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CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

$1,867,000

FIRSTLINE TRUST 07

MAXIMUM OFFERING $1,867,000 CONTRACT CERTIFICATES
MINIMUM OFFERING $500,000 CONTRACT CERTIFICATES

SIXTY MONTHS: 11%

FIRSTLINE TRUST 07 (the "Trust Fund") is hereby offering $1,867,000 of Junior Contract Certificates, entitled to interest at the rate of 11% per annum (the "Certificates"). Principal and interest on the Certificates is payable in monthly installments with interest only commencing June 1, 2007 and principal and interest commencing on September 1, 2010. See "Description of the Certificates and the Trust Agreement".

The Certificates will be issued and registered in the names of the purchasing Certificateholders. Interests in the Certificates will be shown on, and transfers thereof will be effected through, records maintained by the Trustee under the Trust Agreement. See "Description of the Certificates and the Trust Agreement."

Price of Certificates 100%

See "Risk Factors" for a discussion of certain risks that should be considered by prospective purchasers of the Certificates offered hereby.

THESE CERTIFICATES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

	Price to the Public	Underwriting Discount	Proceeds to the Trust Fund
	100%	6.0%	94%
Minimum Offering	$500,000	$30,000	$470,000
Maximum Offering	$1,867,000	$112,020	$1,754,980

The date of this Memorandum is May 19, 2007

MCGINN, SMITH & Co., INC.
Capital Center • 99 Pine Street
Albany, New York 12207

GOVERNMENT EXHIBIT

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The Offering of Certificates will terminate on September 30, 2007, unless all are sold prior to that date. All subscriptions will be held in an escrow account (the "Escrow Account") at Mercantile Bank, Boca Raton, Florida (the "Escrow Agent") or at such other financial institution as may be selected by the Trust Fund in the event that the Escrow Agent is unable or unwilling to serve. Interest will be earned on funds held in the Escrow Account commencing three days after the funds are deposited until the earlier of the termination of this Offering or the investment of such funds in Certificates. During the period that an investor's funds are held in the Escrow Account, he will not be a Certificateholder. An investor's funds will not be held in the Escrow Account more than two months before being invested in the Certificates, with Escrow Agent fees being deducted from escrow interest payable to investors. See "Terms of the Offering".

The Trust Fund will furnish to investors certain reports, financial statements and tax information. See "Description of the Certificates and the Trust Agreement - Reports".

WHO MAY INVEST

The Certificates will generally be offered only to accredited investors ("Accredited Investors") as that term is defined under Regulation D promulgated under the Securities Act of 1933, as amended (the "Act"). McGinn, Smith & Co., Inc. (the "Sales Agent") may, however, offer and sell Certificates to 35 or fewer non-accredited investors. With certain exceptions (primarily with respect to institutional investors) an Accredited Investor is an individual who (i) has a net worth (along and together with the Investor's spouse) in excess of $1,000,000 or (ii) has had gross income in excess of $200,000 in each of the past two years or joint income with that person's spouse in excess of $300,000 in each of those years and reasonably expects gross income at the same level in the current year. Corporations, partnerships and other entities will be considered Accredited Investors if each of its beneficial owners individually qualify as Accredited Investors, or if such entity has total assets in excess of $5 million. Prospective investors to be admitted as Accredited Investors will be required to represent that they satisfy the requirements of an Accredited Investor. See "Suitability".

The Certificates offered hereby are suitable only for those investors whose business and investment experience makes them capable of evaluating the merits and risks of their prospective investment in the Certificates, who can afford to bear the economic risk of their investment for an indefinite period of time and have no need for liquidity in this investment. Each investor will be required to represent in the Subscription Agreement that he is acquiring the Certificates for his own account as principal for investment, and not with a view to resale or distribution, and that he is aware that (a) his transfer rights are restricted; and (b) that the Certificates have not been registered under the Act, and therefore, cannot be resold unless they are so registered or unless exemption from registration is available with respect to such transaction. (See "Suitability".) Since there can be no assurance that the Contracts, as hereinafter defined, will generate sufficient income necessary to pay the Certificates, investment in the Certificates is suited for persons who have substantial income from other sources. See "Risk Factors".

The Trust Fund or Sales Agent may require prospective investors to complete a questionnaire relating to the suitability of the investment for them, and may make or cause to be made such further inquiry as it deems appropriate. The Trust Fund and Sales Agent will collectively have the sole discretion regarding sale of the Certificates to any prospective investor. The Trust Fund and Sales Agent reserve the right to reject any subscription for any reason and to allocate to any investor a smaller amount of Certificates, or fractions thereof, than that for which he has subscribed. See "Suitability".

SUMMARY OF THE OFFERING

The following summary is qualified in its entirety by the detailed information appearing elsewhere in this Memorandum and the exhibits attached to the Memorandum.

The Trust Fund

FIRSTLINE TRUST 07 (the "Trust Fund") is a common law trust formed under the laws of the State of New York on May 19, 2007. The Trustee of the Trust Fund is McGinn, Smith Capital Holdings Corp., a New York corporation. The Trustee will have no liability in connection with the Certificates or the affairs of the Trust Fund in the absence of willful misconduct or gross negligence. Although Certificateholders will have recourse to all assets of the Trust Fund, the financing participation entered into with the proceeds of this Offering (the "Financing") will be the Trust Fund's only asset. See "Risk Factors", "The Trust Fund" and "Disclaimer of Liability of Trustee."

The sole business activity of the Trust Fund will be to acquire the Junior Tranche of a Financing secured by a portfolio of contracts (the "Contracts"), consisting of payment rights in exchange for the provision of electronic security monitoring services for security alarm systems in residential homes. Security monitoring is the process of notifying designated parties (either individuals or public authorities) if an unauthorized entry, fire, medical or other emergency signal from a customer alarm system is received at a central monitoring station.

The Trust Fund will acquire the Junior Tranche of the Financing secured by the Contracts consisting of Contracts owned or originated by Firstline Security, Inc. a Utah corporation ("Firstline").

The Trust Fund will enter into a Monitoring Receivable Financing Participation Agreement (the "Participation Agreement") with the Senior Participant ("Senior Participant") relative to the Financing. The Trust Fund will acquire the Junior Tranche and the Senior Participant will acquire the Senior Tranche. The Senior Participant and the Trust Fund are sometimes collectively referred to herein as the "Participants". The Junior Tranche of the Financing will receive the monthly scheduled cash flow generated from the Contracts as set forth on Exhibit B-l to the Participation Agreement.

The Trust Fund intends to apply the entire net proceeds of the Offering to the purchase of the Junior Tranche of the Financing. The Contracts will require the subscriber to make monthly or quarterly payments for a term of not to exceed sixty months (the "Mandatory Period"). See "Use of Proceeds", "The Trust Fund" and "Portfolio Acquisition and Monitoring."

As the owner of the Junior Tranche, the Trust Fund will receive a scheduled amount of monthly payments from subscribers for monitoring services provided to them by Firstline. See "Portfolio Acquisition and Monitoring". For more detailed information concerning the proposed business activity of the Trust Fund, see "The Trust Fund - Business of the Trust Fund."

Risk Factors

In evaluating this Offering, prospective investors should consider carefully, among others, the following risk factors:

- No assurance that the Certificates will be paid;
- No market for resale of Certificates;
- Illiquid collateral;

- Potential for Contract defaults;
- Potential conflicts of interest in connection with the acquisition of the Junior Tranche of the Financing by the Trust Fund;
- Junior Tranche is subordinate to the Senior Tranche. See "Risk Factors" and "Conflicts of Interest."

Description of the Certificates and the Trust Agreement

The Certificates will be issued under a Declaration of Trust by McGinn, Smith Capital Holdings Corp., the Trustee. The Certificates will be available for purchase in denominations of $10,000.00 and increments of $5,000.00. The Certificates will be registered in the name of the individual Certificateholders. See: "Description of the Trust Agreement and the Certificates."

The Certificates will bear interest at a per annum rate of 11.00%. Interest will accrue commencing on the Closing Date for the purchase of such Certificate and will be payable to Certificateholders monthly on the first day of each month commencing June 1, 2007. Principal payments together with interest will commence on September 1, 2010 in accordance with Exhibit B-1 of the "Participation Agreement" set forth in "Exhibit E".

Compensation and Fees

McGinn, Smith Funding LLC, an affiliate of both McGinn, Smith & Co., Inc., the Sales Agent, and McGinn, Smith Capital Holdings Corp., the Trustee, will be paid a brokerage fee in connection with the acquisition of the Contracts by the Trust Fund and the Senior Participant. The Trustee will not receive a fee for its services from McGinn, Smith Funding LLC, See "Compensation and Fees" and "Conflicts of Interest."

Use of Proceeds

The net proceeds from the Offering of the Certificates will be used to purchase the Junior Tranche of the Financing provided to Firstline, as more fully described in the Monitoring Receivable Financing Agreement dated May 9, 2007 and attached hereto as Exhibit D.

Income Tax Considerations

The Certificates will be treated as indebtedness of the Trust Fund for federal income tax purposes. Each Certificateholder will generally be required to report interest income on a Certificate in accordance with such Certificateholder's method of accounting. Each prospective investor should consult with his own tax advisor with respect to the tax consequences of the acquisition, ownership and disposition of the Certificates.

RISK FACTORS

In evaluating this Offering, prospective investors should consider carefully all of the information contained in this Memorandum and, in particular, the factors discussed below. The following summary is not intended to state in full or replace portions of this Memorandum that discuss these factors and others in greater depth. Although the risk factors are intended to be presented in order of their materiality to investors, such order may not be indicative of their relative importance to any particular investor.

Limitation of Transfer of Certificates

The Certificates may not be offered for resale to any person without the consent of the Trust Fund. Prior to this offering, there has been no market for the Certificates of the Trust Fund. Each investor will be required to represent that his purchase of the Certificates will be for investment only and not with a view towards the resale or distribution thereof. A Certificateholder will not have any right to sell, transfer, exchange or otherwise dispose of his Certificates, or to cause a security interest to be created therein, unless the Trust Fund has received evidence satisfactory to it that such disposition or creation of a security interest is not in violation of federal or state securities laws. The Certificates have not been registered or qualified under the Act or applicable state securities laws and may not be sold or transferred without such registration or qualification or an exemption therefrom.

Limited Liquidity of Collateral

In the event of a default under the Certificates which necessitates a liquidation of the Contracts, the ability of the Trustee to sell the Collateral may be restricted since it is anticipated that there will be a limited market for the Contracts.

Potential for Contract Defaults

Defaults by subscribers under Contracts may result in reduced scheduled cash flow to the Trust Fund. Defaults may occur for a variety of reasons, including relocation of subscribers, dissatisfaction with service, defaults by monitoring companies, and changes in economic conditions. Firstline will represent that each Contract will legally obligate the subscriber to pay for monitoring services for the period of time set forth therein (the "Mandatory Period"). Nevertheless, should the level of Contract defaults exceed the level that is anticipated, the ability of the Trust Fund to pay the Certificates will be adversely affected. See "Portfolio Acquisition and Monitoring."

No Assurance as to Financial Worthiness or Capabilities of Firstline

The Trust Fund will use the entire proceeds of this Offering to purchase the Junior Tranche of the Contracts which require subscribers to pay fees for a Mandatory Period in exchange for monitoring services. In the event that Firstline does not meet its obligations under the Contracts, it is likely that the affected subscribers will cancel the Contracts and refuse to pay, either in whole or in part, the fees due and owing thereunder. Furthermore, because Firstline's obligation to repurchase or replace non-performing Contracts depends on the financial capability of Firstline, the ability of the Trust Fund to pay the principal of and interest on the Certificates can be adversely affected by the failure or weakened financial position of Firstline.

No Independent Counsel to Investors

No independent counsel has been retained to represent the interests of the Certificateholders. Each investor is therefore urged to consult with his own counsel regarding the terms and provisions of the Certificates and all other documents relating to this offering.

Lack of Financial Statements

This Memorandum does not include financial statements for the Trust Fund. The Trust Fund is newly formed for the limited purpose of acquiring the Junior Tranche.

