VARIOUS LOAN TRANSACTIONS

Lender	Borrower	Date	Amount	Rate	Term (yrs)	
Integrated Excellence	DLS	7/1/2008	$35,000.00	3.00%	6	
Integrated Excellence	TMM	7/1/2008	$35,000.00	3.00%	6	
Integrated Excellence	TMM	7/15/2008	$15,000.00	3.00%	6	
MS Funding	DLS	9/4/2007	$60,000.00	3.00%	6	
MS Funding	DLS	11/1/2007	$50,000.00	3.00%	6	B Shea
MS Funding	DLS	11/20/2007	$25,000.00	3.00%	6	
MS Funding	DLS	12/4/2007	$18,000.00	3.00%	6	
MS Funding	DLS	12/17/2007	$85,000.00	3.00%	6	
MS Funding	DLS	1/1/2008	$50,000.00	3.00%	6	
MS Funding	DLS	3/20/2008	$10,000.00	3.00%	6	
MS Funding	DLS	5/10/2008	$290,625.00	3.00%	6	
MS Funding	TMM	5/10/2007	$90,625.00	3.00%	6	
MS Funding	TMM	9/4/2007	$60,000.00	3.00%	6	
MS Funding	TMM	11/1/2007	$25,000.00	3.00%	6	
MS Funding	TMM	11/20/2007	$25,000.00	3.00%	6	
MS Funding	TMM	12/4/2007	$27,301.00	3.00%	6	B Shea
MS Funding	TMM	12/17/2007	$60,000.00	3.00%	6	
MS Funding	TMM	1/1/2008	$30,500.00	3.00%	6	
MS Funding	TMM	1/11/2008	$19,500.00	3.00%	6	
MS Funding	TMM	2/1/2008	$20,000.00	3.00%	6	
MS Funding	TMM	2/13/2008	$15,000.00	3.00%	6	
MS Funding	TMM	2/27/2008	$10,000.00	3.00%	6	
MS Funding	TMM	3/13/2008	$15,000.00	3.00%	6	
MS Funding	TMM	3/20/2008	$10,000.00	3.00%	6	
MS Funding	TMM	4/10/2008	$25,000.00	3.00%	6	
MS Funding	TMM	5/6/2008	$25,000.00	3.00%	6	
MS Funding	TMM	8/4/2008	$50,000.00	3.00%	6	
MS Funding	TMM	12/30/2008	$18,000.00	3.00%	6	
MS Holdings	DLS	7/30/2007	$150,000.00	3.00%	6	B Shea
MS Holdings	TMM	8/3/2004	$100,000.00	3.00%	6	B Shea
NEI	DLS	9/29/2008	$20,000.00	3.00%	6	
NEI	DLS	10/3/2008	$265,000.00	3.00%	6	
NEI	DLS	10/6/2008	$75,000.00	3.00%	6	
NEI	MR	10/3/2008	$245,000.00	3.00%	6	
NEI	MR	11/7/2008	$40,000.00	3.00%	6	
NEI	TMM	9/29/2008	$100,000.00	3.00%	6	
NEI	TMM	10/3/2008	$35,000.00	3.00%	6	
NEI	TMM	10/6/2008	$75,000.00	3.00%	6	

GOVERNMENT
EXHIBIT

GD21

TDM Cable Funding, LLC

Register: Matthew Rogers
From 01/01/2006 through 02/09/2010
Sorted by: Date, Type, Number/Ref

Date	Ref.	Payee	Account	Memo	Decrease	Increase	Balance
10/3/2006		Matthew Rogers	TDM Cable Funding LLC 29507			350,000.00	350,000.00
1/30/2007		Partner Loans	TDM Cable Funding LLC 29507 [split]			86,000.00	436,000.00
~~4/30/2007~~		~~Matthew Rogers~~	~~TDM Cable Funding LLC 29507~~			~~62,000.00~~	~~498,000.00~~
7/12/2007		Partner Loans	TDM Cable Funding LLC 29507 [split]			30,000.00	528,000.00

TDM Cable Funding, LLC

Register: Timothy McGinn
From 01/01/2001 through 02/09/2010
Sorted by: Date, Type, Number/Ref

Date	Ref.	Payee	Account	Memo	Decrease	Increase	Balance
10/2/2006		Tim McGinn	TDM Cable Funding LLC 29507			352,341.00	352,341.00
1/30/2007		~~Partner Loans~~	TDM Cable Funding LLC 29507 [split]			92,000.00	444,341.00
3/28/2007		~~Partner Loans~~	TDM Cable Funding LLC 29507 [split]			96,000.00	540,341.00
7/12/2007		Partner Loans	TDM Cable Funding LLC 29507 [split]			30,000.00	570,341.00
8/6/2007		Tim McGinn	TDM Cable Funding LLC 29507			75,000.00	645,341.00
10/10/2007		Tim McGinn	TDM Cable Funding LLC 29507			50,000.00	695,341.00
2/9/09		"	"			20,000.00	
3/13/09		"	"			35,000.00	

