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JUN 16 3 25 PM '97

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June 16, 1997

Chairman of the Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463
Attention: Jennifer Henry
General Counsel Office

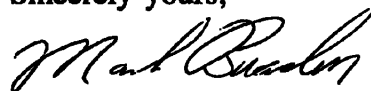
Re: MUR 4633

Dear Chairman McGarry:

This letter and accompanying material are in response to the Federal Election Commission ("Commission") letter of May 5, 1997. The letter stated that the Commission had received a complaint which indicates that Citizens Allied for Free Enterprise may have violated the Federal Election Campaign Act of 1971, as amended ("Act"). The Commission letter was generated by a complaint filed by a Mr. James Anderson. The enclosed affidavit clearly demonstrates that no further action by the Commission should be taken in this matter.

The enclosed affidavit is from an individual with personal knowledge of the circumstances which provide the basis of Mr. Anderson's letter. Mr. Anderson's letter is fatally flawed. It is not based upon Mr. Anderson's personal knowledge. It is solely a repeat of a *Wall Street Journal* story, drawing conclusions which are unsupported by the facts. Mr. Gilliard's affidavit is clear and absolutely unequivocal. Based upon the facts as set forth in Mr. Gilliard's affidavit, there is no legal analysis on which the Commission has any basis for further action in this matter in regard to Citizens Allied for Free Enterprise.

Sincerely yours,



E. Mark Braden

EMB/rvn
Enclosure:

EMB:1735:85919:97001:FECCHAIR.CAF

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AFFIDAVIT

MUR 4633

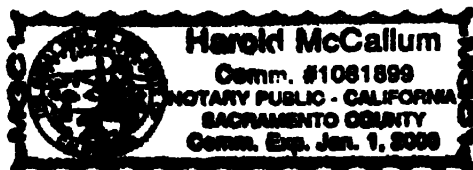
- (1) I, David Gilliard, resides at Suite 600, Sacramento, CA 95814.
- (2) The Citizens Allied for Free Enterprise ("CAFE") is a multi-candidate political committee committed to supporting candidates who believe in the free enterprise system and conservative government. I had the responsibility for determining to which candidates for elective office CAFE will contribute.
- (3) The CAFE did contribute \$1,000 to the Robert Riley for United States Congress Committee on 5-24-96
- (4) The CAFE does not accept earmarked contributions. The CAFE has never accepted a contribution which was earmarked or otherwise directed to a particular candidate or committee from any contributor.
- (5) The CAFE received a contribution of \$1,000 from Robert Riley, Jr. on 5-12-96. This contribution was not earmarked in any manner. CAFE received this contribution with no designation, instruction or encumbrance from the contributor, Robert Riley, Jr., direct or indirect, expressed or implied, oral or written, which resulted in all or any part of that contribution being made to or expended on behalf of the Robert Riley Committee. This contribution from Robert Riley was received without any designation instruction or encumbrance as to how CAFE should use the contribution.
- (6) I received no instruction or direction from Robert Riley, Jr., Triad Management Services or Robert Riley for U.S. Congress Committee that this contribution should be donated to any specific campaign.


David Gilliard

SUBSCRIBED AND SWORN To before me
This 13 day of June, 1997


Notary Public

My Commission Expires: 11/1/2000



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