



FEDERAL ELECTION COMMISSION

1125 A STREET N.W.  
WASHINGTON, D.C. 20461

THIS IS THE END OF TCR # 1174

Date Filmed 8-11-81 Camera No. --- 2

Cameraman JPC

81040291581

81040291581

FEDERAL ELECTION COMMISSION

Concubation documents MUR 1174

The above-described material was removed from this file pursuant to the following exemption provided in the Freedom of Information Act, 5 U.S.C. Section 552(b):

- |  |   |
|--|---|
| <input type="checkbox"/> (1) Classified Information                                | <input type="checkbox"/> (6) Personal privacy                             |
| <input type="checkbox"/> (2) Internal rules and practices                          | <input type="checkbox"/> (7) Investigatory files                          |
| <input type="checkbox"/> (3) Exempted by other statute                             | <input type="checkbox"/> (8) Banking Information                          |
| <input type="checkbox"/> (4) Trade secrets and commercial or financial information | <input type="checkbox"/> (9) Well Information (geographic or geophysical) |
| <input checked="" type="checkbox"/> (5) Internal Documents                         |   |

Signed

date

Mary G. [Signature]  
7/16/81

040291582

MOR 1174

81040291583

MOR 1174

SENDER: Complete items 1, 2, and 3. Add your address to the "RETURN TO" space.

1. The following service is requested (check one.)

- Show to whom and date delivered.
- Show to whom, date and address of delivery.
- RESTRICTED DELIVERY  
Show to whom and date delivered.
- RESTRICTED DELIVERY.  
Show to whom, date, and address of delivery.

(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:  
Thomas Upson  
10-C Key Lane  
Waterbury, CT 06708

3. ARTICLE DESCRIPTION:

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	ESSEEH	

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE \_\_\_\_\_ ADDRESS \_\_\_\_\_ CERTIFIED agent \_\_\_\_\_

4. DATE OF DELIVERY  
7/8/81

5. ADDRESS CHANGE (only if registered)  
7-18-81

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

7-381

WATERBURY, CT  
JUL 8 1981

U.S. POSTAL SERVICE



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

July 13, 1981

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Thomas Upson  
10-C Kay Lane  
Waterbury, CT 06708

RE: MUR 1174

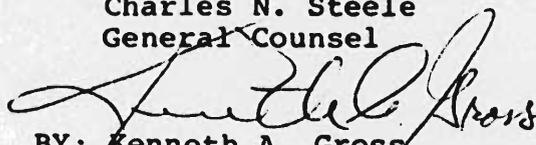
Dear Mr. Upson:

On June 23, 1981, the Commission received the termination report of the Upson for Congress Committee and a civil penalty pursuant to the terms of the conciliation agreement between the Commission, yourself, and the Upson for Congress Committee. Accordingly, the file in this matter has been closed and it will become public within 30 days.

Please note that 2 U.S.C. § 437g(a)(4)(B) prohibits any information derived in connection with any conciliation attempt from becoming public without the written consent of the respondent and the Commission. Should you wish any such information to become part of the public record, please advise us in writing. If you have any questions, please contact Maura White at (202) 523-4060.

Sincerely,

Charles N. Steele  
General Counsel

  
BY: Kenneth A. Gross  
Associate General Counsel

81040291594



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Thomas Upson  
10-C Kay Lane  
Waterbury, CT 06708

RE: MUR 1174

Dear Mr. Upson:

On June 23, 1981, the Commission received the termination report of the Upson for Congress Committee and a civil penalty pursuant to the terms of the conciliation agreement between the Commission, yourself, and the Upson for Congress Committee. Accordingly, the file in this matter has been closed and it will become public within 30 days.

Please note that 2 U.S.C. § 437g(a)(4)(B) prohibits any information derived in connection with any conciliation attempt from becoming public without the written consent of the respondent and the Commission. Should you wish any such information to become part of the public record, please advise us in writing. If you have any questions, please contact Maura White at (202) 523-4060.

Sincerely,

*mw 7/10/81*

Charles N. Steele  
General Counsel

81040291583

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
 ) MUR 1174  
Thomas Upson )  
Upson for Congress Committee )

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on July 9, 1981, the Commission decided by a vote of 5-0 to take the following actions regarding MUR 1174:

1. Close the file in this matter.
2. Send the letter as submitted with the General Counsel's July 7, 1981 memorandum.

Attest:

7-9-81

Date

Marjorie W. Emmons  
Marjorie W. Emmons  
Secretary of the Commission

Received in Office of the Commission Secretary: 7-7-81, 11:38  
Circulated on 48 hour vote basis: 7-7-81, 4:00

81040291586

July 7, 1981

MEMORANDUM TO: Marjorie W. Emmons  
FROM: Elissa T. Garr  
SUBJECT: MUR 1174

Please have the attached Memo distributed to the  
Commission on a 48 hour tally basis. Thank you.

81040291537



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

**SENSITIVE**

July 7, 1981

MEMORANDUM TO: The Commission  
FROM: Charles N. Steele  
General Counsel *CNS by KAC*  
SUBJECT: MUR 1174

On May 20, 1981, the Commission approved a conciliation agreement signed by Thomas Upson on his own behalf and on behalf of the Upson for Congress Committee. The agreement provides for the payment of a \$500 civil penalty and the filing of an amended report which will constitute a termination report. On June 23, 1981, the required report was filed and the Office of General Counsel received a check from Thomas Upson in payment of the civil penalty (Attachment I). As the terms of the conciliation agreement have been met by the respondents, the General Counsel recommends that the file be closed in this matter.

Recommendation

1. Close the file in this matter and send the attached letter.

Attachments:

- I - check and amended report  
proposed letter

81040291599

31 JUL 7 ALL: 30

RECEIVED  
LIBRARY

100909  
MOYNAHAN & RUSKIN  
ATTORNEYS AT LAW  
63 BANK STREET  
P. O. BOX 2601  
WATERBURY, CONNECTICUT 06723  
(203) 757-9626, 973-1411

TIMOTHY C. MOYNAHAN  
STEPHEN A. RUSKIN  
MARK CARRINGTON  
THOMAS F. UPSON  
JOHN AMBROZAITIS, JR.

WOLCOTT OFFICE:  
296 CENTRAL AVENUE  
WOLCOTT, CONN. 06716  
(203) 678-0830  
WOODBURY OFFICE:  
MIDDLE QUARTER MALL  
WOODBURY, CONN. 06798  
(203) 283-0401

June 19, 1981

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Charles N. Steele  
Federal Election Commission  
Washington, D.C. 20463

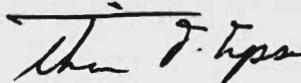
Dear Mr. Steele:

Re: MR 1174

Enclosed please find a check payable to the Federal Election Commission/  
United States Government for \$500.00 dated June 19, 1981 and a Termination  
Report for the Upson for Congress Committee from April 1, 1978 through  
December 31, 1981. If there are any questions, I would be happy to answer  
them.

I would like to thank your assistant, Maura White, for her invaluable  
help.

Very truly yours,

  
Thomas F. Upson

TFU/sf  
Encs.

81040291589  
Attachment I

8 1 0 4 0 2 9 1 5 9 0

THOMAS FISHER UPSON

10-C KAY LANE  
WATERBURY, CT 06708

925

81-98  
211

JUN 6 19 81

PAY TO THE  
ORDER OF

UNITED STATES TREASURER \$ 500.00

DOLLARS



Woodbury Office  
Woodbury,  
Connecticut 06798

*Thomas Fisher Upson*

MEMO

⑆02⑆⑆0036⑆⑆ 766 986 0⑆⑆

REPORT OF CANDIDATE TO AND DISBURSEMENTS  
For an Authorized Committee

(Summary Page)

1. Name of Committee (in Full) <b>Upson for Congress Committee</b> Address (Number and Street) <b>10-C Kay Lane</b> City, State and ZIP Code <b>Waterbury, CT 06708</b>	2. FEC Identification Number  3. Is this Report an Amendment? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
--	--

Check if address is different than previously reported.

4. TYPE OF REPORT

<input type="checkbox"/> April 15 Quarterly Report	<input type="checkbox"/> Twelfth day report preceding _____ (Type of election)
<input type="checkbox"/> July 15 Quarterly Report	election on _____ in the State of _____
<input type="checkbox"/> October 15 Quarterly Report	<input type="checkbox"/> Thirtieth day report following the General Election
<input type="checkbox"/> January 31 Year End Report	on _____ in the State of _____
<input type="checkbox"/> July 31 Mid Year Report (Non-election Year Only)	<input checked="" type="checkbox"/> Termination Report

This report contains activity for -  Primary Election     General Election     Special Election     Runoff Election

SUMMARY

	Column A This Period	Column B Calendar Year-to-Date
5. Covering Period <u>April 1, 1978</u> through <u>December 31, 1980</u>		
6. Net Contributions (other than loans):		
(a) Total Contributions (other than loans) (from Line 11e) .....	\$	\$
(b) Total Contribution Refunds (from Line 20d) .....	\$	\$
(c) Net Contributions (other than loans) (Subtract Line 6b from 6a) ...	\$	\$
7. Net Operating Expenditures:		
(a) Total Operating Expenditures (from Line 17) .....	\$	\$
(b) Total Offsets to Operating Expenditures (from Line 14) .....	\$	\$
(c) Net Operating Expenditures (Subtract Line 7b from 7a) .....	\$	\$
8. Cash on Hand at Close of Reporting Period (from Line 27) .....	\$	
9. Debts and Obligations Owed TO the Committee (Itemize all on Schedule C or Schedule D) .....	\$	
10. Debts and Obligations Owed BY the Committee (Itemize all on Schedule C or Schedule D) .....	\$ 16,726.50	

I certify that I have examined this Report and to the best of my knowledge and belief it is true, correct and complete.

For further information, contact:

Federal Election Commission  
Toll Free 800-424-9630  
Local 202-523-4068

Thomas F. Upson

Type or Print Name of ~~Person~~ Candidate

*Thomas F. Upson*  
SIGNATURE OF TREASURER

6/19/81  
Date

NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C. §437g.

All previous versions of FEC FORM 3 and FEC FORM 3a are obsolete and should no longer be used.

81040291591



Name of Committee (In Full) <b>Upson for Congress Committee</b>			
A. Full Name, Mailing Address and ZIP Code of Loan Source <b>J. Warren Upson 30 Applegate Lane Woodbury, CT 06798</b>	Original Amount of Loan <b>16,726.50</b>	Cumulative Payment To Date <b>450</b>	Balance Outstanding at Close of This Period <b>16,276.50</b>
Election: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):			
Terms: Date Incurred <u>Jan. 7, 1980</u> Date Due _____ Interest Rate _____ %(apr) <input type="checkbox"/> Secured			
List All Endorsers or Guarantors (if any) to Item A			
1. Full Name, Mailing Address and ZIP Code	Name of Employer		
	Occupation		
	Amount Guaranteed Outstanding: \$		
2. Full Name, Mailing Address and ZIP Code	Name of Employer		
	Occupation		
	Amount Guaranteed Outstanding: \$		
3. Full Name, Mailing Address and ZIP Code	Name of Employer		
	Occupation		
	Amount Guaranteed Outstanding: \$		
B. Full Name, Mailing Address and ZIP Code of Loan Source			
Election: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):			
Terms: Date Incurred _____ Date Due _____ Interest Rate _____ %(apr) <input type="checkbox"/> Secured			
List All Endorsers or Guarantors (if any) to Item B			
1. Full Name, Mailing Address and ZIP Code	Name of Employer		
	Occupation		
	Amount Guaranteed Outstanding: \$		
2. Full Name, Mailing Address and ZIP Code	Name of Employer		
	Occupation		
	Amount Guaranteed Outstanding: \$		
3. Full Name, Mailing Address and ZIP Code	Name of Employer		
	Occupation		
	Amount Guaranteed Outstanding: \$		
SUBTOTALS This Period This Page (optional) .....			
TOTALS This Period (last page in this line only) .....			
Carry outstanding balance only to LINE C, Schedule D, for this line. If on Schedule D, carry forward to line 10.			

81040291593

SCHEDULE A

On April 7, 1978, a promissory note in the amount of \$30,000 was signed by Thomas F. Upson and a loan was given to him in that amount by Citytrust, 195 Grand Street, Waterbury, Connecticut. The proceeds from the loan were used to finance the Upson for Congress Committee and said Committee made a loan repayment of \$9,501.25 and reference was made to this loan to the Federal Election Commission in the third report sent on July 1, 1978 covering the period of April 1, 1978 through June 30, 1978.

Thomas F. Upson withdrew from seeking the republican nomination from the Connecticut 6th Congressional District.

On August 17, 1978 a new promissory note with Citytrust was issued in the amount of \$23,250 in the names of J. Warren Upson and Thomas F. Upson at a variable rate computed daily at prime. J. Warren Upson made two interest payments on said note, one in the amount of \$791.61 and \$461.19. On December 28, 1979, Thomas F. Upson received a \$3,000 gift of J. Warren Upson which was applied towards said loan. On December 3, 1980 Thomas F. Upson received a second gift from J. Warren Upson which also was applied to said loan. On January 2, 1980, Thomas F. Upson issued a promissory note to J. Warren Upson in the amount of \$16,726.50 and the proceeds of said note was used to pay off the entire debt owed to Citytrust.

Since January 2, 1980, Thomas F. Upson has made payments to J. Warren Upson in the amount of \$450.

81040291594



**FEDERAL ELECTION COMMISSION**  
WASHINGTON, D.C. 20463

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Thomas Upson  
10-C Kay Lane  
Waterbury, CT 06708

RE: MUR 1174

Dear Mr. Upson:

On June 23, 1981, the Commission received the termination report of the Upson for Congress Committee and a civil penalty pursuant to the terms of the conciliation agreement between the Commission, yourself, and the Upson for Congress Committee. Accordingly, the file in this matter has been closed and it will become public within 30 days.

Please note that 2 U.S.C. § 437g(a)(4)(B) prohibits any information derived in connection with any conciliation attempt from becoming public without the written consent of the respondent and the Commission. Should you wish any such information to become part of the public record, please advise us in writing. If you have any questions, please contact Maura White at (202) 523-4060.

