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July 1, 1998

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Lawrence Noble, Esquire
Office of General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Re: MUR 4250

Dear Mr. Noble:

This firm represents Haley Barbour with respect to MUR 4250. Enclosed is the Statement of Designation of Counsel evidencing our representation of Mr. Barbour.

I write in response to the Commission's recent *Factual and Legal Analysis* naming Mr. Barbour as a respondent in MUR 4250. The Commission's analysis is both factually inaccurate and legally unsupported. The entire matter encompassed by MUR 4250 has been extensively investigated by the United States Senate Committee on Governmental Affairs. After a lengthy investigation that included 3 days of public hearings, as well as numerous depositions, the Committee concluded that the Signet Bank loan transaction discussed in MUR 4250 was perfectly legal. The Committee's finding is not surprising because the entire transaction was thoroughly reviewed and approved in advance by highly qualified legal counsel, with knowledge of all material facts.

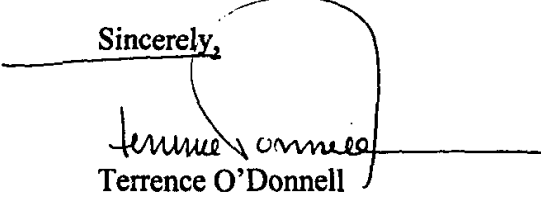
The Committee's conclusion is clearly correct. Indeed, it is impossible to divine from the *Factual and Legal Analysis* precisely how the Commission believes that the Senate Committee erred, or what legal theory could possibly support a charge of illegality regarding the Signet Bank loan. Although it is unclear what wrongdoing, if any, is being alleged against Mr.

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Barbour, he of course denies that he engaged in any illegal or improper activity with respect to the Signet loan transaction.

Given that the Signet loan transaction has already been thoroughly investigated and that is was unquestionably legal, it is an unwise use of tax dollars for the Commission to pursue this matter any further. That said, Mr. Barbour is of course eager to cooperate with the Commission in bringing this matter to an expeditious resolution. Please do not hesitate to contact me if there is anything we can do to assist the Commission in its investigation.

Sincerely,



Terrence O'Donnell

Enclosure

cc: Haley Barbour

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STATEMENT OF DESIGNATION OF COUNSEL

MUR 4250

NAME OF COUNSEL: Terrence O'Donnell

FIRM: Williams & Connolly

ADDRESS: 725 Twelfth Street, N.W.

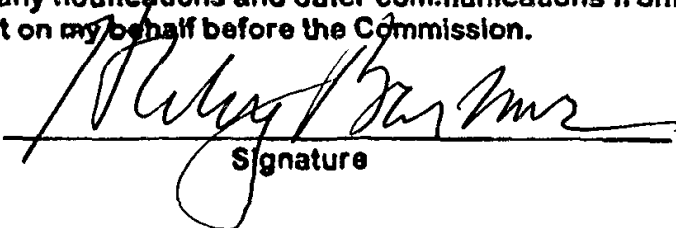
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The above-named individual is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

6/26/98
Date


Signature

RESPONDENT'S NAME: Haley Barbour

ADDRESS: Barbour, Griffith & Rogers

1275 Pennsylvania Avenue

Washington, D.C. 20004

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