $100,000
_____$100,000 - $250,000
_____$250,000 - $500,000
_____$500,000 - $1,000,000
_____Greater than $1,000,000

2. Did your individual income exceed $200,000.00 in 2005 and 2006, or did your joint income with your spouse exceed $300,000.00 in each of those years?

Yes _____ No_____

3. If the answer to #2 above is "yes", do you expect to reach the same income level in 2007?

Yes _____ No _____

4. What was your approximate gross income for calendar year 2006?

_____$25,000 - $100,000
_____$100,000 - $200,000
_____$200,000 - $300,000
_____$300,000 - $500,000
_____Greater than $500,000

5. What will your approximate gross income be for calendar year 2007?

_____$25,000 - $100,000
_____$100,000 - $200,000
_____$200,000 - $300,000
_____$300,000 - $500,000
_____Greater than $500,000

To the best of my information and belief, the above information is accurate and complete in all respects. I agree to notify the Trust promptly of any changes which occur prior to sale of the Certificates.

Purchaser Date:

_____ _____
Name (printed)

_____
Signature

CONFIDENTIAL

PURCHASER QUESTIONNAIRE FOR CORPORATIONS AND PARTNERSHIPS

CRUISE CHARTER VENTURES TRUST 08
(A New York Trust)

The offering is being made pursuant to Regulation D under the Securities Act of 1933 (the "Act"). One of the requirements of the Regulation is that the persons involved in the offering and sale of the securities must have reasonable grounds to believe either:

(i) that the Offeree has such knowledge and experience in financial and business matters that he is capable of evaluating the merits and risks of the prospective investment; or

(ii) that the Offeree and its Offeree Representative(s), together, have such knowledge and experience in financial and business matters, that they are capable of evaluating the merits and risks of the prospective investment and that the Offeree is able to bear the economic risk of the invest.

The purpose of this Questionnaire is to assist CRUISE CHARTER VENTURES TRUST 08 (the "Trust") in complying with the above requirement.

Please contact McGinn, Smith & Co, Inc., 5th Floor, 99 Pine Street, Albany, New York 12207 (518-449-5131) if you have any questions in answering this questionnaire.

If the answer to any questions "None" or "Not Applicable", please so state.

Your answers will, at all times, be kept strictly confidential; however, each party who signs the Questionnaire hereby agrees that the Trust may present this Questionnaire to such parties as may seem appropriate in order to insure that the offer and sale of the Certificates to you will not result in violation of any exemption from registration under the Act which may be relied upon by the Trust in connection with the sale of the Certificates.

Please complete this Questionnaire as thoroughly as possible and sign, date and return one (1) copy to the Trust c/o McGinn, Smith & Co., Inc., 5th Floor, 99 Pine Street, Albany, New York 12207.

Please print or type:

Name of Organization: _____

Business Address: _____

Business Telephone: _____

Federal ID Number: _____

1. Was the organization formed for the specific purpose of acquiring the Trust's Certificates?

Yes_____ No_____

2. Does the organization possess total assets in excess of $5,000,000?

Yes_____ No_____

3. Does each equity owner of the organization:

A. Have a net worth, exclusive of home, furnishings, and automobiles, of at least $1,000,000?

Yes_____ No_____

B. Had an individual net income in excess of $200,000 in 2005 and 2006, or joint income with that person's spouse in excess of $300,000 in each of those years, and have a reasonable expectation of reaching the same income level in 2007?

Yes_____ No_____

4. I am aware that the Certificates proposed to be offered will not be readily marketable or transferable.

Yes_____ No_____

5. The organization can afford the complete loss of its investments in the Certificates and has no need for liquidity in this investment.

Yes_____ No_____

6. Stated below are the organization's previous investments in similar securities and other private placements during the past five years:

_____

_____

_____

7. I understand that, unless the organization satisfies certain criteria, in order to qualify as a purchaser of Certificates, I must have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of an investment in the Trust or I must engage an attorney, accountant or other financial advisor for the purpose of this particular transaction.

I hereby represent, by initialing on the Representation A or Representation B line below, that:

A. I have such knowledge and experience in financial and business matters that I am capable of evaluating the merits and risks of an investment in the Certificates and will not require a Purchase Representative.

Representation A._____

B. I have relied upon the advice of the following Purchaser Representative(s) in evaluating the merits and risks of an investment in the Certificates:

Representation B._____

_____ _____

Name Name

_____ _____

Relationship Relationship

To the best of my information and belief, the above information is accurate and complete in all respects. I agree to notify the Trust promptly of any changes which occur prior to sale of the Trust's Certificates.

Purchaser: Date:

_____ _____

Print Name of Organization

By: _____

Title: _____

PURCHASER REPRESENTATIVE QUESTIONNAIRE

CRUISE CHARTER VENTURES TRUST 08

The information contained herein is being furnished to CRUISE CHARTER VENTURES TRUST 08 (the "Trust") in order to facilitate a determination as to whether the undersigned may act as a Purchaser Representative, as such term is used in Regulation D promulgated under the Securities Act of 1933, as amended (the "Act"), in connection with the proposed offer and sale by the Trust of its Contract Certificates (hereinafter referred to as the "Certificates"). The answers below are correct, and the Trustee is entitled to rely on them in making the foregoing determination.

REPRESENTATIONS

I represent, warrant and covenant to you that:

(a) the information contained herein is complete and accurate and may be relied upon by you in determining whether I may act as a Purchaser Representative pursuant to Regulation D in connection with offers and sales of the Certificates;

(b) I will notify you immediately of any material change in any of such information occurring within ninety (90) days of the close of sale of the Certificates to the Purchaser;

(c) (i) I have been designated, or will be designated, pursuant to the Purchaser Questionnaire of each Purchaser, as the Purchaser Representative or such Purchaser, in connection with evaluating the merits and risks of his prospective investment in the Certificates;

(ii) I have disclosed or will disclose, to each Purchaser, in writing, prior to the designation referred to above, any material relationship between me or my affiliates and the Trust, which now exists or is mutually understood to be contemplated, or which has existed at any time during the previous two (2) years, and any compensation received as a result of such relationship, including any compensation received in connection the offering of Certificates herein; and

(iii) I will deliver to each of you a counterpart of the disclosure statement referred to in (ii) above, and such other documents or information as each of you may request relating to the performance by me of my duties as a Purchaser Representative.

(Attach additional sheets if required)

1. Name: _____

   Age: _____

   Social Security No.:_____

2. Names of offerees I am representing:

   _____

   _____

   _____

3. Firm name: _____

   Empl. Iden. No.:_____

   Position: _____

   Nature of Duties: _____

Business Address: _____

Business telephone number: (____) _____

4. Prior occupations or positions during the past five years:

_____

_____

_____

_____

5. Description of prior experience in advising clients with respect to investments, including a description of the types of investments, the dollar amounts involved, and the number of years of experience which you have in financial, business and tax oriented matters:

General Investments (specify)

_____

_____

_____

Private Placements (specify)

_____

_____

Other Investments (specify)

_____

_____

6. The Professional licenses or registrations (including bar admissions, accounting certificates, real estate brokerage licenses, broker-dealer or investments advisory registrations) held by me are as follows:

Registration	Year Received	Is License or Registration Still Effective?

7. My educational background, including degrees obtained and date of attendance:

_____

_____

_____

8. (a) Neither I nor any of my affiliates now have or have had any material relationship with the Trust or any of its affiliates, are not affiliates or the Trust, and no such relationship is contemplated in the future, except as follows:

_____

_____

_____

(b) The amounts of compensation received or to be received as a result of the material relationship(s) described in Item 8(a)(including any compensation received or to be received in connection with this transaction) are as follows:

_____
_____
_____

9. Neither I nor any of my affiliates own beneficially any interest in the Trust except as follows:

_____
_____
_____

10. I have received and read the Trust's Private Placement Memorandum dated February 23, 2007 and Exhibits thereto and have reviewed it with the Offeree.

11. Other comments or disclosures:

_____
_____
_____

_____
Purchaser Representative Signature

_____
Type Purchaser Representative Name

_____
Firm Name

_____
Street Address

_____
City and State

(___)_____
Telephone

Acknowledgement of Investor(s)

I acknowledge receipt of the foregoing disclosures this _____ day of _____, 2007, and this represents my acknowledgment in writing to the Trust that I have read the foregoing and desire that the above stated person serve as my Purchaser Representative with respect to the offering of the Trust's Certificates.

_____
Investor's Signature

_____
Investor's Signature

_____
Investor's Signature

$3,250,000 MAXIMUM
$250,000 MINIMUM

CRUISE CHARTER VENTURES TRUST 08

CONTRACT CERTIFICATES
13% DUE MARCH 1, 2010

PRIVATE PLACEMENT MEMORANDUM

No dealer, salesman or other person has been authorized to give any information or to make any representations other than those contained in this Memorandum and if given or made, such information or representations must not be relied upon as having been authorized. This Memorandum does not constitute an offer to sell or a solicitation of an offer to buy any securities to which it relates. This Memorandum does not constitute an offer to sell or a solicitation of an offer to buy such securities in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction. Neither the delivery of this Memorandum nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Trust since the date hereof or that the information contained herein is correct as of any time subsequent to its date. However, in the event of any material change, this Memorandum will be amended, supplemented or updated accordingly.

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McGINN, SMITH & CO., INC.
ALBANY, NEW YORK

February 14, 2007

Confidential Private Placement Memorandum

$10,000,000

8.00% PARTICIPATING NOTES DUE JULY 1, 2012

MCGINN, SMITH TRANSACTION FUNDING CORP.

MAXIMUM OFFERING $10,000,000
MINIMUM OFFERING $500,000

MINIMUM PURCHASE $250,000

McGinn, Smith Transaction Funding Corp. (the "Company") is hereby offering $10,000,000 of Participating Notes (the "Notes") due July 1, 2012.