Mandatory Term of the Residential Monitoring Contracts May Be Less Than Term of Monthly Scheduled Cash Flow

The Contracts to be financed with the proceeds of the Certificates may not be terminated by the subscriber for a Mandatory Period from twelve months up to sixty months. The Trust Fund is acquiring the Junior Tranche of the Contracts which is the monthly scheduled cash flow received from the Contracts over a period of sixty months. Although the Contracts automatically renew unless canceled by the subscriber in writing, some of the subscribers may elect to cancel their Contracts, thereby affecting the monthly amount of

Cash Flow received from the Contracts. Nevertheless, Firstline has an obligation to substitute a performing Contract of equal value for a non-performing or canceled Contract (the "Monitoring Recourse Obligation").

No Tax Opinion
The Trust Fund has not obtained an independent tax opinion with regard to this offering of Certificates. Each potential investor is encouraged to seek his own tax advisor with respect to his personal tax situation and the tax consequences of the acquisition, ownership and disposition of the Certificates.

Junior Tranche is Subordinate to the Senior Tranche
The Trust Fund will acquire the Junior Tranche of the Financing, secured by a portfolio of Contracts. The Certificateholders will not receive any principal payments on their Certificates until the Senior Participant has received its entire principal and interest payments as set forth on Exhibit B to the Participation Agreement.

Conflicts of Interest
The Trust Fund will purchase the Junior Tranche of the Financing from McGinn, Smith Funding LLC, an affiliate of the Sales Agent. McGinn, Smith Funding LLC will receive a broker's fee in connection with such transaction. The close relationship between the Trust Fund, McGinn, Smith Funding LLC and McGinn, Smith & Co., Inc.. may affect the price paid for the Financing secured by the Contracts. In addition, the Trustee's liability is limited. See Section entitled 'Disclaimer of Liability of Trustee'. McGinn, Smith & Co., Inc. will receive an Underwriting Discount equal to six percent (6%) of the gross proceeds of the Offering.

USE OF PROCEEDS

The net proceeds to the Trust Fund from the sale of the Certificates offered hereby, after deducting the Underwriting Discount, will be approximately $1,754,980 (94% of gross proceeds) if the Maximum Offering for the Certificates is achieved. The Trust Fund intends to use all of the net proceeds of the Offering to purchase the Junior Tranche of the Financing.

The net proceeds to the Trust Fund from the sale of the Certificates offered hereby, after deducting the Underwriting Discount, will be approximately $470,000 (94% of gross proceeds) if the Minimum Offering for the Certificates is achieved. The Trust Fund intends to use all of the net proceeds of the Offering to purchase approximately twenty-five percent (25%) of the Junior Tranche of the Portfolio of Contracts.

The Contracts will be pledged by Firstline as collateral, (the "Collateral") for its obligations under the Monitoring Receivable Financing Agreement.

THE TRUST FUND

The Trust Fund is a common law trust formed under the laws of the State of New York on May 19. 2007. The principal executive office of the Trust Fund is located at 99 Pine Street, Albany, NY 12207 and its telephone number is (518) 449-5131. McGinn, Smith Capital Holdings Corp. is the Trustee of the Trust Fund.

Business of the Trust Fund
The Trust Fund has been formed solely for the acquisition of the Junior Tranche of the Financing. Subsequent to the Closing Date the Trust Fund will utilize the net proceeds from the Offering to acquire the Junior Tranche of the Financing.

Each Contract securing the Financing will include the obligation of Firstline to provide central station monitoring services for the subscriber or alarm maintenance services for the subscriber in consideration for the subscriber's payment of a monthly or quarterly monitoring or maintenance fee. The Trust Fund does not intend to acquire equity interests in monitoring companies or other security alarm monitoring or installation firms; rather, a scheduled amount of cash flow from the Contracts entered into or originated by Firstline. Firstline will provide the cash flow necessary for Firstline to meet its Debt Service Obligations as described in Exhibit "D" of the Monitoring Receivable Financing Agreement. Firstline will perform the monitoring and other services required under the Contracts.

The Security Alarm Industry

The security alarm industry involves (i) manufacturers of alarm system components, (ii) wholesalers who distribute such components, (iii) parties that sell or lease, install and maintain security alarm systems, and (iv) parties that monitor security alarm signals. Sales, leasing, installation, maintenance and monitoring overlap significantly. Within each geographic market, many companies sell or lease, install, maintain and monitor systems. Larger local and regional full service firms and national companies with branch offices, as well as numerous regional and local security companies, also may be present in each geographic market.

Monitoring Companies in the security alarm industry typically sell or lease, maintain, monitor and service alarm equipment (directly through their own facilities or indirectly through a contractual relationship with a third party) installed with their subscribers. Generally, the monitoring company and the subscriber enter into a monitoring agreement with respect to the security alarm system when the equipment is installed. The typical monitoring agreement provides that the monitoring company will monitor the system 24 hours per day for a specified fee, payable monthly or quarterly in advance. The monitoring agreement, either a contract or a lease, will typically require the subscriber to pay for monitoring and other services over a specified mandatory period of months, usually 24 to 60 months, at a specified cost per month, usually between $20.00-$60.00 per month. Such agreements may also provide that title to the monitoring system equipment remains with the monitoring company.

The Contracts pledged as collateral, for the Firstline Financing will not be terminable by the subscriber for a specified Mandatory Period of up to sixty months from the date of system installation. The Contracts will automatically renew for one year periods unless canceled by the subscriber upon thirty days prior written notice to Firstline. Accordingly, the Contracts may continue in effect after the end of the Mandatory Period, subject to the subscriber's right to terminate, and the Trust Fund will purchase the right to receive payments under Contracts for sixty-six months. At the end of sixty-six months, if Firstline has complied with all of its obligations under the agreement pursuant to which the Trust Fund intends to provide the Financing (the "Monitoring Receivable Financing Agreement"), the Contracts will be returned to Firstline.

The Contracts may provide that the Monitoring Company is not responsible for interruption of monitoring services due to conditions or circumstances beyond its control, and may include a limitation of liability provision which specifies that the Monitoring Company is not to be considered an insurer of the system and that the system or service supplied will not avert or prevent occurrences or the consequences therefrom which the system or service is designed to detect. These clauses typically specify that the Monitoring Company's liability is limited to an amount equal to a percentage of the annual service charge or a fixed dollar amount, whichever is greater, in the event of a failure of the system or service. However, there can be no assurance that such clauses will be given full force and effect by a court of law.

Security Alarm Competition
The security alarm business is highly competitive and includes large national and regional companies, as well as small local dealers/installers. Competition is based on the cost of providing a given service and the quality of the service. During recent years, consolidation has begun to occur in the industry, partially as a result of companies realizing that monitoring costs are relatively fixed and profits can be increased directly by increasing the number of Contracts monitored. It is anticipated that this industry consolidation will continue. These competitors include national companies which are currently or may become vertically integrated to the point of generating their own Contracts by selling the installation of security alarm systems.

MONITORING

Acquisition of Portfolio
The Trust Fund intends to apply the net proceeds of the Offering, $1,754,980, to the purchase of the Junior Tranche of the Financing secured by the Contracts. The Trust Fund and the Senior Participant will acquire a percentage of the Monitoring Revenue Payment (the "Scheduled Amount") generated from the Contracts to be pledged by Firstline as collateral for the Financing. McGinn, Smith Funding LLC, an affiliate of the Sales Agent, will receive a broker's fee in connection with the Trust Fund providing the Financing. The Financing will be provided upon the terms and conditions set forth in the Monitoring Receivable Financing Agreement, subject to payment of the McGinn, Smith Funding LLC broker's fee.

The Collateral will consist of Contracts that meet the acquisition criteria specified in the Monitoring Receivable Financing Agreement discussed below. See the form of "Monitoring Receivable Financing Agreement".. These criteria include certain credit standards for subscribers, and standards governing the terms and conditions of Contracts to be purchased. Firstline is required to make appropriate representations that the Contracts conform to the requirements set forth in the Monitoring Receivable Financing Agreement. See "Monitoring Receivable Financing Agreement," below.

Monitoring Receivable Financing Agreement
McGinn, Smith Funding LLC will provide Financing to Firstline which is fully described in the Residential Monitoring Receivable Financing Agreement dated May 9, 2007.

In the Monitoring Receivable Financing Agreement, Firstline covenants, represents, and/or warrants to McGinn, Smith Funding LLC, its successors and assigns, among other things, that: (a) all Contracts will be valid mandatory deferred payment obligations covering the monitoring services and/or alarm maintenance services to be provided to the subscriber, which Firstline has a legal right to sell, pledge, assign and transfer; (b) the Contracts are not subject to any disputes, offsets or counterclaims; (c) the subscriber is neither delinquent in payment nor in default under the Contract at the time of the Financing; (d) Firstline has performed, except for future obligations, all of its obligations to the subscriber; (e) the information contained in the Contract is true in all respects; (f) McGinn, Smith Funding LLC, its successors and assigns will have absolute right to the Scheduled Debt Service from the Monitoring Revenue Payment generated from the Contracts, and the Contracts are not subject to any prior assignments or security interests; (g) the Contracts and the underlying transaction giving rise to the Contracts do not violate any law, rule or regulation; and (h) Firstline and the subscriber will not modify the Contract. McGinn, Smith Funding LLC, its successors and assigns, must approve the form of each Contract and the terms and conditions thereof.

McGinn, Smith Funding LLC will assign all of its right, title and interest in and to the Monitoring Receivable Financing Agreement to the Trust Fund.

McGinn, Smith Funding LLC, and its successors and assigns do not assume any obligations or liabilities of Firstline in connection with the Contracts, including any monitoring duties and responsibilities. Firstline will indemnify and hold McGinn, Smith Funding LLC, its successors and assigns, harmless from and against any claim, suit, loss, liability or expense incurred by McGinn, Smith Funding LLC, its successors and assigns, in connection with the Contracts.

Firstline will direct the subscribers under the Contracts to remit all payments to a predesignated remittance call box servicer. Preferred Data, Inc., a New York corporation, ("Preferred") will act as such a servicer. Firstline will also agree not to accept any payment made by a subscriber and to refer all such payments to Preferred. Firstline will be required to prudently and effectively pursue the collection of all delinquent payments due to the Trust Fund and the Senior Participants (the "Participants") immediately upon receipt of appropriate payment advice reports from Preferred. Firstline will provide the Participants with monthly status reports on all Contracts, reflecting current payment status, delinquency and unpaid balances due and owing. See the "Lock Box Agreement' below.

Under the Monitoring Receivable Financing Agreement, McGinn, Smith Funding LLC, its successors or assigns, may require Firstline to substitute a performing Contract in place of a non-performing Contract.

Firstline may elect to utilize the services of an independent, third party Central Station to perform the monitoring services due to subscribers under the Contracts. The Trust Fund and the Senior Participant shall be a third party beneficiary to any monitoring service contract executed between Firstline and any independent Central Station. Firstline and/or the Central Station will agree to perform all monitoring services under the Contracts in accordance with generally accepted industry practices, and Firstline or the Central Station shall, in all respects, service, bill, perform collection efforts and enforce the Participants' contractual right to receive the Scheduled Amounts of the Monitoring Revenue Stream associated with each Contract.

In the event Firstline or the Central Station are unable to perform their monitoring duties and responsibilities to the subscribers or to the Participants, as the alarm monitoring servicer of the subscribers (collectively) security systems under the Contracts, Firstline will immediately notify the Participants of such fact and will promptly arrange for the orderly transfer of monitoring services to a third party alarm monitoring service company selected in the sole discretion of the Trust Fund. The Participants shall have the right to unilaterally demand and effect the immediate transfer of monitoring services on Contracts from Firstline or the Central Station to a third party monitoring service company, with the complete cooperation of the Firstline and/or the Central Station, upon the happening of any of the following events:

A) The filing of a petition of bankruptcy protection with respect to any business of Firstline or the Central Station, either voluntary on involuntary;

B) Firstline or the Central Station, or any of their principal officers being found guilty of any felony or upon the finding of liability in any criminal or civil action involving impropriety in business dealings or operations Firstline or the Central Station, or the performance of the Contracts.

C) The abandonment of monitoring service operation by Firstline or the Central Station.

D) The occurrence of an Event of Default under the Monitoring Receivable Financing Agreement, which results in the inability of Firstline or the Central Station to substantially perform under the Monitoring Receivable Financing Agreement, or any Central Station agreement, or the failure of Firstline to repurchase or replace a Contract within thirty (30) days after written demand therefore.