Sincerely,

Charles N. Steele  
General Counsel

81040291595

100909

**MOYNAHAN & RUSKIN**  
ATTORNEYS AT LAW  
63 BANK STREET  
P. O. BOX 8601  
WATERBURY, CONNECTICUT 06723  
(203) 757-0828, 873-1411

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STEPHEN A. RUSKIN  
MARK CARRINGTON  
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JOHN AMBROZAITIS, JR.

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(203) 879-0830  
WOODBURY OFFICE:  
MIDDLE QUARTER MALL  
WOODBURY, CONN. 06798  
(203) 879-0401

June 19, 1981

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

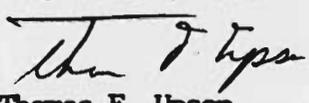
Charles N. Steele  
Federal Election Commission  
Washington, D.C. 20463

Dear Mr. Steele:

Re: MUR 1174

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Report for the Upson for Congress Committee from April 1, 1978 through  
December 31, 1981. If there are any questions, I would be happy to answer  
them.

I would like to thank your assistant, Maura White, for her invaluable  
help.

Very truly yours,  
  
Thomas F. Upson

TFU/sf  
Encs.

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JUN 23 8 2: 13  
GENERAL DELIVERY

01040291597

THOMAS FISHER UPSON  
10-C KAY LANE  
WATERBURY, CT 06708

925

61-36  
211

JUNE 19 1981

PAY TO THE  
ORDER OF

UNITED STATES TREASURER \$ 500.00

*Five Hundred and No/100*

DOLLARS



**Citytrust**

Woodbury Office  
Woodbury,  
Connecticut 06708

*T. F. Upson*

MEMO  
⑆021600364⑆ 766 986 01⑈

**REPORT OF RECEIPTS AND DISBURSEMENTS  
For an Authorized Committee**

Summary Page

<b>1. Name of Committee (in Full)</b> Upson for Congress Committee <b>Address (Number and Street)</b> 10-C Kay Lane <b>City, State and ZIP Code</b> Waterbury, CT 06708	<b>2. FEC Identification Number</b>  <b>3. Is this Report an Amendment?</b> <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
--	--

RECEIVED  
 JUN 28 1981  
 GENERAL COUNSEL

**4. TYPE OF REPORT**

<input type="checkbox"/> April 15 Quarterly Report	<input type="checkbox"/> Twelfth day report preceding _____ (Type of Election) election on _____ in the State of _____
<input type="checkbox"/> July 15 Quarterly Report	
<input type="checkbox"/> October 15 Quarterly Report	<input type="checkbox"/> Thirtieth day report following the General Election on _____ in the State of _____
<input type="checkbox"/> January 31 Year End Report	
<input type="checkbox"/> July 31 Mid Year Report (Non-election Year Only)	<input checked="" type="checkbox"/> Termination Report

This report contains activity for —     Primary Election     General Election     Special Election     Runoff Election

**SUMMARY**

	Column A This Period	Column B Calendar Year-to-Date
<b>5. Covering Period</b> <u>April 1, 1978</u> through <u>December 31, 1980</u>		
<b>6. Net Contributions (other than loans):</b>		
(a) Total Contributions (other than loans) (from Line 11e) . . . . .	\$	\$
(b) Total Contribution Refunds (from Line 20d) . . . . .	\$	\$
(c) Net Contributions (other than loans) (Subtract Line 6b from 6a) . . . . .	\$	\$
<b>7. Net Operating Expenditures:</b>		
(a) Total Operating Expenditures (from Line 17) . . . . .	\$	\$
(b) Total Offsets to Operating Expenditures (from Line 14) . . . . .	\$	\$
(c) Net Operating Expenditures (Subtract Line 7b from 7a) . . . . .	\$	\$
<b>8. Cash on Hand at Close of Reporting Period (from Line 27) . . . . .</b>	<b>\$</b>	
<b>9. Debts and Obligations Owed TO the Committee (Itemize all on Schedule C or Schedule D) . . . . .</b>	<b>\$</b>	
<b>10. Debts and Obligations Owed BY the Committee (Itemize all on Schedule C or Schedule D) . . . . .</b>	<b>\$ 16,726.50</b>	

I certify that I have examined this Report and to the best of my knowledge and belief it is true, correct and complete.

For further information, contact:

Federal Election Commission  
 Toll Free 800-424-9530  
 Local 202-523-4068

Thomas F. Upson

Type or Print Name of ~~Treasurer~~ Candidate

*Thomas F. Upson*  
 SIGNATURE OF TREASURER

6/19/81  
 Date

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81040291598

Name of Committee (in Full) <b>Upson for Congress Committee</b>			
A. Full Name, Mailing Address and ZIP Code of Loan Source <b>J. Warren Upson 30 Applegate Lane Woodbury, CT 06798</b>	Original Amount of Loan <b>16,726.50</b>	Cumulative Payment To Date <b>450</b>	Balance Outstanding at Close of This Period <b>16,276.50</b>
Election: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):			
Terms: Date Incurred <u>Jan. 7, 1980</u> Date Due _____ Interest Rate _____ % (apr) <input type="checkbox"/> Secured			
List All Endorsers or Guarantors (if any) to Item A			
1. Full Name, Mailing Address and ZIP Code	Name of Employer		
	Occupation		
	Amount Guaranteed Outstanding: \$		
2. Full Name, Mailing Address and ZIP Code	Name of Employer		
	Occupation		
	Amount Guaranteed Outstanding: \$		
3. Full Name, Mailing Address and ZIP Code	Name of Employer		
	Occupation		
	Amount Guaranteed Outstanding: \$		
B. Full Name, Mailing Address and ZIP Code of Loan Source			
Original Amount of Loan			
Cumulative Payment To Date			
Balance Outstanding at Close of This Period			
Election: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify):			
Terms: Date Incurred _____ Date Due _____ Interest Rate _____ % (apr) <input type="checkbox"/> Secured			
List All Endorsers or Guarantors (if any) to Item B			
1. Full Name, Mailing Address and ZIP Code	Name of Employer		
	Occupation		
	Amount Guaranteed Outstanding: \$		
2. Full Name, Mailing Address and ZIP Code	Name of Employer		
	Occupation		
	Amount Guaranteed Outstanding: \$		
3. Full Name, Mailing Address and ZIP Code	Name of Employer		
	Occupation		
	Amount Guaranteed Outstanding: \$		
SUBTOTALS This Period This Page (optional) .....			
TOTALS This Period (last page in this line only) .....			
Carry outstanding balance only to LINE 3, Schedule D, for this line. If no Schedule D, carry forward to appropriate line of Summary.			

81040291599

**DETAILED SUMMARY PAGE  
of Receipts and Disbursements  
(PART 2, FEC FORM 3)**

Name of Committee (in Full)

Upson for Congress Committee

Report Covering the Period:

From: April 1, 1978: December 31, 1980

**COLUMN A  
Total This Period**

**COLUMN B  
Calendar Year-to-Date**

**I. RECEIPTS**

**11. CONTRIBUTIONS (other than loans) FROM:**

(a) Individuals/Persons Other Than Political Committees  
(Memo Entry Unitized \$ \_\_\_\_\_)

(b) Political Party Committees

(c) Other Political Committees

(d) The Candidate

(e) TOTAL CONTRIBUTIONS (other than loans) (add 11a, 11b, 11c and 11d)

**12. TRANSFERS FROM OTHER AUTHORIZED COMMITTEES**

**13. LOANS:**

(a) Made or Guaranteed by the Candidate

(b) All Other Loans

(c) TOTAL LOANS (add 13a and 13b)

**14. OFFSETS TO OPERATING EXPENDITURES (Refunds, Rebates, etc.)**

**15. OTHER RECEIPTS (Dividends, interest, etc.)**

**16. TOTAL RECEIPTS (Add 11e, 12, 13c, 14 and 15)**

16,726.50

**II. DISBURSEMENTS**

**17. OPERATING EXPENDITURES**

**18. TRANSFERS TO OTHER AUTHORIZED COMMITTEES**

**19. LOAN REPAYMENTS:**

(a) Of Loans Made or Guaranteed by the Candidate

(b) Of All Other Loans

(c) TOTAL LOAN REPAYMENTS (add 19a and 19b)

450.00

**20. REFUNDS OF CONTRIBUTIONS TO:**

(a) Individuals/Persons Other Than Political Committees

(b) Political Party Committees

(c) Other Political Committees

(d) TOTAL CONTRIBUTION REFUNDS (add 20a, 20b and 20c)

**21. OTHER DISBURSEMENTS**

**22. TOTAL DISBURSEMENTS (Add 17, 18, 19c, 20d and 21)**

**III. CASH SUMMARY**

23. CASH ON HAND AT BEGINNING OF THE REPORTING PERIOD . . . . \$ \_\_\_\_\_

24. TOTAL RECEIPTS THIS PERIOD (From Line 16) . . . . . \$ \_\_\_\_\_

25. SUBTOTAL (Add Line 23 and Line 24) . . . . . \$ \_\_\_\_\_

26. TOTAL DISBURSEMENTS THIS PERIOD (From Line 22) . . . . . \$ \_\_\_\_\_

27. CASH ON HAND AT CLOSE OF THE REPORTING PERIOD (Subtract Line 26 from 25) . . . . \$ \_\_\_\_\_

81040291600

SCHEDULE A

On April 7, 1978, a promissory note in the amount of \$30,000 was signed by Thomas F. Upson and a loan was given to him in that amount by Citytrust, 195 Grand Street, Waterbury, Connecticut. The proceeds from the loan were used to finance the Upson for Congress Committee and said Committee made a loan repayment of \$9,501.25 and reference was made to this loan to the Federal Election Commission in the third report sent on July 1, 1978 covering the period of April 1, 1978 through June 30, 1978.

Thomas F. Upson withdrew from seeking the republican nomination from the Connecticut 6th Congressional District.

On August 17, 1978 a new promissory note with Citytrust was issued in the amount of \$23,250 in the names of J. Warren Upson and Thomas F. Upson at a variable rate computed daily at prime. J. Warren Upson made two interest payments on said note, one in the amount of \$791.61 and \$461.19. On December 28, 1979, Thomas F. Upson received a \$3,000 gift of J. Warren Upson which was applied towards said loan. On December 3, 1980, Thomas F. Upson received a second gift from J. Warren Upson which also was applied to said loan. On January 2, 1980, Thomas F. Upson issued a promissory note to J. Warren Upson in the amount of \$16,726.50 and the proceeds of said note was used to pay off the entire debt owed to Citytrust.

Since January 2, 1980, Thomas F. Upson has made payments to J. Warren Upson in the amount of \$450.

81040291601

RECEIVED

100324

81 APR 28 10:32

MOYNAHAN & RUSKIN  
ATTORNEYS AT LAW  
63 BANK STREET  
P. O. BOX 2601  
WATERBURY, CONNECTICUT 06723  
(203) 757-9666, 678-1411

TIMOTHY C. MOYNAHAN  
STEPHEN A. RUSKIN  
MARK GARRINGTON  
THOMAS F. UPSON  
JOHN AMBROZAITIS, JR.

WOLCOTT OFFICE:  
286 CENTRAL AVENUE  
WOLCOTT, CONN. 06716  
(203) 678-0530  
WOODBURY OFFICE:  
MIDDLE QUARTER MALL  
WOODBURY, CONN. 06798  
(203) 263-0401

April 23, 1981

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Mr. Charles Steele  
General Counsel  
Federal Election Commission  
Washington, D.C. 20463

Dear Mr. Steele:

Re: Thomas Upson and the  
Upson for Congress Committee  
MUR 1174

Enclosed please find a signed Conciliation Agreement in the matter of  
Thomas Upson and the Upson for Congress Committee.

It is my understanding that if this Conciliation Agreement is accepted  
by the Federal Election Commission, then I have thirty days to complete a  
Termination Report in accordance with Paragraph 4 of the Conciliation Agree-  
ment and in addition, to pay a \$500 fine.

Maura White from your office has been very helpful to me and I would  
like you to express my appreciation to her.

Very truly yours,

*Thomas F. Upson*  
Thomas F. Upson

TFU/sf  
Enc.

81 APR 28 11:08

81040291602

RECEIVED  
GENERAL  
COUNSEL  
FEDERAL  
ELECTION  
COMMISSION

MOYNAHAN RUSKIN  
ATTORNEYS AT LAW  
P. O. BOX 2801  
68 BANK ST.  
WATERBURY, CONNECTICUT

8104029160



MOYNAHAN & RUSKIN  
ATTORNEYS AT LAW  
68 BANK ST. P. O. BOX 2801  
WATERBURY, CONN. 06723

TO:

Mr. Charles Steele  
General Counsel  
Federal Election Commission  
Washington, D.C. 20463

FIRST CLASS MAIL

CERTIFIED  
PI9 2379761



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

May 22, 1981

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

J. Warren Upson  
30 Applegate Lane  
Woodbury, Connecticut 06710

Re: MUR 1174

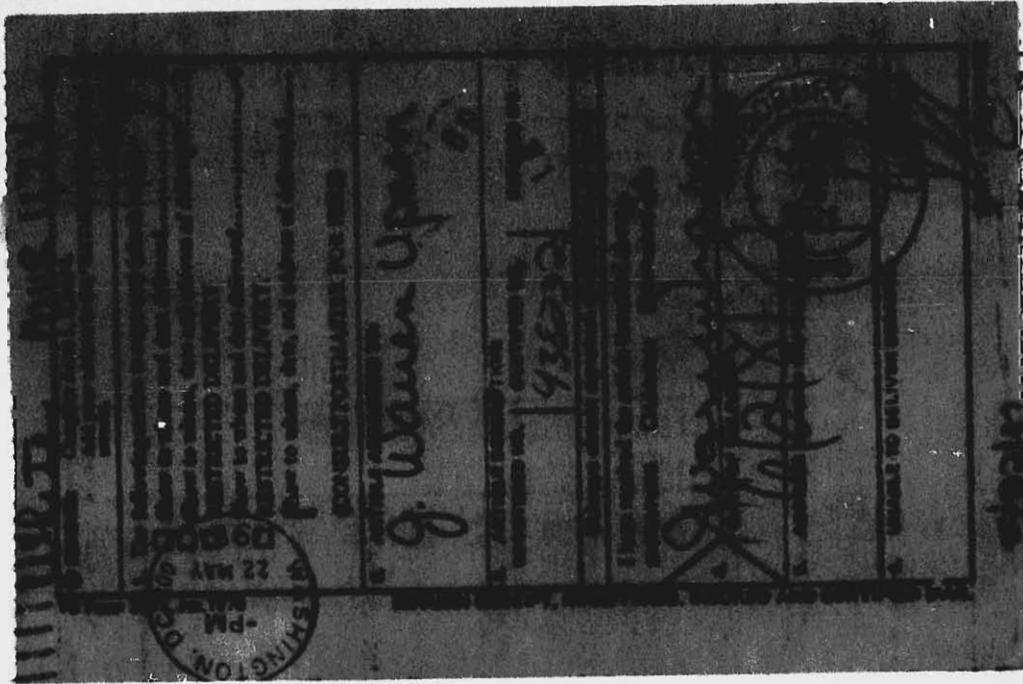
Dear Mr. Upson:

On January 22, 1981, the Commission found probable cause to believe you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended, in connection with the above-referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action against you. Should you wish to submit any materials to appear on the public record, please do so within ten days.