The interest paid on the Notes will be 8.00% per annum plus, as contingent interest, a participation in investment banking fees generated by McGinn, Smith & Co., Inc. ("McGinn, Smith") on proprietary transactions originated, negotiated, documented, and funded by and through the efforts of McGinn, Smith.

Prior to this offering, there has been no market for the Notes offered hereby. The offering price of the Notes was arbitrarily determined by the Company and thus there can be no assurance that the Notes can be resold at the offering price or that any market liquidity will develop.

Price of Notes 100%

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

THESE NOTES 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 Company
	100%	2.0%	98.0%
Minimum Offering	$500,000	$10,000	$490,000
Maximum Offering	$10,000,000	$200,000	$9,800,000

The date of this Memorandum is April 22, 2008

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

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The Offering of Notes will terminate on July 31, 2008, unless all 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 at such other financial institution as may be selected by McGinn, Smith Transaction Funding Corp. (the "Company") 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 Notes. During the period that an investor's funds are held in the Escrow Account, he will not be a Noteholder. An investor's funds will not be held in the Escrow Account more than two months before being invested in the Notes, with Escrow Agent fees being deducted from escrow interest payable to investors. See "Terms of the Offering".

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

WHO MAY INVEST

The Notes will generally be offered only to accredited investors ("Accredited Investors") as that term is defined under Regulation D promulgated under the Securities Act of 1933, as amended (the "Act"). McGinn, Smith & Co., Inc. (the "Sales Agent") may, however, offer and sell Notes 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 Notes 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 Notes, 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 a Subscription Agreement that he is acquiring the Notes 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 Notes have not been registered under the Act, 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 Company, as hereinafter defined, will generate sufficient income necessary to pay the Notes, investment in the Notes is suited for persons who have substantial income from other sources. See "Risk Factors".

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

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This offering document contains or incorporates by reference forward-looking statements within the meaning of Section 27A of the Securities and Exchange Act of 1933, as amended (the "Securities Act"), and Section 2IE of the Securities and Exchange Act of 1934 (the "Exchange Act"). Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. They often include words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates," or words of similar meaning, or future or conditional verbs such as "will," "would," "should," "could" or "may".

Forward-looking statements provide management's current expectation or predictions of future conditions, events or results. They may include projections of revenues, income, earnings per share, capital expenditures, dividends, capital structure or other financial items, descriptions of management's plans or objectives for future operations, products or services, or descriptions of assumptions underlying or relating to the foregoing. They are not guarantees of future performance. By their nature, forward-looking statements are subject to risks and uncertainties. These statements speak only as of the date they are made. Management of the Company does not undertake to update forward-looking statements to reflect the impact of circumstances or events that arise after the date the forward-looking statements were made except as required by federal securities law.

There are a number of significant factors which could cause actual conditions, events or results to differ materially from those described in the forward-looking statements, many of which are beyond management's control or its ability to accurately forecast or predict. Factors that might cause future performance to vary from that described in forward-looking statements include market, credit, operational, regulatory, strategic, liquidity, capital and economic factors as described under "Risk Factors" in this memorandum. In addition, other factors could adversely affect our results and this list is not a complete set of all potential risks or uncertainties. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included or incorporated by reference in this memorandum supplement.

NO ONE HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE REPRESENTATIONS WITH RESPECT TO THE COMPANY OR THE NOTES WHICH ARE NOT CONTAINED IN THIS MEMORANDUM OR FURNISHED BY THE OFFICERS OR DIRECTORS OF THE COMPANY UPON A REQUEST AS SET FORTH UNDER "ADDITIONAL INFORMATION". ANY OTHER INFORMATION OR REPRESENTATION GIVEN OR MADE MUST NOT BE RELIED ON AS HAVING BEEN AUTHORIZED BY THE COMPANY.

THE NOTES OFFERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED OR THE SECURITIES LAWS OF ANY STATE AND ARE BEING OFFERED AND SOLD IN RELIANCE ON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF SAID ACT AND SUCH LAWS. THE NOTES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER SAID ACT AND SUCH LAWS PURSUANT TO REGISTRATION OR EXEMPTION THEREFORM. THE NOTES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION OR OTHER REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING OR THE ACCURACY OR ADEQUACY OF THE MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

THIS MEMORANDUM DOES NOT CONTAIN AN UNTRUE STATEMENT OF A MATERIAL FACT OR FAIL 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 OF DOCUMENTS PURPORTED TO BE SUMMARIZED HEREIN.

INTRODUCTORY STATEMENT

The information set forth below is intended to supply, in summary form, certain information and highlights from material contained in this Memorandum and should be read in conjunction with, and is qualified in its entirety by, the detailed information appearing elsewhere in this Memorandum.

McGinn, Smith Transaction Funding Corp.

McGinn, Smith Transaction Funding Corp. (the "Company") is a New York corporation with its principal place of business at 99 Pine Street, Albany, NY 12207. The Company is engaged in providing capital necessary to close financial transactions originated by McGinn, Smith & Co., Inc. ("McGinn, Smith") prior to various capital raises undertaken by McGinn, Smith. The Company anticipates that such activities will experience durations of 90-150 days per transaction. The Company will also invest in other public and private securities deemed by management to be credit worthy. The Company has agreed to purchase $1,500,000 of McGinn, Smith & Co., Inc. 2008 Series Cumulative Preferred Stock. It is anticipated that the Company will be paid a commitment fee as well as an accretive coupon for transactions which it funds.

The Company is a newly formed New York corporation with no operating history, balance sheet, or income statement prior to the closing of this offering and related transaction.

McGinn, Smith & Co., Inc.

McGinn, Smith is a New York corporation with its principal place of business at 99 Pine Street, Albany, NY 12207. McGinn, Smith is engaged in the investment banking, securities sales, and financial advisory businesses. McGinn, Smith was formed on September 4, 1980 and became registered with the National Association of Securities Dealers (predecessor of the Financial Industry Regulatory Authority) on January 15, 1981. McGinn, Smith is currently licensed as a Broker/Dealer in 44 states plus the District of Columbia.

THE OFFERING

Securities Offered:	Offering up to $10,000,000 of Participating Notes priced at par.
Maturity:	July 1, 2012
Stated Interest Rate:	8.00%
Contingent Interest:	The Notes will be entitled to incremental interest as a function of investment banking fees earned by McGinn, Smith on proprietary transactions originated, negotiated, documented, and funded by and through the efforts and resources of McGinn, Smith. The amount of contingent interest allocated, based upon a maximum offering of $10,000,000 is as follows: 30% of the first $2,500,000 of net investment banking fees. 20% of the next $2,500,000 of net investment banking fees. 10% of the net investment banking fees in excess of $5,000,000. To the extent that the maximum offering of $10,000,000 is not achieved, contingent interest percentages as described above will be reduced on a pro rata basis. For example, if $5,000,000 is sold, each of the percentages of contingent interest cited above will be reduced by half.
Accounting Period:	For the purpose of determining the contingent interest, as described above; the 12 month period shall be January 1 to December 31 of each year.
Payment Intervals:	Interest shall be paid quarterly on February 1, May 1, August 1, and November 1 of each year. A two percent (2.00%) interest payment shall be made on each of February, May, August and November of each year. Contingent interest shall be paid on March 1 of each year.
Call Probation/Call Pricing:	The Notes will be non-callable for two years post closing. Subsequently, call prices will begin at 106.
Offering Period:	The Offering will continue until July 31, 2008 unless extended by the Company.
Use of Proceeds:	The net proceeds of this Offering will be employed to (1) purchase $1,500,000 of McGinn, Smith cumulative preferred stock and (2) to employ approximately $8,285,000 for bridge financing purposes.

RISK FACTORS TO BE CONSIDERED BY PROSPECTIVE NOTEHOLDERS

An investment in the Company's securities offered hereby is illiquid and the securities are restricted. There has been no market for the securities, and one is not expected to develop. An investment should be made after careful consideration of the various risk factors which will affect the McGinn, Smith Transaction Funding Corp. and McGinn, Smith & Co., Inc. and should only be made by persons who can afford to hold their investment indefinitely and who can bear the loss of their investment.

1. Dependence upon McGinn, Smith. The Company will provide bridge financing capital to close transactions originated, negotiated, documented, and ultimately funded by the capital market activities of McGinn, Smith. As such, the Company is highly dependent upon McGinn, Smith to source, structure, and sell transactions. There can be no assurance that McGinn, Smith will be successful in these efforts. Consequently, the Company may not realize the number of "turns" on its capital as contemplated.

2. Nature of the McGinn, Smith Business. McGinn, Smith's securities businesses, by their nature, are subject to various risks, particularly in volatile markets, including the incurrence of losses from trading and underwriting of securities, customer inability to meet commitments, customer default, and employee misconduct and errors.

   McGinn, Smith like other securities firms, is directly affected by national and international economic and political conditions, broad trends in business and finance, including interest rates and substantial fluctuations in the volume and price levels of securities transactions. Reduced trading volume and prices generally result in lower commissions and may result in losses from declines in the market prices of securities held in the trading and underwriting positions. During periods of low business activity, McGinn, Smith's profitability is adversely affected because a substantial portion of its expenses remains relatively fixed.

3. Competitive Industry Environment. All aspects of the businesses of McGinn, Smith are highly competitive. McGinn, Smith competes directly with numerous other securities brokers and dealers, investment banking firms and investment advisors and, indirectly, for investment funds, with commercial banks, insurance companies and other financial services firms. Some commercial banks and thrift institutions also offer securities; brokerage services and many commercial banks offer a variety of investment banking services. Competition among financial services firms also exists for investment representatives and other personnel. Many of McGinn, Smith competitors have substantially greater capital and other resources than McGinn, Smith.

   The securities industry generally has become considerably more concentrated and competitive since the late 1960's, as numerous securities firms have either ceased operations or have been acquired for merger into other firms. In addition, companies not engaged primarily in the securities business, but having substantial financial resources, have acquired leading securities firms. These developments have increased competition from firms with greater capital resources that those of McGinn, Smith.