Register: Dave Smith
From 01/01/2006 through 02/09/2010
Sorted by: Date, Type, Number/Ref

Date	Ref.	Payee	Account	Memo	Decrease	Increase	Balance
9/15/2006		Dave Smith	TDM Cable Funding LLC 29507		~~15,000.00~~		-15,000.00
10/2/2006		Dave Smith	TDM Cable Funding LLC 29507			350,000.00	335,000.00
10/17/2006		Dave Smith	TDM Cable Funding LLC 29507 [split]			~~15,000.00~~	350,000.00
12/21/2006		Dave Smith	TDM Cable Funding LLC 29507			~~57,000.00~~	407,000.00
1/30/2007		Partner Loans	TDM Cable Funding LLC 29507 [split]			86,000.00	493,000.00
3/28/2007		Partner Loans	TDM Cable Funding LLC 29507 [split]			96,000.00	589,000.00
7/12/2007		Partner Loans	TDM Cable Funding LLC 29507 [split]			30,000.00	619,000.00
8/6/2007		Dave Smith	TDM Cable Funding LLC 29507			75,000.00	694,000.00

Partner Loans

Begin Loan	Lender	Borrower	Type of Note	Term	Rate	Amount Outstanding	Notes
5/1/2008	Cruise Charter Ventures	David L Smith	Term	5 Years	3%	50,000.00	
5/1/2008	Cruise Charter Ventures	Timothy M McGinn	Term	5 Years	3%	86,000.00	
See Dates on Schedule	TDM Cable Funding LLC	David L Smith	Term	6 Years	3%	637,000.00	**See Attached Disbursements**
See Dates on Schedule	TDM Cable Funding LLC	Timothy M McGinn	Term	6 Years	3%	775,341.00	**See Attached Disbursements**
See Dates on Schedule	TDM Cable Funding LLC	Matthew Roger	Term	6 Years	3%	466,000.00	**See Attached Disbursements**

5+5 Annual cmt

Grid Note Summary

5+ 3%

Begin Loan	Lender	Borrower	Type of Note	Term	Rate	Amount Outstanding	Grid Note Amount
5/1/2008	Cruise Charter Ventures	David L Smith	~~Grid~~ Note	~~6 Years~~	6%	50,000.00	
5/1/2008	Cruise Charter Ventures	Timothy M McGinn	~~Grid~~ Notes	~~6 Years~~	6%	86,000.00	
8/1/2008	McGinn Smith Transaction Funding	Timothy M McGinn	Grid	6 Years	6%	130,000.00	
10/2/2006	TDM Cable Funding LLC	David L Smith	Grid	6 Years	~~6%~~ 3%	637,000.00	
10/2/2006	TDM Cable Funding LLC 6+5	Timothy M McGinn	Grid	6 Years	~~6%~~	775,341.00	
10/3/2006	TDM Cable Funding LLC	Matthew Roger S	Grid	6 Years	~~6%~~	466,000.00	

9/30/2012

Not Asked for by FINRA

Begin Loan	Lender	Borrower	Type of Note	Term	Rate	Amount Outstanding	Grid Note Amount
9/1/2008	NEI	David L Smith	Grid	6 Years	6%	360,000.00	
9/1/2008	NEI	Timothy M McGinn	Grid	6 Years	6%	210,000.00	
9/1/2008	NEI	Matthew Roger	Grid	6 Years	6%	~~245,000.00~~ 285K	
5/18/2007	MS Funding	David L Smith	Grid	6 Years	6%	531,625.00	
5/10/2007	MS Funding	Timothy M McGinn	Grid	6 Years	6%	468,926.00	
7/30/2007	MS Holdings	David L Smith	Grid	6 Years	6%	(100,000.00)	
8/3/2004	MS Holdings	Timothy M McGinn	Grid	6 Years	6%	65,000.00	
7/1/2008	Integrated Excellence Sr Trust 09	David L Smith	Grid	6 Years	6%	35,000.00	
7/1/2008	Integrated Excellence Sr Trust 09	Timothy M McGinn	Grid	6 Years	6%	50,000.00	

Totals

David L Smith	1,513,625.00
Timothy M McGinn	1,785,267.00
Matthew Rogers	711,000.00

6% Accruing

BC
My document
is all set.
Shea

From: Rees, David [reesd@mcginnsmith.com]
Sent: Monday, October 08, 2007 12:56 PM
To: Ron Simons
Subject: misc questions

Ron,
I'm assuming you mean and accum account for FIIN, we didn't have an escrow account at YE 2006.
I'll be forwarding the investor lists shortly, they tie into our accrued interest payable schedules and are labeled "xxxx Accrued interest". I'll also fax down the interest receivable schedule.

Tom is looking for the Newton Advisors K-1, which will have Dave's schedule on it.
The fees paid to Tim, Dave, Matt should all be "loans", a 7% interest rate should be applied.

