

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/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, 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 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**

Upon the 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

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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) ("Motion"), and a hearing having been held on April 4, 2012 at which the Receiver placed on the record that (i) competing offers had been received and an auction held on April 3, 2012 at the offices of Phillips Lytle LLP at which Security Systems, Inc. ("Purchaser") was the prevailing bidder at a cash sale price of \$2,250,000 pursuant to the Asset Purchase Agreement filed with the Court (Docket No. 476) ("APA"), and (ii) the transactions which are the subject of the Motion are in good faith and at arms-length for fair consideration, and no objections having been filed or sustained by the Court, and sufficient notice of the Motion having been given, upon due deliberation and for good cause shown, it is hereby

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

ORDERED, that the Receiver's interests in the Accounts (as defined in the Motion) and assets on the Rider to the APA shall be sold and assigned to the Purchaser without recourse, representation or warranty and free and clear of all liens, claims, encumbrances and other interests, with such liens and claims, if any, attaching to the net proceeds of sale; and it is further

ORDERED, that the Receiver is authorized to pay the break-up fee of \$60,000 to the stalking horse bidder, Alarm Services, LLC.

Dated: April 4, 2012


HON. DAVID R. HOMER
UNITED STATES MAGISTRATE JUDGE