   McGinn, Smith operates a full service securities brokerage business and relies upon a clearing firm to carry customer accounts and execute trades. Currently, McGinn, Smith's clearing agent is National Financial Services, One Whitehall Street, New York, New York.

McGinn, Smith currently has no securities research department and has no intention of staffing such a department. Securities research, employed by McGinn, Smith, is generally available to the investing public.

McGinn, Smith does not have a broad based advertising plan. Generally, customers of McGinn, Smith are solicited directly by registered representatives employed by McGinn, Smith or are obtained as a result of referrals made by existing customers.

4. Capital Requirements. Pursuant to the net capital provisions of Rule 15c3-1(c) of the Securities Exchange Act of 1934, McGinn, Smith is required to maintain minimum net capital as defined under such provisions. According to Rule 15c3-1(c), McGinn, Smith's net capital ratio (aggregate indebtedness to net capital) shall not exceed 15 to 1 in any year of operation. At December 31, 2007 McGinn, Smith had net capital of $829,313 compared with net capital requirements of $100,000. McGinn, Smith has received an opinion from its accountants that the issuance of Cumulative Preferred Stock to the Company will be accretive.

5. Dependence on Management. McGinn, Smith is heavily dependent upon the services and experience of its officers. It is particularly dependent upon the services of Messrs. Timothy M. McGinn, David L. Smith and Thomas E. Livingston. Although McGinn, Smith does not rely on any single officer entirely to conduct its business, the loss of the services of either Mr. McGinn, Mr. Smith or Mr. Livingston would materially adversely affect the conduct of McGinn, Smith's business.

6. Control of McGinn, Smith & Co., Inc. The following table describes the Officers, Directors, and voting Shareholders of McGinn, Smith:

	Age	% Ownership
Timothy M. McGinn Chairman of the Board and Secretary Director	59	30%
David L. Smith President & CEO and Director	63	50%
Thomas E. Livingston Senior Vice President and Director	49	20%
Matthew Rogers Senior Managing Director	42	0%
Joseph B. Carr Vice President & General Counsel	63	0%
Andrew G. Guzzetti Managing Director, Private Client Group	60	0%
Brian T. Mayer Vice President and Branch Manager	35	0%

Frank H. Chiappone Vice President and Sales Manager	52	0%
Philip S. Rabinovich Vice President	34	0%
Ryan C. Rogers Vice President	35	0%

7. Risks of Brokerage Transactions. McGinn, Smith's securities trading, market-making and underwriting activities involve the purchase, sale or short sale of securities as a principal and, accordingly, involve the risks of a change in the market price of such securities and a decrease in the liquidity of markets, which can limit McGinn, Smith's ability to sell securities purchased or purchase securities sold in such transactions. Underwriting the issuance of securities represents an important part of McGinn, Smith's business, and subjects its' capital to significant risk.

   McGinn, Smith is subject to credit risks. To the extent that McGinn, Smith advances funds in a securities transaction, the repayment of such advances may not occur. If the securities decline in value, McGinn, Smith may not recover the amounts advanced.

8. Arbitrary Offering Price. The price which the Notes are being offered to Noteholders has been arbitrarily determined and bears no relationship to the Company's assets, earnings, book value, net tangible value or other generally accepted criteria of value for investment.

9. Restrictions on Transferability of Securities. Noteholders should be fully aware of the long-term nature of their investment. The Notes will not be registered under the Act and will be sold in reliance on an exemption from registration.

   In view of the foregoing, each Investor should be satisfied that he has adequate means of providing for his current needs and possible future contingencies and that he has no need for liquidity in his investment.

10. Control of Existing Shareholders. The Notes to be issued hereunder will all not be convertible into any other class of security, therefore, virtually all decisions relating to the business of the Company will be made by the existing shareholders. Noteholders will have no control over the Company or its policies except in very limited circumstances. Noteholders will be unable to prevent dissipation of the assets of the Company, and no sinking fund is provided to retire the Notes.

11. Litigation. Many aspects of McGinn, Smith's business involve substantial risks of liability. In recent years, there has been an increasing instance of litigation involving the securities industry, including class action suits that generally seek substantial damages. Underwriters are subject to substantial potential liability for material misstatements and omissions from memorandums and other communications with respect to underwritten offerings of securities. McGinn, Smith may become a defendant in civil actions arising out of its brokerage and other activities.

12. Regulation. McGinn, Smith's business is subject to extensive regulation at both the Federal and State levels by various regulatory bodies responsible for enforcing statutes and protecting the interest of customers. In addition, self-regulatory organizations such as the Financial Industry

Regulatory Authority require strict compliance with rules and regulations. The failure to comply with any of these laws, rules or regulations could result in fines, suspension or expulsion, and could have a material, adverse effect on McGinn, Smith, and consequently the Company

USE OF PROCEEDS

The Company estimates that if the maximum amount of Notes are sold, the net proceeds from the sale of Notes will be approximately $9,785,000 after deducting $200,000 for selling commissions and $15,000 for legal, printing, filing and miscellaneous expenses.

The Company intends to employ the net proceeds of this offering immediately in its business.

The Company has agreed to purchase $1,500,000 of McGinn, Smith 2008 Series Cumulative Preferred Stock.

Additionally, the Company has two additional transactions which it may fund, approximately $2,250,000 to Charter Cruise Ventures LLC, which is currently being marketed by McGinn, Smith and a security alarm structured finance transaction of approximately $2,000,000, which is in the formation stage. The Company will earn a two percent (2.00%) commitment fee plus earn interest at a rate of 15.00% per annum on each funding.

MINIMUM OFFERING

Sources		Uses	
Net Proceeds	$475,000	Investment in McGinn Smith & Co., Inc.	$475,000
Total Sources	$475,000	**Total Uses**	$475,000

MAXIMUM OFFERING

Net Proceeds	$9,785,000	Investment in McGinn Smith & Co., Inc.	1,500,000
		Available for Bridge Financing	8,285,000
Total Proceeds	$9,785,000	**Total Uses**	$9,785,000

The first $1,500,000 of net proceeds from this offering will be allocated to the purchase of 5.25% 2008 Series Cumulative Preferred Stock to be issued by McGinn, Smith.

THE BUSINESS

The Company, is a newly formed New York corporation with its principal office at 99 Pine Street, Albany, NY 12207. The Company's officers are Timothy M. McGinn, Chairman & CEO; David L. Smith, President; and Thomas E. Livingston, Secretary.

The Company, upon completion of this Offering, will be engaged in the business of providing bridge financing for transactions originated, negotiated, documented, and funded by and through the efforts of McGinn, Smith. Most of the issuers who have engaged McGinn, Smith to raise capital have a need to access the capital in advance of the completion of the capital raise. In such cases, the Company will advance funds as necessary, taking as collateral the unsold securities being sold by McGinn, Smith.

The Company will be compensated as follows:

1. Commitment fees paid by the issuer on amounts funded. Typically these fees range from two to five percent.

2. Interest paid to the Company. The rate of interest to be paid will generally range from 14.00 to 19.00 percent per annum, often with a minimum duration calculation, irrespective of actual time the capital is lent.

3. A share in net investment banking fees earned on proprietary investment banking executed by McGinn, Smith. This share predicated on a $10,000,000 raise, shall be as follows:

    a) 30% of the first $2,500,000 of net investment banking fees earned in the prescribed period.
    b) 20% of the next $2,500,000 of net investment banking fees earned in the prescribed period.
    c) 10% of these investment banking fees in excess of $5,000,000 earned in the prescribed period.

To the extent that the maximum offering of $10,000,000 is not achieved, contingent interest percentages as described above will be reduced on a pro rata basis. For example, if $5,000,000 is sold, each of the percentages of contingent interest cited above will be reduced by half.

For the calendar year 2007, the fees generated by (3) above aggregated $2,470,542 on employed bridge capital of approximately $3,000,000. Should these results be duplicated for a normalized year, the yield on the Notes offered hereby would be approximately 15.4%.

Calculation as follows: $\frac{(\$10,000,000 \times .08) + (.30 \times \$2,470,542)}{\$10,000,000} = 15.4\%$

Future refinance will depend upon numerous variables. There can be no assurance that past performance will be replicated.

The Company believes that with greater bridging resources available, more transactions can be executed and consequently greater returns can be produced.

SELECTED FINANCIAL DATA

The following table sets, on a pro-forma basis, the balance sheet of the Company assuming both a minimum and maximum closing.

Minimum Closing

Assets:

Cash	$ 10,000
McGinn, Smith & Co., Inc. Preferred Stock	475,000
Unamortized Offering Expenses	25,000
Total Assets	**$ 510,000**

Liabilities:		
	Notes due July 1, 2012	$ 500,000
	Paid in Capital	10,000
	Total Liabilities	**$ 510,000**
Maximum Closing		
Assets:		
	Cash	$8,295,000
	McGinn, Smith & Co., Inc. Preferred Stock	1,500,000
	Unamortized Offering Expenses	215,000
	Total Assets	**$ 10,010,000**
Liabilities:		
	Notes due July 1, 2012	$ 10,000,000
	Paid in Capital	10,000
	Total Liabilities	**$ 10,010,000**

INCOME STATEMENT AND BALANCE SHEET

McGinn, Smith has been in business on an operating basis for 27 years. Over that time span, McGinn, Smith has had one (1) year in which it failed to make a profit.

Our auditors, Piaker & Lyons have provided audited financial statement for the past 15 years. During this time, with our consent, they have classified McGinn, Smith's revenue into the broad categories as defined in the attached audited financial statements. While this methodology has served us well in prior years it does not provide a thorough market segmentation analysis needed to evaluate an investment in McGinn, Smith Transaction Funding Corp's 8% Participation Notes as the contingent interest is predicated upon McGinn, Smith ability to source and fund deals which will provide the revenue stream to support the contingent interest payments. The most significant difference between the audited financial statements and the revenue analysis pertains to underwriting revenue. The firm's audited financial statements classify underwriting as a separate line item. In an attempt to provide more clarity to potential investors, McGinn, Smith has provided an analysis of its Investment Banking and Advisory Fee revenue streams to highlight the increase in transaction based advisory fees the firm has experience over the past several years.