The Commission reminds you that endorsing or making a loan to a federal candidate, including to retire a campaign debt, in excess of \$1,000 per election is nevertheless a violation of 2 U.S.C. § 441a(a)(1)(A). You should insure that this activity does not occur in the future.

If you have any questions please direct them to Maura White, the staff member assigned to this matter, at 202-523-4060.

81040291604



*[Handwritten Signature]*  
M. Steele  
Counsel



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

J. Warren Upson  
30 Applegate Lane  
Woodbury, Connecticut 06710

Re: MUR 1174

Dear Mr. Upson:

On January 22, 1981, the Commission found probable cause to believe you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended, in connection with the above-referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action against you. Should you wish to submit any materials to appear on the public record, please do so within ten days.

The Commission reminds you that endorsing or making a loan to a federal candidate, including to retire a campaign debt, in excess of \$1,000 per election is nevertheless a violation of 2 U.S.C. § 441a(a)(1)(A). You should insure that this activity does not occur in the future.

If you have any questions please direct them to Maura White, the staff member assigned to this matter, at 202-523-4060.

Sincerely,

*MW 5/21/81*

Charles N. Steele  
General Counsel

61040291605





FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Thomas Upson  
Ridgeview Apartment  
10-C Kay Lane  
Waterbury, Connecticut 06708

Re: MUR 1174

Dear Mr. Upson:

On , 1981, the Commission accepted the conciliation agreement signed by you in settlement of a violation of 2 U.S.C. § 441a(f), and in settlement of a violation of 2 U.S.C. §§ 441a(f), 434(b)(8) (former § 434(b)(12)), and 434(b)(3)(E) (former § 434(b)(5)) by the Upson for Congress Committee. Pursuant to the agreement, you have 30 days from the date of my execution of the agreement to implement the requirements contained in the agreement.

Enclosed you will find a fully executed copy of the final conciliation agreement for your files. If you have any questions please contact Maura White, the staff member assigned to this matter, at 202-523-4060.

Sincerely,

*MW*  
*5/21/81*

Charles N. Steele  
General Counsel

Enclosure

81040291607

BEFORE THE FEDERAL ELECTION COMMISSION  
March 6, 1981

In the Matter of )  
 ) MUR 1174  
Thomas Upson and the )  
Upson for Congress Committee )

CONCILIATION AGREEMENT

This matter having been initiated by the Federal Election Commission (hereinafter "the Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities, and after probable cause to believe having been found that Thomas Upson ("Respondent") and the Upson for Congress Committee ("Respondent") violated 2 U.S.C. § 441a(f) by accepting a bank loan dated August 17, 1978, in the amount of \$23,250 endorsed by J. Warren Upson, by accepting interest payments and two separate payments of \$3,000 from J. Warren Upson, and by accepting a loan from J. Warren Upson in the amount of \$16,726.50 on January 2, 1980; and after probable cause to believe having been found that the Upson for Congress Committee violated former 2 U.S.C. § 434(b)(12) and present 2 U.S.C. § 434(b)(8) by failing to report all debts and obligations of the committee until extinguished, and former 2 U.S.C. § 434(b)(5) and present 2 U.S.C. § 434(b)(3)(E) by failing to fully report the receipt of a \$30,000 loan obtained by Thomas Upson in April, 1978, the receipt of a renegotiated loan of \$23,250 endorsed by J. Warren Upson on August 17, 1978, and the receipt of a \$16,726.50 loan from J. Warren Upson on January 2, 1980.

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NOW, THEREFORE, the Commission and Respondents, having duly entered into conciliation pursuant to 2 U.S.C. § 437g(a)(4)(A)(i) do hereby agree as follows:

I. The Commission has jurisdiction over the Respondents and the subject matter of this proceeding

II. Respondents have had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondents enter voluntarily into this Agreement with the Commission.

IV. The pertinent facts in this matter are as follows:

1. Respondent, Thomas Upson, was a federal candidate on April 7, 1978.

2. Respondent, the Upson for Congress Committee, is the principal campaign committee of Thomas Upson.

3. Respondent, Thomas Upson, obtained a bank loan from Citytrust Bank on April 7, 1978, in the amount of \$30,000.

4. Respondent, Thomas Upson, lent the bank loan dated April 7, 1978, to Respondent, the Upson for Congress Committee.

5. Respondent, Thomas Upson, withdrew from the congressional race on June 10, 1978, prior to the primary election in the sixth congressional district of Connecticut.

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6. The July 10, 1978, quarterly report (coverage dates April 1, 1978, through June 30, 1978) filed by Respondent, the Upson for Congress Committee, did not report the receipt of the April 7, 1978, loan from Thomas Upson, except for the reporting of the receipt of \$30,000 in loans on the detailed summary page and a loan repayment of \$9,501.25 to Thomas Upson on June 1, 1978.

7. Respondent, Thomas Upson, signed a renewal note to Citytrust Bank on August 17, 1978, in the amount of \$23,250 for the loan dated April 7, 1978.

8. J. Warren Upson, father of Respondent Thomas Upson, endorsed the loan from Citytrust Bank to Thomas Upson on August 17, 1978, in the amount of \$23,250.

9. Respondent, the Upson for Congress Committee, filed a termination report on September 16, 1978, which reported no outstanding debts and obligations owed to, or by, the committee.

10. J. Warren Upson paid the interest on the loan of August 17, 1978, to Citytrust Bank for Respondent Thomas Upson.

11. Respondent, Thomas Upson, received \$3,000 from J. Warren Upson on December 28, 1979, and \$3,000 on January 2, 1980, for the purpose of the repayment of a portion of the bank loan of August 17, 1978.

12. Respondent, Thomas Upson, received a loan of \$16,726.50 from J. Warren Upson on January 2, 1980, which was used to extinguish the remaining balance on the bank loan of August 17, 1978.

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13. Respondent, Thomas Upson, issued a promissory note to J. Warren Upson on January 2, 1980, in the amount of \$16,726.50.

WHEREFORE, Respondents agree:

V. Respondent, Thomas Upson, violated 2 U.S.C. § 441a(f), which prohibits a federal candidate from accepting contributions from any person in excess of \$1,000 with respect to any federal election, when he accepted the bank loan endorsed by J. Warren Upson on August 17, 1978, when he accepted interest payments and two \$3,000 payments, from J. Warren Upson, and when he accepted the loan from J. Warren Upson on January 2, 1980, as described in Paragraphs IV(8), IV(10), IV(11), and IV(12) above.

Respondent, the Upson for Congress Committee, violated 2 U.S.C. § 441a(f), which prohibits a political committee from accepting contributions from any person in excess of \$1,000 with respect to any federal election, when it accepted the bank loan endorsed by J. Warren Upson on August 17, 1978, when it accepted the interest payments and two \$3,000 payments from J. Warren Upson, and when it accepted the loan from J. Warren Upson on January 2, 1980, as described in Paragraphs IV(4), IV(8), IV(10), IV(11) and IV(12) above.

Respondent, the Upson for Congress Committee violated former 2 U.S.C. § 434(b)(12) and present 2 U.S.C. § 434(b)(8), which require a political committee to continuously report all outstanding debts and obligations, when it failed to report its debts as described in Paragraphs IV(6) and IV(9) above.

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Respondent violated former 2 U.S.C. § 434(b)(5) and present § 434(b)(3)(E), which require a political committee to disclose the identification of each person who makes a loan to the committee together with the identification of any endorser or guarantor of such loan, and the amount of such loan, when it failed to report the receipt of a \$30,000 loan from Thomas Upson on April 7, 1978, the receipt of a renegotiated loan of \$23,250 endorsed by J. Warren Upson on August 17, 1978, and the receipt of a \$16,726.50 loan from J. Warren Upson on January 2, 1980, as described in Paragraphs IV(4), IV(8), and IV(12) above.

VI. Respondents, Thomas Upson and the Upson for Congress Committee, will pay a civil penalty of five hundred dollars (\$ 500), pursuant to 2 U.S.C. § 437g(a)(5)(A).

VII. Respondents, Thomas Upson and the Upson for Congress Committee, agree that they shall not undertake any activity which is in violation of the Federal Election Campaign Act of 1971, as amended. 2 U.S.C. § 431 et seq.

VIII. Respondent, the Upson for Congress Committee, agrees that it shall file a report for the period of April 1, 1978, through December 31, 1980 which reports, pursuant to 2 U.S.C. § 434, all transactions described in Paragraph IV above, and which reports the outstanding amount owed to J. Warren Upson by Thomas Upson as of December 31, 1980. This report will constitute a termination report and no further reports will be required to be filed by the Upson for Congress Committee.

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IX. Respondent Thomas Upson agrees that he will use only his own funds to reduce the debt owed to his father. In the event Thomas Upson receives funds in the form of a gift or loan which he uses to reduce the debt owed to his father, he will notify the Commission in writing within 30 days of receipt of such funds.

X. This conciliation agreement, unless violated, constitutes a complete bar to any further action by the Commission based on the violations alleged in Paragraph V against Thomas Upson and the Upson for Congress Committee.

GENERAL CONDITIONS

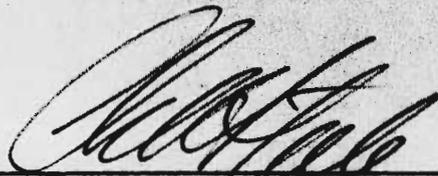
XI. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

XII. It is mutually agreed that this agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

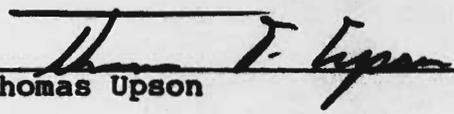
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XIII. It is agreed that Respondents will comply with the requirements of Paragraph VI and VIII above within (30) days from the date this agreement becomes effective.

21 May 1981  
Date

  
Charles N. Steele  
General Counsel

APRIL 23, 1981  
Date

  
Thomas Upson

APRIL 23, 1981  
Date

  
Upson for Congress Committee

81040291614

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	MUR 1174
Thomas Upson	)	
Upson for Congress Committee	)	
J. Warren Upson	)	

CERTIFICATION

I, Marjorie W. Emmons, Secretary of the Federal Election Commission, do hereby certify that on May 20, 1981, the Commission decided by a vote of 6-0 to take the following actions regarding MUR 1174:

1. Approve the conciliation agreement, Attachment 1 to the General Counsel's May 11, 1981 report, with Thomas Upson and the Upson for Congress Committee.
2. Take no further action against J. Warren Upson.
3. Send the letters as submitted with the General Counsel's Report dated May 11, 1981.

Commissioners Aikens, Harris, McGarry, Reiche, Thomson and Tiernan voted affirmatively in this matter.

Attest:

5/20/81

Date

Marjorie W. Emmons  
 Marjorie W. Emmons  
 Secretary of the Commission

Report signed:	5-15-81
Received in Office of the Commission Secretary:	5-18-81, 10:21
Circulated on 48 hour vote basis:	5-18-81, 4 00

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May 18, 1981

MEMORANDUM TO: Marjorie W. Emmons

FROM: Elissa T. Garr

SUBJECT: MUR 1174

Please have the attached General Counsel's Report distributed to the Commission on a 48 hour tally basis.

Thank you.

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# SENSITIVE

BEFORE THE FEDERAL ELECTION COMMISSION  
May 11, 1981

In the Matter )  
 ) MUR 1174  
Thomas Upson, Upson for )  
Congress Committee, )  
and J. Warren Upson )

81 MAY 18 AIO: 21

RECEIVED  
OFFICE OF THE  
COMMISSION SECRETARY

## GENERAL COUNSEL'S REPORT

### I. BACKGROUND

On January 22, 1981, the Commission determined that there is probable cause to believe Thomas Upson violated 2 U.S.C. § 441a(f), and the Upson for Congress Committee violated former 2 U.S.C. § 434(b)(5) and (b)(12), 2 U.S.C. § 434(b)(3)(E) and (b)(8), and 2 U.S.C. § 441a(f). The Commission also determined that there is probable cause to believe J. Warren Upson violated 2 U.S.C. § 441a(a)(1)(A). On January 23, 1981, notification letters and proposed conciliation agreements were mailed to the respondents in this matter.

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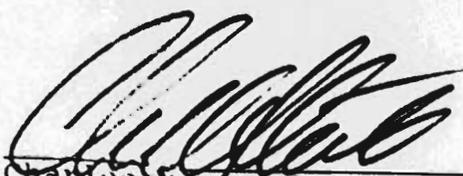
The General Counsel recommends that the Commission not proceed to litigation against J. Warren Upson. His financial assistance to his son did not occur until after Thomas Upson's withdrawal from the congressional race. Moreover, the financial assistance was apparently provided so that the son would not have to declare bankruptcy. These factors would probably make it difficult to obtain any significant relief if litigation is pursued.

Accordingly, the General Counsel recommends that the Commission take no further action against J. Warren Upson in this matter.

II. Recommendations

1. [Redacted]
2. Take no further action against J. Warren Upson.
3. Send the attached letters.

15 May 1981  
Date

  
Charles N. Steele  
General Counsel

Attachments

- 1- conciliation agreement
- 2- response of J. W. Upson
- 3- proposed letters

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**ATTACHMENT 2**

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**ATTACHMENT 3: PROPOSED LETTERS**



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

J. Warren Upson  
30 Applegate Lane  
Woodbury, Connecticut 06710

Re: MUR 1174

Dear Mr. Upson:

On January 22, 1981, the Commission found probable cause to believe you violated 2 U.S.C. § 441a(a)(1)(A), a provision of the Federal Election Campaign Act of 1971, as amended, in connection with the above-referenced MUR. However, after considering the circumstances of this matter, the Commission has determined to take no further action against you. Should you wish to submit any materials to appear on the public record, please do so within ten days.

