

**William J. Brown, as Receiver
of McGinn, Smith & Co., Inc., et al.**

3400 HSBC Center
Buffalo, NY 14203

Tel: 716.847.7089
www.mcginnsmithreceiver.com

March 5, 2011

Ms. Lesley Levy
(Via e-mail ~ lesleylevy@gmail.com)

Re: Securities and Exchange Commission vs. McGinn, Smith & Co., Inc., et al.
Case No. 10-cv-00457

Dear Ms. Levy:

I am writing in response to your March 2 letter to Judge Homer (Docket No. 460) which I discussed with you on Friday afternoon when I received your letter, prior to it being placed on the Court's docket. As Receiver, I would like to respond to your sharply worded letter in several ways.

First, many of the facts you recite are incorrect. I discussed that with you in the hope that you would correct your letter.


Second, I urge you and all other parties to first carefully read the Motion for facts which are based on documents, evidence and investigations to date.

Third, any sale is subject to higher and better offers. If a qualified party presents a higher and better offer, there will be an auction in accordance with the Motion and Order. The Alarm Traders alarm contracts have produced a significant return for investors during the Receivership. Now, however, it is time to sell that portfolio for all of the reasons outlined in the Motion and given the portfolio's diminishing size.

There is certainly no question that I recognized that the buyers in this instance would draw attention. I carefully considered that point and discussed it with key parties in interest prior to filing the Motion. To date, however, the present offer is the best offer and is a material sum for investors.

I will keep investors advised of any competing offers and the status of the sale. I am, however, very disappointed by the inappropriate tone and content of your letter. In my opinion, neither the Court's docket nor the Receiver's website is a place for a letter such as yours.

Very truly yours,


William J. Brown
Receiver

cc: David Stoelting

EEEht
Doc # 01-2560928.1

Lesley Levy – 917-992-0125.

Honorable David R. Homer
U.S. Magistrate Judge
445 Broadway
Room 411
Albany, NY 12207

March 2nd 2012.

Re document: 453

Dear Judge Homer

It sickens me to read that Mr. Brown, the COURT APPOINTED TRUSTEE, would even contemplate a potential sale of the ALARM ASSETS & HCONTROL to **Mr. Brian Shea- former CFO of McGinn Smith and his 'side kick.'** We the **DEFRAUDED INVESTORS** upon purchasing had been told that Mr. Shea and Mr. Keenholts **had completed their due diligence AND found these investments to be of "High Quality "and attractively priced."** Were **Mr. Shea's eyes blurred during those years as CFO that his obstructed vision of overpaying was due to the fact that he was using investor funds? HAS HIS VISION SUDDENLY CLEARED TO SEE THEIR TRUE VALUE for his own gain – and for -personal benefit??**

HE WAS THE CFO and had a fiduciary responsibility to represent the best interests of the firm's investors. Not only did he not do so to our detriment, but he has now put himself into the position of FINANCIALLY BENEFITTING at our expense -- the very investors that granted him the funds to acquire the alarm contracts in the first place. It's unconscionable that you would allow a top executive of a firm -- that you have accused of financial fraud, who presided over the alleged fraud, and who acquired inflated assets that are deemed to have been misappropriated and commingled – to now play the vulture and scoop in to steal these assets for a negligible sum.

A further insult to the already down trodden defrauded investors.

Respectfully,

Lesley Levy

cc William J. Brown Esq. wbrown@phillipslytle.com
cc Mr. David Stoelting: stoeltingd@sec.gov