The following table represents the past three years of Investment Banking and Advisory Fee revenue further defined to demonstrate the revenue stream to support the contingent interest.

($ in thousands)	2007	2006	2005
Investment Banking-per audited financial stmts.	$ 2,815	$ 3,407	$ 2,802
Advisory Services-per audited financial stmts.	2,545	775	1,539
	$ 5,360	$ 4,182	$ 4,341
Less:			
Underwriting	2,271	2,758	2,414
Account Mgmt. fees in Advisory Svcs. above	496	775	1,539
Other in Investment Banking above	121	76	96
Total adjustments ot revenue above	$ 2,888	$ 3,609	$ 4,049
Core investment bank/advisory services revenue	$ 2,470	$ 573	$ 292

Set forth below is the Income Statement Items for the years 2005 through 2007.

Balance Sheet ($ in thousands)	2007	2006	2005
Cash			
Total Assets	4,637	3,878	3,581
Total Liabilities	1,699	1,030	926
Stockholder Equity	**2,938**	**2,847**	**2,655**

McGinn, Smith made a decision to increase its emphasis on investment banking related activities in the fourth quarter of 2006. McGinn, Smith's decision was predicated on an interest in moving away from low margin brokerage and agency business towards higher margin, proprietary business.

The significant increase in core investment bank/advisory services revenue in 2007 over 2006 is attributable to the addition of two seasoned professionals to McGinn, Smith. Timothy McGinn rejoined McGinn, Smith in October, 2006 after serving as Chairman & CEO of Integrated Alarm Services Group from January, 2004 to June, 2006. Mr. McGinn brought 25 years of investment banking experience to McGinn, Smith. Additionally, Matthew Rogers joined McGinn, Smith in January, 2007. Mr. Rogers had been previously employed by Tyco International LTD as Vice President of Strategy and Business Development for the Fire & Security segment, a twelve billion dollar revenue business. In that capacity, Mr. Rogers was responsible for the global direction for mergers and acquisition for the segment. Mr. Rogers works out of the Boca Raton, Florida office of McGinn, Smith.

CERTAIN ERISA CONSIDERATIONS

The following is a summary of certain considerations associated with the purchase of the Notes by employee benefit plans to which Title I of the U.S. Employee Retirement Income Security Act of 1974, as amended, which we refer to as ERISA, applies; plans, individual retirement accounts and other arrangements to which Section 4975 of the Code or provisions under any federal, state, local, non-U.S. or other laws or regulations that are similar to such provisions of ERISA or the Code, which we collectively

refer to as Similar Laws, apply; and entities whose underlying assets are considered to include "plan assets" of such plans, accounts and arrangements (each of which we call a Plan).

Each fiduciary of a Plan should consider the fiduciary standards of ERISA or any applicable Similar Laws in the context of the Plan's particular circumstances before authorizing an investment in the Notes. Accordingly, among other factors, the fiduciary should consider whether the investment would satisfy the prudence and diversification requirements of ERISA or any applicable Similar Laws and would be consistent with the documents and instruments governing the Plan.

Section 406 of ERISA and Section 4975 of the Code prohibit Plans subject to such provisions, which we call ERISA Plans, from engaging in certain transactions involving "plan assets" with persons that are "parties in interest" under ERISA or "disqualified persons" under the Code with respect to the ERISA Plans. A violation of these "prohibited transaction" rules may result in an excise tax or other liabilities under ERISA and/or Section 4975 of the Code for those persons, unless exemptive relief is available under an applicable statutory or administrative exemption. Employee benefit plans that are governmental plans (as defined in Section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA) and non-U.S. plans (as described in Section 4(b)(4) of ERISA) are not subject to the requirements of ERISA or Section 4975 of the Code, but may be subject to Similar Laws.

Prohibited transactions within the meaning of Section 406 of ERISA or Section 4975 of the Code could arise if the Notes were acquired by an ERISA Plan with respect to which we or any of our affiliates are a party in interest or a disqualified person. For example, if we are a party in interest or disqualified person with respect to an investing ERISA Plan (either directly or by reason of our ownership of our subsidiaries), an extension of credit prohibited by Section 406(a)(1)(B) of ERISA and Section 4975(c)(1)(B) of the Code between the investing ERISA Plan and us may be deemed to occur, unless exemptive relief were available under an applicable exemption (see below).

The United States Department of Labor has issued prohibited transaction class exemptions, or PTCEs, that may provide exemptive relief for direct or indirect prohibited transactions resulting from the purchase, holding or disposition of the Notes. Those class exemptions include:

- PTCE 96-23 — for certain transactions determined by in-house asset managers;
- PTCE 95-60 — for certain transactions involving insurance company general accounts;
- PTCE 91-38 — for certain transactions involving bank collective investment funds;
- PTCE 90-1 — for certain transactions involving insurance company separate accounts; and
- PTCE 84-14 — for certain transactions determined by independent qualified professional asset managers.

In addition, ERISA Section 408(b)(17) provides a limited exemption for the purchase and sale of securities and related lending transactions, provided that neither the issuer of the securities nor any of its affiliates have or exercise any discretionary authority or control or render any investment advice with respect to the assets of any Plan involved in the transaction and provided further that the Plan pays no more than adequate consideration in connection with the transaction (the so-called "service provider exemption").

No assurance can be made that all of the conditions of any such exemptions will be satisfied.

Because of the possibility that direct or indirect prohibited transactions or violations of Similar Laws could occur as a result of the purchase, holding or disposition of the Notes by a Plan, the Notes may not be purchased by any Plan, or any person investing the assets of any Plan, unless its purchase, holding and

disposition of the Notes will not constitute or result in a non-exempt prohibited transaction under ERISA or the Code or a violation of any Similar Laws. Any purchaser or holder of the Notes or any interest in the Notes will be deemed to have represented by its purchase and holding of the Notes that either:

- it is not a Plan and is not purchasing the Notes or interest in the Notes on behalf of or with the assets of any Plan; or
- its purchase, holding and disposition of the Notes or interest in the Notes will not constitute or result in a non-exempt prohibited transaction under ERISA or the Code or a violation of any Similar Laws.

Due to the complexity of these rules and the penalties imposed upon persons involved in non-exempt prohibited transactions, it is important that any person considering the purchase of Notes on behalf of or with the assets of any Plan consult with its counsel regarding the consequences under ERISA, the Code and any applicable Similar Laws of the acquisition, ownership and disposition of Notes, whether any exemption would be applicable, and whether all conditions of such exemption have been satisfied such that the acquisition and holding of the Notes by the Plan are entitled to full exemptive relief thereunder.

Nothing herein shall be construed as, and the sale of Notes to a Plan is in no respect, a representation by us or the underwriters that any investment in the Notes would meet any or all of the relevant legal requirements with respect to investment by, or is appropriate for, Plans generally or any particular Plan.

SUITABILITY

Notes will be sold only to investors who make a minimum purchase of $250,000. The Company may accept subscriptions less than $250,000 at its sole discretion.

As described elsewhere in this Memorandum, the Notes 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, Notes 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 Notes for his own account for investment and not with a view to the sale or distribution thereof; (ii) he is aware that the Notes have not been registered for sale under the Securities Act of 1933 as amended, and that he will not transfer his Notes in the absence of an opinion of counsel satisfactory to the Company that the Notes 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, and 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 Notes will not cause such overall commitment to become excessive.

The Sales Agent and Company reserve the right to reject any subscription in its entirety for any reason or to allocate to any investor Notes in an aggregate principal amount less than that for which a prospective investor has subscribed. In the event a subscription is rejected, the investor's subscription check for his Notes (or the amount thereof) will be returned, and in the event of a partial rejection, a pro rata amount of the investor's subscription check for his Notes 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 Company may make or cause to be made such further inquiry as the Company deems appropriate.

Any prospective investor will be afforded the opportunity to obtain from the Company 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 Company possesses or can acquire without unreasonable effort or expense and to confer with, ask questions of, and receive answers from the Company 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 Notes may be suitable for individuals seeking an investment intended to provide income. An investment in Notes 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 Notes will be paid and illiquidity. See "Risk Factors. " Accordingly, the suitability of a purchase of Notes 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 Notes.

The Sales Agent Agreement between the Company 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 Notes is suitable for such person and to transmit promptly to the Company all fully completed Subscription Agreements. By tendering payment for a Note 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, Notes in the maximum amount of $10,000,000 (the "Maximum Offering") and the minimum amount of $500,000 (the "Minimum Offering") will be offered by the Company.

The Notes 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 Financial Industry Regulatory Authority.

All funds received by the Sales Agent from subscriptions for the Notes will be placed in an escrow account (the "Escrow Account") maintained by Mercantile Bank, Boca Raton, Florida (the "Escrow Agent"). Interest will be earned on funds held in the Escrow Account commencing three (3) business days after the funds are deposited until the earlier of the termination of this Offering or the investment of the funds in the Notes. During the period that an investor's funds are held in the Escrow Account he will not be considered a Noteholder.

With respect to the Notes, 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 Notes will be promptly returned in full to the investor by the Escrow Agent, together with all interest earned while funds were held in the Escrow Account after deducting fees payable to the Escrow Agent. Fees payable to the Escrow Agent will be deducted from interest earned on the Escrow Account.

How to Subscribe. The Notes will be available for purchase in the minimum denomination of $250,000.00 and increments of $25,000.00. The Company may elect to accept subscriptions for less than $250,000. An investor who meets the qualifications set forth under "Who May Invest" and "Suitability" may subscribe for Notes 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 Note(s) purchased payable to "Mercantile Bank, Escrow Agent for McGinn, Smith Transaction Funding Corp." 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 Company.

