

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

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October 16, 2012

Michael Favish
7957 Entrada De Luz West
San Diego, CA 92127

Dear Mr. Favish:

I am writing in response to your letter dated September 24, 2012 which I saw for the first time yesterday afternoon when it was docketed by the Court. I attempt to write back to many of the investors who write to the Court to try and address their concerns. In the case of your letter, I took a different approach because your letter was inaccurate.

As you know, I called you yesterday evening at approximately 7 p.m. Eastern Time. I asked you for the names and phone numbers of the attorneys and investors whose calls you claim I was not returning. You initially told me that you would not do so and would "keep your powder dry". When I asked you again for the names and phone numbers, you told me that you would not provide me the names because you did not know "what would happen with it".

While you described your business experience and your intention to see something happen for the "weak victims", I reiterated my position that I am unaware of any calls that I have not returned. But, if there are any, I want to know about them immediately and have those conversations.

I understand that you have lost money and are unhappy with the McGinn Smith saga. Nevertheless, your letter made a number of statements which are wrong. I treat all investors appropriately. The estate has grown from approximately \$400,000 to over \$12 million, and while that amount is unfortunately not significant in comparison to the total amount lost by honest investors, it had to be collected in some fashion and at some expense. I told you that there will be interim distribution process, but there are some difficult legal issues to deal with. I have not met my own goal of accomplishing the interim distribution by the end of the summer. But, it will happen.

When we concluded the conversation, I had the impression that if there was any person who wanted to speak with me, you would arrange that. I made sure you had my phone number since we agreed at the outset of the call that we had not spoken with each other before based upon our recollections. I do, however, speak with investors almost daily.

Very truly yours,



William J. Brown
Receiver

Honorable Christian Hummel
Federal Magistrate Judge
445 Broadway
Room 411
Albany, NY 12207.

September 24th, 2012.

Dear Judge Hummel,

As the newly appointed Federal Magistrate Judge I am compelled to write you as a victim of the McGinn Smith fraud. There is something very wrong in Albany and the victims of this despicable fraud are being railroaded by the appointed receiver. All the victims are now at their wits end and basically have no where or no one to turn to for answers.

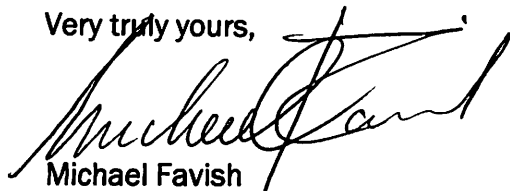
Receiver Brown is not taking calls from our attorney's, he is demeaning to the victims when they call, and he will not return their calls. The situation is not being exaggerated; we all talk to each other.

It is now September, we were promised a payment back in May. In the meantime the receiver is being paid as are the many attorneys, all out of our money. He has had the audacity to bill us for "thinking". The arrogance and collusion is unacceptable and unconscionable.

We are being victimized now for the second time, we need your help. Please help us recover at the very least some of our hard earned money that we paid taxes on.

Thank you in advance for your attention to this matter.

Very truly yours,



Michael Favish
7957 Entrada De Luz West
San Diego, CA 92127.