

BLANK, ROME, KLAUS & COMISKY

LAW OFFICES

FOUR PENN CENTER PLAZA

PHILADELPHIA, PENNSYLVANIA 19103

215 LOCUST 9-3700 CABLE: BLARCOM TWX 710-670-1073

56

SAMUEL A. BLANK
OF COUNSEL

OUR FILE REFERENCE: 26005-633

October 7, 1974

Stephen F. Freind, Esquire
Special Counsel
House Select Committee on
State Contract Practices
House of Representatives
Main Capitol Building
Harrisburg, Pennsylvania 17120

Re: Continental Bank - Subpoena Duces Tecum
Dated September 30, 1974

Dear Mr. Freind:

This will confirm our conversation of Monday afternoon, September 30, 1974, at which time I advised you that a subpoena was served upon our client, Continental Bank, with respect to the above matter at 3:30 P.M. on September 30th. Since the subpoena was returnable Wednesday morning, October 2, and recognizing the inability of our client to comply with the subpoena by that date and time, you kindly agreed to extend the time within which our client might produce the documents for a reasonable period.

Accordingly, you will find enclosed herewith copies of all monthly bank statements, all deposit tickets and cancelled checks from July 1, 1972 to the date each of the respective accounts was closed in the possession, custody, and control of the Bank respective to the subpoena duces tecum served upon it for the following checking accounts described as follows:

- a. The account of Shapp for Governor Committee, Pennsylvanians for Progress, checking account no. 74-1-323-0.
- b. The Shapp for Governor Committee account, checking account no. 59-1-524-4.

PHILIP F. NEWMAN
COUNSEL TO THE FIRM

MORTON S. KLAUS	EDWIN P. ROME
MARVIN COMISKY	DANIEL J. McCAULEY, JR.
BARTON E. FERST	M. KALMAN GITOMER
DAVID KITTNER	JOHN B. BRUMBELOW
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Stephen F. Freind, Esquire
October 7, 1974
Page 2

- c. The Shapp/Kline Campaign Committee account,
checking account no. 12-1-422-0.

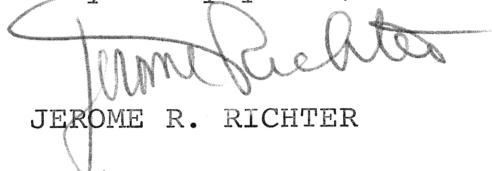
You will note that the enclosed documents with the exception of the cancelled checks reflect the history of each of the above described accounts from the date of their opening to the time of their closing. The Bank did not have a procedure which included the photographing of checks with respect to each of these three accounts until on and after July 1, 1972 which is why there are no checks included herein prior to that date.

Please acknowledge receipt of the enclosed documents by signing and returning to me the copy of the enclosed letter.

If you have any questions, please do not hesitate to contact the undersigned.

Thank you for your courtesy in this regard.

Very truly yours,



JEROME R. RICHTER

JRR/vc
Enclosures

BLANK, ROME, KLAUS & COMISKY

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PHILADELPHIA, PENNSYLVANIA 19103

215 LOCUST 9-3700 CABLE: BLARCOM TWX 710-670-1073

SAMUEL A. BLANK
OF COUNSEL

OUR FILE REFERENCE:

August 23, 1974

Stephen F. Freind, Esquire
Special Counsel
House Select Committee on
State Contract Practices
House of Representatives
Main Capitol Building
Harrisburg, Pennsylvania 17120

Re: Continental Bank - Subpoena Duces Tecum
Dated June 17, 1974

Dear Mr. Freind:

Pursuant to our telephone conversations during the last several days, on this date I am turning over the subpoenaed documentation above referred to Mrs. Willman in Philadelphia, who will accept this documentation subject to the within letter under date of August 22, 1974 over the signature of Marvin Comisky. Pursuant to our conversation, I am turning over a set of originals and a set of copies. You indicated that you would use your best effort to obtain approval of the Committee to retain the set of copies and return the originals to me within two weeks from today.

I explained to you that the originals of the ledger cards and collateral cards have been retained by the Bank because of their value and importance. I have supplied you with copies of these cards, and you agreed to accept these in lieu of originals on the condition that you have access to the originals, if and when necessary.

