

In reponse to your letter of August 18, 2006 for the reporting period July Quarterly Report (4/01/06 to 6/30/06) I would like to clarify "Consultant Fee (fundraising)" and "Consultant Exp (fundraising)". These fees and expenses are not on behalf of anyone other than our own PAC. None of these expenses are deemed In Kind expenditures.

As to the lac of administrative expenses, let me explain how we currently do business. The PAC retains consultants to perform services for them, for example, local fundraising, national fundraising and treasurer's record keeping and reporting. Each of these consultant do not work exclusively for the PAC but have other clients. Each consultant maintains its own place of business and the cost of doing business is incorporated into their respective consultant fees. Therefore, most of the costs of doing business is absorbed by the consultant. Some expenditures which are exclusively connected with the PAC fundraising effort are paid by the PAC either directly or as consultant expenses. ie travel expenses.

If you have further questions, please do not hesitate to contact me via mail or phone (401) 467-3029. Thank you.
