

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

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One Canalside
125 Main Street
Buffalo, NY 14203

August 21, 2015

Richard L. Bove
2366 Walton Road
Huntington Valley, PA 19006

Re: Securities and Exchange Commission vs. McGinn, Smith & Co. Inc.
Case No. 10-cv-00457

Dear Mr. Bove:

I have your August 12, 2015 letter to the Court because it was posted yesterday on the Court's docket. I would like to respond to your letter.

First, it is not correct to say that you have been unsuccessful in obtaining information on when and how much of a distribution will be distributed to investors. The Receiver's website (www.mcginnsmithreceiver.com) has numerous updates, including one most recently on August 12, 2015. I have informally advised investors that they can conservatively expect a distribution of between 8-15%. If you reviewed the website, you could see on an entry dated January 6, 2014 that total claims approximate \$100 million to \$124 million. Based upon the current amount held by the Receiver (approximately \$22 million), one could do an approximate distribution calculation. I share this information with investors who call me, and you have spoken with me several times.

Second, as to distribution priority, the Plan of Distribution will propose distribution subject to Court approval pursuant to applicable law. In reality, the so-called 'priority scheme' put forward by McGinn Smith when offering these investments was just that -- a scheme. The principles and purpose behind the ranking of senior and junior Notes had no economic structure or reality. I told you this in correspondence and e-mails to you including on October 23, 2013 and December 4, 2012.

The Plan of Distribution will set out in detail the reasons for the proposed distribution process, and I expect to file that Plan soon now that most of the remaining obstacles to distribution have been or will shortly be reduced or eliminated.

Very truly yours,



William J. Brown
Receiver