

March 10, 2005

Mail Stop 0409

VIA U.S. MAIL AND FAX (704) 366-5056

Marc E. Bercoon
Chief Financial Officer
RCG Companies Incorporated
6836 Morrison Blvd., Suite 200
Charlotte, NC 28211-2668

Re: RCG Companies Incorporated
Form 10-K for the year ended June 30, 2004
Form 10-K/A for the year ended June 30, 2004
Form 10-Q for the quarter ended September 30, 2004
Form 10-Q for the quarter ended December 31, 2004
File No. 001-8662

Dear Mr. Bercoon:

We have reviewed your response letter dated March 7, 2005 and have the following additional comments. As previously stated, we think you should revise your documents in response to these comments in future filings where indicated. If you disagree, we will consider your explanation as to why our comment is inapplicable or a revision is unnecessary. Please be as detailed as necessary in your explanation. In some of our comments, we may ask you to provide us with supplemental information so we may better understand your disclosure. After reviewing this information, we may or may not raise additional comments.

Please understand that the purpose of our review process is to assist you in your compliance with the applicable disclosure requirements and to enhance the overall disclosure in your filing. We look forward to working with you in these respects. We welcome any questions you may have about our comments or on any other aspect of our review. Feel free to call us at the telephone numbers listed at the end of this letter.

Form 10-K for the year ended June 30, 2004
Form 10-K/A for the year ended June 30, 2004

Liquidity and Capital Resources, page 18

1. In response to our prior comments 12 and 13, you indicate that you considered the discounted value of the service contract obligation with MyTravel Canada of \$3.8 million to be part of the purchase consideration. Clarify to us the basis for your conclusion under SFAS 141 and why this contract is not being accounted for as an executory contract. In addition, you indicate that you concluded that the value of the "direct services" provided under the contract had a fair value of \$700,000. What is the value of the service arrangement and relationship in total and if that value differs from the \$3.8 million, why did the company agree to those terms and why is the difference recorded as goodwill?

Auditors Report, page 22

2. Please confirm to the staff your intention to amend your Form

10-K

filing for June 30, 2004 to include the report of the accountants that the principal accountants were relying upon.

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As appropriate, please respond to these comments within 10 business days or tell us when you will provide us with a response. Please furnish a cover letter with your proposed revisions for future filings that keys your responses to our comments and provides any requested supplemental information. Detailed cover letters greatly facilitate our review. Please file your cover letter on EDGAR. Please understand that we may have additional comments after reviewing your responses to our comments.

You may contact James Webster, Staff Accountant, at (202) 824-5574 or myself at (202) 942-1964 if you have questions regarding comments on the financial statements and related matters.

Sincerely,

Linda VanDoorn
Senior Assistant Chief Accountant