

**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.*

**ORDER TO SHOW CAUSE WHY DEFENDANTS TIMOTHY M. MCGINN AND  
DAVID L. SMITH SHOULD NOT BE HELD IN CONTEMPT**

On the Application of Plaintiff Securities and Exchange Commission for an Order directing defendants David L. Smith (“Smith”) and Timothy M. McGinn (“McGinn”) to show cause why an order should not be entered pending a final disposition of this action:

- a. finding McGinn and Smith in contempt of the Preliminary Injunction Order (Dkt. 96);
- b. preliminarily enjoining McGinn and Smith from proceeding with the notes offering for Security Alarm Credit, LLC;
- c. preliminarily enjoining McGinn and Smith from having any involvement in the offer or sale of any securities without prior approval by the Court;
- d. freezing the assets of Security Alarm Credit, LLC; and
- e. directing the return of all distributions, payments or transfers made out of all accounts held by Security Alarm Credit, LLC.

**NOW, THEREFORE,**

**IT IS ORDERED** that Defendants McGinn and Smith show cause, if there be any, to this Court at 2:30 p.m. of the 17<sup>th</sup> day of November, 2010 in the Courtroom of Magistrate Judge Homer, at the James T. Foley U.S. Courthouse, 445 Broadway, Albany, New York, 12207-2924, why this Court should not enter an Order pursuant to Rules 54 and 65 of the Federal Rules of Civil Procedure, Section 20 of the Securities Act, and Section 21 of the Exchange Act:

- (a) finding McGinn and Smith in contempt of the Preliminary Injunction Order,
- (b) preliminarily enjoining McGinn and Smith from proceeding with the notes offering for Security Alarm Credit, LLC,
- (c) preliminarily enjoining McGinn and Smith from having any involvement in the offer or sale of any securities without prior approval by this Court;
- (d) freezing the assets of Security Alarm Credit, LLC; and

(e) directing the return of all distributions, payments or transfers made out of all accounts held by Security Alarm Credit, LLC. .

**IT IS FURTHER ORDERED** that any opposition briefs be filed by 11/12/10 and any reply briefs be filed by 11/15/10.

Dated: Nov. 4, 2010  
Albany, New York

David R. Howe  
UNITED STATES MAGISTRATE JUDGE