

Exhibit 15



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
NORTHEAST REGIONAL OFFICE
233 BROADWAY
NEW YORK, N.Y. 10279

IN REPLYING PLEASE QUOTE
NERO-BDIP-SCV
(646) 428-1932

February 26, 2004

Mr. David Smith
President
McGinn, Smith & Co., Inc.
99 Pine Street, 5th Floor
Albany, New York 12207

Dear Mr. Smith:

A broker-dealer examination of the McGinn Smith & Co., Inc. ("MS & Co.") main office located in Albany, New York and the MS & Co. Manhattan branch office conducted by the Northeast Regional Office of the United States Securities & Exchange Commission revealed the following violations of the rules and regulations promulgated under the Securities Exchange Act of 1934 ("Exchange Act") and by the National Association of Securities Dealers, Inc. ("NASD"). With respect to the main office examination:

Section 15(a) of the Exchange Act was violated in that MS & Co. controlled and operated Capital Center Credit Corporation ("C4") as an unregistered broker-dealer. The staff's review of C4's business activities disclosed that C4 received customer funds, purchased investments from customers, warehoused certain investments, engaged in loan transactions, and issued short-term commercial paper. Therefore, C4 should be registered as a broker-dealer by virtue of its business activities, or, its books and records should be encompassed in MS & Co.'s financial statements, which may require the firm to increase its net capital requirement to \$250,000.

Rule 17a-4(b)(4) and **NASD Conduct Rule 3110** was violated in that MS & Co. failed to preserve for a period of three years, and/or preserve in an accessible place for two years, electronic communications relating to the business of the firm. Due to certain deficient processes with the firm's computerized systems, not all required electronic communications were preserved.

Rule 17a-3(a)(1) was violated in that MS & Co. failed to make and keep current blotters containing an itemized daily record of all purchases and sales of securities.

NASD Conduct Rule 3010 was violated in that MS & Co. failed to establish, maintain, and enforce a supervisory system to ensure compliance with NASD rules relating to retention of electronic communications. Moreover, MS & Co. failed to establish and/or enforce adequate

policies and procedures for maintaining written complaints, arbitrations, and settlements. More specifically, the firm failed to establish and maintain separate complaint files for Joyce Magnavito and Robert H. Hill, who are clients of MS & Co.

With respect to the branch office examination:

Section 5 of the Securities Act of 1933 was violated in that MS & Co. accepted certain customer funds for the purchase of the Integrated Alarm Services Group, Inc. ("IASG") initial public offering ("IPO") prior to the effective date of the offering.

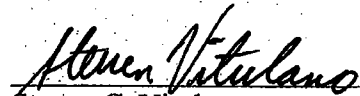
Rule 17a-4(b)(4) and **NASD Conduct Rule 2210** were violated in that MS & Co.'s Manhattan branch office failed to review and preserve all incoming and outgoing correspondence.

NASD Conduct Rule 3010 was violated in that MS & Co. failed to enforce its written supervisory procedures with respect to maintaining and reviewing all correspondence and detecting and preventing selling away by its RRs. Specifically, Benardo Misseri, Gregory Gatto and Teekachand Tiwari violated **NASD Conduct Rule 3040** by engaging in various private placement securities transactions they were offering to the firm's customers without the approval and knowledge of MS & Co. management.

We are bringing the deficiencies and/or violations of law described above to your attention for immediate corrective action, without regard to any other action(s) that may result from the examination. You should not assume that the Registrant's activities not discussed in this letter are in full compliance with the federal securities laws and other applicable rules and regulations. The above findings are based on the staff's examination and are not findings or conclusions of the Commission.

Notwithstanding whether the Commission takes any action with respect to the above violations, please promptly advise the staff in writing as to the specific procedures which you have put into effect to guard against any further infractions of the above cited Rules. The staff requires that you submit your written response within 30 days of the date of this letter. In addition, please submit a copy of your response to Fred McDonald, District Director, NASD District 11 Office in Boston, Massachusetts.

Sincerely,


Steven C. Vitulano
Branch Chief
Broker-Dealer Inspection Program