Firstline is also obligated to maintain comprehensive general liability insurance, including errors and omissions on monitoring operations, in the minimum amount of $1,000,000 covering bodily injury and property damage resulting from the performance of monitoring operations under the Contracts. In the event of a sale or transfer of a controlling interest in Firstline, Firstline and their present shareholders must guarantee that Firstline' obligations under the Monitoring Receivable Financing Agreement shall not be impaired or disrupted by such sale or transfer and that the Monitoring Receivable Financing Agreement shall continue in effect and be accepted by the purchaser or transferee of such controlling interest.

Firstline irrevocably and unconditionally will guarantee to the Participants the full and timely payment of all sums constituting the Scheduled Amounts of the Monitoring Revenue Payments which are due and owing under the Contracts in the Portfolio. In addition, Firstline has agreed to tender to the Trust Fund additional Contracts so as to maintain $175,000 available monthly cash flow. Contract additions will be calculated quarterly in arrears and the Contracts tendered shall have an average monthly recurring revenue of not less than the average monthly revenue for the initial Contracts.

Monitoring Receivable Financing Participation Agreement

The Trust Fund, the Senior Participant and McGinn, Smith Funding LLC will enter into a Monitoring Receivable Financing Participation Agreement (the "Participation Agreement") which will outline the respective rights of the Trust Fund, as the "Junior Participant", and the Senior Participant in connection with the Financing.

McGinn, Smith Funding LLC, as the Portfolio Financial Manager, will covenant that it will inspect all Contracts and review them for creditworthiness pursuant to the credit standards and procedures set forth in the Monitoring Receivable Financing Agreement discussed above. In addition, McGinn, Smith Funding LLC, as the Portfolio Financial Manager, has performed a due diligence review of Firstline so as to insure its capabilities of performing in accordance with the terms of the Monitoring Receivable Financing Agreement.

All Contracts shall be held by the Senior Participant for the benefit of the Participants, accompanied by the original Contract Obligation Instrument and all other original documents executed by the Subscriber.

The Participation Agreement provides that the Senior Participant will be provided a yield on the financing of the Contracts of 9.25% and the Junior Certificateholders will be provided with a yield of 11.00%. The Senior Participant will fund $1,850,000 for the Senior Tranche of the Financing and the Junior Participant will fund $1,867,000 for the Junior Tranche of the Financing, if the Maximum Offering is achieved. If the Minimum Offering is achieved, the Junior Participant will fund $470,000 for approximately 25% of the Junior Tranche of the Financing.

The Senior Participant and the Junior Participant will be entitled to their respective monthly scheduled cash flow ("Scheduled Cash Flow") received from the Contracts as set forth respectively on Exhibits B and B-1 to the Participation Agreement.

The Participation Agreement provides that the Senior Participant and the Junior Participant will receive the Scheduled Amounts due from the Contracts each month. Out of that amount, the Senior Participant shall be entitled to the Scheduled Cash Flow as set forth on Exhibit "B" to the Participation Agreement on the 1st day of each month commencing June 1, 2007. After the Senior Participant receives its monthly Debt Service for the month, the Senior Participant shall then remit to the Trust Fund an amount equal to the monthly Junior Payment set forth on Exhibit B-1 to the Participation Agreement ("Junior Payment"). In the event the collected payments from the Contractsl for any month are less than the Debt Service due the Senior Participant or the

Junior Participant for that month, the Participants will be paid out of the first payments received in the following month. Any Scheduled Amounts not received by the Participants in the month when due shall bear interest at the rate of 21.5% per annum until paid. Thereafter, the Scheduled Amount due the Participants for that month shall be paid from the balance of the Contract payments received that month from Preferred..

Upon receipt by the Senior Participant of all Debt Service to which it is entitled, all of the Senior Participant's right, title and interest in the Financing shall terminate and the Collateral shall be transferred by the Senior Participant to the Junior Participant without recourse and without warranty.

The Collection Process

The Participants, Firstline and Preferred intend to enter into a remittance processing agreement (the "Lock Box Agreement") pursuant to which payments made under the Contracts by subscribers are forwarded to Preferred. Prior to the Financing, Preferred will open a call box at a U.S. Postal Service General Mail Facility, which will serve as a receptacle for the receipt of payments from Contract subscribers. During each business day the contents of the call box will be picked up by Preferred. All payments will be sorted and subsequently deposited, on a daily basis, into an account established by and in the name of the Trust Fund (the "Portfolio Depository Account") at a federally insured depositing institution selected by the Trustee. Firstline will have no right, title or interest in, or any right to withdraw any amounts held in the Portfolio Depository Account. Firstline will be responsible for any fees charged or imposed by Preferred.

Out of the funds held in the Portfolio Depository Account, the Senior Participant will withdraw an amount equal to the Debt Service the Senior Participant is entitled to pursuant to Exhibit B to the Participation Agreement. Thereafter, the Senior Participant will transfer an amount equal to the Junior Payment on a monthly basis from the Portfolio Depository Account into an account in the name of the Trust Fund at a depository institution selected by the Trustee (the "Operations Account"). Out of the funds held in the Operations Account, the Trust Fund will pay the Junior Participant the Scheduled Cash Flow the Junior Participant is entitled to pursuant to Exhibit B-1 to the Participation Agreement.

DESCRIPTION OF TRUST AGREEMENT AND THE CERTIFICATES

On May 19, 2007, Timothy M. McGinn as Chairman of McGinn, Smith Capital Holdings LLC executed the Declaration of Trust ("Declaration") of Firstline Trust 07 ("Trust"), declaring that McGinn, Smith Capital Holdings Corp. was the Trustee of the Trust, establishing the Trust for the benefit of Certificateholders, and defining its purpose.

The Trust is intended to be a common law trust under the laws of the State of New York, with its principal office at 99 Pine Street, Albany, NY 12207, which is the office of McGinn, Smith Capital Holdings Corp. The initial capital of the Trust was established at $100.00, and the purpose of the Trust is to finance, pursuant to the terms of the Participation Agreement, and subject to the terms of the Monitoring Receivable Financing Agreement, the right to receive the Senior and Junior Tranche of the Scheduled Amounts of cash flow generated from the Contracts. Under the Declaration, the Trustee acquires virtually complete discretion in the operation of the Trust, so long as that discretion is exercised within the purpose of the Trust. The Declaration limits the liability of the Trustee in two ways. The Trustee will not be liable in the absence of willful misconduct or gross negligence. Further, the Trustee will not be liable, in any event, to pay sums of money beyond the corpus of the Trust. The Trustee is entitled to indemnification from the funds of the Trust (except in the case of willful misconduct or gross negligence) and to reimbursement for the reasonable and necessary fees and expenses incurred in the administration of the Trust. The Trustee is entitled to indemnification and reimbursement from the corpus of the Trust before payments are made to Certificateholders.

The Declaration specifically provides that the Certificateholders shall not have any legal or equitable title to the Trust Estate, that no Certificateholder shall have a voice in the management or control of the property or affairs of the Trust, that the Trustee has no authority to require additional capital contributions from any Certificateholder, and that the Trustee is precluded from taking any action to make Certificateholders liable for the debts or obligations of the Trust.

Certificates

The Certificates will be issued under the Declaration, a copy of which is included as an exhibit to this Memorandum. The rights of the Certificateholders and the obligations of the Trustee as they relate to the Certificates will be governed by the Declaration. Reference should be made to the Declaration for its complete terms. The statements contained in this Memorandum concerning the Declaration are merely a summary thereof, do not purport to be complete, and do not modify or amend the Declaration.

Subject to the conditions set forth in this Memorandum, Certificates in the maximum amount of $1,867,000 will be offered by the Trust Fund. The Certificates will be retired in sixty (60) months from the date of issuance. The Certificates will bear interest on the outstanding principal at a per annum rate of 11%, Interest on the Certificates will be paid in monthly installments on the first day of each month commencing June 1, 2007. Principal and interest on the Certificates will be paid commencing on the first day of October 1, 2010 to and including May 1, 2012, in accordance with the Scheduled Cash Flow set forth on Exhibit B-1 to the Participation Agreement.

The Certificates will be issued and registered in the name of the purchasing Certificateholder(s). Interest on the Certificates will be shown on, and transfers thereof will be effected through, records maintained by the Trustee.

Payments

Payments on the Certificates will be made out of the Scheduled Amount of the Monitoring Revenue Payments from the Contracts received by the Trust Fund each month.

Prepayments

The Certificates are not subject to a mandatory prepayment or redemption provision.

Registration

Each Certificate will be registered in the name of the purchaser thereof.

Limited Transferability of the Certificates

The Certificates are not freely transferable, and there is no secondary market for the Certificates and none is expected to develop. The Certificates should not be treated by Certificateholders as securities.

The Certificates have not been registered under the Securities Act of 1933, as amended They may not be offered for resale in the absence of an opinion of counsel, satisfactory to the Trust Fund, that registration is not required.

Reports

Not later than January 31 of each year, the Trust Fund will furnish to the Certificateholders statements of interest income on IRS Form 1099-INT and such tax information as shall be necessary in the preparation of such person's Federal income tax return.

CONFLICTS OF INTEREST

Timothy M. McGinn, Thomas E. Livingston and David L. Smith collectively own 100% of McGinn, Smith Holdings, LLC which in turn owns 100% of the issued and outstanding common shares of McGinn, Smith & Co., Inc. McGinn, Smith & Co., Inc. is acting as the Sales Agent for this Offering and will receive an Underwriting Discount equal to six percent (6%) of the gross proceeds of this Offering. The Underwriting Discount was not negotiated at arms length. In addition, McGinn, Smith Funding LLC, an affiliate of McGinn, Smith & Co., Inc. will receive a broker's fee in connection with the financing of the Contracts by the Participants.

McGinn, Smith & Co., Inc. may experience a conflict of interest in performing its obligation to exercise due diligence with respect to the statements made in this Memorandum and, therefore, its due diligence review cannot be considered independent. A qualified independent underwriter has not been retained by the Trust Fund in connection with this offering. However, McGinn, Smith & Co., Inc. believes that such due diligence has, in fact, been exercised.

As discussed above, McGinn, Smith Funding LLC will receive a broker's fee in connection with the financing of the Contracts by the Participants. Due to the close relationship between these parties, the financing terms provided by the Trust Fund could be affected by the interests of McGinn, Smith Funding LLC in its contract brokerage fee.

There has been no independent counsel retained to represent the interests of the Certificateholders. Certain legal matters in connection with the validity of the Certificates will be passed upon by Joseph B. Carr, Esq., who is General Counsel to McGinn, Smith & Co., Inc. and is therefore not independent.

THE TRUSTEE

The names and positions of the directors and executive officers of the Trustee are as follows:

Name	Position
Timothy M. McGinn	Chairman and Director
David L. Smith	President and Director
Thomas E. Livingston	Treasurer and Director

The officers and directors of the Trustee will devote such time and effort to the business of the Trust Fund as they may deem necessary and will actively be engaged in other business ventures.

The principal business occupations of the officers and directors during the past five (5) years are as follows:

Timothy M. McGinn, age 58, is the Chairman of the Board and Secretary of McGinn, Smith & Co., Inc. He has served as Chairman of the Board since the inception of this firm in 1980. From 2003 to 2006, Mr. McGinn served as Chairman of the Board and CEO of Integrated Alarm Services Group, Inc. a NASDAQ listed public company. Mr. McGinn also served as Vice Chairman of Pointe Financial Corp., a NASDAQ-listed financial holding company from 1995-2005. Additionally, Mr. McGinn served as Chairman of the Board of Pointe Bank, a Florida state chartered commercial bank from 1998 – 2005. Prior to founding McGinn, Smith & Co., Inc. he was with Paine, Webber, Jackson & Curtis. He has served on a number of corporate and charitable boards of directors and holds a bachelor's degree in Mechanical Engineering from the Rochester Institute of Technology.

David L. Smith, age 62, is the President of McGinn, Smith & Co., Inc. and a member of the Board of Directors. He has served in this capacity since 1980. Prior to founding McGinn, Smith

& Co., Inc. he was with Paine Webber, Jackson & Curtis. Mr. Smith has served on a number of charitable and corporate boards of directors and holds a bachelor's degree from Hamilton College.

Thomas E. Livingston, age 48, is Sr. Vice President of McGinn, Smith & Co., Inc. and a member of its' Board of Directors. Mr. Livingston has been employed by McGinn, Smith & Co., Inc. since 1986. Prior to joining McGinn, Smith he was affiliated with Prudential Bache Securities.

SUITABILITY

Certificates will be sold only to investors who make a minimum purchase of $10,000.00.