The Commission reminds you that endorsing or making a loan to a federal candidate, including to retire a campaign debt, in excess of \$1,000 per election is nevertheless a violation of 2 U.S.C. § 441a(a)(1)(A). You should insure that this activity does not occur in the future.

If you have any questions please direct them to Maura White, the staff member assigned to this matter, at 202-523-4060.

Sincerely,

Charles N. Steele  
General Counsel

81040291623



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

January 23, 1981

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Norman Schaff, Jr.  
Citytrust Bank  
961 Main Street  
Bridgeport, Connecticut 06602

Re: MUR 1174

Dear Mr. Schaff:

This is to notify you that on January 22, 1981, the Federal Election Commission determined, on the basis of information provided by Citytrust Bank, that there is no probable cause to believe Citytrust Bank violated section 441b(a) of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the making of a loan to Thomas Upson during 1978. Accordingly, the Commission will take no further action in regard to this allegation.

If you have any questions please contact Maura White, the staff member assigned to this matter, at 202-523-4060.

Sincerely,

Charles N. Steele  
General Counsel

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MURPHY M. W.

SENDER: Complete items 1, 2, and 3.  
Add your address in the "RETURN TO" section.

1. The following service is requested (check one):

- Show to whom and date delivered.....
- Show to whom, date and address of delivery.....
- RESTRICTED DELIVERY  
Show to whom and date delivered.....
- RESTRICTED DELIVERY  
Show to whom, date, and address of delivery.....

(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:  
Naaman Achell, Jr.  
Citizens Bank  
961 Main Street  
Cincinnati, Ohio

3. ARTICLE DESCRIPTION: *Gold watch*

REGISTERED NO. | CERTIFIED NO. |  
948009

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE  Person  Agent

*Paul J. ...*

4. DATE OF DELIVERY  
1-30-80

5. ADDRESS (Complete only if registered)

6. UNABLE TO DELIVER BECAUSE:

RETURN RECEIPT AND CERTIFIED MAIL

★ U.S. MAIL



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

January 23, 1981

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Thomas Upson  
47 Holmes Avenue  
Waterbury, Connecticut 06710

Re: MUR 1174

Dear Mr. Upson:

On January 22 , 1981, the Commission determined there was probable cause to believe that you and the Upson for Congress Committee committed a violation of section 441a(f) of the Federal Election Campaign Act of 1971, as amended ("the Act"), in connection with the receipt of a loan endorsed by J. Warren Upson in August, 1978, the receipt of interest payments and two \$3,000 payments to reduce the loan from J. Warren Upson, and the receipt of a \$16,726.50 loan from J. Warren Upson in January 1980. The Commission also determined that there was probable cause to believe the Upson for Congress Committee violated former 2 U.S.C. § 434(b) (5) and (b) (12) and present 2 U.S.C. § 434(b) (3) (E) and (b) (8) in connection with the committee's failure to fully report the receipt of a \$30,000 loan obtained by Thomas Upson in April, 1978, the receipt of a renegotiated loan endorsed by J. Warren Upson in August, 1978, the receipt of a \$16,726.50 loan from J. Warren Upson in January, 1980, and failure to report all debts and obligations until extinguished. Additionally, the Commission determined that there is no probable cause to believe Thomas Upson or the Upson for Congress Committee violated 2 U.S.C. § 441b(a) in connection with the receipt of a loan from Citytrust Bank in August, 1978.

The Commission has a duty to attempt to correct such violations for a period of thirty to ninety days by informal methods of conference, conciliation and persuasion, and by

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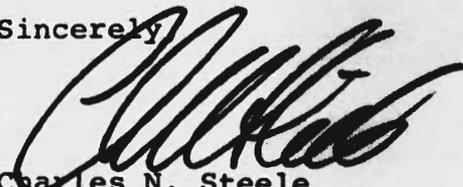
Letter to: Thomas Upson  
Page 2

entering into a conciliation agreement. If we are unable to reach an agreement during that period, the Commission may institute civil suit in United States District Court and seek payment of a civil penalty.

We enclose a conciliation agreement that this office is prepared to recommend to the Commission in settlement of this matter. If you agree with the provisions of the enclosed agreement, please sign and return it along with the civil penalty to the Commission within ten days. I will then recommend that the Commission approve the agreement. Please make your check for the civil penalty payable to the U.S. Treasurer.

If you have any questions or suggestions for changes in the enclosed conciliation agreement, please contact Maura White, the staff member assigned to this matter, at 202-523-4060.

Sincerely,

  
Charles N. Steele  
General Counsel

81049291627

1 MURPHY A White

TO: <input type="checkbox"/> Mr. Upson	
<input type="checkbox"/> Mr. [unclear]	
CIVIL PENALTY RECEIPT	
I have received the article described above.	
SIGNATURE: <i>[Signature]</i>	
DATE OF DELIVERY: <i>[unclear]</i>	POSTAL OFFICE: <i>[unclear]</i>
UNABLE TO DELIVER BECAUSE: <i>[unclear]</i>	

WATERBURY  
JAN 31  
1981



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

January 23, 1981

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

J. Warren Upson  
30 Applegate Lane  
Woodbury, Connecticut 06710

Re: MUR 1174

Dear Mr. Upson:

On January 22, 1981, the Commission determined there was probable cause to believe that you committed a violation of section 441a(a)(1)(A) of the Federal Election Campaign Act of 1971, as amended ("the Act"), in connection with your endorsement of a loan, and the payment of interest on the loan, to Thomas Upson in August, 1978, as well as your payment of \$6,000 to Thomas Upson to reduce the loan and your refinancing of the loan in January, 1980.

The Commission has a duty to attempt to correct such violations for a period of thirty to ninety days by informal methods of conference, conciliation and persuasion, and by entering into a conciliation agreement. If we are unable to reach an agreement during that period, the Commission may institute civil suit in United States District Court and seek payment of a civil penalty.

We enclose a conciliation agreement that this office is prepared to recommend to the Commission in settlement of this matter. If you agree with the provisions of the enclosed agreement, please sign and return it along with the civil penalty to the Commission within ten days. I will then recommend that the Commission approve the agreement. Please make your check for the civil penalty payable to the U.S. Treasurer.

91040291528



BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
 )  
Thomas Upson, )  
Upson for Congress Committee )  
J. Warren Upson, and )  
Citytrust Bank )

MUR 1174

CERTIFICATION

I, Marjorie W. Emons, Recording Secretary for the Federal Election Commission's Executive Session on January 22, 1981, do hereby certify that the Commission decided by a vote of 5-0 to take the following actions in MUR 1174:

1. Find no probable cause to believe Citytrust Bank violated 2 U.S.C. §441b(a).
2. Find no probable cause to believe Thomas Upson of the Upson for Congress Committee violated 2 U.S.C. §441b(a).
3. Find probable cause to believe J. Warren Upson violated 2 U.S.C. §441a(a)(1)(A).
4. Find probable cause to believe Thomas Upson and the Upson for Congress Committee violated 2 U.S.C. §441a(f).
5. Find probable cause to believe the Upson for Congress Committee violated former 2 U.S.C. §434(b)(5) and (b)(12) and the present 2 U.S.C. §434(b)(3)(E) and (b)(8).
6. Approve the conciliation agreements and letters attached to the General Counsel's November 24, 1980 report in this matter.

Commissioners Aikens, Harris, McGarry, Reiche, and Thomson voted affirmatively for the decision; Commissioner Tiernan was not present at the time of the vote.

Attest:

1/22/81

DATE

*Marjorie W. Emons*  
Secretary of the Commission

81040291630

BEFORE THE FEDERAL ELECTION COMMISSION  
November 24, 1980

In the Matter of )  
 )  
Thomas Upson, ) MUR 1174  
Upson for Congress )  
Committee, J. Warren )  
Upson, and Citytrust )  
Bank )

GENERAL COUNSEL'S REPORT

I. BACKGROUND

On June 10, 1980, the Commission found reason to believe that J. Warren Upson violated 2 U.S.C. § 441a(a)(1)(A), Thomas Upson violated 2 U.S.C. §§ 441a(f) and 441b(a), the Upson for Congress Committee violated 2 U.S.C. §§ 441a(f) and 441b(a), and Citytrust Bank violated 2 U.S.C. § 441b(a). The Commission had previously determined, on November 17, 1978, that the Upson for Congress Committee violated 2 U.S.C. § 434.

On October 9, 1980, the Office of General Counsel mailed briefs to all respondents in this matter. The brief mailed to J. Warren Upson advised Mr. Upson that it is the General Counsel's recommendation that the Commission find probable cause to believe he violated 2 U.S.C. § 441a(a)(1)(A) (Attachment 1). The brief to Thomas Upson and the Upson for Congress Committee advised the respondents that it is the General Counsel's recommendation that the Commission find probable cause to believe each respondent violated 2 U.S.C. § 441a(f) and no probable cause to believe each respondent violated 2 U.S.C. § 441b(a). The Upson for Congress Committee was also

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advised that it is the General Counsel's recommendation that the Commission find probable cause to believe the Upson for Congress Committee violated former 2 U.S.C. § 434(b)(5) and (b)(12) and present 2 U.S.C. § 434(b)(3)(E) and (b)(8) (Attachment 2). The brief to Citytrust Bank advised the bank that it is the General Counsel's recommendation that the Commission find no probable cause to believe Citytrust Bank violated 2 U.S.C. § 441b(a) (Attachment 3). Response briefs were filed by J. Warren Upson on November 1, 1980, Citytrust Bank on November 3, 1980, and Thomas Upson and the Upson for Congress Committee on November 7, 1980 (Attachments 4-6).

## II. LEGAL ANALYSIS

The response brief submitted by J. Warren Upson asserts that although the original loan of \$30,000 from Citytrust Bank to Thomas Upson in April 1978 was undertaken for the purpose of influencing a federal election, it is an improper "construction of the statutory provisions" to argue that his "endorsements of the note and the consequent payment" were for the purpose of influencing a federal election. It is the position of J. Warren Upson that his endorsement of the loan in August 1978 cannot be considered as influencing a federal election due to the fact that Thomas Upson had withdrawn from the congressional race in June, 1978, "at least two months prior to the endorsement." J. Warren Upson's response, therefore, concludes that because his "responsibility" [the endorsement

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of the loan] commenced only after Thomas Upson "was no longer involved in a nomination or election," he cannot be considered to have violated the law.

Raising virtually identical arguments, the response brief of Thomas Upson and the Upson for Congress Committee asserts that the provisions of Chapter 14 of Title 2 cease "to be effective as to contributions when the donee is no longer a candidate." The brief argues that because Thomas Upson "had ceased to be a candidate eight weeks prior to the ... endorsement by J. Warren Upson," the endorsement of the loan on August 17, 1978, by J. Warren Upson cannot be considered to be a "contribution" under the Act and ~~that~~ the refinancing of the loan on January 2, 1980, by J. Warren Upson cannot be considered to be for the purpose of influencing a federal election because Thomas Upson "had not been a candidate for over 18 months." The reply brief further argues that while Chapter 14 of Title 2 "provides for supervision of the Committee [by the Commission] until its final report has been filed and approved," the Act's "supervision of the candidate ends when **[he] ceases to be a candidate.**"

The arguments of J. Warren Upson, Thomas Upson, and the Upson for Congress Committee are based upon an erroneous interpretation of the Act. As the loan here in question was originally incurred for the purpose of influencing Thomas Upson's election to federal office, all subsequent transactions related to that loan are considered to be for the same purpose

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as that for which the loan was undertaken. That Thomas Upson was no longer a federal candidate at the time J. Warren Upson endorsed the loan, and later refinanced the loan, does not alter the fact that the actions of J. Warren Upson were directly related to Thomas Upson's bid for congressional office. Thus, Thomas Upson and the Upson for Congress Committee accepted "contributions," within the meaning of 2 U.S.C. § 431(8)(A), from J. Warren Upson for the purpose of influencing a federal election.

Therefore, the Office of General Counsel continues to recommend that the Commission find probable cause to believe J. Warren Upson violated 2 U.S.C. § 441a(a)(1)(A) when he endorsed the loan of \$23,250 from Citytrust Bank to Thomas Upson on August 17, 1978, when he made the interest payments and two \$3,000 payments on the loan, and when he made the loan of \$16,726.50 to Thomas Upson on January 2, 1980, to extinguish the bank loan of August 17, 1978. We also recommend that the Commission find probable cause to believe Thomas Upson and the Upson for Congress Committee violated 2 U.S.C. § 441a(f) when they accepted the loan of \$23,250 endorsed by J. Warren Upson on August 17, 1978, when they accepted interest payments and two separate payments of \$3,000 on the loan, and when they accepted the loan of \$16,726.50 from J. Warren Upson on January 2, 1980.

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In regard to violations of section 434 of Title 2, the Upson for Congress Committee's reply brief states that the committee "did not violate any of the provisions of 2 U.S.C. § 434 since information was supplied to the FEC immediately after the personal loan from Citytrust to Thomas Upson was executed." The committee further maintains that it was ~~its~~ belief that "its Termination Report dated September 14, 1978 was final," and that "the FEC did not communicate to any member of the Committee what the problems were with the Termination Report ... until 1980."

The reply of the Upson for Congress Committee concludes that a probable cause to believe finding of a § 434 violation is unwarranted because "the Committee originally recorded repayment of the loan in question and upon more precise questioning from the FEC provided any and all answers to the [Commission's] questions." The Upson for Congress Committee, therefore, asserts that it "met all the reporting requirements of the FEC both initially in its first filings and subsequently, in later communications."

As discussed in the General Counsel's brief to Thomas Upson and the Upson for Congress Committee, it is the position of the General Counsel that the Upson for Congress Committee violated the reporting requirements of section 434. Although the committee reported the receipt of \$30,000 in loans on the

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detailed summary page of its July 10, 1978, report, it did not provide any other information concerning the loan transaction except for a partial loan repayment to Thomas Upson. The filing also did not report any outstanding debts and obligations owed by the committee. Thus, the committee's contention that it reported all the required information "immediately" is incorrect. Moreover, the committee did not subsequently report the receipt of the renegotiated loan of \$23,250 endorsed by J. Warren Upson on August 17, 1978, or the receipt of a \$16,726.50 loan from J. Warren Upson on January 2, 1980, and did not continually report its outstanding debts and obligations.