PLAN OF DISTRIBUTION

The Company is offering a maximum of $10,000,000 of Notes, and a minimum of $500,000. The minimum investment by an investor is $250,000 with increments of $25,000. The Company, at its sole discretion may accept subscriptions of less than $250,000. The Offering period will end not later than July 31, 2008. No Notes will be sold unless subscriptions for the Minimum Offering are received and accepted by July 31, 2008. Subscriptions are subject to acceptance by the Company. 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 into the Escrow Account. For a description of the distribution of funds from the Escrow Account, see "Terms of the Offering".

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

INCOME TAX CONSIDERATIONS

The following discussion summarizes certain material anticipated federal income tax consequences relevant to the acquisition, ownership and disposition of Notes, 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 Company 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 Notes.

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

Gain or Loss on Disposition of Notes. In general, the holder of a Note will recognize gain or loss on the sale, exchange, redemption or other disposition of a Note 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 Note. Any gain or loss recognized will generally be a Trust gain or loss if the Note is held as a Trust asset and will be long-term gain or loss if the Note is held for more than one year.

Information Reporting. The Company will report interest income to Noteholders on IRS Form 1099-INT and as otherwise consistent with such treatment.

Backup Withholding. A Noteholder 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 Notes, 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 Noteholder'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, OWNER5HIP AND DISPOSITION OF THE NOTES.

LEGAL MATTERS

Legal matters in connection with the validity of the Notes offered hereby will be passed upon for the Company by Joseph B. Carr, Esq., Capital Center, 99 Pine Street, Albany, New York 12207.

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"	Subscription Agreement
Exhibit "B"	Purchaser Questionnaire
Exhibit "C"	McGinn, Smith & Co., Inc. Audited Financial Statements for December 31, 2007 and December 31, 2006

ADDITIONAL INFORMATION

Additional information is available upon request to the Company. Only additional information provided by the Company 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.

EXHIBIT "A"

SUBSCRIPTION AGREEMENT

SUBSCRIPTION AGREEMENT

THE NOTES WHICH ARE THE SUBJECT OF THIS AGREEMENT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THEY MAY NOT BE OFFERED FOR RESALE IN THE ABSENCE OF AN OPINION OF COUNSEL, SATISFACTORY TO THE COMPANY, THAT REGISTRATION IS NOT REQUIRED. IN ADDITION, THIS AGREEMENT AND THE NOTES CONTAIN SUBSTANTIAL RESTRICTIONS ON TRANSFERABILITY.

MCGINN, SMITH TRANSACTION FUNDING CORP.

TO: MCGINN, SMITH TRANSACTION FUNDING CORP.:

1. Subscriptions. I hereby subscribe for and agree to purchase the dollar amount of the Company's Notes (the "Notes") as is set forth opposite my name acknowledging the minimum purchase to be Two Hundred and Fifty Thousand Dollars ($250,000) and increments of Twenty-Five Thousand Dollars ($25,000).

2. Payment. I hereby agree to pay the Company the purchase price for the Notes by delivery herewith of a check in the face amount of the Notes subscribed for payable to the order of **"MERCANTILE BANK-Escrow Agent for McGinn, Smith Transaction Funding Corp."**.

3. Restriction on Transfer of the Notes. I understand that any resale or transfer of the Notes by me is subject to substantial restriction, in that:

   (i) The Notes have not been registered under the Securities Act of 1933 as amended (the "Act") or applicable state securities laws. The Notes cannot be sold or transferred by subscribers in the absence of an opinion of counsel that registration is not necessary. The Company is not required to register the Notes or to make any exemption from registration available.

   (ii) My right to sell or transfer any of the Notes will be restricted as follows: (1) restrictions against sale or transfer in violation of applicable securities law; (2) the requirement that I furnish an opinion of counsel that any proposed sale or transfer by me will not violate such laws; (3) the Company must consent to the transfer of my Notes; and (4) other restrictions and requirements, including such restrictions on transfer arising under state securities laws.

   (iii) There will be no public market for the Notes, and I may not be able to sell my Notes. Accordingly, I must bear the economic risk of my investment for an indefinite period of time.

4. Investment Representation. I represent and warrant that I am acquiring my Notes for my own account and not on behalf of other persons, and that I am acquiring my Notes for investment purposes only and not with a view to the resale or distribution thereof; I understand that the Notes will be offered and sold in a manner which would qualify the transaction for an exemption as a private placement under Rule 506 of the Act. The Notes may not be transferred or assigned except as provided herein.

5. Subscription Irrevocable by Certificateholder. This Subscription Agreement is not, and shall not be, revocable by me, except as provided by applicable state securities law requirements, and I intend to be legally bound by this Subscription Agreement.

6. Subscription Subject to Acceptance or Rejection by the Company. The Company, in its sole discretion, shall have the right to accept or reject this subscription at any time on or before the Closing.

7. Offering of Notes Subject to Withdrawal. If the Company does not receive subscriptions for Notes in the minimum amount of $500,000.00 before the Termination Date, the Offering of Notes will be

withdrawn and I understand that all my subscription documents and payments will be returned to me, with interest, less the cost of escrow, and without further obligation of the Company.

8. Additional Representations and Warranties. I represent and warrant that:

(a) (i) I have received and have carefully read and understood the Private Placement Memorandum dated April 22, 2008 (the "Memorandum") given to me by the Company in connection with the offering of Notes.
(ii) I have been furnished with all additional documents and information which I have requested.
(iii) I have had the opportunity to ask questions of and receive answers from the Company concerning the Company and the offering of Notes and to obtain any additional information necessary to verify the accuracy of the information furnished.
(iv) I have relied only on the foregoing information and documents in determining to make this subscription, and the decision to acquire Notes of the Company has been made based upon my own evaluation of the merits and risks of the Company.
(v) I will not offer to sell, or resell, the Notes except in accordance with Section 3(ii) hereof.
(vi) I will require any purchaser to provide the Company with his address.

(b) I recognize that investment in the Notes involves substantial risk factors, including those set forth under "Risks" in the Memorandum.

(c) I have adequate means of providing for my current needs and possible personal contingencies, and I have no need for liquidity in my investment in the Notes.

(d) My overall commitment to investments which are not readily marketable is not disproportionate to my net worth and my purchase of Notes will not cause such overall commitment to become excessive.

9. Indemnification and Hold Harmless. If I breach any agreement, representation or warranty I have made in this Subscription Agreement or any other document I have executed in connection with this offering, I agree to indemnify and hold harmless the Company, the Sales Agent, and any officer or director of the Company and any person controlling either or any of them against any claims, actions, liability, loss, damage or expense (including attorney's fees and other costs of investigation and litigating claims) caused, directly or indirectly, by my breach.

10. Subscriber Information. This Subscription and my Notes shall be recorded on the Company's books.

IN WITNESS WHEREOF, I have executed this Subscription Agreement this ____ day of_____,2008.

_____
Print exact name in which title is to be held

Name: _____ _____
Printed Name Tax ID # Printed Name Tax ID#

Signature: X _____ Signature X _____

Address:_____

Amount Purchased: $_____

_____

ACCEPTED BY MCGINN, SMITH TRANSACTION FUNDING CORP. this _____ of _____, 2008.

McGinn, Transaction Funding Corp.

By: _____
Timothy M. McGinn, Chairman & CEO

or

By: _____
David L. Smith, President

CONFIDENTIAL

PURCHASER QUESTIONNAIRE FOR INDIVIDUALS

MCGINN, SMITH TRANSACTION FUNDING CORP.

The offering is being made pursuant to Regulation D under the Securities Act of 1933, as amended, (the "Act"). One of the requirements of the Regulation is that the persons involved in the offering and sale of the securities must have reasonable grounds to believe either:

(i) that the Offeree has such knowledge and experience in financial and business matters that he is capable of evaluating the merits and risks of the prospective investment; or

(ii) the undersigned is acquiring the Notes for investment purposes only and not with a view towards resale.

The undersigned is aware that this offering will involve Notes for which no resale market exists, thereby requiring this investment to be maintained for the stated term of eachCertificate.

Your answers will, at all times, be kept strictly confidential; however, each party who signs the questionnaire hereby agrees that the Company may present this questionnaire to such parties as may seem appropriate in order to insure that the offer and sale of the Notes to you will not result in violation of any exemption from registration under the Act which may be relied upon by the Company in connection with the sale of the Notes.

Please complete this questionnaire as thoroughly as possible and sign, date and return to the Company c/o McGinn, Smith & Co., Inc., 5th Floor, 99 Pine Street, Albany, New York 12207.

Please print or type:

Name: _____

Home Address: _____

_____

Date of Birth: _____

Social Security No.: _____

Occupation: _____

Business Address: _____

Business Telephone: _____

Home Telephone: _____

Communications should be sent to:

Home Address _____ or Business Address _____

EXHIBIT "B"

PURCHASER QUESTIONNAIRE

1. What is your approximate net worth?

_____$50,000 - $100,000
_____$100,000 - $250,000
_____$250,000 - $500,000
_____$500,000 - $1,000,000
_____Greater than $1,000,000

2. Did your individual income exceed $200,000.00 in 2006 and 2007, or did your joint income with your spouse exceed $300,000.00 in each of those years?

Yes _____ No_____

3. If the answer to #2 above is "yes", do you expect to reach the same income level in 2008?

Yes _____ No _____

4. What was your approximate gross income for calendar year2007?

_____$25,000 - $100,000
_____$100,000 - $200,000
_____$200,000 - $300,000
_____$300,000 - $500,000
_____Greater than $500,000

5. What will your approximate gross income be for calendar year 2008?

_____$25,000 - $100,000
_____$100,000 - $200,000
_____$200,000 - $300,000
_____$300,000 - $500,000
_____Greater than $500,000

To the best of my information and belief, the above information is accurate and complete in all respects. I agree to notify the Company promptly of any changes which occur prior to sale of theNotes.