Dave

GOVERNMENT
EXHIBIT

GE2

From: McGinn, Timothy [tmmcginn@mcginnsmith.com]
Sent: Wednesday, January 23, 2008 10:21 AM
To: Guzzetti, Andrew
Subject: Re: DEAL AVAILABILITY

How is cash?

----- Original Message -----
From: Guzzetti, Andrew
To: all-brokers
Sent: Wed Jan 23 07:00:57 2008
Subject: DEAL AVAILABILITY

GOOD MORNING......................VERY CLEAR DAY IN THE NYC AREA, BURST OF SUNSHINE..................... REMEMBER WE HAVE A VERY DIFFICULT JOB...............IF WE ARE GOOD AT WHAT WE DO WE ARE ALWAYS TELLING PEOPLE WHAT THEY DO NOT WANT TO HEAR.................THE MARKET HAS GIVEN US A 15% SALE AND MOST PEOPLE ARE TRYING TO RUN AWAY...............WE MAY NOT BE AT THE BOTTOM..................AND CLIENTS MAY BE RELUCTANT TO BUY...............BUT THEY SURE BETTER NOT BE BAILING OUT..................UNLESS YOU BELIEVE THAT THE US ECONOMY WILL NOT SURVIVE A POSSIBLE RECESSION..... .....FIGHT THE GOOD FIGHT.................AND WE STILL HAVE 8 ½% TDM VERIFIER LEFT............WITH NO CORRELATION TO THE STOCK MARKET.............MAKE THE CALLS

CONFERENCE CALL TODAY 2PM WITH JAMES KEENAN PORTFOLIO MANAGER BLACKROCK DEFINED OPPORTUNITY CREDIT TRUST (BHL)

CALL IN 888 747 4632

PASSCODE 4665366

REPLAY 888 203 1112

325,000 FIIN 7% MAT: 12/15/08

$140,000 TAIN 7% MAT: 12/15/08

$1,136,000 TAIN 7 ¾% MAT: 12/15/09

NEW DEAL

TDM VERIFIER TRUST '08

LONDON & HAWAII COMMERCIAL ALARM CONTRACTS

$3,850,000 TOTAL DEAL

$860,000 18 MOS (1 ½ YRS) 8 ½ % INTEREST ONLY PAID QTRLY ....SC 2.5% (75%)

$ DONE 3 YRS 10 % INTEREST ONLY PAID QTRLY.............SC 4.5%(75%)

GOVERNMENT EXHIBIT

GE4

CHRISTIAN VALUE NETWORK ....EQUITY DEAL 10%(60%)

BOOKS ARE IN THE OFFICES........CALL ME IF YOU NEED TO DISCUSS OR WANT TO SEND A BOOK

BLACKROCK DEFINED OPPORTUNITY CREDIT TRUST (BHL) BLACKROCK IS RAISING FUNDS TO TAKE ADVANTAGE OF THE CURRENT CREDIT PROBLEMS

INVESTMENT OBJECTIVES: IS A NEW CLOSED END FUND WITH THE PRIMARY INVESTMENT OBJECTIVE IS TO SEEK HIGH CURRENT INCOME, WITH A SECONDARY OBJECTIVE OF LONG-TERM CAPITAL APPRECIATION. THE TRUST CURRENTLY ANTICIPATES BORROWING FUNDS IN AN AGGREGATE AMOUNT OF UP TO 33 1/3% OF ITS MANAGED ASSETS.

OFFG PX: $15.00

SC: $.45

PRICING DATE 1/28/08

ANT YIELD: 9.00-9.25%

Andy

Andrew G. Guzzetti

Managing Director

Private Client Group

McGinn Smith & Co.

45 Broadway

26th Flr.

NYC 10006

212 785 4377 x 242

212 202 6097 (fax)

" The highest compliment I can receive is a referral from a friend and client "

From:	Smith, David [smithd@mcginnsmith.com]
Sent:	Tuesday, February 24, 2009 11:40 PM
To:	McGinn, Timothy
Cc:	Livingston, Thomas
Subject:	Friday's payroll

Per my earlier e-mail, I believe that we have no choice but to instruct Dave Rees to delete the following paychecks on Friday:

Joe Carr	$6056
Andy Guzzetti	6238
Tim Kolojay	5937
Tom Livingston	10,575
Mathew Rogers	8550
Tim McGinn	11,302
Dave Smith	10,557
Brian Mayer	3918
Geoff Smith	3125

$66258 x 1.0765 = $71,326

I will further instruct Dave to pay no bills, including rent. The one exception will be health coverage.