As described elsewhere in this Memorandum, the Certificates will generally be sold only to Accredited Investors as defined in Rule 501 of Regulation D promulgated by the Securities and Exchange Commission under the Securities Act of 1933, as amended; provided, however, that at the discretion of the Sales Agent and the Company, Certificates may be sold to up to 35 non-accredited investors. Included in the definition of "Accredited Investor", as defined in Rule 501, are the following:

(a) any natural person whose individual net worth (including personal residences, furnishings and automobiles), or joint net worth with that person's spouse, at the time of purchase exceeds $1,000,000;

(b) any natural person who had an individual income in excess of $200,000 in each of the two most recent years or joint income with that person's spouse in excess of $300,000 in each of those years and who reasonably expects gross income at the same level in the current year; and

(c) any entity in which all of the equity owners are Accredited Investors or which has total assets in excess of $5,000,000.

Each investor accepted as an Accredited Investor will be required to represent that he satisfies the requirements of an Accredited Investor under Rule 501.

Among other things, each investor will be required to acknowledge and represent in the Subscription Agreement that: (i) he is purchasing the Certificates for his own account for investment and not with a view to the sale or distribution thereof; (ii) he is aware that the Certificates have not been registered for sale under the Securities Act of 1933 as amended, and that he will not transfer his Certificates in the absence of an opinion of counsel satisfactory to the Trust Fund that the Certificates have been registered or that registration is not required under the Securities Act of 1933, as then in effect, and under applicable state securities laws, if any; (iii) he understands that this investment involves a high degree of risk; (iv) he has adequate means of providing for his current needs and foreseeable personal contingencies, and has no need for liquidity in this investment; (v) all books, records and documents pertaining to this investment have been made available to him; and (vi) his overall commitment to investments which are not readily marketable is not disproportionate to his net worth and his purchase of Certificates will not cause such overall commitment to become excessive.

The Sales Agent and Trust Fund reserve the right to reject any subscription in its entirety for any reason or to allocate to any investor Certificates in an aggregate principal amount less than that for which a prospective investor has subscribed. In the event a subscription is rejected, the investor's subscription check for his Certificates (or the amount thereof) will be returned, and in the event of a partial rejection, a pro rata amount of the investor's subscription check for his Certificates will be refunded.

Prospective investors may be required to complete an Investor Representation Letter relating to the suitability of the investment for them, and the Trust Fund may make or cause to be made such further inquiry as the Trust Fund deems appropriate.

Any prospective investor will be afforded the opportunity to obtain from the Trust Fund prior to the consummation of the transaction contemplated herein any additional information he may request necessary to verify the accuracy of the contents of this Memorandum and which the Trust Fund possesses or can acquire without unreasonable effort or expense and to confer with, ask questions of, and receive answers from the Trust Fund or persons authorized to act on its behalf, concerning the terms and conditions of the transaction, this memorandum and any additional information which has been requested and supplied to a prospective investor or his purchaser representative.

The purchase of Certificates may be suitable for individuals seeking an investment intended to provide income. An investment in Certificates may also be appropriate for corporations and trusts seeking investments which are structured to provide income. Nevertheless, this investment involves a number of significant risks, including no assurance that the Certificates will be paid and illiquidity. See "Risk Factors. " Accordingly, the suitability of a purchase of Certificates for any particular investor will depend upon, among other things, such investor's investment objectives and such investor's ability and willingness to accept the risks of an investment in the Certificates.

The Sales Agent Agreement between the Trust Fund and the Sales Agent requires the Sales Agent to make diligent inquiries as required by law of all prospective purchasers in order to ascertain whether a purchase of Certificates is suitable for such person and to transmit promptly to the Trust Fund all fully completed Subscription Agreements. By tendering payment for a Certificate and by acceptance of the confirmation of purchase, an investor represents that he or it satisfies any applicable suitability standards. See "Plan of Distribution."

TERMS OF THE OFFERING

Subject to the conditions set forth in this Memorandum, Certificates in the maximum amount of $1,867,000 (the "Maximum Offering") and the minimum amount of $500,000 (the "Minimum Offering") will be offered by the Trust Fund.

The Certificates will be offered through McGinn, Smith & Co., Inc., the Sales Agent, on a best efforts basis over a period of two months. The Sales Agent is a member of the National Association of Securities Dealers, Inc.

All funds received by the Sales Agent from subscriptions for the Certificates will be placed in an escrow account (the "Escrow Account") maintained by Mercantile Bank, Boca Raton, Florida (the "Escrow Agent") Interest will be earned on funds held in the Escrow Account commencing three (3) business days after the funds are deposited until the earlier of the termination of this Offering or the investment of the funds in the Certificates. During the period that an investor's funds are held in the Escrow Account he will not be considered a Certificateholder.

With respect to the Certificates, no funding from the Escrow Account will occur until the Minimum Offering is subscribed for. If subscriptions for the Minimum Offering are not received within two months from the date of this Memorandum, subscriptions received with respect to the Certificates will be promptly returned in full to the investor by the Escrow Agent, together with all interest earned while funds were held in the Escrow Account after deducting fees payable to the Escrow Agent. Fees payable to the Escrow Agent will be deducted from interest earned on the Escrow Account.

How to Subscribe.
The Certificates will be available for purchase in the minimum denomination of $10,000.00 and increments of $1,000.00. An investor who meets the qualifications set forth under "Who May Invest" and "Suitability" may subscribe for Certificates by completing, signing and delivering to the Sales Agent an executed copy of the Subscription Agreement contained in this Memorandum. All subscriptions must be accompanied by a check in the amount of the Certificate(s) purchased payable to *"Mercantile Bank, Escrow Agent for Firstline Trust 07"* Upon execution of a Subscription Agreement, the investor agrees to all of the terms and conditions contained in the Agreement. Subscriptions are, however, subject to acceptance by the Trust Fund.

PLAN OF DISTRIBUTION

The Trust Fund is offering a maximum of $1,867,000 of Certificates, and a minimum of $500,000 The minimum investment by an investor is $10,000.00 with increments of $1,000.00. The Offering period will end not later than September 30, 2007. No Certificates will be sold unless subscriptions for the Minimum Offering are received and accepted within two months of the date of this Memorandum. Subscriptions are subject to acceptance by the Trust Fund. See "Suitability"; "Who May Invest".

During the course of the Offering, the subscription payments will be promptly forwarded by the Sales Agent to the Escrow Agent for deposit in the Escrow Account. For a description of the distribution of funds from the Escrow Account, see "Terms of the Offering".

The Certificates will be offered on a "best efforts" basis by the Sales Agent.

DISCLAIMER OF LIABILITY OF TRUSTEE

Reference is hereby made to the Declaration of Trust dated May 19, 2007, a copy of which is attached hereto as Exhibit "A". Other than potential liability under the Securities Act, neither the Trustee, nor any shareholder, manager, officer, employee, affiliate or agent of the Trustee may be held to any liability in connection with the Offering or the Certificates, or in connection with the affairs of the Trust Fund, in the absence of willful misconduct or gross negligence. Further, the Trustee will not be liable, in any event, to pay sums of money beyond the corpus of the Trust.

INCOME TAX CONSIDERATIONS

The following discussion summarizes certain material anticipated federal income tax consequences relevant to the acquisition, ownership and disposition of Certificates, but does not purport to address all potential consequences. The summary is for general information only and does not discuss all of the tax consequences that may be relevant to particular investors in light of their personal investment circumstances or holders who receive special treatment under the Internal Revenue Code of 1986, as amended (the "Code"), such as insurance companies, financial institutions, and broker-dealers. In addition, this discussion does not describe any tax consequences arising out of foreign, state or local jurisdictions.

The discussion is based upon current provisions of the Code, applicable regulations promulgated thereunder, judicial authority and administrative rulings and practice. All of the foregoing are subject to change which may be retroactive and could affect the continuing validity of this discussion. There can be no assurance that the Internal Revenue Service (the "IRS") will not take a contrary view, and no ruling from the IRS has been or will be sought.

The Trust Fund has not obtained an independent tax opinion with regard to this Offering. Prospective investors should consult their own tax advisors regarding the federal, foreign, state, local and other tax consequences of purchasing, holding and disposing of the Certificates.

Interest Income to Certificateholders

It is anticipated that the Certificates will be issued at par value and, therefore, no original issue discount will arise with respect to the Certificates. Accordingly, a Certificateholder will be required to report interest on a Certificate as income for federal income tax purposes in accordance with such holder's method of accounting.

Gain or Loss on Disposition of Certificates

In general, the holder of a Certificate will recognize gain or loss on the sale, exchange, redemption or other disposition of a Certificate equal to the difference between the amount realized (except to the extent attributable to the payment of accrued interest) and the adjusted basis in his Certificate. Any gain or loss recognized will generally be a Trust gain or loss if the Certificate is held as a Trust asset and will be long-term gain or loss if the Certificate is held for more than one year.

Information Reporting

The Trust Fund will report interest income to Certificateholders on IRS Form 1099-INT and as otherwise consistent with such treatment.

Backup Withholding

A Certificateholder may be subject to "backup withholding" at the rate of 31% (see IRC~3406(a)) with respect to interest paid on, or the proceeds of a sale, exchange or redemption of, such Certificates, unless such holder (i) is a corporation or comes within certain other exempt categories and, when required, demonstrates this fact, or (ii) provides a taxpayer identification number, certifies as to no loss of exemption from backup withholding, and otherwise complies with applicable exemption from backup withholding rules. Any amount withheld under these rules will be creditable against the Certificateholder's federal tax liability.

THE FOREGOING DISCUSSION OF CERTAIN FEDERAL INCOME TAX CONSEQUENCES IS FOR GENERAL INFORMATION ONLY AND IS NOT TAX ADVICE. EACH PROSPECTIVE INVESTOR SHOULD CONSULT WITH HIS OR HER OWN TAX ADVISER WITH RESPECT TO THE TAX CONSEQUENCES OF THE ACQUISITION, OWNERSHIP AND DISPOSITION OF THE CERTIFICATES.

LEGAL MATTERS

Legal matters in connection with the validity of the Certificates offered hereby will be passed upon for the Trust Fund by Joseph B. Carr, Esq., Capital Center, 99 Pine Street, Albany, New York 12207.

TABLE OF CONTENTS OF EXHIBITS

The discussion in this Memorandum of each Exhibit set forth below is qualified in its entirety by reference to such Exhibit.

ADDITIONAL INFORMATION

Additional information is available upon request to the Trust Fund. Only additional information provided by the Trust Fund may be relied upon. Prospective investors may request such information from ~~the~~ Sales Agent, McGinn, Smith & Co., Inc., Fifth Floor, 99 Pine Street, Albany, New York 12207.

Exhibit "A"

Declaration of Trust

DECLARATION OF TRUST OF FIRSTLINE TRUST 07

This Trust Agreement made as of the 19th of May, 2007, by and between McGinn, Smith Capital Holdings Corp., a New York Corporation with an address at Capital Center, 99 Pine Street - 5th Floor, Albany, New York 12207 ("Trustee"), and those persons who acquire an interest herein by the execution and performance of a subscription agreement ("Subscription Agreement") attached as Exhibit B to the Confidential Private Placement Memorandum dated as of May 19, 2007 ("Confidential Memorandum").

WITNESSETH:

WHEREAS, McGinn, Smith Capital Holdings Corp. desires to create a trust for the purpose of enabling and authorizing the acquisition of certain contracts more fully described herein ("Contracts") and

WHEREAS, the Trustee is willing to accept the duties and obligations imposed hereby on the terms and conditions hereinafter set forth;

NOW, THEREFORE, the Trustee does hereby declare that the Trustee will hold said property which it may acquire as such Trustee, together with the proceeds thereof in trust, to manage and dispose of the same for the benefit of the Certificateholders hereunder in the manner and subject to the stipulations herein contained.

ARTICLE I
NAME

This Trust shall be designated and known as the "FIRSTLINE TRUST 07", not incorporated, and under that name shall, so far as practicable, conduct all activities and execute all instruments in writing in the performance of the Trust.

ARTICLE II
DEFINITIONS

The following words, terms and phrases used herein shall be given the meaning stated below in this Article, unless such meaning would be clearly in conflict with the purposes and spirit of this instrument; capitalized words not defined in this Declaration shall have the meaning provided in the Monitoring Receivable Financing Agreement dated May 19, 2007 between McGinn, Smith Funding, LLC and Firstline Security, Inc. ("Firstline") ("Financing Agreement") or in the Monitoring Receivable Financing Participation Agreement dated as of May 19, 2007 among the Trustee, the Senior Participant and the Junior Participant, as described as therein ("Participation Agreement").

