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ONE HUNDRED SIXTH CONGRESS

U.S. House of Representatives

COMMITTEE ON STANDARDS OF
OFFICIAL CONDUCT

Washington, DC 20515-6328

September 23, 1999

BY HAND DELIVERY

The Hon. Earl F. Hilliard
1314 Longworth
U.S. House of Representatives
Washington, DC 20515

Dear Representative Hilliard:

In accordance with Clause 3 of House Rule XI and Rules 15 and 19 of the Rules of the Committee on Standards of Official Conduct ("Committee"), which authorize the Committee to establish an investigative subcommittee on its own initiative, the Committee has voted to establish an investigative subcommittee to conduct a formal inquiry.

Pursuant to the Committee's action, the investigative subcommittee shall have jurisdiction to determine whether you violated the Code of Official Conduct or any law, rule, regulation, or other standard of conduct applicable to your conduct in the performance of your duties or the discharge of your responsibilities, with respect to: (1) loans reportedly made by your campaign committee in 1993-1994 to Rita Hall, Eivira Willoughby, and Jacqueline Smith; (2) occupancy of office space in Birmingham, Alabama, by your campaign during the period of 1992-1998, including expenditures by the campaign for rent and utilities; and (3) your compliance with financial disclosure requirements during the period of 1992-1999 regarding ownership interests in Hilliards & Company, Inc. and the Birmingham Greater Golf Associates, Inc. or its successor, Birmingham Recreation, Inc.

Representative Rob Portman will serve as Chairman of the investigative subcommittee, and Representative Martin Olav Sabo will serve as its Ranking Minority Member. The other two members of the subcommittee are Representative Kenny C. Hulshof and Representative James E. Clyburn.

Consistent with Committee Rule 18(g), you shall have ten days after the transmittal of this letter to object to the participation of any subcommittee member. Any such objection must be in writing and must be on the grounds that the subcommittee member cannot render an impartial and unbiased decision. The subcommittee member

EXHIBIT

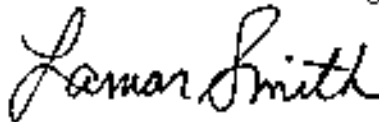
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against whom such an objection is made shall be the sole judge of his or her disqualification.

Should you or your attorneys have any questions regarding this letter, please call Committee Chief Counsel Robert L. Walker or Counsel David H. Laufman at (202) 225-7103.

Sincerely,



Lamar Smith
Chairman



Howard L. Berman
Ranking Minority Member

cc: Ralph L. Lotkin, Esq.