I have not yet located the Notes involved in the loan transactions since they were not accessible in the executive offices. If you find that it is necessary to have copies of the notes, I, of course, will arrange to make them available to you.

PHILIP F. NEWMAN
COUNSEL TO THE FIRM

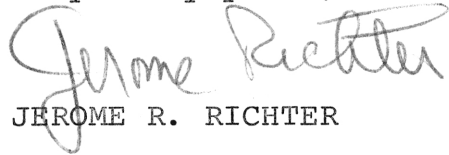
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Stephen F. Freind, Esquire
August 23, 1974
Page 2

If you have any questions or additional requests with regard to the subpoenaed materials, please do not hesitate to contact the undersigned.

Very truly yours,

A handwritten signature in cursive script that reads "Jerome Richter". The signature is written in dark ink and is positioned above the printed name.

JEROME R. RICHTER

JRR/vc

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215 LOCUST 9-3700 CABLE: BLARCOM TWX 710-670-1073

SAMUEL A. BLANK
OF COUNSEL

OUR FILE REFERENCE:

August 22, 1974

Stephen F. Freind, Esquire
Special Counsel
House Select Committee on
State Contract Practices
House of Representatives
Main Capitol Building
Harrisburg, Pennsylvania 17120

Re: Continental Bank - Subpoena Duces Tecum
Dated June 17, 1974

Dear Mr. Freind:

Delivery is being made herewith of all the documents which we have been able to accumulate to date relating to the Subsection (c) of the above designated subpoena duces tecum.

I am sure that you will agree that the enclosed documents represent a very comprehensive submission with respect to the subject matter of your subpoena, and the documents do in fact constitute the entire file of the executive offices of Continental Bank relating to the subject matter of the said subpoena.

A brief explanation follows with respect to one aspect of the documents. You will find reference to a \$550,000.00 loan to Shapp-Kline Campaign Committee and a loan of \$75,000.00 to Shapp for Governor Committee, both currently to bear interest at two per cent (2%). Prior to the period April 26, 1972 to May 9, 1972 the loans bore eight per cent (8%) interest; they were fully secured at all times by Certificates of Deposit equal in amount to the loans; and the Certificates of Deposit were paid interest by the Bank in the amount of six per cent (6%). Thereafter the Bank entered into an agreement whereby the interest rate on the Certificates of Deposit being held by the Bank as collateral was reduced from six per cent (6%) to zero, and the interest rate charged by the Bank on the Shapp-Kline Campaign Committee loan and the Shapp for Governor Committee loan was simultaneously reduced from eight per cent (8%) to two per cent (2%). Accordingly,

PHILIP F. NEWMAN
COUNSEL TO THE FIRM

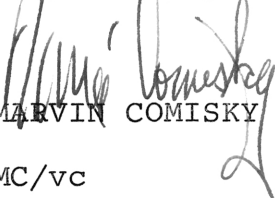
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Stephen F. Freind, Esquire
August 22, 1974
Page 2

the net result of the aforesaid agreement was that the Bank received and continues to receive the same rate of net return.

The documents being delivered to you are being submitted specifically in response to the above-designated subpoena issued by the Select Committee on State Contract Practices of the House of Representatives. It is my understanding that you are accepting the documents pursuant to that subpoena and with all of the protections that would attach to the said documents if they had been submitted to the Committee in formal session.

Very truly yours,



MARVIN COMISKY

MC/vc

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SAMUEL A. BLANK
OF COUNSEL

OUR FILE REFERENCE:

PHILIP F. NEWMAN
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FRED GITTERMAN

August 8, 1974

Stephen F. Freind, Special Counsel
Office of the Special Counsel
Select Committee on State Contract Practices
House of Representatives
Commonwealth of Pennsylvania
Harrisburg, Pennsylvania

Re: Continental Bank:
Subpoena duces tecum
Dated June 17, 1974

Dear Mr. Freind:

Please be advised that the Continental Bank has forwarded to this office the above designated subpoena, and instructed this office to represent the Continental Bank in all further dealings and communications with your office concerning the said subpoena.

I will undertake to review the subpoena and all related materials forwarded to me by the bank, and I will be prepared to discuss this matter further with you at your convenience.