Purchaser Date:

_____ _____
Name (printed)

_____
Signature

CONFIDENTIAL

PURCHASER QUESTIONNAIRE FOR CORPORATIONS AND PARTNERSHIPS

MCGINN, SMITH TRANSACTION FUNDING CORP.

The offering is being made pursuant to Regulation D under the Securities Act of 1933, as amended, (the "Act"). One of the requirements of the Regulation is that the persons involved in the offering and sale of the securities must have reasonable grounds to believe either:

(i) that the Offeree has such knowledge and experience in financial and business matters that he is capable of evaluating the merits and risks of the prospective investment; or

(ii) that the Offeree and its Offeree Representative(s), together, have such knowledge and experience in financial and business matters, that they are capable of evaluating the merits and risks of the prospective investment and that the Offeree is able to bear the economic risk of the invest.

The purpose of this Questionnaire is to assist MCGINN, SMITH TRANSACTION FUNDING CORP. (the "Company") in complying with the above requirement.

Please contact McGinn, Smith & Co, Inc., 5th Floor, 99 Pine Street, Albany, New York 12207 (518-449-5131) if you have any questions in answering this questionnaire.

If the answer to any questions "None" or "Not Applicable", please so state.

Your answers will, at all times, be kept strictly confidential; however, each party who signs the Questionnaire hereby agrees that the Company may present this Questionnaire to such parties as may seem appropriate in order to insure that the offer and sale of the Notes to you will not result in violation of any exemption from registration under the Act which may be relied upon by the Company in connection with the sale of the Notes.

Please complete this Questionnaire as thoroughly as possible and sign, date and return one (1) copy to the Company c/o McGinn, Smith & Co., Inc., 5th Floor, 99 Pine Street, Albany, New York 12207.

Please print or type:

Name of Organization: _____

Business Address: _____

Business Telephone: _____

Federal ID Number: _____

1. Was the organization formed for the specific purpose of acquiring theCompany's Notes?

Yes_____ No_____

2. Does the organization possess total assets in excess of $5,000,000?

Yes_____ No_____

3. Does each equity owner of the organization:

A. Have a net worth, exclusive of home, furnishings, and automobiles, of at least $1,000,000?

Yes_____ No_____

B. Had an individual net income in excess of $200,000 in 2006 and 2007, or joint income with that person's spouse in excess of $300,000 in each of those years, and have a reasonable expectation of reaching the same income level in 2008?

Yes_____ No_____

4. I am aware that the Notes proposed to be offered will not be readily marketable or transferable.

Yes_____ No_____

5. The organization can afford the complete loss of its investments in the Notes and has no need for liquidity in this investment.

Yes_____ No_____

6. Stated below are the organization's previous investments in similar securities and other private placements during the past five years:

_____

_____

_____

7. I understand that, unless the organization satisfies certain criteria, in order to qualify as a purchaser of Notes, I must have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of an investment in the Company or I must engage an attorney, accountant or other financial advisor for the purpose of this particular transaction.

I hereby represent, by initialing on the Representation A or Representation B line below, that:

A. I have such knowledge and experience in financial and business matters that I am capable of evaluating the merits and risks of an investment in the Notes and will not require a Purchase Representative.

Representation A._____

B. I have relied upon the advice of the following Purchaser Representative(s) in evaluating the merits and risks of an investment in the Notes:

Representation B._____

_____ _____

Name Name

_____ _____

Relationship Relationship

To the best of my information and belief, the above information is accurate and complete in all respects. I agree to notify the Company promptly of any changes which occur prior to sale of the Company's Notes.

Purchaser: Date:

_____ _____

Print Name of Organization

By: _____

Title: _____

PURCHASER REPRESENTATIVE QUESTIONNAIRE

MCGINN, SMITH TRANSACTION FUNDING CORP.

The information contained herein is being furnished to MCGINN, SMITH TRANSACTION FUNDING CORP. (the "Company") in order to facilitate a determination as to whether the undersigned may act as a Purchaser Representative, as such term is used in Regulation D promulgated under the Securities Act of 1933, as amended, (the "Act"), in connection with the proposed offer and sale by the Company of its Contract Notes (hereinafter referred to as the "Notes"). The answers below are correct, and the Companyee is entitled to rely on them in making the foregoing determination.

REPRESENTATIONS

I represent, warrant and covenant to you that:

(a) the information contained herein is complete and accurate and may be relied upon by you in determining whether I may act as a Purchaser Representative pursuant to Regulation D in connection with offers and sales of the Notes;

(b) I will notify you immediately of any material change in any of such information occurring within ninety (90) days of the close of sale of the Notes to the Purchaser;

(c) (i) I have been designated, or will be designated, pursuant to the Purchaser Questionnaire of each Purchaser, as the Purchaser Representative or such Purchaser, in connection with evaluating the merits and risks of his prospective investment in the Notes;

(ii) I have disclosed or will disclose, to each Purchaser, in writing, prior to the designation referred to above, any material relationship between me or my affiliates and the Company, which now exists or is mutually understood to be contemplated, or which has existed at any time during the previous two (2) years, and any compensation received as a result of such relationship, including any compensation received in connection the offering of Notes herein; and

(iii) I will deliver to each of you a counterpart of the disclosure statement referred to in (ii) above, and such other documents or information as each of you may request relating to the performance by me of my duties as a Purchaser Representative.

(Attach additional sheets if required)

1. Name: _____

   Age: _____

   Social Security No.:_____

2. Names of offerees I am representing:

   _____

   _____

   _____

3. Firm name: _____

   Empl. Iden. No.:_____

   Position: _____

   Nature of Duties: _____

Business Address: _____

Business telephone number: (___) _____

4. Prior occupations or positions during the past five years:

_____

_____

_____

_____

5. Description of prior experience in advising clients with respect to investments, including a description of the types of investments, the dollar amounts involved, and the number of years of experience which you have in financial, business and tax oriented matters:

General Investments (specify)

_____

_____

_____

Private Placements (specify)

_____

_____

Other Investments (specify)

_____

_____

6. The Professional licenses or registrations (including bar admissions, accounting Notes, real estate brokerage licenses, broker-dealer or investments advisory registrations) held by me are as follows:

Registration	Year Received	Is License or Registration Still Effective?

7. My educational background, including degrees obtained and date of attendance:

_____

_____

_____

8. (a) Neither I nor any of my affiliates now have or have had any material relationship with the Company or any of its affiliates, are not affiliates or the Company, and no such relationship is contemplated in the future, except as follows:

_____

_____

_____

(b) The amounts of compensation received or to be received as a result of the material relationship(s) described in Item 8(a)(including any compensation received or to be received in connection with this transaction) are as follows:

_____
_____
_____

9. Neither I nor any of my affiliates own beneficially any interest in theCompany except as follows:

_____
_____
_____

10. I have received and read the Company's Private Placement Memorandum dated April 22, 2008 and Exhibits thereto and have reviewed it with the Offeree.

11. Other comments or disclosures:

_____
_____
_____

_____
Purchaser Representative Signature

_____
Type Purchaser Representative Name

_____
Firm Name

_____
Street Address

_____
City and State

( )_____
Telephone

Acknowledgement of Investor(s)

I acknowledge receipt of the foregoing disclosures this _____ day of _____, 200__, and this represents my acknowledgment in writing to the Company that I have read the foregoing and desire that the above stated person serve as my Purchaser Representative with respect to the offering of the Company's Notes.

_____
Investor's Signature

_____
Investor's Signature

_____
Investor's Signature

EXHIBIT "C"

AUDITED FINANCIAL STATEMENTS FOR DECEMBER 31, 2007 AND DECEMBER 31 2006

McGINN, SMITH & CO., INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2007

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Piaker & Lyons
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
McGinn, Smith & Co., Inc.

We have audited the accompanying statements of financial condition of **McGINN, SMITH & CO., INC. (a New York corporation)** as of December 31, 2007 and 2006, and the related statements of income, changes in stockholders' equity, and cash flows for the years then ended that you are filing pursuant to rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of McGinn, Smith & Co., Inc. as of December 31, 2007 and 2006, and the results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Piaker & Lyons

PIAKER & LYONS

Syracuse, New York
February 25, 2008

572 South Salina Street • Syracuse, New York 13202 • (315) 471-8109 • Fax: (315) 471-3293

McGINN, SMITH & CO., INC.

STATEMENTS OF FINANCIAL CONDITION
DECEMBER 31, 2007 AND 2006

ASSETS

	2007	2006
Cash	$ 132,757	$ 852,265
Marketable Securities	2,028,624	6,526
Not Readily Marketable Investments, at Estimated Fair Market Value	145,146	829,140
Receivables – Clearing Agent and Other	376,509	321,394
Advances Due From Employees	357,756	387,877
Notes Receivable – Affiliates	620,184	583,083
Property, Equipment, and Software – Net	356,350	414,648
Cash Surrender Value – Life Insurance Policies	132,787	97,330
Prepaid Expenses and Deposits	486,807	385,525
TOTAL ASSETS	$ 4,636,920	$ 3,877,788

The Notes to Financial Statements are an integral part of this statement.

(continued on the following page)

McGINN, SMITH & CO., INC.

