

This follows up on our March 23, 2009 Miscellaneous Report (FEC Form 99) regarding a tax reimbursement paid by California Real Estate Political Action Committee/Federal (CREPAC/Federal) to California Real Estate Political Action Committee (CREPAC/State) on October 8, 2008. As mentioned in our earlier report, the two PACs are required to file consolidated income tax returns (IRS Form 1120-POL and California Franchise Tax Board Form 100). At the time the PACs 2007 tax payments were due, the PACs accountants had not yet determined the amount of each PAC s tax liability, and so CREPAC/State made estimated tax payments on behalf of both PACs. We intended to have CREPAC/Federal repay CREPAC/State for its share of the taxes as soon as the amounts were determined. The PACs tax returns were prepared and filed in September 2008, and CREPAC/Federal issued a reimbursement to CREPAC/State during the following month.