

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF NEW YORK

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SECURITIES AND EXCHANGE COMMISSION

Plaintiff,

vs.

Case No. 1:10-CV-457
(GLS/CFH)

McGINN, SMITH & CO., INC.,
McGINN, SMITH ADVISORS, LLC
McGINN, SMITH CAPITAL HOLDINGS CORP.,
FIRST ADVISORY INCOME NOTES, LLC,
FIRST EXCELSIOR INCOME NOTES, LLC,
FIRST INDEPENDENT INCOME NOTES, LLC,
THIRD ALBANY INCOME NOTES, LLC,
TIMOTHY M. McGINN, AND
DAVID L. SMITH, GEOFFREY R. SMITH,
Individually and as Trustee of the David L. and
Lynn A. Smith Irrevocable Trust U/A 8/04/04,
LAUREN T. SMITH, and NANCY McGINN,

Defendants,

LYNN A. SMITH and
NANCY McGINN,

Relief Defendants. and

GEOFFREY R. SMITH, Trustee of the
David L. and Lynn A. Smith Irrevocable
Trust U/A 8/04/04,

Intervenor.
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**ORDER APPROVING SEVENTH CLAIMS MOTION OF WILLIAM J.
BROWN, AS RECEIVER, FOR AN ORDER (A) DISALLOWING
PREFERRED INVESTOR PAPER CLAIMS AND (B) APPLYING RECOVERY
OFFSET TO PREFERRED INVESTOR CLAIMS
(INVESTMENT FUND REDEMPTIONS)**

Upon the Seventh Motion of William J. Brown, as Receiver, for an Order (A)
Disallowing Preferred Investor Paper Claims and (B) Applying Recovery Offset to Preferred
Investor Claims (Investment Fund Redemptions); and notice of the Motion having been
given to the Securities and Exchange Commission, each Preferred Investor listed on
Exhibits A-1, A-2, A-3, and B to the Motion, by first class mail, and all parties who have

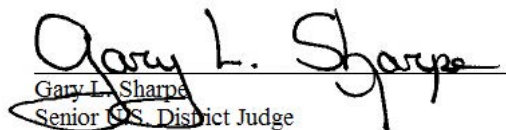
filed a Notice of Appearance in this action by ECF, and all creditors of the McGinn, Smith entities and other parties in interest via the Receiver's website, which notice is deemed good and sufficient notice; and the Court having deemed that sufficient cause exists; it is therefore

ORDERED, that the Motion is approved, and it is further

ORDERED, that each of the Paper Claims listed on Exhibits A-1 through A-3 to the Motion is disallowed; and it is further

ORDERED, that the application of the Recovery Offset to reduce the distributions to Preferred Investors is approved as set forth on Exhibit B to the Motion, and the rights of the Receiver to object on any other basis to the claims of all investors or claimants, including the Preferred Investors, are expressly preserved.

January 7, 2020
Albany, New York


Gary L. Sharpe
Senior U.S. District Judge