The committee's further argument that it responded to the Commission's requests for information does not exculpate the committee from its failure to timely report the information which is required to be disclosed. Additionally, it was the committee's failure to respond to the initial request for information dated August 1978 which prompted the reason to believe finding in November 1978. Indeed, it was not until the responses to the Commission's reason to believe findings (concerning violations of §§ 441a and 441b) were received that the complete details of the various transactions involved were disclosed.

Finally, the committee argues that a probable cause to believe finding should not be made because the committee was not notified until January 1980 that its termination report

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of September 1978 was not accepted. While the committee's claim is correct to the extent that it did not receive a formal letter concerning its termination report until January, 1980, the committee nevertheless had received general notice concerning its reporting violations in November 1978 when it was notified that the Commission determined that there was reason to believe the committee violated § 434. Moreover, Thomas Upson filed a July 10, 1979, quarterly report for the committee after being advised by the Reports Analysis Division that because there were problems with the committee's previous filings, the committee had to continually file quarterly reports until it was determined that the committee's debts were extinguished and its termination report could be accepted. Therefore, despite its claim, the committee was on notice as to the inadequacy of its filings prior to 1980.

It is the General Counsel's view that the Upson for Congress Committee violated former 2 U.S.C. § 434(b)(5) and present 2 U.S.C. § 434(b)(3)(F) by failing to fully report the receipt of a \$30,000 loan obtained by Thomas Upson on April 7, 1978, the receipt of a renegotiated loan of \$23,250 endorsed by J. Warren Upson on August 17, 1978, and the receipt of a \$16,726.50 loan from J. Warren Upson on January 2, 1980. It is also the General Counsel's view that the Upson for Congress Committee violated former 2 U.S.C. § 434(b)(12) and present 2 U.S.C. § 434(b)(8) by failing to

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report all debts and obligations of the committee until extinguished. The General Counsel, therefore, recommends that the Commission find probable cause to believe the Upson for Congress Committee violated former 2 U.S.C. § 434(b)(5) and (b)(12) and present 2 U.S.C. § 434(b)(3)(E) and (b)(8).

With regard to possible violations of § 441b(a), the response brief of Citytrust Bank reiterates the position of the bank, as stated in its response to the reason to believe finding, that it did not violate 2 U.S.C. § 441b(a) (Attachment 7). The bank's response maintains that a renegotiated loan of \$23,250 dated August 17, 1978, from Citytrust Bank to Thomas Upson was made in accordance with applicable law and in the ordinary course of business. The brief submitted by Thomas Upson and the Upson for Congress Committee did not address the issue of a § 441b(a) violation in regard to their receipt of an August 17, 1978, loan from Citytrust Bank.

As the loan from Citytrust Bank to Thomas Upson appears to have been transacted in the ordinary course of business the loan would not constitute a contribution from Citytrust Bank to Thomas Upson and the Upson for Congress Committee. Therefore, the General Counsel's recommends that the Commission find no probable cause to believe Citytrust Bank, Thomas Upson, or the Upson for Congress Committee violated 2 U.S.C. § 441b(a).

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III DISCUSSION OF A CIVIL PENALTY AND CONCILIATION

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IV RECOMMENDATIONS

1. Find no probable cause to believe Citytrust Bank violated  
2 U.S.C. § 441b(a).

2. Find no probable cause to believe Thomas Upson or the Upson for Congress Committee violated 2 U.S.C. § 441b(a).
3. Find probable cause to believe J. Warren Upson violated 2 U.S.C. § 441a(a)(1)(A).
4. Find probable cause to believe Thomas Upson and the Upson for Congress Committee violated 2 U.S.C. § 441a(f).
5. Find probable cause to believe the Upson for Congress Committee violated former 2 U.S.C. § 434(b)(5) and (b)(12) and present 2 U.S.C. § 434(b)(3)(F) and (b)(8).
6. Approve the attached conciliation agreements and letters.

11 January 1981  
Date

  
Charles N. Steele  
General Counsel

Attachments:

- 1 - Brief to J. Warren Upson
- 2 - Brief to Thomas Upson and the Upson for Congress Committee
- 3 - Brief to Citytrust Bank
- 4 - Response brief of J. Warren Upson
- 5 - Response brief of Citytrust Bank
- 6 - Response brief of Thomas Upson and the Upson for Congress Committee
- 7 - Response of Citytrust Bank to reason to believe notice
- 8 - Proposed letters and conciliation agreements

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ATTACHMENT 1

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In the Matter of )  
                          ) MUR 1174  
J. Warren Upson )

GENERAL COUNSEL'S BRIEF

I. STATEMENT OF THE CASE

This matter was referred to the Office of General Counsel by the Reports Analysis Division on February 14, 1980. This matter involves the endorsement by J. Warren Upson of a \$23,250 loan to Thomas Upson, a 1978 congressional candidate (CT-6), on August 17, 1978, and a \$16,726.50 loan to Thomas Upson, from J. Warren Upson, on January 2, 1980, for the purpose of repayment of the bank loan dated August 17, 1978. A bank loan of April 7, 1978, to which the loan of August 17, 1978, relates, was lent to the Upson for Congress Committee.

On June 10, 1980, the Commission found reason to believe that J. Warren Upson violated 2 U.S.C. § 441a(a)(1)(A). On June 13, 1980, a reason to believe notification letter was mailed to J. Warren Upson and his response was received on July 10, 1980

The July 10, 1980, response of J. Warren Upson stated that in April 1978 his son, Thomas Upson, borrowed \$30,000 from Citytrust Bank for his congressional race and "intended to pay the loan off with campaign contributions on a monthly basis." However, after Thomas Upson was served with a divorce complaint in June 1978, he withdrew his candidacy and was "obligated to the bank for between \$22,000 and \$23,000."

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J. Warren Upson further stated that Thomas Upson's earning capacity "made it impossible for him to pay even the interest" on the loan and that he "was unemployed after July 1, 1978."

J. Warren Upson stated that he, therefore, endorsed the bank loan [on August 17, 1978, in the amount of \$23,250] for Thomas Upson and began to pay the interest on the note. Moreover, in late 1979 and early 1980, he gave Thomas Upson a total of \$6,000 to use to reduce the loan and in January, 1980, paid off the entire amount owed to Citytrust Bank [\$16,726.50] by Thomas Upson and received a promissory note from Thomas Upson for that amount.

## II. LEGAL ANALYSIS

Under 2 U.S.C. § 441a(a)(1)(A) an individual is prohibited from contributing more than \$1,000 to a federal candidate with respect to each election for federal office. Under 2 U.S.C. § 441a(f) any candidate or political committee is prohibited from knowingly accepting contributions which are in violation of 2 U.S.C. § 441a.

At the time relevant to this matter the term "contribution" was defined at 2 U.S.C. § 431(e)(1) (recodified at § 431(8)(A)) to include any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for federal office. A "loan" is defined at 11 C.F.R. § 100.7(a)(1)(i)(C) (former § 100.4(a)(1)(i)) to be a contribution by each endorser or guarantor. Each endorser or guarantor shall

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be deemed to have contributed that portion of the total amount of the loan for which he or she agreed to be liable in a written agreement (formerly defined as a guarantee, endorsement, and other form of security where the risk of nonpayment rests with the surety, guarantor or endorser as well as with a political committee, candidate or other primary obligor). Pursuant to 11 C.F.R. § 100.7(a)(1)(i)(C) and 2 U.S.C. § 431(8)(B)(vii)(I)(former § 431(e)(5)(G)) a loan is considered a loan by each endorser or guarantor in that proportion of the unpaid balance that each endorser or guarantor bears to the total number of endorser or guarantors. A loan is a contribution to the extent that the obligation remains outstanding. 11 C.F.R. § 100.7(a)(1)(i)(B)(former § 100.4(a)(1)(i)).

Thomas Upson was a federal candidate on April 7, 1978, when he obtained the loan of \$30,000 from Citytrust Bank. As a federal candidate Thomas Upson incurred the obligation for the purpose of influencing a federal election. Similarly, by endorsing the August 17, 1978, renegotiation of the same loan and by refinancing that loan on January 2, 1980, J. Warren Upson was incurring obligations for the purpose of influencing a federal election. The fact that Thomas Upson withdrew from the congressional race prior to the primary election and prior to J. Warren Upson's actions does not alter the fact that the loan and the subsequent transactions were undertaken for the purpose of influencing a federal election. It is the General Counsel's

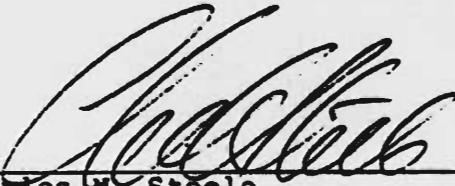
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view, therefore, that J. Warren Upson violated 2 U.S.C. § 441a (a)(1)(A) when he endorsed the loan of \$23,250 from Citytrust Bank to Thomas Upson on August 17, 1978, when he made the interest payments and two \$3,000 payments, and when he made the loan of \$16,726.50 to Thomas Upson on January 2, 1980, to extinguish the bank loan of August 17, 1978.

GENERAL COUNSEL'S RECOMMENDATION

Find Probable Cause to Believe that J. Warren Upson violated 2 U.S.C. § 441a(a)(1)(A).

9 October 1980  
Date

  
\_\_\_\_\_  
Charles W. Steele  
General Counsel

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**ATTACHMENT 2**

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In the Matter )  
Thomas Upson and the ) MUR 1174  
Upson for Congress Committee )

GENERAL COUNSEL'S BRIEF

I. STATEMENT OF THE CASE

On June 10, 1980, the Federal Election Commission determined that there is reason to believe that Thomas Upson and Upson for Congress Committee violated 2 U.S.C. § 441b(a) in connection with a loan from Citytrust Bank to Thomas and J. Warren Upson, on August 17, 1978, which may not have been transacted in the ordinary course of business. Reason to believe notification letters were mailed to Thomas Upson and the Upson for Congress Committee on June 13, 1980. The response of Thomas Upson was received by the Commission on July 16, 1980.

The Commission also determined that there is reason to believe Thomas Upson and the Upson for Congress Committee violated 2 U.S.C. § 441a(f). The Commission's finding was based on the endorsement by J. Warren Upson of a \$23,250 loan to Thomas Upson from Citytrust Bank on August 17, 1978, and a \$16,726.50 loan to Thomas Upson from J. Warren Upson on January 2, 1980, for the purpose of repayment of the bank loan dated August 17, 1978. A bank loan of April 7, 1978, to which the loan of August 17, 1978, relates, was lent to the Upson for Congress Committee. The reason

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to believe notification letters which were mailed to Thomas Upson and the Upson for Congress Committee in regard to the Commission's § 441b(a) finding, also notified the respondents of the Commission's determination in regard to § 441a(f).

This matter further involves apparent violations of the reporting requirements, in regard to the loan transactions, by the Upson for Congress Committee. On November 17, 1978, the Commission, through the Reports Analysis Division, found reason to believe that the Upson for Congress Committee violated 2 U.S.C. § 434.

(a) 2 U.S.C. § 441b(a)

The July 7, 1980, response of Citytrust Bank to notification of the Commission's reason to believe finding stated that, based upon a review of their records and discussions with the bank officers involved, the "loan in question was made in accordance with applicable law and in the ordinary course of business." Additionally, the response explained that on August 17, 1978, a note was issued to J. Warren Upson and Thomas Upson in the amount of \$23,250 to pay off the campaign debts of Thomas Upson, and that the "note was secured by a Citytrust time savings account in the name of J. Warren Upson, the balance of which was in excess of the loan amount." The response further stated that the loan of August 17, 1978, originally had a maturity date of August 15, 1979, but that in "September of 1979 (the delay due to the loan officer's vacation), there was a change in note class to reflect the

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fact that the note was secured by a time savings account, and a new maturity date of August 15, 1980 was assigned. For the entire duration of this loan, Citytrust held the time savings account as security, the interest rate remained at prime, and interest payments were always current."

A review of loan papers submitted with Citytrust's response indicates that the original terms of the loan permitted Thomas Upson to make payments at his convenience. Citytrust's response cited both the long standing relationship of J. Warren and Thomas Upson with the bank and the fact that the loan was secured by liquid collateral as the rationale for originally granting the loan to Thomas Upson and permitting "an extension past the original maturity date." The bank's response concluded that "[a]t no time did Citytrust Bank treat the loan and repayment in a manner that would differ from that which would be followed in the case of a nonpolitical debtor."

(b) 2 U.S.C. § 441a(f)

The July 16, 1980, response of Thomas Upson to notification of the Commission's reason to believe finding stated that on April 7, 1978, he borrowed \$30,000 from Citytrust Bank to finance his congressional race but that on June 10, 1978, as a result of being sued for divorce, he withdrew his candidacy. Thomas Upson explained that a ramification of his withdrawal was that "the contributions to [his] campaign dried

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up, leaving [him] with an outstanding balance on the Citytrust loan of approximately \$23,250.00." He further stated that on August 17, 1978; "upon the demand of Citytrust Bank," he signed a new note in the amount of \$23,250 and had his "father add his signature as co-maker." Thomas Upson noted, in this same response, that in late 1979 and early 1980 he received a total of \$6,000 from J. Warren Upson which he used to pay off a portion of the loan and that on January 2, 1980, the "remaining balance on the note of \$16,726.50 was refinanced by [his] father, J. Warren Upson" who took a "personal promissory note [from Thomas Upson] for that amount." In addition, it was admitted that J. Warren Upson paid certain interest payments on the loan. Since January 2, 1980, Thomas Upson has made five payments totalling \$450 on the loan from J. Warren Upson.

(c) 2 U.S.C. § 434

The July 10, 1978, quarterly report filed by the Upson for Congress Committee reported the receipt of \$30,000 in loans on the detailed summary page but reported no other information in regard to the loan transaction except for a payment of \$9,501.25 to Thomas Upson on June 1, 1978, for "re-payment of a loan." A request for additional information ("RFAI"), concerning the July 10, 1978, quarterly report, was mailed to the Upson for Congress Committee on August 24, 1978. On September 16, 1978, the Upson for Congress Committee filed a

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termination report which reported no outstanding debts and obligations owed by the Committee. On November 17, 1978, the Commission found reason to believe that the Upson for Congress Committee violated 2 U.S.C. § 434. On April 25, 1979, the Upson for Congress Committee responded in writing to the request for additional information dated August 24, 1978. On October 5, 1979, an additional request for information was mailed to the Upson for Congress Committee, and the Committee's written responses were received on December 3, 1979, and April 2, 1980.