This will leave us approximately $85,000 short as regards to cash flow in order to meet the rest of payroll. I suspect our net capital will be wiped out as we were barely at the minimum at the end of last month. I will press Dave in the morning, but I suspect that we were on our way to losing at least $200,000 for the month. With the held checks, we probably need to come up with $125,000 to clear the capital hurdle and of course provide the cash for the rest of the payroll. Obviously, the payables (although not being paid) need to be accrued for capital purposes and if calculated would put us in net capital violation. We can probably manipulate that for this month, but if no solution is found in the next couple of weeks we will have to report the net capital violation and more likely than not consider closing our doors. We have been living on the edge for some time, and Tim's deals have kept us alive by fronting our profit. However, the $200,000 + that we are losing every month is just too difficult to keep pace with. I have no solutions for the $125,000. AS for keeping the firm open, maybe we can simply operate as an advisor, paying another BD to run our deals through and completely shutting down the brokerage operation. I suspect that we would retain very few salesman willing to stay just with an advisory firm, so our distribution of proprietary product would be greatly diminished. With all of the other BD bullshit gone, we might be able to make a living, but it would not be easy. Lot's of things to think about, including how we would treat on going arbitrations and the ability to remain licensed as an advisor if we walked away from them. Sorry to ruin your day, but we have not spent enough time determing if there is a solution to this problem. I suspect because there isn't.

Other than ourselves, we will also have to figure out how to eventually pay those employees whose checks we held. But that is for another day.

Dave

GOVERNMENT
EXHIBIT

GE10

Emails from Guzzetti to All Brokers regarding availability of Firstline Trust 07 Series B

Firstline Bankruptcy Date 1/25/2008

Date	Text related to Firstline
1/25/2008	Do have a little Firstline 11% available---make the calls $75,000 Firstline B 4YRS 9.5% $250,000 Firstline B 5YRS 11%
1/28/2008	$75,000 Firstline B 4YRS 9.5% $250,000 Firstline B 5YRS 11%
1/28/2008	Both 9.5% and 11% are done
4/15/2008	We have a beautiful secondary investment that just came available---Firstline 11%---see Details below $375,000 Firstline 07 Series B 11%
4/16/2008	$325,000 Firstline 07 Series B 11%
4/17/2008	$325,000 Firstline 07 Series B 11%
4/18/2008	Firstline is going quickly---show your clients 11%---make the calls $205,000 Firstline 07 Series B 11%
4/21/2008	Firstline going fast $90,000 Firstline 07 Series B 11%
4/22/2008	$80,000 Firstline 07 Series B 11%
4/23/2008	$90,000 Firstline 07 Series B 11%
4/24/2008	$65,000 Firstline 07 Series B 11%
4/25/2008	$165,000 Firstline 07 Series B 11%
4/28/2008	$190,000 Firstline 07 Series B 11%
4/29/2008	$165,000 Firstline 07 Series B 11%
4/30/2008	$160,000 Firstline 07 Series B 11%
5/1/2008	$160,000 Firstline 07 Series B 11%
5/2/2008	Firstline interest and principal payments will be paid today $160,000 Firstline 07 Series B 11%
5/5/2008	$160,000 Firstline 07 Series B 11%
5/7/2008	$105,000 Firstline 07 Series B 11%
5/8/2008	$105,000 Firstline 07 Series B 11%
5/12/2008	Dave Smith on sales call at 4:11 pm today $115,000 Firstline 07 Series B 11%
5/13/2008	$115,000 Firstline 07 Series B 11%
5/14/2008	$105,000 Firstline 07 Series B 11%
5/15/2008	$105,000 Firstline 07 Series B 11%
5/16/2008	$105,000 Firstline 07 Series B 11%
5/22/2008	$105,000 Firstline 07 Series B 11%
5/27/2008	Let's finish up the Firstline 11% $105,000 Firstline 07 Series B 11%
5/29/2008	$105,000 Firstline 07 Series B 11%
5/30/2008	$105,000 Firstline 07 Series B 11%
6/3/2008	$105,000 Firstline 07 Series B 11%
6/4/2008	$75,000 Firstline 07 Series B 11%
6/4/2008	Firstline $55,000 Available
6/4/2008	Firstline IS DONE
6/10/2008	Done Firstline 07 Series B 11%