"Certificateholder" shall mean the holder for the time being, according to the books of the Trustee, of the Certificates as evidenced by this Declaration and the Certificates issued by the Trustee.

"Permitted Investments" means investments in the obligations to pay for goods or services in return for residential electronic monitoring services, more commonly known as "Residential Monitoring Contracts", as more fully described in the Financing Agreement secured by the cash flow resulting from security alarm contracts. In addition, to the extent not employed for investment in Residential Monitoring Contracts, temporary investments may be made in (1) certificates of deposit, in (2) short term AAA rated debt obligations regularly traded on a recognized exchange in the United States, or in (3) obligations issued by the United States Treasury or other obligations backed by the "full force and credit" of the United States.

"Share" shall mean a share in the beneficial interest of the property, assets, trust fund and corpus of the Trust.

"Transaction Documents" shall mean this Declaration of Trust, the Participation Agreement and the Financing Agreement.

"Trust", "Trust Estate", and "Capital" shall mean the trust fund hereunder, consisting of the corpus of the estate; that is, all property, real, personal and mixed of every kind and description howsoever acquired and wherever situated, held under this Declaration of Trust by the Trustee.

"Trustee" shall mean the trustee herein named, and those who are or may be trustees.

ARTICLE III
OFFICE OF THE TRUST

The principal office of this Trust shall be located at Capital Center, 99 Pine Street, Albany, New York 12207, until changed by the Trustee. The principal office may be changed and branch offices established, maintained, changed and discontinued at such times and places as the Trustee in its discretion may determine, with notice to the Certificateholders.

ARTICLE IV
CAPITAL OF THE TRUST

The initial Capital of this Trust shall be One Hundred Dollars ($100), paid to the Trustee concurrently with execution and delivery hereof. The Capital of the Trust or any part thereof, shall be held for the use and benefit of the Trust at such places and upon such terms as the Trustee may fix. The Trustee may not require any Certificateholder to make any contribution, in addition to the initial contribution made by such Certificateholder, to increase the Capital of the Trust. The Trustee shall receive such contributions to the Capital of the Trust as may be made by Certificateholders from time to time and apply the same for the purpose stated by Article V of this Trust Agreement.

ARTICLE V
PURPOSE OF THE TRUST

The purpose of the Trust is to acquire the Junior Tranche of a financing in the amount of $1,867,000. The Junior Tranche, together with a Senior Tranche of $1,850,000 shall be utilized to provide financing to Firstline.

(1) the Trustee shall, as far as convenient and practicable, take and hold the title, both legal and equitable, to all property, however acquired under the terms hereof, in the name of the Trust. All conveyances of every kind and description, at any time made to or in the name of the Trustee of the Trust shall be held to vest the title to property so conveyed in the Trustee as such under this instrument, the title "FIRSTLINE TRUST 07" being merely intended as a convenient designation of the Trustee hereunder.

(2) The Trustee shall administer and dispose of all properties for the benefit of Certificateholders hereunder, as represented by their Certificates.

(3) The Trustee shall manage, control and dispose of all the Trust Estate and its business affairs, of every kind and character within the authority granted in Article V hereof.

(4) The Trustee shall, in such capacity, exclusively and absolutely, have full, absolute and plenary rights, authority to pledge, exchange, mortgage and convey or otherwise dispose of property of every kind, character and description, real, personal and mixed, that may be part of the Trust Estate.

(5) The Trustee shall have, in furtherance of the purposes of the Trust, the absolute right, power and authority to institute, maintain and defend actions, suits and proceedings in any court of law or equity either in the name of said Trust or in its name as Trustee thereof; to sell, transfer, assign and convey the whole or any part of the Trust Estate, invest and reinvest the proceeds thereof at any time in Permitted Investments provided that the Trustee shall have no obligation to invest such proceeds and shall not be accountable for any losses howsoever incurred; to collect any money, and pledge the assets of the Trust as security therefor; to execute and deliver in the manner herein provided all deeds, leases, mortgages, powers of attorney and other instruments in writing which the Trustee may deem necessary and proper in the exercise of the powers conferred hereunder; and to perform or withhold any act or thing of any kind or character, which in the Trustee's judgment may be necessary, proper or expedient, in carrying into effect the purposes of this Trust or any purposes specified in this Declaration of Trust, or in any amendments hereto, duly made and adopted.

ARTICLE VI
LIMITATION OF LIABILITY OF TRUSTEE AND CERTIFICATEHOLDERS

Neither the Trustee, nor any of its officers or servants shall have any right, power or authority, under any circumstances, or in any event to act as the agent of the Certificateholders or to bind them personally or to impose any liability or obligation upon them in any way whatsoever with respect to this Trust Estate or otherwise. All persons contracting with the Trustee or its officers, agents or employees shall look only to the Trust Fund for the payment of any damage, claim, judgment or decree, or of any money that may become due or payable in any way to them whether founded upon contract or tort, and neither the Trustee nor the Certificateholders, present or future, nor any of them shall as such be personally liable therefor or on any agreement or contract made by the Trustee, or by any officers, agents or employees of the Trustee, its officers or agents, or employees in connection with the Trust Estate. No amendment shall ever be made to this Declaration of Trust, increasing or enlarging the liability of either the Trustee or the Certificateholders as herein stipulated.

ARTICLE VII
LIMITATION OF LIABILITY OF TRUSTEE; INDEMNIFICATION

The Trustee shall not be liable hereunder in any event or under any circumstances, for the acts or omissions of any other Trustee or of any officer, agent or employee, or any other person whatsoever, whether employed by such Trustee or not, or for any act or thing whatsoever, other than such Trustee's own willful misconduct or gross negligence. The Trustee in its individual capacity and as Trustee shall be indemnified by, and receive reimbursement from the Trust Estate against and from any and all liability, claim, damage or loss, suit, action, tax (including interest and penalties), fine, penalty, cost and expense (including but not limited to legal fees and disbursements) of whatsoever kind and nature which may be imposed upon, incurred by or asserted at any time against the Trustee (in its individual or trust capacity) in any way relating to or arising out of the administration of the Trust Estate, or arising from any act or omission hereunder or under the Transaction Documents, except such as may arise from such Trustee's own willful misconduct or gross negligence. In addition, the Trustee shall be entitled to indemnification from the Trust Estate for any liability, obligation, loss, damage, penalty, tax, claim, action, suit, cost, expense or disbursement indemnified against pursuant to this Article VII and to secure the same the Trustee shall have a lien on the Trust Estate prior to the interest of the Certificateholders or any other person. Trustee shall file all tax returns and other governmental reports required to be filed by the Trustee in connection with the transaction contemplated hereby. Without limiting the foregoing, the Trustee shall under no circumstances be required to take any action or omit to take any action in the administration of the Trust Estate or otherwise in connection with the transactions contemplated hereunder unless the Trustee determines in its absolute discretion that indemnification in respect of such action or omission is available to it to its reasonable satisfaction, provided that the Trustee shall not be required to take or omit any action if the Trustee shall have been advised by its counsel that taking or omitting such action is contrary to the terms of any other agreement or instrument referred to herein or is otherwise contrary to law. The indemnities contained in this Article VII shall survive the termination of this Trust Agreement.

The Trustee shall not be entitled to receive compensation for its services from the Trust Estate. The Trustee shall not have any duty or obligation to manage, control, use, sell, dispose or otherwise deal with the Trust Estate or to otherwise refrain from taking any such action under or in connection with this Trust Agreement or the other agreements or instruments referred to herein except as expressly provided by the terms of this Trust Agreement, and no implied duties shall be read into this Trust Agreement against the Trustee. The Trustee shall not be answerable or accountable under any circumstances except for its own willful misconduct or gross negligence. The Trustee shall no duty to see to the payment or discharge of any tax, assessment or other governmental charge or any lien or encumbrance of any kind owing with respect to, or assessed or levied against, any part of the Trust Estate.

The Trustee shall at all times be entitled to request and receive instructions from the Certificateholders prior to being required to take or omit to take any action hereunder, provided that except as therein specified no further instruction is required for taking of the actions provided by the second sentence of Article V hereof.

THE TRUSTEE MAKES NO REPRESENTATION OR WARRANTY AS TO THE VALUE, CONDITIONS, MERCHANTABILITY, FITNESS FOR USE, VALIDITY, ENFORCEABILITY OF OR TITLE TO ANY PROPERTY AT ANY TIME CONSTITUTING PART OF THE TRUST ESTATE, and makes no representation or warranty as to the validity, legality or enforceability of this Trust Agreement or any agreement or instrument referred to herein, except that the Trustee hereby represents and warrants that this Trust Agreement has been duly executed and delivered by one of its officers, who is duly authorized to execute and deliver such document on its behalf.

The Trustee shall not incur any liability to anyone in acting upon any signature, instrument, notice, resolution, request, consent, telegram, order, certificate, report, opinion, bond, or other document or paper believed by it to be genuine and believed by it to be signed or sent by the proper party or parties. As to any fact or matter, the manner of ascertainment of which is not specifically described herein, the Trustee may for all purposes rely on a certificate signed by an any Certificateholder or by an officer thereof as to such fact or matter, and such certificate shall constitute full protection to the Trustee for any action taken or omitted to be taken by it in reliance thereon. In the performance of its duties hereunder, the Trustee may act directly or through its agents or attorneys and may, at the expense of the Trust Estate, consult with counsel, accountants and other skilled persons to be selected and employed by it, and the Trustee shall not be liable for anything done, suffered or omitted by it in accordance with the advice or opinion of any such counsel, accountants or other skilled persons.

The Trustee or successor trustee may resign at any time without cause by giving at least 10 days' prior written notice to the Certificateholders, such resignation to be effective on the date specified in such notice. In such event, the Certificateholders shall appoint the new Trustee. If a successor trustee shall not have been appointed prior to the effective date of such resignation, the Trustee may apply to any court of competent jurisdiction to appoint a successor trustee until such time, if any, as a successor trustee shall have been appointed. Any successor trustee shall execute and deliver to the predecessor trustee an instrument accepting such appointment and thereupon the predecessor trustee shall be released from its obligations hereunder and the successor trustee shall be vested with all rights, powers, duties and obligations of the Trustee hereunder, and the predecessor trustee shall transfer, deliver, and pay over, at the expense of the Trust Estate, any monies or other property then held by such predecessor trustee upon the Trust herein expressed.

All monies received hereunder by the Trustee shall constitute trust funds for the purpose of which they were paid or are held, but need not be segregated in any manner from any other monies and may be deposited and paid by the Trustee under such conditions as may be prescribed or permitted by law for trust funds.

ARTICLE VIII
CERTIFICATEHOLDERS, LACK OF CONTROL AND MANAGEMENT

No Certificateholder shall have any title, legal or equitable, to the Trust Estate, real or personal, held from time to time by the Trustee, or to any part thereof, or any right or voice in the management or control of the property or affairs of the Trust, each Certificateholder's interest being only such as is defined in this Declaration of Trust. No Certificateholder shall have the right to call for or demand or secure any partition or accounting during the continuance of this Trust. Each Certificateholder's interest in this Trust shall be personal property, carrying only the right to payments pursuant to the Certificate. The Trust shall not be dissolved, nor affected by the death, insolvency or incapacity of a Certificateholder or one or more of the Trustees, nor shall such death, insolvency or incapacity entitle the legal representatives or heirs or assigns, voluntary holder, receiver or trustee to any accounting or to any action at law or in equity or otherwise, against the Certificateholders or Trustee, or against the Trust Estate, or any part thereof, but such legal representative, heir, assign, receiver, or trustee shall succeed to the rights of the deceased, insolvent, bankrupt or incapacitated Certificateholder, subject to this Declaration of Trust and any amendments hereto, and shall succeed to nothing more.

ARTICLE IX
NO PARTNERSHIP

It is expressly declared that a trust, and not a partnership, is created and established by this instrument. Neither the Trustee nor any Certificateholder shall ever be deemed in any way whatsoever to be liable or responsible hereunder as partners or otherwise.

ARTICLE X
CERTIFICATEHOLDERS; NO PERSONAL LIABILITY

No assessment or other personal liability or obligation shall, under any circumstances or in any event, be made or imposed upon the Certificateholders.

