

## VEDDERPRICE

DANIEL C. MCRAE, II  
312-609-7762  
dmcrae@vedderprice.com

VEDDER PRICE P.C.  
222 NORTH LAUREL STREET  
CHICAGO, ILLINOIS 60601  
312-609-7500  
FAX: 312-609-5005

CHICAGO - NEW YORK CITY - WASHINGTON, DC - BOSTON, MA

June 6, 2008

**VIA FEDERAL EXPRESS**

General Counsel's Office  
Federal Election Commission  
Washington, D.C. 20463

Re: Park Federal Savings Bank and G.P.S. Corporation

Dear Sir or Madam:

We are writing on behalf of Park Federal Savings Bank ("Park") and G.P.S. Corporation ("GPS") in response to the recent Federal Election Commission's letter to Park (the "Letter"). As explained in more detail below, we respectfully disagree with certain of the Federal Election Commission's assertions contained in the Letter.

First, the FEC asserts that GPS "does not have an identity separate from Park..." Park's management believes that GPS should be considered a separate entity since it was originally established to conduct an insurance agency business. GPS was incorporated in 1974 and conducted an active insurance agency business until 1994 when GPS sold its insurance agency business, but not its insurance license, to a third party insurance agency. However, as part of this sale, GPS was entitled to, and did, receive commission payments through 1998. As a result, after the sale of the insurance agency business through 1998, GPS earned approximately \$27,800 in insurance commissions. Since 1999, GPS has recognized approximately \$20,000 in net losses. Certain of the expenses incurred by GPS since 1999 are fees related to the maintenance of GPS's insurance agency license. GPS is maintaining its insurance license in the event GPS determines that it would be profitable to re-enter the insurance agency business. If GPS or Park did not believe that GPS would be able to conduct business activities in the future, Park would have acted to dissolve GPS. Given GPS's past insurance agency activities, the payment of fees to support its insurance license, its good standing as an insurance agent under Illinois law, and the possibility that it may engage in future business activities, Park believes that GPS should be viewed as a separate corporate entity and not as an "alter ego" of Park.

Second, the Federal Election Commission ("FEC") asserts that Park made approximately \$2,550 in political contributions from June 19, 2003 through June 1, 2004. Park's management is investigating these allegations, but believes that these contributions were made by GPS rather

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL

2008 JUN -6 P 2:54

29044242265

**VEDDERPRICE****General Counsel's Office****June 6, 2008****Page 2**

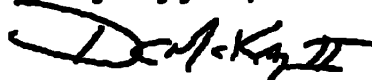
then Park and will forward appropriate documentation regarding these contributions under separate cover.

Since it is a corporation incorporated under Illinois law and is not a financial institution, GPS is not prohibited from making contributions to political campaigns. Park's management has always considered, and still considers, GPS to be a separate entity since it has other business operations (i.e., insurance activities) that are separate from its parent, Park. As a result, Park's management believes that the political contributions made by GPS as noted in the Letter were permissible contributions and should not be viewed by the Federal Election Commission as a violation of the Federal Election Campaign Act of 1971, as amended.

Finally, we wish to inform the FEC that in light of the current unstable economic climate, Park's holding company, Park Bancorp, Inc., has decided that it is discontinuing the payment of any political contributions by its non-banking subsidiaries.

Please feel free to contact me if you have any questions regarding this letter or if you would like to discuss the matters raised in this letter.

Very truly yours,



Daniel C. McKay, II

cc: Kathleen Guith, FEC  
David Remijas

(03/2008) DAN MCKAY - Park Fed designation.doc

Page 1



## FEDERAL ELECTION COMMISSION

999 E Street, NW  
Washington, DC 20483

Statement of Designation of Counsel  
(Respondent/Witness)

F-MUR: 461

Name of Counsel: Daniel C. McKay, IIFirm: Vedder Price P.C.

222 North LaSalle Street, Suite 2600  
Chicago, Illinois 60601

Telephone: ( 312 ) 609-7762Fax: ( 312 ) 609-5005

The above named individual is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

6/3/08  
Date

[Signature]  
Signature

Name (Print): David A. Romias, President & CEO

Address: Park Federal Savings Bank  
21 East OGDEN Avenue  
Westmont, Illinois 60559

Telephone: Home ( )Business ( 630 ) 969-8900

Information is being sought as part of an investigation being conducted by the Federal Election Commission and the confidentiality provisions of 2 U.S.C. § 437g(a)(3)(A) apply. This section prohibits making public any investigation conducted by the Federal Election Commission without the express written consent of the person under investigation.

29044242267