Very truly yours,



ROBERT C. OZER

RCO:mbk



HOUSE OF REPRESENTATIVES

COMMONWEALTH OF PENNSYLVANIA

HARRISBURG

July 29, 1974

Mr. Arthur B. Konow
Vice President and General Counsel
Continental Bank
1500 Market Street
Philadelphia, Pennsylvania 19102

Dear Mr. Konow:

The Committee is in receipt of Walter A. Boquist's letters and enclosures of June 24, 1974 and July 3, 1974, in response to its subpoena of June 18, 1974.

We are most appreciative of your diligence in attempting to comply with the demands of the subpoena with respect to the items detailed in (a) and (b).

Unfortunately the information proffered in response to demand (c) of the subpoena is inadequate and does not respond to either the letter or the spirit of the subpoena.

Accordingly, we would be most appreciative if you would forward to the Committee at your earliest convenience, but certainly no later than August 5, 1974 at 11:00 a.m., copies of the original loan applications, accounts, ledgers, financing statements, payment schedule and any and all other data pertaining to the loans of April 2, 1974 in the amounts of \$550,000 and \$75,000.

In addition, so that the record may be clear on this point, the Committee would appreciate your assurance that these two loans are the only loan agreements "between Continental Bank and any political committee operating on behalf of or authorized by any candidate for public office or any committee or other organization established in furtherance of or acting in support of the candidacy for public office of any individual or individuals from January 1, 1966 to June 17, 1974."



HOUSE OF REPRESENTATIVES

COMMONWEALTH OF PENNSYLVANIA

HARRISBURG

Page 2

The materials forwarded to the Committee pursuant to Section (c) should include the names of all bank officers who acted on behalf of the bank in approving the loans either in whole or in part.

Thank you for your kind attention to this matter.

Cordially,

J. Michael Willmann
Special Counsel

Stephen F. Freind
Special Counsel

JMW: SFF: nlr



CONTINENTAL BANK

NORRISTOWN, PENNSYLVANIA
MID-CITY OFFICE
1431 Chestnut Street
Philadelphia, Pennsylvania 19102

July 3, 1974

Office of the Special Counsel
Select Committee on State Contract Practices
House of Representatives
Commonwealth of Pennsylvania
Harrisburg, Pennsylvania

Gentlemen:

Pursuant to my letter of June 24, 1974 and in further compliance with the subpoena of June 18, 1974, I am enclosing herewith copies of material relating to this Bank's status as a state depository, covering the period January, 1970 through March, 1973 inclusive. Although the subpoena called for all such material dating from 1966 to the present, we must advise that the records for which this information may be compiled are available only as far back as January, 1970; and therefore, we will be unable to supply any information with regard to that particular period.

We trust that the enclosed material along with the information which we have sent to you previously places us in compliance with the requirements of this subpoena.

Should any further information be required, please be assured that we will do our utmost to comply with such request.

Very truly yours,

Walter A. Boquist
Attorney
Legal Department

/bd
Enclosures



CONTINENTAL BANK

NORRISTOWN, PENNSYLVANIA
MID-CITY OFFICE
1431 Chestnut Street
Philadelphia, Pennsylvania 19102

June 24, 1974

Office of Special Counsel
Select Committee on State Contract Practices
House of Representatives
Commonwealth of Pennsylvania
Harrisburg, Pennsylvania

Gentlemen:

In accordance with your subpoena of June 18, 1974, I am enclosing herewith material relating to the items listed as (a) and (b).

In relation to (a), I am enclosing copies of material pursuant to this Bank's status as a state depository for the period April, 1973 to April, 1974 inclusive. Pursuant to my telephone conversation with Mr. Frederick L. Voigt, Special Counsel, this date, we are in the process of compiling the information for the period, 1966 to April, 1973, and will forward same to your office as soon as same is compiled.

In relation to (b), I am enclosing herewith a copy of a memorandum from Theodore Kling, Jr., Executive Vice President to Arthur B. Konow, Esquire, Vice President, dated April 30, 1974 in which Mr. Kling sets forth Continental Bank's activities as Loan and Transfer Agent for certain Commonwealth of Pennsylvania General Obligation Bonds. You will note that the only business the Corporate Trust Department has had with the Commonwealth of Pennsylvania in this area is as set forth in that memorandum.