ARTICLE XI
REFERENCE TO INSTRUMENT

The Trustee shall, as far as practicable, make reference to the Declaration in every written contract or undertaking that shall be entered into in the name of the Trustee or on behalf of, or relating to the business, affairs or property of this Trust.

ARTICLE XII
RELATIONSHIP WITH THIRD PARTIES; NO INQUIRY

In no event and under no circumstances shall any one dealing with the Trustee be obligated either at law or in equity to see to the application of any funds or properties passing into the hands of the Trustee, there being no intention that purchasers of Trust property, or any other parties dealing with the Trustee, shall see that the purchase money is applied to the purposes of the Trust.

Exhibit "B"

Subscription Agreement

SUBSCRIPTION AGREEMENT

THE CERTIFICATES WHICH ARE THE SUBJECT OF THIS AGREEMENT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933. THEY MAY NOT BE OFFERED FOR RESALE IN THE ABSENCE OF AN OPINION OF COUNSEL, SATISFACTORY TO THE TRUST FUND, THAT REGISTRATION IS NOT REQUIRED. IN ADDITION, THIS AGREEMENT AND THE CERTIFICATES CONTAIN SUBSTANTIAL RESTRICTIONS ON TRANSFERABILITY.

FIRSTLINE TRUST 07

(a New York Trust)

TO: FIRSTLINE TRUST 07. (the Trust Fund):

1. Subscriptions. I hereby subscribe for and agree to purchase the dollar amount of the Trust Fund's Certificates (the "Certificates") as is set forth opposite my name acknowledging the minimum purchase to be Ten Thousand Dollars ($10,000) and increments of Five Thousand Dollars ($5,000).

2. Payment. I hereby agree to pay the Trust Fund the purchase price for the Certificates by delivery herewith of a check in the face amount of the Certificates subscribed for payable to the order of **"MERCANTILE BANK-Escrow Agent for Firstline Trust 07".**

3. Restriction on Transfer of the Certificates. I understand that any resale or transfer of the Certificates by me is subject to substantial restriction, in that:

   (i) The Certificates have not been registered under the Securities Act of 1933 or applicable state securities laws. The Certificates cannot be sold or transferred by subscribers in the absence of an opinion of counsel that registration is not necessary. The Trust Fund is not required to register the Certificates or to make any exemption from registration available.

   (ii) My right to sell or transfer any of the Certificates will be restricted as follows: (1) restrictions against sale or transfer in violation of applicable securities law; (2) the requirement that I furnish an opinion of counsel that any proposed sale or transfer by me will not violate such laws; (3) the Trust Fund must consent to the transfer of my Certificates; and (4) other restrictions and requirements, including such restrictions on transfer arising under state securities laws.

   (iii) There will be no public market for the Certificates, and I may not be able to sell my Certificates. Accordingly, I must bear the economic risk of my investment for an indefinite period of time.

4. Investment Representation. I represent and warrant that I am acquiring my Certificates for my own account and not on behalf of other persons, and that I am acquiring my Certificates for investment purposes only and not with a view to the resale or distribution thereof; I understand that the Certificates will be offered and sold in a manner which would qualify the transaction for an exemption as a private placement under Rule 506 of the Securities Act of 1933. The Certificates may not be transferred or assigned except as provided herein.

5. Subscription Irrevocable by Certificateholder. This Subscription Agreement is not, and shall not be, revocable by me, except as provided by applicable state securities law requirements, and I intend to be legally bound by this Subscription Agreement.

6. Subscription Subject to Acceptance or Rejection by the Trust Fund. The Trust Fund, in its sole discretion, shall have the right to accept or reject this subscription at any time on or before the Closing.

7. Offering of Certificates Subject to Withdrawal. If the Trust Fund does not receive subscriptions for Certificates in the minimum amount of $500,000.00 before the Termination Date, the Offering of Certificates will be withdrawn and I understand that all my subscription documents and payments will be returned to me, with interest, less the cost of escrow, and without further obligation of the Trust Fund.

8. Additional Representations and Warranties. I represent and warrant that:
(a) (i) I have received and have carefully read and understood the Memorandum dated May 19, 2007 (the "Memorandum") given to me by the Trust Fund in connection with the offering of Certificates.
(ii) I have been furnished with all additional documents and information which I have requested.
(iii) I have had the opportunity to ask questions of and receive answers from the Trust Fund concerning the Trust Fund and the offering of Certificates and to obtain any additional information necessary to verify the accuracy of the information furnished.
(iv) I have relied only on the foregoing information and documents in determining to make this subscription, and the decision to acquire Certificates of the Trust Fund has been made based upon my own evaluation of the merits and risks of the Trust Fund.
(v) I will not offer to sell, or resell, the Certificates except in accordance with Section 3(ii) hereof.
(vi) I will require any purchaser to provide the Trust Fund with his address.

(b) I recognize that my investment in the Certificates involves substantial risk factors, including those set forth under "Risks" in the Memorandum.

(c) I have adequate means of providing for my current needs and possible personal contingencies, and I have no need for liquidity in my investment in the Certificates.

(d) My overall commitment to investments which are not readily marketable is not disproportionate to my net worth and my purchase of Certificates will not cause such overall commitment to become excessive.

9. Indemnification and Hold Harmless. If I breach any agreement, representation or warranty I have made in this Subscription Agreement or any other document I have executed in connection with this offering, I agree to indemnify and hold harmless the Trust Fund, the Trustee, or any officer or director of the Trustee and any person controlling either or any of them against any claims, actions, liability, loss, damage or expense (including attorney's fees and other costs of investigation and litigating claims) caused, directly or indirectly, by my breach.

10. Subscriber Information. This Subscription and my Certificates shall be recorded on the Trust Fund's books.

IN WITNESS WHEREOF, I have executed this Subscription Agreement this ____ day of____________, ______.

Name: ______________________________ X ______________________________
Social Security or Fed ID Number

Signature: X ______________________________ X ______________________________
Second Signature (if applicable)

Address: ______________________________

Amount Purchased: $______________

____

ACCEPTED BY FIRSTLINE TRUST 07 this _____ of _______________, 2007.

McGinn, Smith Capital Holdings Corp.
Trustee

By: ____________________________
David L. Smith, Principal
or Timothy M. McGinn, Principal

Exhibit "C"

Purchaser Questionnaire

CONFIDENTIAL

PURCHASER QUESTIONNAIRE FOR INDIVIDUALS

FIRSTLINE TRUST 07
(A New York Trust)

The offering is being made pursuant to Regulation D under the Securities Act of 1933 (the "Act"). One of the requirements of the Regulation is that the persons involved in the offering and sale of the securities must have reasonable grounds to believe either:

(i) that the Offeree has such knowledge and experience in financial and business matters that he is capable of evaluating the merits and risks of the prospective investment; or

(ii) the undersigned is acquiring the Notes for investment purposes only and not with a view towards resale.

(iii) the undersigned is aware that this offering will involve Notes for which no resale market exists, thereby requiring this investment to be maintained for the stated term of each Note.

Your answers will, at all times, be kept strictly confidential; however, each party who signs the questionnaire hereby agrees that the Trust may present this questionnaire to such parties as may seem appropriate in order to insure that the offer and sale of the Certificates to you will not result in violation of any exemption from registration under the Act which may be relied upon by the Trust in connection with the sale of the Certificates.

Please complete this questionnaire as thoroughly as possible and sign, date and return to the Trust c/o McGinn, Smith & Co., Inc., 5th Floor, 99 Pine Street, Albany, New York 12207.

Please print or type:

Name: ______________________________

Home Address: ______________________________

____

Date of Birth: ______________

Social Security No.: ______________

Occupation: ______________________________

Business Address: ______________________________

Business Telephone: ______________

Home Telephone: ______________

Communications should be sent to:

Home Address ____ or Business Address ____

1. What is your approximate net worth?

_____________$50,000 - $100,000
_____________$100,000 - $250,000
_____________$250,000 - $500,000
_____________$500,000 - $1,000,000
_____________Greater than $1,000,000

2. Did your individual income exceed $200,000.00 in 2005 and 2006, or did your joint income with your spouse exceed $300,000.00 in each of those years?

Yes _____ No_____

3. If the answer to #2 above is "yes", do you expect to reach the same income level in 2007?

Yes _____ No _____

4. What was your approximate gross income for calendar year 2006?

_____________$25,000 - $100,000
_____________$100,000 - $200,000
_____________$200,000 - $300,000
_____________$300,000 - $500,000
_____________Greater than $500,000

5. What will your approximate gross income be for calendar year 2007?

_____________$25,000 - $100,000
_____________$100,000 - $200,000
_____________$200,000 - $300,000
_____________$300,000 - $500,000
_____________Greater than $500,000

To the best of my information and belief, the above information is accurate and complete in all respects. I agree to notify the Trust promptly of any changes which occur prior to sale of the Certificates.

Purchaser Date:

_______________________________ _______________

Name (printed)

____

Signature

CONFIDENTIAL

PURCHASER QUESTIONNAIRE FOR CORPORATIONS AND PARTNERSHIPS

FIRSTLINE TRUST 07
(A New York Trust)

The offering is being made pursuant to Regulation D under the Securities Act of 1933 (the "Act"). One of the requirements of the Regulation is that the persons involved in the offering and sale of the securities must have reasonable grounds to believe either:

(i) that the Offeree has such knowledge and experience in financial and business matters that he is capable of evaluating the merits and risks of the prospective investment; or

(ii) that the Offeree and its Offeree Representative(s), together, have such knowledge and experience in financial and business matters, that they are capable of evaluating the merits and risks of the prospective investment and that the Offeree is able to bear the economic risk of the invest.

The purpose of this Questionnaire is to assist FIRSTLINE TRUST 07 (the "Trust") in complying with the above requirement.

Please contact McGinn, Smith & Co, Inc., 5th Floor, 99 Pine Street, Albany, New York 12207 (518-449-5131) if you have any questions in answering this questionnaire.

If the answer to any question is "None" or "Not Applicable", please so state.

Your answers will, at all times, be kept strictly confidential; however, each party who signs the Questionnaire hereby agrees that the Trust may present this Questionnaire to such parties as may seem appropriate in order to insure that the offer and sale of the Certificates to you will not result in violation of any exemption from registration under the Act which may be relied upon by the Trust in connection with the sale of the Certificates.

Please complete this Questionnaire as thoroughly as possible and sign, date and return one (1) copy to the Trust c/o McGinn, Smith & Co., Inc., 5th Floor, 99 Pine Street, Albany, New York 12207.

Please print or type:

Name of Organization: ______________________________

Business Address: ______________________________

Business Telephone: ____________________

Federal ID Number: ____________________

1. Was the organization formed for the specific purpose of acquiring the Trust's Certificates?

Yes____ No____

2. Does the organization possess total assets in excess of $5,000,000?

Yes____ No____

3. Does each equity owner of the organization:

A. Have a net worth, exclusive of home, furnishings, and automobiles, of at least $1,000,000?

Yes____ No____

B. Had an individual net income in excess of $200,000 in 2005 and 2006, or joint income with that person's spouse in excess of $300,000 in each of those years, and have a reasonable expectation of reaching the same income level in 2007?

Yes_____ No_____

4. I am aware that the Certificates proposed to be offered will not be readily marketable or transferable.

Yes_____ No_____

5. The organization can afford the complete loss of its investments in the Certificates and has no need for liquidity in this investment.

Yes_____ No_____

6. Stated below are the organization's previous investments in similar securities and other private placements during the past five years:

____

____

____

7. I understand that, unless the organization satisfies certain criteria, in order to qualify as a purchaser of Certificates, I must have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of an investment in the Trust or I must engage an attorney, accountant or other financial advisor for the purpose of this particular transaction.

I hereby represent, by initialing on the Representation A or Representation B line below, that:

A. I have such knowledge and experience in financial and business matters that I am capable of evaluating the merits and risks of an investment in the Certificates and will not require a Purchase Representative.

Representation A.______________

B. I have relied upon the advice of the following Purchaser Representative(s) in evaluating the merits and risks of an investment in the Certificates:

Representation B.______________

______________________ Name	______________________ Name
______________________ Relationship	______________________ Relationship

To the best of my information and belief, the above information is accurate and complete in all respects. I agree to notify the Trust promptly of any changes which occur prior to sale of the Trust's Certificates.