II. LEGAL ANALYSIS

(a) 2 U.S.C. § 441b(a)

Under 2 U.S.C. § 431(8)(b)(vii)(former § 431(e)(5)(G)) the term "contribution" does not include any loan of money made by a state bank or national bank made in accordance with applicable banking laws and in the ordinary course of business. Pursuant to 2 U.S.C. § 441b(a) it is unlawful for national banks and corporations to make contributions in connection with federal election activities.

The response of Citytrust Bank dated July 7, 1980, indicates that the loan of August 17, 1978, to Thomas Upson was transacted in the ordinary course of business. The General Counsel, therefore, recommends that the Commission find no probable cause to believe Thomas Upson or the Upson for Congress Committee violated 2 U.S.C. § 441b(a).

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(b) 2 U.S.C. § 441a(f)

Under 2 U.S.C. § 441a(a)(1)(A) an individual is prohibited from contributing more than \$1,000 to a federal candidate with respect to each election for federal office. Under 2 U.S.C. § 441a(f) any candidate or political committee is prohibited from knowingly accepting contributions which are in violation of 2 U.S.C. § 441a.

During the period relevant to this matter, the term "contribution" was defined at 2 U.S.C. § 431(e)(1) (recodified at § 431(8)(A)) to include any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for federal office. A "loan" is defined at 11 C.F.R. § 100.7(a)(1)(i)(C) (former § 100.4(a)(1)(i)) to be a contribution by each endorser or guarantor. Each endorser or guarantor is deemed to have contributed that portion of the total amount of the loan for which he or she agreed to be liable in a written agreement (formerly defined as a guarantee, endorsement, and other form of security where the risk of nonpayment rests with the surety, guarantor or endorser as well as with a political committee, candidate or other primary obligor). Pursuant to 11 C.F.R. § 100.7(a)(1)(i)(C) and 2 U.S.C. § 431(8)(B)(vii)(I) (former § 431(e)(5)(G)) a loan is considered a loan by each endorser or guarantor in that proportion of the unpaid balance that each endorser or guarantor bears to the total number of endorsees or guarantors. A loan is a contri-

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bution to the extent that the obligation remains outstanding. 11 C.F.R. § 100.7(a)(1)(i)(B)(former § 100.4(a)(1)(i)).

Thomas Upson was a federal candidate on April 7, 1978, when he obtained a loan of \$30,000 from Citytrust Bank. The bank loan was lent to the Upson for Congress Committee. As a federal candidate Thomas Upson incurred the obligation for the purpose of influencing a federal election. Similarly, by endorsing the August 17, 1978, renegotiation of the same loan and by refinancing that loan on January 2, 1980, J. Warren Upson was incurring obligations for the purpose of influencing a federal election. The fact that Thomas Upson withdrew from the congressional race prior to the primary election and prior to J. Warren Upson's actions does not alter the fact that the loan and the subsequent transactions were undertaken for the purpose of influencing a federal election. It is the General Counsel's view that Thomas Upson and the Upson for Congress Committee violated 2 U.S.C. § 441a(f) when they accepted the loan of \$23,250 endorsed by J. Warren Upson on August 17, 1978, when they accepted interest payments and two separate payments of \$3,000, and when they accepted the loan of \$16,726.50 from J. Warren Upson on January 2, 1980. The General Counsel, therefore, recommends that the Commission find probable cause to believe that Thomas Upson and the Upson for Congress Committee violated 2 U.S.C. § 441a(f).

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(c) 2 U.S.C. § 434

A political committee is required by 2 U.S.C. § 434(b)(8) (former § 434(b)(12)) to continually report the amount and nature of all debts and obligations until extinguished. Pursuant to 2 U.S.C. § 434(b)(3)(E) (former § 434(b)(5)) each report filed by a political committee is required to disclose the identification of each person who makes a loan to the reporting committee during the reporting period, together with the identification of any endorser or guarantor of such loan, and the date and amount of value of such loan.

The Upson for Congress Committee was the principal campaign committee of Thomas Upson when Thomas Upson obtained the loan of April 7, 1978, from Citytrust Bank. Although the July 10, 1978, quarterly report of the Upson for Congress Committee reported the receipt of \$30,000 in loans on the detailed summary page of the report, the committee's report did not provide any other information in regard to the transaction. The Upson for Congress Committee has not filed any reports, with the exception of a July 10, 1979, quarterly report, since the filing of its termination report on September 16, 1978. It is the General Counsel's view that the Upson for Congress Committee has violated former 2 U.S.C. § 434(b)(5) and present 2 U.S.C. § 434(b)(3)(E) by failing to fully report the receipt of a \$30,000 loan obtained by Thomas Upson on April 7, 1978, the receipt of a renegotiated loan of \$23,250 endorsed by J. Warren Upson on August 17, 1978, and the receipt of a \$16,726.50 loan from J. Warren Upson on January 2, 1980. It is also the General Counsel's view that

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the Upson for Congress Committee violated former 2 U.S.C. § 434(b)(12) and present 2 U.S.C. § 434(b)(8) by failing to report all debts and obligations of the committee until extinguished. The General Counsel, therefore, recommends that the Commission find probable cause to believe that the Upson for Congress Committee violated former 2 U.S.C. § 434(b)(5) and (b)(12) and present 2 U.S.C. § 434(b)(3)(E) and (b)(8).

**III. GENERAL COUNSEL'S RECOMMENDATIONS**

1. The General Counsel recommends that the Commission find no probable cause to believe that Thomas Upson or the Upson for Congress Committee violated 2 U.S.C. § 441b(a).
2. The General Counsel recommends that the Commission find probable cause to believe that Thomas Upson and the Upson for Congress Committee violated 2 U.S.C. § 441a(f).
3. The General Counsel recommends that the Commission find probable cause to believe that the Upson for Congress Committee violated former 2 U.S.C. § 434(b)(5) and (b)(12) and present 2 U.S.C. § 434(b)(3)(E) and (b)(8).

9 October 1980  
Date

  
\_\_\_\_\_  
Charles N. Steele  
General Counsel

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ATTACHMENT 3

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was a change in note class to reflect that fact that the note was secured by a time savings account, and a new maturity date of August 15, 1980, was assigned. For the entire duration of this loan, Citytrust held the time savings account as security, the interest rate remained at prime, and interest payments were always current."

A review of loan papers submitted with Citytrust's response indicates that the original terms of the loan permitted Thomas Upson to make payments at his convenience. Citytrust's response cited both the long standing relationship of J. Warren and Thomas Upson with the bank, and the fact that the loan was secured by liquid collateral, as the rationale for originally granting the loan to Thomas Upson, as well as permitting "an extension past the original maturity date." The bank's response concluded that "[a]t no time did Citytrust Bank treat the loan and repayment in a manner that would differ from that which would be followed in the case of a nonpolitical debtor."

II. ANALYSIS

2 U.S.C. § 431(e)(5)(G) (recodified at § 431(8)(b)(vii)) excludes from the definition of contribution any loan of money made by a state bank or national bank made in accordance with applicable banking laws and in the ordinary course of business. 2 U.S.C. § 441b(a) renders it unlawful for national banks and corporations to make contributions in connection with federal election activities.

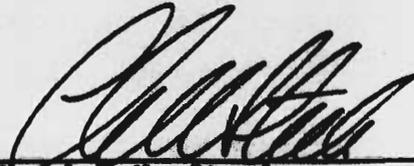
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The response of Citytrust Bank dated July 7, 1980, indicates that the loan of August 17, 1978, to Thomas Upson was transacted in the ordinary course of business. The General Counsel, therefore, recommends that the Commission find no probable cause to believe that Citytrust Bank violated 2 U.S.C. § 441b(a).

III. GENERAL COUNSEL'S RECOMMENDATION

The General Counsel recommends that the Commission find no probable cause to believe that Citytrust Bank violated 2 U.S.C. § 441b(a).

9 October 1980  
Date

  
\_\_\_\_\_  
Charles N. Steele  
General Counsel

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**ATTACHMENT 4**

81040291650

BEFORE THE FEDERAL ELECTION COMMISSION

OCTOBER 28, 1980

In the Matter of )  
                          ) MUR 1174  
J. Warren Upson )

RESPONDENT'S BRIEF

I. SUPPLEMENT TO "STATEMENT OF THE CASE"

Thomas F. Upson was seeking the nomination in the Sixth Congressional District of Connecticut to be the candidate of the Republican Party for election to Congress. Under the party rules, the nomination for the 1978 election to Congress took place in July of 1978.

Prior to June 1978, Thomas F. Upson had enlisted support as the result of which a committee was functioning and making use of headquarters with the usual publicity. The financing of this activity was made possible by the fund of \$30,000.00 borrowed by Thomas F. Upson.

By the end of the first week of June, 1978, Thomas F. Upson had announced his withdrawal as a candidate for the nomination. Thereupon, the headquarters were closed; the lease of the premises was terminated; all expenses were paid and thereafter, Thomas F. Upson no longer engaged in any political activity in connection with the 1978 congressional nomination or otherwise. His net indebtedness amounted to approximately

◇ \$22,500.00.

SECOR, CASSIDY  
& McPARTLAND P.C.

ATTORNEYS AT LAW  
41 CHURCH STREET  
WATERBURY, CONNECTICUT

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JURIS # 5525  
TEL # 757-4261

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After the first week of June, 1978, Thomas F. Upson had ceased to be a candidate for the Republican nomination in the Sixth District and nothing thereafter was done which either was intended to or in fact did influence a federal election.

The undersigned had no participation in any of the activity as outlined above. The undersigned first participated when he endorsed the note of his son at Citytrust on August 17, 1978. All activity relating to influencing a federal election had terminated at least two months prior to the endorsement of the note on August 17, 1978.

## II. RESPONSE TO "LEGAL ANALYSIS"

Under 2 U.S.C.S §431 (e) (1) a contribution "means a gift, subscription, loan, advance, or deposit of money or anything of value made for the purpose of: influencing the nomination for election, or election of any person to Federal office . . .".

How can it be asserted that two months after the prospective candidate had terminated all activity in seeking political office, that endorsing a note was "for the purpose of influencing the nomination for election to office"? It is submitted that such a construction of the statutory provisions is improper as well as unwarranted.

The general counsel argues that "the loan and the subsequent transactions were undertaken for the purpose of influencing

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& McPARTLAND P.C.

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WATERBURY, CONNECTICUT

06721  
JURIS # 5625  
TEL. # 757-6281

81040291663

a federal election". It is obvious that the loan was so undertaken. It seems equally apparent that the endorsement of the note and the consequent payment were not so undertaken. When the undersigned participated in such transactions, all activities as to obtaining federal office had long since ceased.

The statutory provisions here involved are, in effect, penal statutes. They must be strictly construed and certainly the construction adopted by the general counsel radically extends the provisions set forth in the statutory wording far beyond their clear intention.

It is established that the Federal Election Campaign Act is to be liberally interpreted in favor of the accused.

U.S. v. Hankin  
607 F2d 611 (C. A. 3, 1979)

When the loan was taken out by Thomas F. Upson, the undersigned neither knew of it, nor agreed to be responsible for its repayment. When the undersigned undertook responsibility in connection with its repayment, Thomas F. Upson was no longer involved in a nomination or election. At such time, Thomas F. Upson was not a "candidate" within the meaning of 2U.S.C.S. Section 431(b) since he was no longer seeking nomination.

It is apparent that the opinion of the General Counsel extends liability so far beyond the statutory provisions as

SECOR, CASSIDY  
& McPARTLAND P.C.

ATTORNEYS AT LAW  
41 CHURCH STREET  
WATERBURY, CONNECTICUT  
06721

JURIS # 5525  
TEL. # 757-8281

◇ to be erroneous.

*J. Warren Upson*  
J. Warren Upson, Respondent

81040291664

SECOR, CASSIDY  
& McPARTLAND P.C.  
ATTORNEYS AT LAW  
41 CHURCH STREET  
WATERBURY, CONNECTICUT  
06721  
JURIS # 5525  
TEL. # 757-8281

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ATTACHMENT 5

*White*

CCC#2319



CERTIFIED MAIL - RETURN RECEIPT REQUESTED

October 29, 1980

Secretary of the Commission  
Federal Election Commission  
Washington, DC 20463

Mr. Charles N. Steele  
General Counsel  
Federal Election Commission  
Washington, DC 20463

Re: Your File No. MUR 1174

Gentlemen:

Thank you for Mr. Steele's letter of October 9, 1980 to Norman Schaff, Jr., Honorary Chairman of the Board of Citytrust, in which Mr. Steele stated that the Office of General Counsel is prepared to recommend that the Commission find no probable cause to believe that Citytrust violated §441b(a) of the Federal Election Campaign Act of 1971.

As I stated in my response to the Commission's "reason to believe notification letter" of June 13, 1980, a review of our records, and discussions with the bank officers involved, indicated that the loan by Citytrust to Thomas Upson on August 17, 1978, was made in accordance with applicable law and in the ordinary course of business. At no time did Citytrust treat the loan and repayment in a manner that would differ from that which would be followed in the case of a nonpolitical debtor.

The brief of the General Counsel regarding the legal and factual issues of this matter, states that "2 U.S.C. §431 (e) (5) (G) (recodified at §431(8) (b) (vii)) excludes from the definition of contribution any loan of money made by a state bank or national bank made in accordance with applicable banking laws and in the ordinary course of business. 2 U.S.C. §441b(a) renders it unlawful for national banks and corporations to make contributions in connection with federal election activities."

30 NOV 3 P 2:58

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GENERAL COUNSEL

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2/File No. MUR 1174  
October 29, 1980

Based upon applicable law, the response of Citytrust dated July 7, 1980, and the recommendation of the General Counsel which agrees with our position on the issues, we respectfully request that the Commission find no probable cause to believe that Citytrust has violated 2 U.S.C. §441b(a).

Sincerely,

Harriet E. Munrett  
Assistant Legal Counsel  
and Assistant Secretary

HEM:kms  
cc: Norman Schaff, Jr.

