

Dear Ms. Della Rocco,

I am writing in response to your letter of September 17, 2008. Your letter inquired as to whether the administrative expenses reported in the July Quarterly Report covered all rent, utilities, salaries, telephone services, office equipment and supplies. The administrative expenses listed on that report appeared to be only for administrative salaries. However, the payment to Squire, Sanders & Dempsey LLP reflected on the July Quarterly Report covers all salaries and overhead (including rent, utilities, telephone services, office equipment and supplies) that are dedicated to the administrative support of the Squire Sanders PAC.

We have developed an internal process whereby each individual involved with PAC administration keeps track of their hours dedicated to PAC support. Our finance office developed an hourly rate for those individuals that incorporates general overhead, including use of office space and utilities. This is the same process our firm uses to cover overhead dedicated to regular client service.

The cost of telephone services, office equipment and supplies is handled differently. Because this use is minimal, the law firm has billed the PAC for such use at 2% of the fees that are assessed. We believe this is a good faith estimate of the minimal use of this office support, without requiring a tracking system for each phone call or copy made. We will continue to track our costs and convert to an actual cost model if this method proves insufficient.

While the cost of support may seem limited, please keep in mind that the Squire Sanders PAC has not held any fundraisers, member meetings, or other events or receptions. Fundraising was accomplished through a very narrow process involving a single written solicitation with limited direct follow up. Thus, the PAC's administrative costs have remained low.

In compliance with Federal Election Commission requirements, Squire Sanders PAC is now advancing funds to Squire Sanders & Dempsey LLP to cover estimated administrative expenses. At the end of a quarter, we compare actual expenses with estimated expenses and will issue either a refund check or an invoice for any amounts due. We have made every effort to ensure that the advance payment is a reasonable estimate of the administrative costs for the upcoming quarter.

Please let me know if you have any further questions.

Sincerely,

Mary C. Mertz  
Assistant Treasurer of Squire, Sanders & Dempsey LLP Political Action Committee 'Squire Sanders PAC'