STATEMENTS OF FINANCIAL CONDITION
DECEMBER 31, 2007 AND 2006

LIABILITIES AND STOCKHOLDERS' EQUITY

	2007	2006
LIABILITIES		
Note Payable	$ -	$ 82,225
Accounts Payable and Accrued Expenses	612,335	187,252
Incentive Savings Plan Liability	65,693	58,039
Commissions Payable to Brokers	295,888	215,853
Dividends Payable	59,377	60,824
Income Taxes Payable – Deferred	666,100	426,200
TOTAL LIABILITIES	1,699,393	1,030,393
STOCKHOLDERS' EQUITY		
Preferred Stock – 1987 Series - $100 Par Value – 30,000 Shares Authorized and Issued, 29,800 and 29,670 Shares Outstanding, Respectively	3,000,000	3,000,000
Preferred Stock – 1992 Series - $100 Par Value – 7,500 Shares Authorized and Issued, No Shares Outstanding	750,000	750,000
Common Stock - $.01 Par Value – 2,000,000 Shares Authorized – 1,000,000 Shares Issued and Outstanding	10,000	10,000
Additional Paid in Capital	1,183	1,183
Retained Earnings (Deficit)	(53,656)	(130,788)
	3,707,527	3,630,395
Less: Preferred Stock in Treasury – At Cost:		
1987 Series – 200 and 330 Shares at December 31, 2007 and 2006, Respectively	20,000	33,000
1992 Series – 7,500 Shares	750,000	750,000
TOTAL STOCKHOLDERS' EQUITY	2,937,527	2,847,395
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 4,636,920	$ 3,877,788

The Notes to Financial Statements are an integral part of this statement.

McGINN, SMITH & CO., INC.

STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

	2007	2006
REVENUES		
Commissions	$ 3,920,668	$ 2,905,889
Investment Banking	2,815,116	3,407,568
Advisory Fees	2,545,397	775,047
Interest and Dividends	61,080	44,877
Gain on Securities – Net	1,260,449	758,851
TOTAL REVENUES	10,602,710	7,892,232
EXPENSES		
Employee Compensation and Benefits	6,282,076	4,553,981
Commissions and Floor Brokerage	985,603	960,462
Communications	472,091	404,642
Interest	132,042	11,828
Fees and Permits	92,924	90,576
Other Operating Expenses	2,058,630	1,706,996
TOTAL EXPENSES	10,023,366	7,728,485
INCOME BEFORE TAXES	579,344	163,747
PROVISION FOR INCOME TAXES	263,976	113,342
NET INCOME	$ 315,368	$ 50,405

The Notes to Financial Statements are an integral part of this statement.

McGINN, SMITH & CO., INC.

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

	Capital Stock					Treasury Stock		
	1987 Series Preferred	1992 Series Preferred	Common	Additional Paid-In Capital	Retained Earnings (Deficit)	1987 Series Preferred	1992 Series Preferred	Total Stockholders' Equity
BALANCE – JANUARY 1, 2006	$ 2,841,500	$ 750,000	$ 10,000	$ 1,183	$ 47,420	$(245,300)	$(750,000)	$ 2,654,803
Dividends	-	-	-	-	(228,613)	-	-	(228,613)
(Purchase) Sale of Preferred Stock – Net	158,500	-	-	-	-	212,300	-	370,800
Net Income	-	-	-	-	50,405	-	-	50,405
BALANCE – DECEMBER 31, 2006	3,000,000	750,000	10,000	1,183	(130,788)	(33,000)	(750,000)	2,847,395
Dividends	-	-	-	-	(238,236)	-	-	(238,236)
(Purchase) Sale of Preferred Stock – Net	-	-	-	-	-	13,000	-	13,000
Net Income	-	-	-	-	315,368	-	-	315,368
BALANCE – DECEMBER 31, 2007	$ 3,000,000	$ 750,000	$ 10,000	$ 1,183	$(_53,656)	$(_20,000)	$(750,000)	$ 2,937,527

The Notes to Financial Statements are an integral part of this statement.

McGINN, SMITH & CO., INC.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

	2007	2006
Cash Flows From Operating Activities:		
Net Income	$ 315,368	$ 50,405
Adjustments to Reconcile Net Income to Net Cash Used in Operating Activities:		
Depreciation and Amortization	88,489	98,490
Deferred Income Taxes	239,900	70,900
Changes in Operating Assets and Liabilities:		
Securities and Investments	(1,338,104)	(731,353)
Receivables – Clearing Agent and Other	(435,874)	324,843
Prepaid Expenses and Deposits	(101,282)	(1,717)
Accounts Payable and Accrued Expenses	425,083	111,339
Incentive Savings Plan Liability	7,654	(636)
Commissions Payable to Brokers	80,035	82,357
Income Taxes Payable – Current	-	(170,429)
Total Adjustments	(1,034,099)	(216,206)
Net Cash Used in Operating Activities	$(718,731)	$(165,801)

The Notes to Financial Statements are an integral part of this statement.

(continued on the following page)

McGINN, SMITH & CO., INC.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

	2007	2006
Cash Flows From Investing Activities:		
Purchases of Property and Equipment	$(30,191)	$(82,089)
Cash Surrender Value – Officers Life Insurance	(35,457)	(97,330)
Repayments From (Advances To) Employees	30,121	5,650
Repayments From (Advances To) Loans Made to Affiliates	343,658	(89,919)
Cash Provided by (Used in) Investing Activities	308,131	(263,688)
Cash Flows From Financing Activities:		
Principal Payments Made on Borrowings	(82,225)	-
Dividends Paid	(239,683)	(218,091)
Sale of 1987 Series Preferred Stock	-	158,500
Sale (Purchase) of 1987 Series Preferred Treasury Stock	13,000	212,300
Net Cash Provided by (Used in) Financing Activities	(308,908)	152,709
Net Decrease in Cash and Cash Equivalents	(719,508)	(276,780)
Cash – Beginning of Year	852,265	1,129,045
Cash – End of Year	$ 132,757	$ 852,265
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Interest	$ 132,042	$ 3,668
Corporate Income Taxes	17,624	178,025

The Notes to Financial Statements are an integral part of this statement.

McGINN, SMITH & CO., INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Company Operations and Concentration of Credit Risk – McGinn, Smith & Co., Inc. (Company), a corporation organized in the state of New York during September 1980, is engaged in the securities and investment brokerage business in Albany and New York City, New York. The company is a broker-dealer registered with the Securities and Exchange Commission (SEC) and is a member of the National Association of Securities Dealers (NASD). The Company monitors its cash balances which at times exceed FDIC insurance coverages.

Accounting Method – The Company's financial statements are prepared using the accrual basis as specified in the AICPA's Audit and Accounting Guide – "Audits of Brokers and Dealers in Securities." The Company maintains its records for income tax reporting purposes on the cash basis. Transactions in securities are recorded on a trade date basis for financial statements and tax purposes. Amounts receivable and payable for securities transactions that have not reached their contractual settlement date are recorded net on the statement of financial condition.

Customer Accounts – Fully Disclosed Basis – The Company operates pursuant to paragraph (k)(2)(B) of Rule 15c3-3 and does not carry customer accounts or clear customer transactions. Accordingly, all customer transactions are executed and cleared on behalf of the Company by National Financial Services, LLC (NFS), on a fully disclosed basis. The Company's agreement with NFS provides that as clearing broker, NFS will make and keep such records of the transactions effected and cleared in the customer accounts as are customarily made and kept by a clearing broker pursuant to the requirements of Rules 17a-3 and 17a-4 of the Securities Exchange Act of 1934, as amended, and will perform all services customarily incident thereto. All customer funds and securities received, if any, are promptly transmitted directly to NFS. As a result, the Company is exempt from the remaining provisions and requirements of Rule 15c3-3.

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates based on management's knowledge and experience. Due to their prospective nature, actual results could differ from those estimates.

Marketable Securities and Not Readily Marketable Investments – Marketable securities are valued at fair market value. Not readily marketable investments are valued at estimated fair value as determined by the Company's management. The resulting difference between cost and market is included in income as an unrealized investment gain or loss. At December 31, 2007 the market value of marketable securities and not readily marketable investments exceeded cost by $1,781,344. At December 31, 2006 the cost of marketable securities exceeded the market value of marketable securities by $739,102. The Company's gain (loss) on marketable securities and not readily marketable investments is comprised of both realized and unrealized gains and losses.

McGINN, SMITH & CO., INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables – Receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to receivables. At December 31, 2007 and 2006, no allowance was deemed necessary by management.

Property, Equipment, and Software – Purchases of Property, Equipment, and Software are recorded at cost. Depreciation and amortization is provided on the straight-line and accelerated methods, which are considered adequate for the recovery of the assets over their estimated useful lives. Depreciation and amortization expense totaled $88,489 and $98,490 for the years ended December 31, 2007 and 2006, respectively.

Property, Equipment, and Software are comprised of the following at December 31:

	2007	2006
Leasehold Improvements	$ 96,639	$ 96,639
Equipment	793,184	762,993
Software	300,000	300,000
	1,189,823	1,159,632
Less: Accumulated Depreciation	833,473	744,984
	$ 356,350	$ 414,648

Income Taxes – Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes related primarily to temporary differences caused by filing tax returns on the cash basis. The deferred tax assets and liabilities represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled.

Advertising – The Company expenses advertising costs as they are incurred. Advertising expenses amounted to $3,085 and $5,480 in 2007 and 2006, respectively.

Cash and Cash Equivalents – For purposes of the statements of cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Reclassifications – Certain 2006 items have been reclassified to conform to the 2007 method of presentation.

McGINN, SMITH & CO., INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 2 – NOT READILY MARKETABLE INVESTMENTS

The Company owned limited partnership interests, common stock, and other investments for which a ready market did not exist during the years ended December 31, 2007 and 2006. These investments, which were valued at their estimated fair value, as determined by the Company's management or by available market information, totaled $145,146 and $829,140 at December 31, 2007 and 2006, respectively.

NOTE 3 – NOTES RECEIVABLES – AFFILIATES

The Company has notes receivable from, affiliated companies which bear interest at 6%, and totaled $620,184 and $583,083 at December 31, 2007 and 2006, respectively.

NOTE 4 – NOTE PAYABLE

The Company had a $82,225 note payable at December 31, 2006, which was repaid during the current year.

