

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

10 Civ. 457(GLS/DRH)

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, DAVID L. SMITH,
LYNN A. SMITH, DAVID M. WOJESKI, Trustee of
the David L. and Lynn A. Smith Irrevocable
Trust U/A 8/04/04, GEOFFREY R. SMITH,
LAUREN T. SMITH, and NANCY MCGINN,

Defendants,

LYNN A. SMITH, and
NANCY MCGINN,

Relief Defendants, and

DAVID M. WOJESKI, Trustee of the
David L. and Lynn A. Smith Irrevocable
Trust U/A 8/04/04,

Intervenor.

DECLARATION OF LARA SHALOV MEHRABAN

I, Lara Shalov Mehraban, pursuant to 28 U.S.C. § 1746, declare as follows:

1. I am an attorney in the Enforcement Division of the New York Regional Office of the Securities and Exchange Commission (the "Commission"). I have been employed with the Commission since September 2007. I make this declaration in

further support of the Commission's motion for an order to show cause and for emergency relief.

2. On May 28, 2010, the Commission served a subpoena on Thomas Urbelis. Among other things, the subpoena required the production of all documents related to the Trust, and all documents concerning communications with David and Lynn Smith. (The subpoena and accompanying documents are attached as Exhibit 5 to the Declaration of David Stoelting, dated August 3, 2010).

3. I spoke with Mr. Urbelis on May 28, 2010. Mr. Urbelis indicated that he would produce to the Commission by overnight delivery the Trust-related documents that he already had provided to counsel for the Trust.

4. Mr. Urbelis was deposed in Albany on the following business day, June 1, 2010.

5. Shortly after Mr. Urbelis appeared for his deposition, I spoke to him by telephone to inquire about his production of additional documents responsive to the subpoena. Mr. Urbelis informed me that he had produced all documents related to the Trust. He stated that he did not want to produce documents responsive to the subpoena that related to his and his family's personal investments in McGinn Smith. He asked that the Commission provide him with a letter confirming that he had complied with the Commission's subpoena.

6. Attached as Exhibit A is a true and correct copy of the Trustee's Verified Accounting produced on August 16, 2010.

7. Attached as Exhibit B is a true and correct print out of the Notice of Formation of Limited Liability Company, Capacity One Management, LLC from the website EzNotice.

8. Attached as Exhibit C is a true and correct print out of the Entity Information for Capacity One Management, LLC from the NYS Department of State website.

I declare under penalty of perjury that the foregoing is true and correct.

Executed: New York, New York
September 14, 2010

A handwritten signature in black ink, appearing to read 'Lara Shalov Mehraban', written over a horizontal line.

Lara Shalov Mehraban