

ETEXT ATTACHMENT

06/17/2005 14 : 47

June 17, 2005

Ms. Aliesa V. Sagri
Senior Campaign Finance Analyst
Reports Analysis Division
Federal Election Commission
Washington, DC 20463

RE: C00076299 CME/PAC, Chicago Mercantile Exchange Inc. PAC
FEC Form 3X - June 20, 2005 Monthly Report (05/01/05 - 05/31/05)

Dear Ms. Sagri:

With respect to the above report, this letter explains the entries under Line 17 (Other Federal Receipts).

On June 8, 2005, the staff of CME/PAC was notified by Chicago Mercantile Exchange Inc. ('CME Corporate'), CME/PAC's sponsoring corporation, that it had just been discovered that during May and June, 2005, erroneous deposits of CME Corporate funds had been made into CME/PAC's checking account. The CME Corporate funds had been deposited at a bank branch where both CME Corporate and CME/PAC have accounts. Preprinted deposit tickets are used by both CME Corporate and CME/PAC to make deposits at this branch. In these instances, although the CME Corporate checks were endorsed and stamped with CME Corporate's General Account number, a CME Corporate employee inadvertently used CME/PAC deposit slips and not the CME Corporate General Account slips to make the deposits. The bank did not notice the mistakes and deposited the following funds into CME/PAC's account:

05/02/05 - \$754.00 (all cash) - gift shop receipts
05/02/05 - \$1,200.00 (cash and 7 checks) - vendor security deposits
05/10/05 - \$192.74 (all cash) - copy services receipts
05/27/05 - \$637,434.57 (25 employee checks) - vested options taxes

Total of \$639,581.31.

The following similar erroneous deposit was made on 06/02/05 and will be reported on the July 20 FEC form 3X on Line 17:

06/02/05 - \$112.00 (all cash) - gift shop receipts

On June 14, 2005, the CME/PAC issued a check in the amount of \$639,693.31 reimbursing the Chicago Mercantile Exchange Inc. for the five erroneous deposits. This will be reported on the July 20 FEC Form 3X on Line 21b.

During the time that these funds were in CME/PAC's bank account, CME/PAC made no use whatsoever of the money. In addition, the CME/PAC checking account is non-interest-bearing, and, therefore, CME/PAC earned no interest on these erroneously deposited funds.

Action has been taken to avoid a recurrence of such erroneous deposits.

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CME/PAC staff has discussed with, and received guidance from, the Commission's staff concerning the reporting of these erroneous deposits and the return of the funds to Chicago Mercantile Exchange Inc.

If you have any questions about this matter, please call me.

Sincerely,

Ronald A. Pankau
Secretary/Treasurer