NOTE 5 – INCOME TAXES

The Company's provision for income taxes is comprised of the following for the years ended December 31:

	2007	2006
Current	$ 24,076	$ 42,442
Deferred	239,900	70,900
	$ 263,976	$ 113,342

McGINN, SMITH & CO., INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 5 – INCOME TAXES (CONTINUED)

At December 31, 2007 and 2006, deferred tax liabilities recognized for taxable temporary differences totaled $971,400 and $583,000, respectively. Deferred tax assets recognized for deductible temporary differences totaled $305,300 and $156,800, respectively. No deferred tax valuation allowance was deemed necessary by management.

The actual tax expense for 2007 and 2006 differs from the "expected tax expense (computed by applying the federal statutory tax rate of thirty-four percent to income before taxes) as a result of the net effect of federal surtax exemptions, tax-exempt income, non-deductible items, and the impact of state income taxes.

NOTE 6 – INCENTIVE SAVINGS PLAN

The Company maintains a 401(k) plan for the benefit of substantially all of its full time employees who are at least twenty-one years of age and have had at least one year of service. The plan is based on a voluntary salary reduction by employees. The Company amended its plan for 2005, to apply the safe harbor calculation, where the Company will match one hundred percent of each participant's plan contributions, up to a maximum of three percent of allowable compensation, and fifty percent of each participant's plan contributions, up to a maximum of an additional two percent of allowable compensation. The previous plan had the Company matching up to sixty percent of each participant's plan contributions, up to a maximum of five percent of allowable compensation, not to exceed $3,500 per employee per year. The Company can also make discretionary contributions to the plan. Plan expense for the years ended December 31, 2007 and 2006 was $65,693 and $50,404, respectively.

NOTE 7 – COMMITMENTS AND CONTINGENCIES

The Company has a lease for its Albany location, which expires in July 2013, for the use of office space with additional charges for common area maintenance. The Company's minimum annual lease obligation is approximately $105,000. Additional rent is provided for certain cost escalations.

The Company has a lease for its New York City location which expires in November 2009. The Company's minimum annual lease obligation is approximately $315,000. At December 31, 2007, the Company had an outstanding letter of credit for $88,602 with its New York City landlord, in lieu of a security deposit for the same amount.

McGINN, SMITH & CO., INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 7 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

The Company has a lease for its Clifton Park location which requires monthly payments of $4,936 through June 2009.

Rent expense was $513,011 and $514,071 for the years ended December 31, 2007 and 2006, respectively.

The Company is a Trustee of numerous contract certificate trusts, whose assets aggregate approximately $5,130,000 at December 31, 2007.

In the normal course of business, customer complaints may arise. Some of these complaints may lead to civil actions. At this time the Company is not currently aware of any pending litigation that would have a material effect on the financial position of the firm. The Company is currently a party to a lawsuit regarding a former employee's employment contract, whereby damages are being sought by said claimant. The Company believes it has meritorious defense to these claims and intends to vigorously defend its position. Accordingly, no provisions for losses, if any, are included in the financial statements. However, no assurances can be given as to the outcome of these proceedings.

NOTE 8 – PREFERRED STOCK

1987 Series

Dividends on 1987 Series Preferred Stock are cumulative and are determined by applying the applicable rate to the par value of outstanding shares times the number of days the shares are outstanding divided by 365 days. The rate is determined by the Company's Board of Directors on or about April 1 of each year to cover the period from April 1 through the following March 31. The rate is determined by adding three and one-half percentage points to the yield of seven year United States Treasury obligations in effect on March 15 of the applicable year. The rate used to calculate dividends on outstanding shares of Preferred Stock for the period April 1, 2006 through March 31, 2007, was 8.2%, and for the period April 1, 2007 through March 31, 2008, was 7.9%.

McGINN, SMITH & CO., INC.

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 8 – PREFERRED STOCK (CONTINUED)

Preferred shares are redeemable in whole or in part at the election of the Board of Directors on thirty days written notice at a price equal to $100 per share plus accrued but unpaid dividends. If the Board of Directors elects to redeem less than one hundred percent of outstanding Preferred Stock, the redemption will be pro-rated among holders of the outstanding Preferred Stock. Preferred stockholders have the right to require the Company to repurchase shares on ninety days written notice to the Company at a price equal to the par value of those shares plus accrued but unpaid dividends. The Company's obligation to repurchase Preferred Stock is limited to twenty-five percent of the originally issued and outstanding preferred shares. The Company is prohibited from repurchasing shares of Preferred Stock and distributing dividends, and the Preferred stockholders are prohibited from demanding such payments, if such a withdrawal would cause the Company to violate its net capital requirements and its legal capital requirements.

The Company had sales of stock which totaled $13,000 and $370,800 in 2007 and 2006, respectively.

NOTE 9 – NET CAPITAL REQUIREMENTS

Pursuant to the net capital provisions of Rule 15c3-1 of the Securities Exchange Act of 1934, the Company is required to maintain a minimum level of net capital of $100,000 as defined under such provisions. Additionally, the Company is required to maintain a net capital ratio (a ratio of aggregate indebtedness to net capital) of not more than 15 to 1. The Company had net capital of $829,313 and $365,059 as of December 31, 2007 and 2006, respectively. The Company's net capital ratio was approximately 1.25 to 1 and 1.66 to 1 at December 31, 2007 and 2006, respectively.

NOTE 10 – RELATED PARTY TRANSACTIONS

The Company had several different types of transactions with related parties during the years ended December 31, 2007 and 2006. The Company provides investment banking and management services to affiliates. A summary of the related party transactions, by category, are as follows as of, and for the years ending December 31:

	2007	2006
Interest and Dividend Income	$ 7,983	$ 25,419
Advisory Fees, Commissions, and Other Income	701,145	1,084,972
Receivables – Other	115,311	60,517
Notes Receivable – Affiliates	620,184	583,083

Piaker & Lyons
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION

Board of Directors
McGinn, Smith & Co., Inc.

We have audited the accompanying financial statements of **McGINN, SMITH & CO., INC.** as of and for the years ended December 31, 2007 and 2006, and have issued our report thereon dated February 25, 2008 Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information contained in the contents of this report is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by rule 17a-5 of the Securities and Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Piaker & Lyons

PIAKER & LYONS

Syracuse, New York
February 25, 2008

572 South Salina Street • Syracuse, New York 13202 • (315) 471-8109 • Fax: (315) 471-3293

McGINN, SMITH & CO., INC.

COMPUTATIONS OF AGGREGATE INDEBTEDNESS
AND NET CAPITAL UNDER RULES 15c3-1
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

	2007	2006
AGGREGATE INDEBTEDNESS		
Note Payable	$ -	$ 82,225
Accounts Payable and Accrued Expenses	612,335	187,252
Incentive Savings Plan Liability	65,693	58,039
Commissions Payable to Brokers	295,888	215,853
Dividends Payable	59,377	60,824
TOTAL AGGREGATE INDEBTEDNESS	$ 1,033,293	$ 604,193
NET CAPITAL		
Total Stockholders' Equity	$ 2,937,527	$ 2,847,395
Deferred Income Taxes Payable	666,100	426,200
TOTAL CAPITAL	3,603,627	3,273,595
DEDUCTIONS		
Not Readily Marketable Investments	145,146	829,140
Receivables – Other Than Clearing Agent	243,655	209,926
Advances Due From Employees	357,756	387,877
Notes Receivable From Affiliates	620,184	583,083
Cash Surrender Value – Officers Life Insurance	-	97,330
Property, Equipment, and Software	356,350	414,648
Prepaid Expenses and Deposits	486,807	385,525
Haircut on Securities	564,416	1,007
TOTAL DEDUCTIONS	2,774,314	2,908,536
NET CAPITAL	829,313	365,059
REQUIRED NET CAPITAL	113,293	100,000
CAPITAL IN EXCESS OF REQUIREMENT	$ 716,020	$ 265,059
RATIO OF AGGREGATE INDEBTEDNESS TO NET CAPITAL	1.25 to 1	1.66 to 1

See Independent Auditors' Report on Supplemental Information

McGINN, SMITH & CO., INC.

RECONCILIATIONS OF NET CAPITAL TO FORM X-17a-5
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

	2007	2006
NET CAPITAL REPORTED ON DECEMBER FORM X-17a-5	$ 839,224	$ 466,027
ADJUSTMENTS ARISING FROM AUDIT ADJUSTMENTS WHICH AFFECT NET CAPITAL – FORM X-17a-5:		
Adjustment of Cash Balances	(7,897)	-
Adjustment of Dividend Payable	6,918	-
Adjustment of Accounts Payable and Accrued Expenses	(3,927)	(112,562)
Adjustment of Commissions Payable to Brokers	-	5,772
Adjustment to Incentive Savings Plan Liability	(4,193)	7,022
Adjustment of Corporate Income Taxes Payable	-	(1,200)
Adjustment to Haircut Calculation	(812)	-
TOTAL ADJUSTMENTS AFFECTING NET CAPITAL	(9,911)	(100,968)
NET CAPITAL AS ADJUSTED	$ 829,313	$ 365,059

See Independent Auditors' Report on Supplemental Information

$10,000,000 MAXIMUM
$500,000 MINIMUM

McGinn, Smith Transaction Funding Corp.

Participating Notes
Due July 1, 2012

CONFIDENTIAL
PRIVATE PLACEMENT
MEMORANDUM

McGinn, Smith & Co., Inc.
Albany, New York

April 22, 2008

No dealer, salesman or other person has been authorized to give any information or to make any representations other than those contained in this Memorandum and if given or made, such information or representations must not be relied upon as having been authorized. This Memorandum does not constitute an offer to sell or a solicitation of an offer to buy any securities to which it relates. This Memorandum does not constitute an offer to sell or a solicitation of an offer to buy such securities in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction. Neither the delivery of this Memorandum nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date hereof or that the information contained herein is correct as of any time subsequent to its date. However, in the event of any material change, this Memorandum will be amended, supplemented or updated accordingly.

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