Firstline Post Bankruptcy Sales

Investor Name		Contract Date	Amount	Subscription Agreement		
Last	First			Signed	Date	
Crist	Henry	1/31/2008	$ 30,000.00	Timothy McGinn	1/29/2008	Firstline Sr. Trust 07 Series B
Vanasek	John	1/31/2008	$ 10,000.00	Timothy McGinn	1/31/2008	Firstline Sr. Trust 07 Series B
Gallo	Robert & Maureen	2/4/2008	$ 30,000.00	Timothy McGinn	2/4/2008	Firstline Sr. Trust 07 Series B
Colihan	Jeremiah	4/23/2008	$ 25,000.00	David Smith	4/23/2008	Firstline Jr. Trust 07 Series B
Kogan	Boris & Berta	4/23/2008	$ 150,000.00	David Smith	4/23/2008	Firstline Jr. Trust 07 Series B
Thursby	Kate	4/23/2008	$ 50,000.00	David Smith	4/23/2008	Firstline Jr. Trust 07 Series B
Tirosh	Rivi	4/23/2008	$ 25,000.00	David Smith	4/23/2008	Firstline Jr. Trust 07 Series B
Bailey	Anthony	4/28/2008	$ 10,000.00	David Smith	4/28/2008	Firstline Jr. Trust 07 Series B
Bailey	Anthony	4/28/2008	$ 15,000.00	David Smith	4/28/2008	Firstline Jr. Trust 07 Series B
Johnson	James	4/28/2008	$ 10,000.00	David Smith	4/28/2008	Firstline Jr. Trust 07 Series B
Tozzi	Piero & Hsiu	4/29/2008	$ 10,000.00	David Smith	4/28/2008	Firstline Jr. Trust 07 Series B
Cahn	Avram	5/1/2008	$ 25,000.00	David Smith	5/1/2008	Firstline Jr. Trust 07 Series B
Green	Paula	5/1/2008	$ 15,000.00	David Smith	5/1/2008	Firstline Jr. Trust 07 Series B
Maier	Paul & Arlee	5/1/2008	$ 25,000.00	David Smith	5/1/2008	Firstline Jr. Trust 07 Series B
Ellis	Albert	5/1/2008	$ 30,000.00	David Smith	5/15/2008	Firstline Jr. Trust 07 Series B
Greenberg	Andrew	5/5/2008	$ 20,000.00	David Smith	5/5/2008	Firstline Jr. Trust 07 Series B
Babcock	Robert & Suzanne	5/15/2008	$ 50,000.00	David Smith	5/15/2008	Firstline Jr. Trust 07 Series B
Radice	Timothy	5/28/2008	$ 25,000.00	David Smith	5/28/2008	Firstline Jr. Trust 07 Series B
Courey	Kenneth	5/29/2008	$ 10,000.00	David Smith	5/28/2008	Firstline Jr. Trust 07 Series B
Pugliese	Robert & Judith	6/10/2008	$ 55,000.00	David Smith	6/10/2008	Firstline Jr. Trust 07 Series B
Bortman	Dawn	6/13/2008	$ 10,000.00	David Smith	6/13/2008	Firstline Jr. Trust 07 Series B
Timmons	Joseph	6/16/2008	$ 10,000.00	David Smith	6/16/2008	Firstline Jr. Trust 07 Series B
Bailey	Anthony	2/24/2009	$ 10,000.00	unsigned		Firstline Jr. Trust 07 Series B
Rosen	Arie	5/12/2009	$ 20,979.00	David Smith	2/6/2009	Firstline Sr. Trust 07
			$ 670,979.00			

From: Steve Baker [sbaker@4firstline.com]
Sent: Wednesday, August 08, 2007 4:25 PM
To: tim.mcginn@mcginnsmith.com
Cc: tkeyes@gmail.com; Wright Thurston
Subject: Breach

Tim, per our agreement with you we are to notify of any default or material breach in any of our lender agreements. We have been notified by ADT by letter and email that they allege we are in breach of our ADT Dealer Agreement. The alleged breach centers around our use of Alarm.com as a wireless transmitter. Alarm.com is not on ADT's approved vendor list. Alarm.com and ADT are "haggling" over issues in the agreement between the two companies. Until they resolve their differences and execute an agreement ADT considers in breach.

Steve Baker
Firstline Security
CEO
O-801-478-2490 x2711
C-805-844-7111

FIRSTLINE

GOVERNMENT
EXHIBIT
GF7

From: Roger D. Henriksen [rdh@pwlaw.com]
Sent: Friday, October 05, 2007 2:20 PM
To: Carr, Joseph
Cc: Steve Baker; Cindy Sullivan; Wright Thurston; trevor@4firstline.com
Subject: Firstline Security: PWBG&L Legal Opinion
Attachments: 0764_001.pdf

Joe:

Attached please find the signed legal opinion. Four originals are being sent to you via Federal Express.

Cindy:

Please forward this to anyone else who might need it.

I will return to my office on Monday.

Roger D. Henriksen
Parr Waddoups Brown Gee & Loveless
185 South State Street, Suite 1300
Salt Lake City, Utah 84111
Telephone: (801) 532-7840
Facsimile: (801) 532-7750
e-mail: rdh@pwlaw.com

GOVERNMENT
EXHIBIT

GF13

PARR WADDOUPS BROWN
GEE & LOVELESS *A Professional Corporation*
Attorneys at Law

October 4, 2007

McGinn, Smith Funding, LLC
99 Pine Street, 5th Floor
Albany, New York 12207

Re: $2,410,000 Loan by McGinn, Smith Funding, LLC, a New York limited liability company, to Firstline Security, Inc., a Utah corporation

Ladies and Gentlemen:

We have acted as special counsel to Firstline Security, Inc., a Utah corporation ("Borrower"), Wright W. Thurston, an individual ("Thurston") and Trevor Keyes, an individual ("Keyes"; together with Thurston, collectively, "Guarantors," and each a "Guarantor"), in connection with a loan in the original principal amount of $2,410,000 (the "Loan") made to Borrower by McGinn, Smith Funding, LLC, a New York limited liability company ("Lender"). For the purposes of rendering the opinions set forth herein, we have reviewed originals or copies of the following documents, each of which (except as otherwise noted) is dated as of the date hereof (collectively, the "Loan Documents"):

(a) Residential Monitoring Receivable Financing Agreement between Borrower and Lender (the "Financing Agreement"); and

(b) Continuing Guaranty Agreement executed by Guarantors in favor of Lender (the "Guaranty").

