

This letter responds to Ms. Laura Sinram's letter dated November 21, 2008 requesting an amended report covering the amended July Quarterly Report (4/1/08-6/30/08), and several other items. Following is our response to each item in her letter:

1. The Schedule E total of \$202,396.97 represents the independent expenditures made in support of John McCain for the year to date. During this quarter, all independent expenditures were made in support of John McCain. In the prior quarter, \$90,529.30 of independent expenditures were made to oppose Hillary Clinton and Barack Obama (combined). When combining the \$202,396.97 for the July report with the \$90,529.30 from the April report, the cumulative total is \$292,926.27, as noted in Ms. Sinram's letter.
2. According to our records, the beginning cash balance does equal the ending cash balance from the prior quarter, and is reflected on both the April and July reports. The original April report did reflect a different balance, but we did amend that report, and the numbers now agree.
3. As noted in (2) above, our totals now agree for Lines 7, 21(b), 21(c), 23, 24, 31, and 32. Please refer to our most recent reports for the April and July reporting periods.
4. Also, our totals on Lines 11(a)(i) and 11(a)(ii), Column B of the Detailed Summary Page now agree.
5. Re: Schedule E - As noted in our previous response to the April quarterly report, we originally believed the expenditures were general in purpose, and did not consider them to be independent expenditures, because their purpose was entirely for direct-mail fundraising to proven commercial conservative fundraising lists chosen for their fundraising potential and not for their voting impact. The fundraising letters included content which contained some words of express advocacy. However, after our discussions with Ms. Sinram, we re-categorized many of the committee expenditures as independent expenditures, and retroactively filed 48 hour independent expenditure reports for all expenditures from April 1st through June 30, 2008 (but before we filed the July quarterly report).

Also, re: classification of expenditures as independent expenditures: Please note that The Legacy Committee PAC expenses incurred for independent expenditures consist of mailings to a broad list of potential contributors covering the entire United States in a repetitive test and roll-out program devised by Response Dynamics. These mailings are fundraising letters for the general election that happen to include content that is express advocacy. Their overriding purpose (really, their entire purpose) is general fundraising for the general election.

In our view, characterization of these mailings as independent expenditures has the effect of greatly overstating and inflating the actual funds used by the organization to influence the election by express advocacy. In a discussion with the New York Times reporter Michael Lau, he offered the opinion to us to the effect that the FEC's reporting requirement of these entirely fundraising letters as independent expenditures has the effect of misleading the public into thinking that committees similar to The Legacy Committee PAC are making significant fulfillment expenditures when in fact all of the funds in the mailing program are simply being used for fundraising. We agree with that assessment. We have also been contacted by reporter Thomas Edsall of the Huffington Post, whose original question for us was why the committee had reported, on the reports you are questioning, significant independent expenditures per the FEC forms but that he had not seen equal independent expenditure fulfillment. We explained to Edsall that the answer to his question was that your requirements had the effect of distorting the actual level of independent expenditure activity by lumping strictly direct-mail fundraising into that category where it contains words of express advocacy. Edsall seemed to agree with that assessment in a telephone discussion with James Lacy.

However as noted above, we are complying with your request and have classified the expenditures as independent expenditures. And as of April 1st (as mentioned above), we have filed the 48 hour reports for all independent expenditures.
