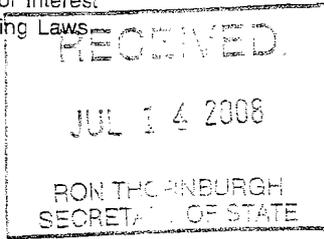


Administration of
Campaign Finance,
Conflict of Interest
& Lobbying Laws



109 West 9th Street, Suite 504
Topeka, Kansas 66612
(785) 296-4219 (phone)
(785) 296-2548 (fax)



GOVERNMENTAL ETHICS COMMISSION

www.kansas.gov/ethics

July 11, 2008

Ullrich E Porzig, Treasurer
Payless ShoeSource Inc
3231 SE 6th Ave
Topeka, KS 66607

Notification of Material Error or Omission
In A Receipts and Expenditure Report

RE: Receipts and Expenditures Report due January 10, 2008
(Covering the Period January 1, 2007 through December 31, 2007)

A review of your Receipts and Expenditures report identified above indicates the material errors or omissions listed on the other side of this page. Such errors and omissions must be corrected within (30) days of the date of this notice by filing an amended report.

File the amended report within thirty (30) days with:

Secretary of State
120 SW 10th
Memorial Hall
Topeka, Kansas 66612

As provided by law, a copy of this notice has been made a part of your record in the Secretary of State's Office. The intentional failure to file an amended report within thirty (30) days is a class A misdemeanor. In addition, you may not accept contributions or make expenditures following the end of the thirty (30) day period if the amended report has not been filed.

Additional information and assistance may be obtained by writing or calling this office. If after having contacted this office substantial issues remain unresolved, you may within ten (10) days of receipt of this notice request a hearing before the Commission.

Sincerely,

A handwritten signature in black ink, appearing to read "Carol E. Williams".

Carol E. Williams
Executive Director

1. The January 10, 2008 Receipts and Expenditures Report was not signed by the treasurer of record. An amended January 10, 2008 cover page must be filed and signed by the treasurer of record.

2. K.S.A. 25-4153 (f) states, "Any political funds which have been collected and were subject to the reporting requirements of the campaign finance act shall not be used in or for the campaign of a candidate for a federal elective office."

A review of the January 10, 2008 report indicates the Payless ShoeSource Inc PAC gave \$14,000.00 to federal candidates between April of 2007 and November of 2007.

Since the Act specifically states that a political committee may not make such a contribution, the committee must obtain a refund of these contributions immediately. The refund will then be shown on Schedule A (Contributions & Other Receipts) of the report filed by the committee for the time period in which the refund is received. A copy of the letter requesting the refund should be submitted to the Commission.

If you have any questions, feel free to contact this office @ 785-296-4219.