For purposes of rendering our opinions set forth herein, we have also examined originals or copies of the following documents relating to Borrower (collectively, "Authority Documents"):

(a) the Articles of Incorporation and bylaws of Borrower; and

(b) a Certificate, dated as of even date herewith, relating to the execution and delivery of the Loan Documents in connection with the Loan to be made to the Borrower and guaranteed by the Guarantors;

We have also been provided with photocopies of a Search Report dated October 4, 2007 performed by QDS, Inc. (the "Search Report") relating to Borrower.

In rendering the following opinions, we have assumed, and relied upon without independent investigation, the truthfulness, completeness, and accuracy of the representations, warranties, and other declarations (inclusive of Exhibits thereto) contained in the Loan Documents and in certificates of public officials with respect to the accuracy of the factual matters that form the basis for any of the opinions contained herein. We have also assumed the authenticity of all documents submitted to us as originals and the conformity to the original of all copies submitted to us as photocopies, conformed copies or attachments to electronic mail messages. For the purposes of our opinion in paragraph 1 below, we have relied exclusively upon a Certificate of Existence, dated October 4, 2007, issued by the Utah Division of Corporations and Commercial Code in respect of the Borrower.

We are admitted to practice in the State of Utah (the "State"), and are thus opining herein only as to the effect on the subject matter hereof under the substantive laws of the State in effect as of the date hereof (excluding conflicts of laws and choice of law rules), and have no responsibility to advise you of changes in laws or regulations which hereafter come to our attention. We note that the Loan Documents provide that they are governed by New York law. We are not licensed to practice law in the State of New York and render no opinions with respect thereto. Without limiting the foregoing, we advise you that we have not reviewed local ordinances of municipalities and counties located in the State for the purposes of rendering this opinion. Accordingly, we are not opining on, and we assume no responsibility as to, the applicability to or effect on any matters covered herein of the laws of such municipalities and counties or the laws of New York or any other jurisdiction.

Based on the foregoing, and subject to the qualifications, exclusions and assumptions herein contained, we are of the opinion that:

1. Borrower is a validly formed and existing corporation under the laws of the State, is qualified to do business and own and operate its properties under the laws of the State, and is in good standing under the laws of the State.

2. Borrower has all requisite corporate power and authority to execute and deliver the Loan Documents to which it is a party and to carry out the transactions contemplated thereby and the covenants and agreements contained therein.

3. Based solely upon a copy of either a driver's license or a birth certificate provided to us by each Guarantor, each of the Guarantors is of lawful age and has the requisite legal capacity to execute and deliver the Guaranty.

4. Neither the execution, delivery and performance by Borrower or either Guarantor of the Loan Documents to which such individual or entity is a party, nor the acceptance of the Loan by Borrower, will (a) conflict with or result in a violation of any State law, statute or regulation known to us to be applicable to financing transactions of this nature, (b) to our knowledge, result in the violation of any judgment, injunction, order or decree of any court or of any federal, state and local governmental entity having jurisdiction binding upon such individual or entity or its property, or (c) conflict with any provision of the Authority Documents.

5. The Loan Documents have been duly executed and delivered to Lender by Borrower or Guarantors, as applicable.

6. Based solely on the Search Report, except as set forth on *Schedule 1* attached hereto, to our knowledge there are no outstanding judgments against Borrower nor are there any judicial actions pending or threatened against Borrower.

Exclusions. We advise you that no opinion is expressed as to any of the following matters:

A. The laws of any jurisdiction other than Utah and the United States of America (the "Applicable Law(s)") which may be applicable to the Loan Documents.

B. We have made no examination of and express no opinion with respect to: (1) title to or descriptions of the property described in the Loan Documents; (2) the nature or extent of the Borrower's rights in, or title to, any property; or (3) the existence, creation, perfection or priority of any liens, security interests, charges or encumbrances on property or proceeds derived thereof.

C. The opinions set forth herein relate only to the Loan Documents, and do not extend to documents, agreements, or instruments referred to in said agreements or documents (even if incorporated therein by reference), or to any exhibits, annexes, or schedules that are not identified in this opinion letter.

D. We express no opinion regarding the applicability or effect of or any compliance with any federal or state antitrust laws, securities laws, patent, copyright trademark and other intellectual property laws, import or export laws, environmental laws, ERISA laws, consumer protection or home solicitation laws, banking laws, health laws, or safety laws and the rules and regulations pertaining thereto.