With relation to (c), in response to the request for material relating to loans made by this institution to political committees, the following is a brief synopsis of such loans made by this Bank:

1. Loan to the Shapp-Kline Committee, Amount - \$550,000.00
Date-April 2, 1974, Due date-June 3, 1974, Balance due
as of June 20, 1974 - \$550,000.00 plus interest.
2. Loan to Shapp for Governor Committee - Amount - \$75,000.00,
Date-April 2, 1974, Due date-June 3, 1974, Balance due
as of June 20, 1974 - \$75,000.00 plus interest.

Office of Special Counsel
June 24, 1974
Page 2

Both of the above loans are fully secured.

We trust the above information along with the enclosed material are to your satisfaction. As we discussed in our telephone conversation of this date, due to a misunderstanding, we do not have the material requested for the period 1966 to April, 1973. Said information will be forwarded as soon as possible.

We apologize for any difficulty which may have arisen as regards the request for this material, but Arthur B. Konow, Esquire, Vice President, to whom the subpoena was directed, has been on vacation since Monday, June 17, 1974 and will not return until Monday, July 1, 1974. Mr. Konow had been compiling the information required pending receipt of the subpoena; and in his absence, I have attempted to comply with the subpoena as fully as possible under the circumstances.

We thank you for your understanding in this matter, and wish to assure you that we will comply with any further requests you may have for further information and will be happy to assist you wherever possible.

Very truly yours,



Walter A. Boquist, Esquire
Legal Department

/bd
enclosures



PHILADELPHIA, PENNSYLVANIA 19101

LEGAL DEPARTMENT

ARTHUR B. KONOW
VICE PRESIDENT

215 823-6121

June 5, 1974

Stephen F. Freind, Esquire
Special Counsel
Select Committee on State Contract Practices
House of Representatives
Commonwealth of Pennsylvania
Harrisburg, Pennsylvania

Dear Mr. Freind:

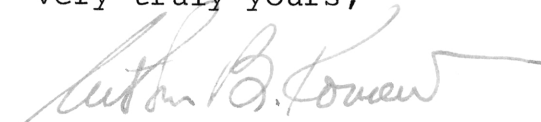
I would like to clarify your letter of May 29, 1974.

In our telephone conversation of that date, you asked me whether or not officials of the Shapp-Kline Committee of 1970 had refused permission to Continental Bank to voluntarily produce records relating to possible loans made by us. I chose not to respond to that question.

Similarly (although not quite analagous), if you had asked me whether or not officials of the Select Committee on State Contract Practices had refused permission to Continental Bank to voluntarily produce records relating to possible loans made by us, I would have also chosen not to respond to that question.

I am writing this letter because the first sentence of the third paragraph of your letter quite correctly indicated that the Bank wished to supply the requested information pursuant to a subpoena. The inclusion of the second sentence of that paragraph leads me to believe that I may have led you to believe otherwise.

Very truly yours,



Arthur B. Konow

/bd

Bancor

PATRICK A. GLEASON
CHAIRMAN



OFFICE OF SPECIAL COUNSEL

HOUSE OF REPRESENTATIVES
COMMONWEALTH OF PENNSYLVANIA
HARRISBURG
SELECT COMMITTEE ON STATE CONTRACT PRACTICES

May 29, 1974

Mr. Arthur B. Konow
Vice President and General Counsel
Continental Bank
1500 Market Street
Philadelphia, Pennsylvania 19102

Dear Mr. Konow:


This will serve to confirm our telephonic conversation of today, May 29, 1974. During that conversation, you requested that a subpoena be issued by our Committee to you ordering production of the information requested by myself and J. Michael Willmann when we met with you on May 20, 1974.

Pursuant to your request, I will take appropriate steps to have such a subpoena issued. By mutual agreement, the subpoena will be directed to you and will be delivered by certified mail.

By way of further confirmation, your position in requesting the subpoena was that Continental Bank felt that to fully protect itself, it would be advantageous to produce the requested information pursuant to a subpoena rather than on a voluntary basis. With respect to the information requested concerning possible loans made by Continental Bank to certain political campaign committees, namely the Shapp-Kline Committee of 1970, you chose not to state whether officials of that Committee had refused permission to Continental Bank to voluntarily produce such records.

I trust that the above is an accurate synopsis of the details of our telephonic conversation. Thank you for your cooperation in this matter.

Cordially,


Stephen F. Freund
Special Counsel

SFF:bb