

Nov 6, 2006

Dear Commissioners:

We have recently received a letter from the FEC dated October 6, 2006 requesting additional information about an amended report (FEC-3) that Thompson & Knight Federal PAC filed on August 9, 2006. The letter asks for clarification as to why unitemized contributions reported in the amended report were not included in the original year-end report for 2005.

Thomspson & Knight Federal PAC is a new PAC created in 2005. Our year-end 2005 report covered the first period in which the PAC received contributions.

The 2005 contributions to Thompson & Knight Federal PAC were all received from Thompson & Knight partners at the end of the calendar year. Most of the contributions from Thompson & Knight partners exceeded \$200. All contributions of \$200 and up were correctly itemized in the orignal year-end report and included on line 11 (a)(1). That total was \$28,152.92.

Because our staff was not experienced in filing FEC3s, the individual preparing the report did not remember to include the unitemized contributions of less than \$200 on line 11 (a) (2) after compiling the listing of all itemized contributions. Contributions below \$200 totaled \$11,151.47. Although there were no new contributions to the PAC in the first and second quarters, the mistake was carried forward in the first quarter report filed on April 15, 2006 and the second quarter report filed on July 15, 2006.

In August 2006, as the PAC was preparing to make its first contributions to candidates, the Chairman of the PAC board noted a discrepancy between the amounts shown on the most recent FEC report as cash on hand and the PAC's actual bank balance of \$39,304.39. A review of the previously filed reports revealed that unitemized partner contributions were inadvertently omitted in the year-end 2005 report. The PAC promptly prepared amended reports showing the \$11,151.47 in unitemized 2005 contributions and resulting increased cash on hand.

The mistake was due to inexperience in preparing FEC PAC reports and was corrected as soon as it was detected. There was no intent to withhold information from the FEC or the public. None of the 2005 funds contributed to the PAC had been expended at the time the corrections were filed, and as a result of the corrections accurate information is now available to the FEC and the public.

Thompson & Knight Federal PAC will ensure that the year-end 2006 report, which is expected to include both unitemized and itemized contributions, will accurately report both types of contributions.

We are available to provide any further information that the FEC may need.