Assumptions. For purposes of the opinions expressed herein, we have assumed with your consent that:

A. The factual statements and information contained in the Loan Documents and the Authority Documents are accurate. We have not independently verified the accuracy of any statement of fact contained in any document or other information made or furnished by any party to the Loan Documents, and we do not assume any responsibility for the accuracy or completeness thereof. Moreover, we assume that all such information does not contain any untrue statement of a material fact or omit a fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading.

B. All terms and conditions of, or relating to, the transactions contemplated by the Loan Documents are correctly and completely embodied in the Loan Documents, and there are no written or oral terms or conditions agreed to among the parties to the Loan Documents that could vary the truth, completeness, correctness, effect or validity of the statements made in, or provisions of, the Loan Documents.

C. There has not been any mistake of fact, fraud, duress, or undue influence, and all parties have and will comply with any requirement of good faith, fair dealing, and conscionability and will act in accordance with and refrain from taking any action forbidden by the terms and conditions of the Loan Documents.

D. Each party to the Loan Documents is in compliance with all applicable state, federal and foreign laws regulating lenders or the conduct of its business.

E. The parties to the Loan Documents are not subject to any special laws, regulations or other restrictions that are not generally applicable to parties participating in transactions of the type provided for by the Loan Documents and that would affect the validity, binding effect or enforceability of the Loan Documents or the performance by such parties of their obligations thereunder.

F. The copies of the Loan Documents provided to us for review are true, correct and complete copies of the Loan Documents.

Qualifications. Our opinions are subject to the following qualifications:

A. This letter is limited to the Loan Documents and the Applicable Law(s) as in effect on the date of this opinion. We express no opinion as to the possible application of the laws of other jurisdictions and specifically disclaim any responsibility to advise you of changes in laws or regulations that hereafter come to our attention.

B. The opinions set forth herein are limited to those expressly stated, and no other opinion or opinions should be implied.

C. All opinions expressed herein are based solely upon Applicable Law(s) and facts, all as are in existence on this date. Our opinion on each legal issue addressed in this letter represents our opinion as to how that issue would be resolved were it to be considered by the highest court of the State. This letter is not intended to guarantee or warranty the outcome of any legal dispute that arises in the future. We express no opinion as to the effect which future amendments, changes, additions, or modifications of them have upon any opinion expressed in this letter. We assume no obligation to update or supplement this opinion letter to reflect any facts or circumstances which subsequently come to our attention, or to any changes in law (whether as a result of future legislation or developing case law) which subsequently occur. The opinions expressed in this letter are rendered as of the date hereof and we express no opinion as to circumstances or events that occur subsequent to such date.

D. For the purposes of our opinion in paragraph 3 above, "legal capacity" means that the person is not a minor within the meaning contemplated by Utah Code Ann. Sections 15-2-1 through 15-2-5.

E. Our review of the documents related to the business and operations of Borrower and Guarantors has been limited solely to the Loan Documents, the Authority Documents, the certificate, documents and instruments described in the paragraphs above our opinions, and we have not made independent investigation concerning the possible existence or state of any facts that might be relevant to any of the matters covered in this opinion letter.

F. Whenever this opinion refers to matters within our "**knowledge**", "**actual knowledge**" or "**known to us**", or words of similar import, such reference is limited to facts within the actual knowledge of attorneys of this firm who have provided legal services in connection with this opinion letter. We have made no other inquiry or investigation as to factual matters, and no inference as to our knowledge thereof shall be drawn from the fact of our representation of any party or otherwise.

The opinions expressed in this letter are given solely for the benefit of Lender, its successors and assigns. The opinions expressed in this letter not be relied upon, in whole or in part, by Lender or its successors or assigns for any other purpose or relied upon by any other person, firm or corporation for any purpose, without our prior written consent.

Very truly yours,

PARR WADDOUPS BROWN GEE & LOVELESS

Parr Waddoups Brown Gee & Loveless

SCHEDULE 1

1. On March 16, 2007, a civil complaint was proposed to be filed by the District Attorney from Contra Costa County, CA, alleging, among other things, certain violations of law relating to the methods Borrower uses to enforce balance of contract issues with customers and the types of contracts used by Borrower.

2. On March 15, 2007 Borrower received a demand letter from Sedgwick Claims Management Services, Inc. ("Sedgwick") for indemnification on a claim asserted against its client, ADT Security Services, Inc. ("ADT"), in the amount of $3,500. Specifically, ADT received a claim from a homeowner alleging approximately $3,500 in damages due to property damage and theft from a burglary that occurred two days after Borrower allegedly installed a home security system on the premises. Borrower is investigating its potential exposure on this claim, if any.

3. On January 22, 2007 a former independent contractor sales representative of Borrower filed an action styled *Michael Bellow v. Firstline Security, Inc.*, Charge No. 540-2007-01364, with the U.S. Equal Employment Opportunity Commission in its Phoenix District Office. Mr. Bellow alleges that he was discriminated against as a result of his sex. No specific monetary damages alleged.