Purchaser: Date:

______________________________ ______________

Print Name of Organization

By: ______________________

Title: ______________________

PURCHASER REPRESENTATIVE QUESTIONNAIRE

FIRSTLINE TRUST 07

The information contained herein is being furnished to FIRSTLINE TRUST 07 (the "Trust") in order to facilitate a determination as to whether the undersigned may act as a Purchaser Representative, as such term is used in Regulation D promulgated under the Securities Act of 1933, as amended (the "Act"), in connection with the proposed offer and sale by the Trust of its Contract Certificates (hereinafter referred to as the "Certificates"). The answers below are correct, and the Trustee is entitled to rely on them in making the foregoing determination.

REPRESENTATIONS

I represent, warrant and covenant to you that:

(a) the information contained herein is complete and accurate and may be relied upon by you in determining whether I may act as a Purchaser Representative pursuant to Regulation D in connection with offers and sales of the Certificates;

(b) I will notify you immediately of any material change in any of such information occurring within ninety (90) days of the close of sale of the Certificates to the Purchaser;

(c) (i) I have been designated, or will be designated, pursuant to the Purchaser Questionnaire of each Purchaser, as the Purchaser Representative of such Purchaser, in connection with evaluating the merits and risks of his prospective investment in the Certificates;

(ii) I have disclosed or will disclose, to each Purchaser, in writing, prior to the designation referred to above, any material relationship between me or my affiliates and the Trust, which now exists or is mutually understood to be contemplated, or which has existed at any time during the previous two (2) years, and any compensation received as a result of such relationship, including any compensation received in connection the offering of Certificates herein; and

(iii) I will deliver to each of you a counterpart of the disclosure statement referred to in (ii) above, and such other documents or information as each of you may request relating to the performance by me of my duties as a Purchaser Representative.

(Attach additional sheets if required)

1. Name: ______________________________

   Age: __________

   Social Security No.: ______________________

2. Names of offerees I am representing:

   ____

   ____

   ____

3. Firm name: ______________________________

   Empl. Iden. No.: ______________________

   Position: ______________________________

   Nature of Duties: ______________________________

Business Address: ______________________________

Business telephone number: (___) ____________________

4. Prior occupations or positions during the past five years:

____
____
____
____

5. Description of prior experience in advising clients with respect to investments, including a description of the types of investments, the dollar amounts involved, and the number of years of experience which you have in financial, business and tax oriented matters:

General Investments (specify)

____
____
____

Private Placements (specify)

____
____

Other Investments (specify)

____
____

6. The Professional licenses or registrations (including bar admissions, accounting certificates, real estate brokerage licenses, broker-dealer or investments advisory registrations) held by me are as follows:

Registration	Year Received	Is License or Registration Still Effective?

7. My educational background, including degrees obtained and date of attendance:

____
____
____

8. (a) Neither I nor any of my affiliates now have or have had any material relationship with the Trust or any of its affiliates, are not affiliates or the Trust, and no such relationship is contemplated in the future, except as follows:

____
____
____

(b) The amounts of compensation received or to be received as a result of the material relationship(s) described in Item 8(a)(including any compensation received or to be received in connection with this transaction) are as follows:

____

____

____

9. Neither I nor any of my affiliates own beneficially any interest in the Trust except as follows:

____

____

____

10. I have received and read the Trust's Memorandum dated January 29, 2007 and Exhibits thereto and have reviewed it with the Offeree.

11. Other comments or disclosures:

____

____

____

____
Purchaser Representative Signature

____
Type Purchaser Representative Name

____
Firm Name

____
Street Address

____
City and State

(   ) ____________________
Telephone

Acknowledgement of Investor(s)

I acknowledge receipt of the foregoing disclosures this ______ day of ______________, 2007, and this represents my acknowledgment in writing to the Trust that I have read the foregoing and desire that the above stated person serve as my Purchaser Representative with respect to the offering of the Trust's Certificates.

____
Investor's Signature

____
Investor's Signature

____
Investor's Signature

Exhibit "D"

Monitoring Receivable Financing Agreement

RESIDENTIAL MONITORING RECEIVABLE FINANCING AGREEMENT

MCGINN, SMITH FUNDING, LLC

and

FIRSTLINE SECURITY, INC.

May 9th, 2007

THIS RESIDENTIAL MONITORING RECEIVABLE FINANCING AGREEMENT (this "Agreement") is dated this 9th day of May, 2007, by and between, Firstline Security, Inc., a Utah corporation, the undersigned alarm company ("Firstline"), and McGinn, Smith Funding, LLC., a New York Limited liability company, its successors and assigns (the "Agent").

RECITALS

Firstline has requested the Agent to provide financing secured by Contracts (as hereinafter defined) owned, acquired or originated by Firstline covering Mandatory Obligations (as hereinafter defined) of Obligors (as hereinafter defined) for alarm monitoring services provided or arranged for by Firstline.

NOW, THEREFORE, for good and valuable consideration and in consideration of the agreements between and among the parties hereto, Agent and Firstline hereby agree as follows:

SECTION 1. Definitions. As used in this Agreement, the terms listed below shall have the following meanings:

"Additional Expenses" means the additional expenses set forth on Exhibit "A" attached hereto and incorporated herein for all purposes.

"Central Station" means an independent central station monitoring company which Firstline may elect to utilize to provide monitoring services to Obligors, which is approved by the Agent, which approval may not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, Security Associates International ("SAI"), Emergency 24, Rapid Response and Criticom (IASG-Protection One) are approved Central Stations.

"Contract" means a Monitoring Contract owned by Firstline, including, without limitation, the Obligations arising thereunder or related thereto.

"Debt Service Amounts" means the amount of the Monitoring Revenue Payments and amount of payments relating to the Additional Funding as set forth in Exhibit "A-1" attached hereto.

"Financed Contract" means any Contract listed on a schedule of Contracts delivered by Firstline to the Agent which have been financed through the Agent under this Agreement, including any Contract which constitutes a Replacement Contract under Section 12c hereof.

"Financed Period" means, for any Financed Contract on any date, the remaining Mandatory Period of such Financed Contract on such date.

"Firstline Obligation" has the meaning set forth in Section 18 of this Agreement.

"Funding Date" means the date identified as the Funding Date on Exhibit "B" attached hereto and incorporated herein for all purposes.

"Guarantors" means the guarantors identified in Section 30 hereof.

"Funding Price" means the amount identified as the Funding Price on Exhibit "A" attached hereto and incorporated herein for all purposes.

"Lock Box" means the processing and data capture service selected by the Agent after notice to Firstline to receive Obligor Payments on the Financed Contracts. Initially, the Lock Box shall be Post Office Box [to be provided].

"Mandatory Obligation" means an agreement by an Obligor as set forth in a Contract which requires the Obligor to make fixed payments for monitoring services for a Mandatory Period.

"Mandatory Period" means, for any Financed Contract, the length of time, not to exceed 60 months, during which such Financed Contract obligates the Obligor thereon to pay its Mandatory Obligation.

"Monitoring Contract" means an enforceable and assignable contractual agreement, sale or lease instrument, or any other agreement, providing for the obligation to pay for residential electronic monitoring services, which agreement or instrument is more commonly known as a "monitoring service agreement", "alarm monitoring agreement" or "security alarm monitoring agreement".

"Monitoring Revenue Payment" means, for any Financed Contract, the monthly, quarterly, semi-annual or annual payment required to be made on such Financed Contract by an Obligor pursuant to a Mandatory Obligation through the Financed Period of such Obligation.

"Monitoring Revenue Stream" means, for any Financed Contract, the aggregate of all payments made or required to be made by an Obligor pursuant to a Mandatory Obligation from the first (1st) through the sixtieth (60^{th}) month of the Financed Period.

"Net Funding Price" has the meaning specified on Exhibit "A".

"Obligations" means, for any Financed Contract, any and all amounts due or to become due for electronic monitoring services under such Financed Contract.

"Obligor" means, for any Financed Contract, any party liable for payment and performance of Obligations under such Financed Contract.

"Obligor Payments" means, for any Financed Contract, the monthly, quarterly, semi-annual or annual payments actually made by an Obligor on account of a Monitoring Revenue Payment and received in the Lock Box.

"Portfolio" means, at any time, all Financed Contracts with outstanding Obligations at such time.

"Qualified RMR" means the monthly recurring revenues from alarm monitoring contracts characterized by the following attributes:

a. Obligor has an Equifax credit score no less than 650.
b. Contract has initial term of no less than 36 months and contains an "evergreen" clause.
c. Monthly monitoring fees are no less than $27.95 and no more than $44.95.
d. Contracts are no more than 12 months into the original term.

"Receivable Approval Number" has the meaning set forth in Section 4 of this Agreement.

SECTION 2. Financing of Contracts. As of the Funding Date, the Agent has arranged for the financing of those Contracts which will be set forth on Schedule "A" attached hereto and forming a part of this Agreement in accordance with the terms and conditions of this Agreement. Nothing contained in this Agreement shall preclude the Agent from acquiring contracts from other sources. Firstline may in the course of its business tender Contracts to third parties (other than the Agent) for purchase or financing or retain Contracts for its own account. Subject to the immediately foregoing sentence, Firstline agrees to finance the Financed Contracts with the Agent as set forth herein and the Agent agrees to remit to Firstline the Funding Price for each Financed Contract presented by Firstline on the Funding Date on the terms set forth in Exhibit "A". Notwithstanding anything to the contrary set forth herein, the parties hereto agree that the financing transaction contemplated hereby constitutes a loan by the Agent to Firstline secured by all of the Financed Contracts (including any Contracts which become Financed Contracts after the Funding Date pursuant to this Agreement), the Monitoring Revenue Streams thereunder and all proceeds thereof and documents relating thereto (the "Collateral"). Firstline hereby grants to the Agent a first priority perfected security interest in and to all of the Collateral, effective as of the Funding Date with respect to a Financed Contract to which such Collateral relates (including any Contract after it becomes a Finance Contract). Subject to Paragraph 13 hereof, in connection with the financing provided herein, the Agent shall be entitled to all payments and other property constituting proceeds of such Collateral until such time as the Agent shall have received all Debt Service Amounts. For avoidance of doubt, the "Collateral" does not include any other Monitoring Contract or asset of Firstline and Agent shall not claim, or file any document asserting that it has or may come to have, any such security interest, except for Contracts after they have become Finance Contracts.

SECTION 3 Contract Documentation. With respect to any Contract Firstline wishes to finance hereunder, Firstline shall, at the time of financing thereof by the Agent, provide to the Agent (a) a receipt or other written proof that the Obligor thereunder has paid cash for the security alarm system which is the subject of such Contract (the "Security Alarm System"); (b) if the Obligor has financed the purchase of the Security Alarm System, written evidence that either Firstline or a financial institution acceptable to the Agent has approved the Obligor's credit; and (c) the original executed Contract, executed by the Obligor, containing all of the terms and conditions of the monitoring agreement with the Obligor.

SECTION 4. Agent Approval Required. Firstline understands and agrees that prior to funding any Contract the Agent will audit such Contract for compliance with Qualified RMR The Agent shall have the right to refuse to finance hereunder any Contract submitted for financing hereunder by Firstline which does not meet such credit underwriting and due diligence standards or which is not documented as required by this Agreement and Agent shall notify Firstline within twenty-four (24) hours of such refusal. Firstline shall have five (5) business days (or such longer period as may be verbally agreed upon by the Agent and Firstline) in which to cure any purported deficiency. If Firstline cannot or will not cure such purported deficiency to the satisfaction of the Agent, the Agent shall promptly reject and return such Contract to Firstline. The Agent's approval of any Contract for financing hereunder shall be deemed to have occurred if Firstline is not informed of any rejection thereof on any submitted Contract within five (5) business days following receipt thereof by the Agent. Each approved Contract shall be assigned a receivable approval number (the "Receivable Approval Number") by the Agent identifying the approved Contract.

SECTION 5. Approved Contract Forms. Each Financed Contract shall be on a form substantially similar to those attached hereto as Exhibit "C", which forms may be modified from time to time by Firstline with the written consent of the Agent, which consent shall not be unreasonably withheld conditioned or delayed. No Contract shall be considered a Financed Contract unless, at a minimum, (a) it has been signed by the Obligor thereon, (b) an original copy thereof has been delivered to the Agent, (c) it clearly sets forth the periodic monitoring fee payable thereunder and requires the Obligor to pay such monitoring fee through the term of the Contract and (d) the Contract is assignable by its terms. If, for whatever reason, the Agent mistakenly finances a Contract not meeting the above eligibility standards, Firstline shall, upon notice, promptly either replace such Contract with a Contract meeting such eligibility standards (as well as the Agent's ordinary credit underwriting and due diligence standards) or repay to the Agent the Funding Price with respect to such Contract.