81040291667

**ATTACHMENT 6**

81040291658

White

BEFORE THE FEDERAL ELECTION COMMISSION

OCTOBER 31, 1980

In the Matter	)	
	)	MR 1174
Thomas Upson and the	)	
Upson for Congress Committee	)	

RESPONDENT'S BRIEF

STATEMENT OF THE CASE:

On December 27, 1977, Federal Election Commission (hereinafter F.E.C.) Form #1 entitled, "State of Organization for Committee" was signed and sent to the F.E.C. by Upson for Congress 1978 (hereinafter Committee) (I.D. HGCT06064). F.E.C. Form #2 entitled, "Statement of a Candidate for Nomination or Election to Office" was also signed and sent by Thomas F. Upson, Candidate. The Committee was registered on January 3, 1978 with the Office of the Clerk, United States House of Representatives and given the I.D. #072800.

F.E.C. Form #3 entitled, "Report of Receipts and Expenditures" was sent to the F.E.C. on March 21, 1978. Said report covered the period from December 27, 1979 through December 31, 1977 and showed a balance of \$24.20.

A Second Report of Receipts and Expenditures was sent to the F.E.C. covering the period from 1/1/78 through 4/1/78 which showed receipts of

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DYNAHAN & RUSKIN  
 ATTORNEYS AT LAW  
 WATERBURY OFFICE  
 63 BANK STREET  
 P O BOX 260  
 WATERBURY CONN 06723  
 JUN 6 83939

04

\$820.00; expenditures of \$789.55 leaving cash on hand in the amount of \$54.65. The Third Report sent on 7/1/78 covering the period of 4/1/78 through 6/30/78 included on Page 1 of Schedule B, reference to a loan repayment in the amount of \$9,501.25 for primary, the loan being in the name of Thomas F. Upsen, 30 Northfield Road, Watertown, Connecticut. Reference to this loan was also found in F.E.C. Form #3, Page 2, Line 2 under Loans. It appears in retrospect that a further reference giving more details of the loan should have been included in Form #3 Schedule A, Itemized Receipts. However, it was mentioned in two sections of the Third Report thereby giving the F.E.C. actual notice of the existence of a loan.

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The Fourth Report that was filed was dated 9/14/78 and was considered by the Committee to be a Termination Report for the Committee. This covered the period from 7/1/78 through 9/14/78 and was entitled, "Termination Report" and it showed that all the debts had been paid off and that there was cash on hand of \$49.60. Thereafter, the Committee answered numerous letters directed to them, copies of which are on file at the F.E.C. Finally, on July 3, 1979 at the request of a research assistant with the F.E.C., Thomas Upsen filed an informal July 10, 1979 quarterly report. Therefore the Commission accepted informal reports.

At no time did the Committee attempt to hide any information and in fact, reported the information to the F.E.C. which now the General Counsel is stating that we failed to report.

The fact that we referred to a loan and listed a repayment of a loan but failed to fill out a form showing the receipt of the \$30,000 is insufficient to find a violation of 2 U.S.C., Section 434(b)(3)(E) since the Commission has had knowledge of this matter including all documentation for over one year and now, two years later, it decides not to accept the Termination Report filed by the Committee in September of 1978.

It was the belief of the Committee at that time that the \$30,000 note did not have to be reported since it was a personal note by Citytrust to the candidate, however, reference was made to it twice in the first report immediately after the personal note was taken out. While some details were missing surrounding the note in the 7/1/78 Report, this information was later submitted to the Commission by Sid Kopperl The Treasurer with no thought or evidence of hinderance or delay. The initial requests for information from the Commission were vague and the Committee did not understand the requests that were made, nevertheless, once the Commission was definite, information was readily supplied.

The Committee did allow the candidate's father, J. Warren Upson, to endorse a note with the candidate in the amount of \$23,500 only after an attempt was made to raise funds to pay for the existing indebtedness. As you know, Thomas F. Upson was never the nominee since he withdrew from consideration over 45 days before the Republican Nominating Convention for Connecticut's

81040291671  
SYNAHAN & RUSKIN  
ATTORNEYS AT LAW  
WATERBURY OFFICE  
83 BANK STREET  
P O BOX 260  
WATERBURY CONN 06723  
JUNE 830936

Sixth District. The question remains at who in fact did he influence since he was never an endorsed candidate? If he influenced any voters to vote for himself, it was impossible for them to carry it out because he never was on any ballot.

LEGAL ANALYSIS

II. (a) 2 U.S.C., Section 441(a)(f)

It is clear under the provisions of Chapter 14 of 2 U.S.C. that the provisions become effective when an individual becomes a candidate as defined in 2 U.S.C. §431(b). There is no statutory provision indicating when the provisions of said Chapter 14 cease to be effective. The Statute of Limitations as found in 2 U.S.C. §455(a) is three years, from the last violation, so that after three years a violator is immune from the punitive provisions of the Chapter.

By the very terms of Chapter 14 the provisions thereof ceases to be effective as to contributions when the donee is no longer a candidate. The term candidate is defined in 2 U.S.C. §431(b) and without doubt, Thomas F. Upson became a candidate under the provisions of this definition, as one seeking a nomination for election or election to Federal office. However, Thomas F. Upson had ceased to be a candidate eight weeks prior to the revision of his personal obligations to Citytrust by the endorsement of J. Warren Upson his father. Since Thomas F. Upson was not a candidate on August 17, 1978, the

refinancing on that date was not a "contribution".

The General Counsel states that the further refinancing on January 2, 1980 "was incurring obligations for the purpose of influencing a federal election". Any such ascertains finds no support in the provisions of Chapter 14 as on that date Thomas F. Upson was not a candidate and had not been a candidate for over 18 months. Thomas F. Upson never became the party nominee and elected to withdraw as a prospective nominee long before the nominating convention.

If Congress had intended the surveillance of the Federal Election Commission to extend during the lifetime of any person who let his name be considered in the nominating process for a federal office, the legislation should have so indicated. Certainly the legislative intent cuts off surveillance when the three year statute has run. It is submitted that Chapter 14 provides for supervision of the Committee until its final report has been filed and approved. However, its supervision of the candidate ends when he ceases to be a candidate. The only alternative would be a holding that the Commission will supervise payments so long as the candidate lives although penalties may not be imposed after three years have elapsed.

The construction of Chapter 14 advanced by the General Counsel would mean that the undersigned would have to pay off the borrowed sum himself since he found it impossible to raise funds by small contributions after his withdrawal as a candidate. Should this Commission adopt this statutory construction

any prospective candidate without large financial reserves could not possibly participate in political candidacy. Certainly Congress did not intend to devise Chapter 14 to inhibit political aspirants from seeking public office.

(b) 2. U.S.C., Section 434

The Committee did not violate any of the provisions of 2 U.S.C. §434 since information was supplied to the F.E.C. immediately after the personal loan from the Citytrust to Thomas F. Upson was executed. This information was filed with the F.E.C. in the Committee's Third Report, Receipts and Expenditures dated 7/1/78 covering the period of 4/1/78 through 6/30/78. This information was found in Schedule 1, Page 1 and Form 3, Page 2, Line 2. In addition, when the Commission asked for definite information that information was forthcoming by all those concerned with the defunct Committee.

The Committee has consistently maintained that its Termination Report dated September 14, 1978 was final and therefore, did not need elaboration. In fact, the Committee was disbanded after the withdrawal of Thomas F. Upson, which occurred long before the nominating process. Meanwhile, the F.E.C. did not communicate to any member of the Committee what the problems were with the Termination Report and it was not until 1980 that there was any meaningful communication between the F.E.C. and the Committee. Once the F.E.C. specifically asked for the information it was forthcoming even though the

8 1 0 4 0 2 9 1 5 7 4  
VNAHAN & RUSKIN  
ATTORNEYS AT LAW  
WATERBURY OFFICE  
63 BANK STREET  
P O BOX 2601  
WATERBURY CONN 05723  
JUR# 830936

Committee felt that the information sought dealt with a "personal loan" and not a loan of the campaigns. It still maintains that the personal note was in fact personal and not related to the actual campaign.

The F.E.C. constantly relied on informal reports and in fact misled the Committee. If the Committee had anything to hide, they never would have recorded the payment of the personal loan. How can the Commission find probable cause in this matter when the Committee originally recorded repayment of the loan in question and upon more precise questioning from the F.E.C. provided any and all answers to the questions asked both personal and as to the campaign. Therefore, it is submitted that the Committee met all the reporting requirements of the F.E.C. both initially in its first filings and subsequently, in later communications. In addition, the candidate allowed his father to recast a personal obligation in order to pay off campaign debts instead of filing bankruptcy. This was done only after an attempt to raise funds. Lastly, Thomas F. Upson executed a promissory note to his father, J. Warren Upson, and has paid sums to date to reduce same. This note is outstanding and is being reduced monthly and there will be a final accounting on J. W. Upson's death as to the balance owed.

  
Thomas F. Upson, Respondent  
and the Upson for Congress Committee

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ATTACHMENT 7



**Citytrust**

*White*

RECEIVED  
CONNECTICUT CASES

80 JUL 7 AM 10:52

cc# 1860

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

July 1, 1980

908949

Max L. Friedersdorf, Chairman  
Federal Election Commission  
Washington, DC 20463

Re: Your File MUR 1174

Dear Mr. Friedersdorf:

This is in response to your letter under date of June 13, 1980 to Norman Schaff, Jr., Chairman of the Board of Citytrust, in which you indicated that the Commission had reason to believe that Citytrust violated Section 441(b) of the Federal Election Campaign Act of 1971, as amended (the "Act").

The report on the Commission's finding which you attached to your letter, states that ". . . the loan by Citytrust Bank to Thomas Upson on August (or October) 17, 1978, does not appear to have been transacted in the ordinary course of business . . ." A review of our records, and discussions with the officers involved, indicates that the loan in question was made in accordance with applicable law and in the ordinary course of business, as defined by 2 U.S.C.A. §431(8)(b) (vii) and Federal Election Commission Regulation §100.4(b)(13).

On August 17, 1978 a note was issued for the amount of \$23,250, the borrowers being J. Warren Upson and Thomas F. Upson, the purpose of which was to pay off campaign debts of Thomas Upson. This note was secured by a Citytrust time savings account in the name of J. Warren Upson, the balance of which was in excess of the loan amount. The interest rate on the loan was at prime, which at that time was 9.25% but which later increased and, therefore, was in excess of the minimum rate required by FDIC Rules and Regulations, §329.4(h) for interest rates on loans secured by time deposits. The interest payments on this note were automatically charged to a checking account, the charges of which I have summarized as follows:

30 JUL 7 10:52 AM '80

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GENERAL COUNSEL

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2/Max L. Friedersdorf, Chairman  
July 1, 1980

<u>Transaction Date</u>	<u>Interest Payment</u>	<u>Date</u>	<u>Principal Payment</u>	<u>Date</u>	<u>Balance</u>	<u>Rate (Prime)</u>
Note issued 8/17/78					\$23,250.	9.25%
11/15/78	575.74	11/15/78			23,250.	11.00%
2/15/79	706.21	2/15/79			23,250.	12.00%
5/15/79	689.75	5/15/79			23,250.	12.00%
8/15/79	704.12	8/15/79	523.50	8/13/79	22,726.50	11.75%

The August 17, 1978 note had a maturity date of August 15, 1979, however in September of 1979 (the delay due to the loan officer's vacation), there was a change in note class to reflect the fact that the note was secured by a time savings account, and a new maturity date of August 15, 1980 was assigned. For the entire duration of this loan, Citytrust held the time savings account as security, the interest rate remained at prime, and interest payments were always current.

In December of 1979, and again in January of 1980, payments were made on the principal as well as interest, which can be summarized as follows:

<u>Transaction Date</u>	<u>Interest Payment</u>	<u>Date</u>	<u>Principal Payment</u>	<u>Date</u>	<u>Balance</u>	<u>Rate (Prime)</u>
9/20/79 change in note class (Interest carried forward \$281.06)					\$22,726.50	13.00%
12/31/79	791.61	11/15/79	3,000.00	12/28/79	19,726.50	15.25%
1/2/80	461.19	12/31/79	3,000.00	12/31/79		
			16,726.50	12/31/79	-0-	15.25%

It should be noted the reason that Citytrust not only granted this loan but also permitted an extension past the original maturity date, was due to the long standing relationship of both J. Warren and Thomas F. Upson with our bank, and that the loan was fully secured by liquid collateral. This loan was made on a basis which assured repayment, was evidenced by a written instrument, and was made and pursued under commercially reasonable standards and in the ordinary course of business. At no time did Citytrust treat the loan and repayment in a manner that would differ from that which would be followed in the case of a nonpolitical debtor.

I have included, for your information, copies of all pertinent documents, together with a copy of a letter to Mr. J. Warren Upson from David W. Kelley, Vice President of our Waterbury National office, which was written to confirm the understanding that was reached at a meeting on December 26, 1979 regarding the final payments on the questioned loan.

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3/Max L. Friedersdorf, Chairman  
July 1, 1980

I hope that you will find this explanation of the matter sufficient.

