

Mail Stop 4561

August 25, 2005

VIA U.S. MAIL AND FAX (972) 443-1742

Mr. James T. Taylor  
Chief Executive Officer  
Thomas Group, Inc.  
5221 North O'Connor Boulevard, Suite 500  
Irving, TX 75039

**Re: Thomas Group, Inc.**  
**Form 10-K for the year ended December 31, 2004**  
**Filed March 30, 2005**  
**File No. 0-22010**

Dear Mr. Taylor:

We have reviewed your response letter dated July 11, 2005 and have the following additional comment. Where indicated, we think you should revise your document in response to this comment. 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 our comment we ask you to provide us with 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 comment 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 December 31, 2004

Note 1 Summary of Significant Accounting Policies, page F-8

(o) Concentration of Credit Risk, page F-11

1. We note from your response to our comment 2 and from your disclosure in your Form 10-Q for the quarter ended June 30, 2005 that you had accounts receivable from a single customer comprising approximately 49% and 61% of total assets at December 31, 2004 and June 30, 2005, respectively. In view of this credit concentration the audited financial statements of this significant customer should be included in your Form 10-K and summarized quarterly financial information related to this customer should be included in your quarterly reports on Form 10-Q. Refer to the analogous guidance in SAB 71.

\* \* \* \*

As appropriate, please respond to this comment within 10 business days or tell us when you will provide us with a response. Please furnish a cover letter with your response that keys your response to our comment and provides any requested information. Detailed cover letters greatly facilitate our review. Please understand that we may have additional comments after reviewing your response to our comment.

We urge all persons who are responsible for the accuracy and adequacy of the disclosure in the filing to be certain that the filing includes all information required under the Securities Exchange Act of 1934 and that they have provided all information investors require for an informed investment decision. Since the company and its management are in possession of all facts relating to a company's disclosure, they are responsible for the accuracy and adequacy of the disclosures they have made.

In connection with responding to our comment, please provide, in writing, a statement from the company acknowledging that:

- the company is responsible for the adequacy and accuracy of the disclosure in the filing;
- staff comments or changes to disclosure in response to staff comments do not foreclose the Commission from taking any action with respect to the filing; and
- the company may not assert staff comments as a defense in any proceeding initiated by the Commission or any person under the federal securities laws of the United States.

Mr. James T. Taylor  
Thomas Group, Inc.  
August 25, 2005  
Page 3

In addition, please be advised that the Division of Enforcement has access to all information you provide to the staff of the Division of Corporation Finance in our review of your filing or in response to our comments on your filing.

If you have any questions, you may contact Eric McPhee at (202) 551-3693 or me at (202) 551-3496.

Sincerely,

Linda van Doorn  
Senior Assistant Chief  
Accountant