SECTION 6. Financing Terms and Procedure. In accordance with the terms of this Agreement, the Agent shall have the obligation to pay to Firstline the Funding Price, as shown on and with the reserves provided for, on Exhibit "A", for Contracts presented by Firstline to the Agent on the Funding Date which the Agent has deemed eligible for funding hereunder. At the time Agent pays the Funding Price to Firstline, Firstline shall assign for security purposes the related Monitoring Revenue Stream for the Financed Contracts to the Agent by executing an assignment in favor of the Agent in such mutually acceptable form as may be prescribed by the Agent. Thereafter, such Contract shall be deemed to be a Financed Contract hereunder.

SECTION 7. Representations and Warranties of Firstline. To induce the Agent to finance Contracts hereunder, Firstline hereby makes the following representations and warranties to the Agent, each and all of which shall survive the execution and delivery of this Agreement:

(a) Existence Compliance with Law; Executive Offices. Firstline (i) is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction in which it was organized, (ii) is duly qualified as a foreign corporation and in good standing under the laws of each jurisdiction where the conduct of its business requires such qualification, except where the failure to do so would not have a material adverse impact on any Financed Contract, (iii) has the requisite power and authority to conduct its business as now, heretofore and proposed to be conducted, (iv) has all necessary licenses, permits, consents or approvals from or by, has made all necessary filings with and has given all necessary notices to, all governmental authorities having jurisdiction, to the extent required for such operation and conduct, except where the failure to do so would not have a material adverse impact on any Financed Contract, and (v) is in compliance with its certificate of incorporation and bylaws. The chief executive office and principal place of business of Firstline is at 370 West Center Street, Orem, Utah 84057.

(b) Power; Authorization; Enforceable Obligations; Solvency. The execution, delivery and performance by Firstline of this Agreement and all instruments and documents to be delivered by Firstline pursuant to this Agreement, and the creation of all liens and security interests in the Collateral provided for herein: (i) are within Firstline's corporate power; (ii) have been duly authorized by all necessary corporate action on the part of Firstline, including the consent of shareholders where required; (iii) do not contravene any provision of Firstline's certificate of incorporation or bylaws; (iv) do not violate any law or regulation or any order or decree of any court or governmental instrumentality; (v) do not conflict with or result in the breach of, or constitute a default under, any indenture, mortgage, deed of trust, lease, agreement or other instrument to which Firstline is a party or by which Firstline or any of its property is bound; and (vi) do not require any filing or registration with, or the consent or approval of any governmental body, agency, authority or any other person or entity, which has not been made or obtained previously. This Agreement has been duly executed and delivered by Firstline and constitutes its legal, valid and binding obligation, enforceable against Firstline in accordance with its terms except to the extent that enforceability may be limited by general principles of equity and by any bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditor's rights generally.

(c) No Default; No Burdensome Restrictions. Firstline is not in default with respect to any contract, agreement, lease or other instrument to which it is a party or by which it or any of its property is bound and has not received any notice of default pursuant to any such contract, agreement, lease or other instrument that would have a material adverse effect on Firstline's business. No Event of Default has occurred or is continuing. No contract, lease, agreement or other instrument to which Firstline is a party or by which it or any of its properties is bound, and no provision of applicable law or governmental regulation, has any reasonable likelihood of having a material adverse effect on Firstline's ability to perform its obligations hereunder.

(d) No Litigation. Except as disclosed to Agent in writing prior to the date hereof, no action, claim or proceeding is now pending or, to the knowledge of Firstline, threatened against Firstline at law, in equity or otherwise, before any court, board, commission, agency or instrumentality of any federal, state or local government or any agency or subdivision thereof or before any arbitrator or panel of arbitrators which, if adversely determined, would have a material adverse effect on the Financed Contracts, nor, to the knowledge of Firstline, does a state of facts exist which might give rise to any such proceedings.

(e) Full Disclosure. To Firstline's knowledge, no information contained in this Agreement or any other agreement or writing executed or issued by Firstline or any statement furnished by or on behalf of Firstline in connection with this Agreement or any other agreement or writing executed or issued in connection with this Agreement, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained herein or therein not misleading.

(f) Security Interest. The security interest in the Collateral to be granted to the Agent pursuant to this Agreement shall, upon the proper filing of a financing statement by Agent, be a first priority security interest in and to the Collateral. There are no security interests encumbering any of the Collateral other than those granted to the Agent pursuant to this Agreement.

(g) Compliance with Law. With respect to each Financed Contract, (i) every action taken by Firstline, (ii) every agreement with an Obligor, form, letter, notice, statement or other material used by Firstline in connection with the performance of its duties and obligations in connection with such Financed Contract, (iii) every action taken by Firstline in connection with each sale resulting in a Financed Contract and (iv) all documentation in connection therewith, complies with all applicable requirements of law except where the failure to so comply would not have a material adverse effect on a Financed Contract.

(h) Contracts.

(i) Each Financed Contract (A) is, immediately preceding the time of its being financed hereunder, owned by Firstline free and clear of any and all liens and security interests in favor of any person or entity; (B) arose in connection with a bona fide final sale and delivery of a Security Alarm System in the ordinary course of business or was a renewal of a Contract so arising; (C) is for a liquidated amount as stated in such Contract; (D) to Firstline's knowledge, is not subject to any defense, deduction, offset or counterclaim; (E) constitutes the valid, legal and binding obligations of the parties thereto, enforceable in accordance with its terms except to the extent that enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditor's rights generally; and (F) complies with all federal, state and local laws, rules and regulations except where the failure to so comply would not have a material adverse effect on a Financed Contract.

(ii) With respect to each Financed Contract, (A) the Obligor thereon has acknowledged that Firstline has completed all necessary work contracted for and has received a notice of his rights of rescission under federal and state law with respect thereto, (B) the Obligor has not exercised any such rescission rights, (C) not less than five (5) business days had expired between the time such notice of rescission rights was signed by such Obligor and the Funding Date, (D) the Obligor thereon is obligated and liable for payment of the amounts stated in such Contract, and, to Firstline's knowledge, has no known reason to exercise any right of rejection, return, offset, defense, counterclaim, discount or deduction against Firstline.

(iii) Each Financed Contract contains valid mandatory deferred payment obligations for the mandatory monitoring of the security system purchased, leased or owned by the Obligor, legally enforceable in accordance with those terms, except to the extent that enforceability may be limited by general principles of equity and by any bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditor's rights generally, representing actual and bona fide agreements to perform and accept residential monitoring services.

(iv) No payment under any Financed Contract is, as of the Funding Date, delinquent, in default or, to Firstline's knowledge, subject to any dispute. To Firstline's knowledge, all statements made in any Financed Contract, including names and addresses, locations and descriptions of property or services, down-payments and unpaid balances, are in all respects true, complete and accurate. All signatures and endorsements that appear on the Financed Contracts, or any agreement or instrument relating thereto, are genuine and all signatories and endorsers, if any, to Firstline's knowledge, had full legal capacity to contract at the time such Financed Contract was created.

(v) All of Firstline's obligations to the Obligor on any Financed Contract, with the exception of future monitoring services and maintenance or service obligations, have been completed and fulfilled in their entirety. No Obligor on any Financed Contract has been induced to enter into such Contract by fraud or misrepresentation as to price, quality of products or services.

SECTION 8. Firstline Covenants. Until all Debt Service Amounts are paid to the Agent in full, and subject to Section 13 hereof, Firstline covenants and agrees as follows:

(a) Firstline shall not, without the prior written consent of the Agent, modify the terms of any Financed Contract.

(b) Firstline shall deliver the original signed version of each Financed Contract to the Agent upon the Agent's payment of the Funding Price.

(c) Firstline shall take all reasonable steps, including, without limitation, requiring that all payments with respect to the Financed Contracts be remitted to the Lock Box, to assure that the Agent will timely receive the Debt Service Amounts. Firstline specifically agrees that it will use commercially reasonable efforts consistent with generally accepted industry practice in its market area to bill and collect the Monitoring Revenue Stream. If, after an Event of Default for any reason, the Agent deems it necessary to directly bill and/or collect the Monitoring Revenue Stream or any Monitoring Revenue Payment, Firstline shall, in addition to any of its other obligations under this Agreement, cooperate with the Agent and not interfere in any way with the Agent's actions. In furtherance of this obligation, Firstline has executed and delivered to the Agent a limited power of attorney (the "Power of Attorney") in the form attached hereto as Exhibit "D", designating the Agent as Firstline's attorney-in-fact with respect to all matters in connection with the enforcement of the Agent's right to receive the Monitoring Revenue Stream in accordance with the terms and conditions of this Agreement after an Event of Default, including instituting any legal or equitable proceedings against an Obligor, subject to the terms of the Power of Attorney.

(d) Firstline shall be responsible for the payment of any state and local taxes incurred by Firstline with respect to Financed Contracts.

(e) Firstline shall not assign, or attempt purport to assign, to any other party any security interest in or other benefit or interest in the Collateral that would be senior to the priority of Agent's security interest in the Collateral.

(f) Firstline shall provide for (i) the monitoring of the alarm system of each Obligor under each Financed Contract and (ii) the servicing, repair, warranty service or replacement, and service calls required by each Financed Contract.

(g) If any representation or warranty with respect to any Financed Contract proves to have been incorrect or if Firstline breaches any of its covenants with respect to any Financed Contract, Firstline shall, within thirty (30) days after either learning thereof or receiving notice thereof from the Agent, cure any such breach. If such breach is incapable of being cured or Firstline does not cure such breach, Firstline shall either (i) replace the Financed Contract as to which such breach exists with another Contract (which shall thereafter be considered a Financed Contract) meeting the Agent's credit underwriting and due diligence standards and with a Monitoring Revenue Stream at least equal to the Monitoring Revenue Stream of the Financed Contract being replaced or (ii) pay to the Lock Box each month an amount equal to the Monitoring Revenue Stream of such Financed Contract. If Firstline fails to do so, the Agent may pursue any other remedy which the Agent may have hereunder or under applicable law.

(h) In addition to the undertakings specifically provided for in this Agreement, Firstline shall do all other things and sign and deliver all other documents and instruments reasonably requested by the Agent, to perfect, protect, maintain and enforce the security interest of the Agent and the first priority of such security interest, in the Collateral. Such acts shall include, without limitation, indicating on the books and records of Firstline that all Financed Contracts have been financed hereunder by the Agent and are subject to a security interest pursuant hereto, providing the Agent copies of any documentation relating to the Financed Contracts, the filing of financing statements, continuation statements, amendments and termination statements under the Uniform Commercial Code relating to the Collateral and the delivery of any document relating to the Collateral the physical possession of which the Agent, in its sole discretion reasonably exercised, deems necessary or advisable in connection with its financing of Financed Contracts. To the extent permitted by law, Firstline irrevocably authorizes the Agent to execute alone and file any financing statement or any other document or instrument relating to the Collateral which the Agent, as attorney in fact for Firstline, in its sole discretion reasonably exercised, deems necessary to perfect, protect or enforce any right or security interest in the Collateral granted to the Agent pursuant to this Agreement. For avoidance of doubt, the foregoing right shall not authorize Agent to take any such action with respect to any property of Firstline other than the Collateral.

(i) Firstline shall not, except following 30 days prior written notice to the Agent, (i) transfer its chief executive offices, change its principal mailing address, conduct any of its business or maintain records relating to Financed Contracts at a new location or (ii) change its corporate or trade name.

(j) Firstline shall notify the Agent in writing, promptly upon learning thereof, of any lawsuit or administrative proceeding involving amounts in excess of $10,000 which would have a material adverse affect on the Financed Contracts, whether or not the claim shall be considered by Firstline to be covered by insurance.

(k) Firstline shall not create or permit any security interest in and to any Financed Contract except those in favor of the Agent pursuant hereto.

SECTION 8b. Firstline's Access to Its Contracts. All parties hereto agree that the Financed Contracts and related documents in the custody of the Agent or its designee shall be available to Firstline, its agents or any person authorized by Firstline to inspect, review or copy them at any time and from time to time during customary business hours.

SECTION 9. Representations and Warranties of the Agent. The Agent hereby represents and warrants to Firstline as follows, each of which shall survive the execution and delivery of this Agreement:

(a) The Agent is duly organized and licensed, validly existing, authorized to do business in, and in