

HONORABLE CHRISTIAN HUMMEL

FEDERAL MAGISTRATE JUDGE

444 BROADWAY ROOM 411

ALBANY, NY 12207

**Securities and Exchange Commission v. McGinn, Smith & Co. Inc., et al.
United States District Court
Northern District of New York
Case No. 1:10-cv-00457-GLS-CFH**

Wednesday, October 10, 2012

Dear Judge Hummel,

Years ago I, along with other investors, invested in good faith with McGinn Smith for our retirement. Over the last few years we have not received any money in return on this investment. Recently I learned that the Receiver, William J. Brown, plans to file a Motion with the Court to make a "limited interim distribution to allowed claims."


At the time of my investment, I understood that the purchase of Senior Secured Notes, which had a lower interest rate than the Senior Secured Subordinate Notes and the Junior Secured Notes, would be first in line to receive a distribution upon redemption and liquidation. I also understood that the holders of the Senior Secured Subordinate Notes and the Junior Secured Notes would receive the remaining distribution only after the Senior Secured Note holders collected their due. Thus far in the proceedings I have not heard any information concerning the distribution of the funds.

Is the Court going to direct the Receiver to honor the agreement with the Senior Secured Note holders? In so doing the Court would honor the rights of payment according to the level of securities.

Thank you in advance for your attention to this matter.



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Independence 

CC: William J. Brown