



Phillips Lytle LLP

VIA CM/ECF

March 1, 2012

Hon. David R. Homer
United States Magistrate Judge
United States District Court
Northern District of New York
United States Courthouse
445 Broadway
Albany, NY 12207

Re: Securities and Exchange Commission vs. McGinn, Smith & Co., Inc., et al.
Case No. 1:10-cv-00457-GLS-RFT
Motions to Approve (i) Sale of Alarm Service Contracts to Alarm Services, LLC
and (ii) Sale and Related Relief Relating to Florida Cable, Internet and Phone
Service Rights and Assets to HControl Holdings LLC or its nominee

Dear Judge Homer:

Consistent with prior practice established with your Chambers, I am writing to respectfully request a hearing date of March 19, 2012 for each Sale Motion described below and approval to implement the marketing and auction procedures. I have just filed on ECF the two Motions (collectively, "Motions"), as follows:

1. Motion of William J. Brown, as Receiver, for an Order Approving (I) Sale and Bidding Procedures With Respect to the Sale of Certain Alarm System Monitoring Accounts and Related Assets Owned by Certain Receivership Entities Including the Assignment of Certain Agreements Related Thereto, (II) Time, Date, Place and Manner of Notice for Each of the Auction and Sale Hearing, and (III) the Sale of the Receiver's Interests Free and Clear of Liens, Claims, Encumbrances, and Other Interests (Docket No. 453); and
2. Motion of William J. Brown, as Receiver, for an Order Approving (I) Sale and Bidding Procedures With Respect to the Sale of Certain Florida Cable, Internet and Phone Service Rights and Assets and Related Interests and the Assignment of Certain Agreements Related Thereto, (II) Time, Date, Place and Manner of Notice for Each of the Auction and Sale Hearing, (III) an Order Approving the Sale of the Receiver's

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Interests Free and Clear of Liens, Claims, Encumbrances, and Other Interests, and Resolution of the Claims of Shoma Corporation (Docket No. 454).

The first Motion seeks approval for the sale of the remaining alarm system monitoring accounts owned by various MS Entities and currently operated by McGinn Smith Alarm Trading, LLC. The sale is for \$1.75 million subject to customary closing adjustments.

The second Motion seeks approval for the sale of so-called triple play assets (Internet, phone and cable) in the State of Florida presently managed by HControl Corporation to a nominee of HControl Corporation for \$2 million and certain related relief as to a minority interest holder.

Motions for the sale of assets under the Preliminary Injunction Order (Docket No. 96) require only four business days notice. By So Ordering this letter, I respectfully request that the Court schedule these Motions for hearing on March 19, 2012 and approve the implementation of the marketing, auction and bidding procedures which will be in place prior to the sale hearing for any competing offers. I am available to answer any questions.

Very truly yours,

Phillips Lytle LLP

By */s/ William J. Brown*

William J. Brown



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The marketing, auction and sale procedures set forth in the Motions is approved, and the hearing on the two Motions shall be heard at _____ a.m. on March ____, 2012 at the United States Courthouse, 445 Broadway, Albany, New York 12207.

So Ordered:

Hon. David R. Homer
United States Magistrate Judge

cc (w/enc. Motions;

via E-mail): David Stoelting, Esq.
Lara Mehraban, Esq.
Kevin McGrath, Esq.
E. Stewart Jones, Esq.
William Dreyer, Esq.
James Featherstonhaugh, Esq.
Nancy McGinn