4. On May 7, 2007 a former independent contractor installation technician of Borrower filed a lawsuit against Borrower styled *Eric Dempsey v. Firstline Security, Inc., et. al.* in the Superior Court of the State of California County of San Diego, alleging that Borrower owes him $67,682.93 under a contract entered into between the former installation technician and his manager at Borrower. Specifically, the former installation technician asserted that the contract guaranteed him payment of $50,000 for work performed during the summer of 2006. The former installation technician was paid approximately $21,000 for his services during the summer of 2006. The former installation technician asserts that Borrower and the former installation technician's manager are liable to pay the remainder in addition to attorney's fees and penalties. The court has dismissed this action for improper venue, and no subsequent lawsuit has been filed.

5. On August 11, 2006, a former independent contractor installation technician filed an action styled *Udeochu v. Firstline Security, Inc.*, Complaint Nos. E-0806-065, 38C-2006-01859, with the Idaho Human Rights Commission. Mr. Udeochu alleges that he was terminated as a result of his race. No specific monetary damages alleged. Borrower has answered the charge and is awaiting a determination on the merits or potential future investigation from the Idaho Human Rights Commission.

6. On May 22, 2006 Borrower filed an action for breach of contract against a former employee styled *Firstline Security, Inc. v. Kilgore*, Civ. No. 060401045, in the Fourth Judicial District Court, Utah. Mr. Kilgore counterclaimed against Borrower alleging causes of action for breach of contract, unjust enrichment, and promissory estoppel asserting that he was not fully compensated for work he performed for Borrower. No specific monetary damages alleged. The case is currently in settlement negotiations.

7. *Scherek v. Firstline*, Civ. No. 2007-007894, in the Superior Court of the State of Arizona, In and for the County of Maricopa. The Schereks allege that in June 2002 Borrower installed a security system at the Scherek home. During the installation it is alleged that a hole was drilled into a water pipe, unbeknownst to anyone, and that water leaked and mold began to accumulate. The complaint seeks damages in the form of medical expenses and repair costs in an unspecified amount. Borrower has retained local counsel and has answered the Complaint. Discovery is pending.

8. *Firstline v. Hewett*, Civ. No. 070400907, in the Fourth Judicial District Court in and for Utah County, State of Utah. Borrower instituted an action against Mr. Hewett for breach

of the non-solicitation, non-competition, and confidentiality clauses in an agreement with Borrower. Mr. Hewett filed a counterclaim against Borrower alleging fraudulent inducement and breach of contract. Mr. Hewett has not specified damages but Borrower has informed us that it believes the damages, if any, to be less than $80,000.

9. *Firstline v. Peschke*, Civ. No. 070400904, in the Fourth Judicial District Court in and for Utah County, State of Utah. Borrower instituted an action against Mr. Peschke for breach of the non-solicitation, non-competition, and confidentiality clauses in an agreement with Borrower. Mr. Peschke filed a counterclaim against Borrower alleging fraudulent inducement and breach of contract. Mr. Peschke has not specified damages but Borrower has informed us that it believes the damages, if any, to be less than $80,000.

10. *Firstline v. Balduf*, Civ. No. 070400908, in the Fourth Judicial District Court in and for Utah County, State of Utah. Borrower instituted an action against Mr. Balduf for breach of the non-solicitation, non-competition, and confidentiality clauses in an agreement with Borrower. Mr. Balduf filed a counterclaim against Borrower alleging fraudulent inducement and breach of contract. Mr. Balduf has not specified damages but Borrower has informed us that it believes the damages, if any, to be less than $80,000.

11. *Firstline v. Shipley*, Civ. No. 070400905, in the Fourth Judicial District Court in and for Utah County, State of Utah. Borrower instituted an action against Mr. Shipley for breach of the non-solicitation, non-competition, and confidentiality clauses in an Agreement with Borrower. Mr. Shipley filed a counterclaim against Borrower alleging fraudulent inducement and breach of contract. Mr. Shipley has not specified damages but Borrower has informed us that it believes the damages, if any, to be less than $80,000.

12. *Brinks Home Security, Inc. v. Firstline Security, Inc.*, Civ. No. 07-95706, in the United States District Court Central District of California, Western Division. Brinks filed a lawsuit against Borrower and others on August 31, 2007 asserting damages as a result of alleged deceptive sales practices and seeking injunctive relief. Brinks' claims include unfair competition under the Lanham Act, common law unfair competition, statutory unfair competition, and interference with contract. A preliminary injunction has been issued against Borrower and the matter is currently being litigated by Borrower's California counsel.

13. ADT Security Services, Inc., ("ADT"), has sent certain correspondence to Borrower asserting that Borrower has breached its Dealer Agreement with ADT. The allegations suggest that ADT may seek damages that would exceed $7.5 million. Borrower has indicated to us that it disputes ADT's claims. In addition, ADT has informally suggested that Borrower owes it approximately $1,200,000 to $1,400,000 in attrition charge backs for accounts purchased by ADT in 2006 pursuant to the Dealer Agreement.