Sincerely yours,

Harriet E. Munrett  
Assistant Legal Counsel  
and Assistant Secretary

HEM:kms  
Enclosures  
cc: Maura White

81040291679

LOAN OFFICER MUST CHECK ONE BOX  
 12 NEW NOTE     22 REWRITTEN NOTE OR CHANGE  
 N OFFICER MUST CHECK ONE BOX AND FILL APPROPRIATE LOAN CODE:  
 L & D     2 STUDENT LOAN     OTHER     RETAIL DIVISION  
 COMMERCIAL DIVISION

SCREEN NUMBER: CL9IN    TRANSACTION NUMBER: 014402889    NOTE CLASS: 008    NOTE NUMBER: 00    LOAN TYPE: LT221

NOTE AMOUNT (NEW LOAN OR TIME INCREASE): AM 23250.00    INTEREST RATE: IR 9.25    EFFECTIVE DATE: 081778    DISBURS AMOUNT: DI

NOTE DATE (NEW): DA 081778    MATURITY DATE: MD 081579    RENEWAL NOTE DATE: RN    PAST DUE PRINCIPAL: PD

COMMITMENT AMOUNT: AC    FED. RES. CODE: FR715    REG. 2: RZ    APP. CODE: AP    YEAR BASE: YB2    ASST. OFFICER: AOSH14    BRANCH NO.: BR521

**TIME-LOAN-BILLING-INFORMATION**

PRINCIPAL REDUCTION ON RENEWALS: RP    ANTICIPATED REDUCTION: AR    EXPECTED % OF RED.: XR    BILLING CODE: BC    SEND NO NOTICE: NO

**DEMAND-OR-TERM-LOAN-BILLING-INFORMATION**

BILLING CODE: BC2    BILLING DATE: BD 111578    PRINCIPAL PAYMENT CODE: PP    PRINCIPAL INT. CLASS.: PI    WAIVE PRINC.: WP    DUE DATE: DD    INTEREST RATE INDICATOR: PR2

CHARGE ACCOUNT NO.: CA 0600237    CODE: 2    SPECIFIC BILLING MONTHS: BM \* \* \* \* \*    PART DUE DATE: LD    INTEREST LOW BRACKET: IL

COLLATERAL SCHEDULE NO.: CS

**ENDORSEES INFORMATION** SPECIFY: EE-ENDORSEER, ES-SGUARANTOR, EC-CO-SIGNER ENTER AMOUNT FOR ES ONLY (000 OMITTED)

SPECIFY #1 ACCOUNT NO.	AMOUNT	#2 ACCOUNT NO.	AMOUNT
#3 ACCOUNT NO.	AMOUNT	#4 ACCOUNT NO.	AMOUNT

LOAN REVIEW	
REVIEWER'S NAME:	
GRADE:	GR
REVIEW DATE:	RDO

	#1	#2	#3	#4
DEBT				
NET WORTH				
STATEMENT DATE				

EE, EC & ES NAME(S)
#1
#2
#3
#4

**BORROWER'S INFORMATION**

NAME: J. WARREN UPSON & THOMAS F. UPSON    TELEPHONE: \_\_\_\_\_  
 ADDRESS: 30 Northfield Road    WATERBURY CT. 06195

BUSINESS: Attorney  
 LOAN AMOUNT: \$ 23,250  
 NEW MONEY ADVANCED: \$ 1,197.77  
 LOAN REDUCTION: \$  
 COMPENSATING BALANCES: \$  
 DISBURSEMENT ISSUED CHECK: 4 checks

REPAYMENT TERMS: \_\_\_\_\_  
 COLLATERAL VALUATION & TYPE: Passbook J. Warren Upson 25hr  
 SPECIAL TERMS OR CONDITIONS: Paying off Acct. 2409520 81010 8/11/78 + 20,938.98 + Int 513.25 w/ Thomas F. Upsen

TIED TO PRIME     NEW LOAN OR INCREASE     SECURE     DISCOUNT     DEMAND  
 OTHER     RENEWAL     UNSECURED     NOT DISCOUNT     TIME  
 INTEREST RATE: Prime    \*  REWRITTEN (SEE REVERSE SIDE)     TRANS RENEWAL     LINE OF CREDIT     TERM  
 DATE: / /     ADD ON

NET WORTH	WORKING CAPITAL	TOTAL DEBT
J. Warren Thomas		35hr
NET INCOME: 15hr	DEPRECIATION	NET WORTH: 22hr

REGULATED =  YES  NO  
 AUDITED =  YES  NO  
 CITYTRUST STATEMENT FORM  YES  NO  
 DATE OF STATEMENT: 6/26

ALTERNATE ADDRESS LINE 1

ALTERNATE ADDRESS LINE 2

ALTERNATE ADDRESS LINE 3

9 Z P 9

HAS BANK CREDIT INTERCHANGE CHECK BEEN COMPLETED?  YES  NO

HAS D & B OR OTHER AGENCY CHECK BEEN COMPLETED?  YES  NO

LOAN BALANCES AFTER THIS LOAN

MAKER BORROWINGS				ENDORSE(S) BORROWINGS			
UNSECURED	\$ 23,250	INDIRECT L & D	\$	UNSECURED	\$	INDIRECT L & D	\$
SECURED	\$	INDIRECT INST.	\$	SECURED	\$	INDIRECT INST.	\$
INSTALMENT	\$	INDIRECT MTG.	\$	INSTALMENT	\$	INDIRECT MTG.	\$
M/C LINE	\$	UNUSED LINE OR COMM. (DIR.)	\$	M/C LINE	\$	UNUSED LINE OR COMM. (DIR.)	\$
MORTGAGE	\$	UNUSED LINE OR COMM. (IND.)	\$	MORTGAGE	\$	UNUSED LINE OR COMM. (IND.)	\$
LETTERS OF CR.	\$	LEASES	\$	LETTERS OF CR.	\$	LEASES	\$
TOTAL MAKER			\$ 23,250	TOTAL ENDORSER(S)			\$
NATURE OF COLL.				NATURE OF COLL.			

ACCOUNT NUMBER	DEPOSIT BALANCE	ACCOUNT NUMBER	DEPOSIT BALANCE	ACCOUNT NUMBER	DEPOSIT BALANCE
1060-022-7		713-82-3			
J. Warren Upson		Thomas E. Upson			

LOAN INFORMATION

PURPOSE/ORIGINAL PURPOSE: Pay off T. Upson Campaign Debt - Personal expenses

PRIMARY SOURCE OF REPAYMENT: Income

SECONDARY SOURCE OF REPAYMENT: Paycheck

ORIGINAL TERMS (THIS SHADED AREA MUST BE COMPLETED ON ALL RENEWAL OR REFINANCED LOANS): Let. Only In full 1 yr.

ORIGINAL DATE: 8/1	ORIGINAL AMOUNT: 23,250	COLLATERAL VALUE:
PREVIOUS INT. RATE:	CURRENT INT. RATE: Prime	TOTAL DEPOSIT BAL.: 23,250
TOTAL LOAN: 23,250	NET AMOUNT PAID: 1797.71	

DOCUMENT SECTION

DOCUMENT DATE	ON FILE	ENCLOSE
	<input type="checkbox"/>	BORR. RES.
	<input type="checkbox"/>	GUARANTEE
	<input type="checkbox"/>	HYPOTHECATION
	<input type="checkbox"/>	UCC 1
	<input type="checkbox"/>	BCI REPORT
	<input type="checkbox"/>	D & B REPORT
	<input type="checkbox"/>	NOTE
	<input type="checkbox"/>	COLLATERAL
	<input type="checkbox"/>	POWERS
	<input type="checkbox"/>	REG. U STMT.
	<input type="checkbox"/>	LOAN AGREE.
	<input type="checkbox"/>	FIN. STMT.

COMMENTS: IF REWRITTEN, GIVE SPECIFIC REASON FOR NOT PAYING IN ACCORDANCE WITH TERMS.

Paying off Acct. 2409520, Note 81010 info Thomas E. Upson  
 is a 20,938.98 Princ.  
 513.25 Int. to 8/17/78 - Pay off 23,250

RECEIVED

AUG 29 1978

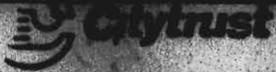
DOCUMENTATION DEPT.  
CITYTRUST

LOAN OFFICER: *[Signature]* REGIONAL MANAGER

LOAN AUTHORITY S: \_\_\_\_\_ LOAN AUTHORITY S: \_\_\_\_\_ COMMITTEE

APPROVAL DATE: \_\_\_\_\_





CREDIT DEPARTMENT ACTION REQUEST

Date: 1-11-11

VISING CREDIT DEPARTMENT ONLY

Reason for Submitting: ( ) Prepare Risk Ongoing ( ) Spread Only ( ) New ( ) Spread and Analysis Only ( ) Other (See Comments)

( ) Minor Extension/Modification ( ) Restructured ( ) Skip Payment ( ) Other (See Comments)

CUSTOMER DESCRIPTION ( ) New Account Acct. # 4402884 Note # 808240

Name of Borrower(s): Thomas J. Warren, Moore + Thomas Warren

Location: 30 Northfield Rd Wakefield, MA 01795

Type of Business: Atty

Principal(s):

Related Companies/Accounts (Names):

Organization: (x) Individual ( ) Corporation ( ) Sub S ( ) Partnership ( ) Proprietorship ( ) Other

LOAN DESCRIPTION

- ( ) Line of Credit
( ) Internal Guidance Line
( ) Approval
( ) Advance
( ) Term Loan
( ) Bus. Instal. Loan
( ) Revolver
( ) A/R Financing
( ) Commercial Mortgage
( ) Time Loan
(x) Demand Loan
( ) Other (describe):

Secured Liquid (x) Secured Non-Liquid ( ) Unsecured
( ) Guaranteed \$ ( ) Endorsed \$ ( ) Co-signed \$
by: (1) TL Tang. NW:
(2) TL Tang. NW:
(3) TL Tang. NW:
Rate: P= 0 Original Rate: P= 0 Original Date: 8/15/79
Repayment Terms: Payable in arrears at 12% p.a. Maturity Date: 8/15/86
Original Terms: payable at borrower's convenience
Original Amount: 23,250

Amount \$ 25,000 (includes \$ "new" money) Total Liability \$ 100,250

Proceeds Disbursed by Credit to Account \$ pay business or Bank Check #

Use/Original Purpose: fund campaign expenses

Primary Source of Repayment: income

Secondary Source of Repayment: liquidation

Collateral: Citytrust provided - 219001161 bal \$25,000

Balance Requirements:

SUPPORTING DOCUMENTS

Table with 5 columns: Document Type, Original On File At Main Office, Copy/Original Attached, Due by, Waived. Rows include Financial Statement dated, Borrowing Resolution dated, Guarantor, etc. Statement dated, Other (describe).

FINANCIAL STATEMENTS (If personal, copy of statement must be attached)

( ) Spread Sheet Attached (In thousands)

Table with 4 columns: Item, Value, and two empty columns. Rows include DATE, QUICK ASSETS, CURRENT ASSETS, CURRENT LIABILITIES, TOTAL ASSETS, TOTAL LIABILITIES, TANGIBLE NET WORTH, SALES, NET INCOME AFTER TAXES, DEPRECIATION, OFFICER COMPENSATION, WORKING CAPITAL, CURRENT RATIO, DEBT/WORTH.

AUDITED: ( ) Yes ( ) No

ACCOUNTANT:

(Continued on reverse side)

AN OFFICER'S REASON(S) FOR GRANTING THIS LOAN OR EXTENSION/MODIFICATION

Applicant has long standing relationship with Citytrust. This loan fully secured by liquid collateral.

COMMENTS:

Payments will begin shortly in irregular fashion as the business season will allow.

COLLATERAL DEFINITION EXPANSION:

Citytrust account 21901171 has current balance of \$25,000

LIABILITY SECTION:

LOAN BALANCES AFTER THIS LOAN \*

MAKER BORROWINGS				ENDORSER(S) BORROWINGS			
UNSECURED	\$	INDIRECT L & D	\$	UNSECURED	\$	J. W. Wynn	
SECURED LIQUID	\$ 23,250	INDIRECT INST.	\$	SECURED LIQUID	\$ 25,000		
SECURED NON-LIQUID	\$	INDIRECT MTL.	\$	SECURED NON-LIQUID	\$ 5,000		
INSTALLMENT	\$	UNUSED LINE OR COMM. (D.R.)	\$	INSTALLMENT	\$	UNUSED LINE OR COMM. (D.R.)	\$
M/C LINE	\$	UNUSED LINE OR COMM. (IND.)	\$	M/C LINE	\$ 2,000		
MORTGAGE	\$	TOTAL MAKER	\$ 23,250	MORTGAGE	\$		
LETTERS OF CR.	\$			LETTERS OF CR.	\$	TOTAL ENDORSER(S)	\$ 77,000
LEASES	\$			LEASES	\$	FL	100,250

\* Where there are multiple endorsers/guarantors, a separate sheet must be attached listing borrowings from Citytrust of each. If the endorser(s)/guarantor(s) are liable on any other Citytrust loan(s) indicate which account(s) and the liability on each. Use a separate sheet if necessary.

ACCOUNT NUMBER	DEPOSIT BALANCE	ACCOUNT NUMBER	DEPOSIT BALANCE	ACCOUNT NUMBER	DEPOSIT BALANCE
21901174	25000	J Wynn			
21901161	25000	J Wynn			
2100037	201	J Wynn			

TOTAL DDA: \_\_\_\_\_ TOTAL SAVINGS: \_\_\_\_\_

APPROVAL

Officer(s) J. W. Wynn Branch 21 Officer I.D. # or Letters Dik Lending Limit (\$ or A.B. etc.) B

LOAN POLICY COMMITTEE APPROVAL DATE \_\_\_\_\_

OFFICER RATING (Circle below)

Overall 1 2 3 4 5  
Collateral A B C

Signed by (for other than loan approvals)

DOCUMENTATION STAMP



CREDIT BRIEF

Date 7-11-79

CREDIT DEPARTMENT ACTION REQUEST

ADVISING CREDIT DEPARTMENT ONLY

Reason for Submitting: ( ) Prepare Risk Offering ( ) Spread Only ( ) New Loan ( ) Minor Extension/Modification  
( ) Spread and Analysis Only ( ) Other (See Comments) ( ) Restructured  
( ) Skip Payment  
( ) Other (See Comments)

CUSTOMER DESCRIPTION ( ) New Account Acct. # 4402884 Note # 8082400

Name of Borrower(s): J. Warren Hagan + Thomas Hagan

Location: 30 Northfield Rd Wakeley, Va 06715

Type of Business: Atty

Principal(s): \_\_\_\_\_

Related Companies/Accounts (Names) \_\_\_\_\_

Organization: (X) Individual ( ) Corporation ( ) Sub S ( ) Partnership ( ) Proprietorship ( ) Other \_\_\_\_\_

LOAN DESCRIPTION

( ) Line of Credit  
( ) Internal Guidance Line  
( ) Approval  
( ) Advance  
( ) Term Loan  
( ) Bus. Instal. Loan  
( ) Revolver  
(X) A/R Financing  
( ) Commercial Mortgage  
( ) Time Loan  
(X) Demand Loan  
( ) Other (describe): \_\_\_\_\_

<input checked="" type="checkbox"/> Secured Liquid	( ) Secured Non-Liquid	( ) Unsecured
( ) Guaranteed \$ _____	( ) Endorsed \$ _____	( ) Co-signed \$ _____
by: ① _____ TL _____	Tang. NW: _____	
② _____ TL _____	Tang. NW: _____	
③ _____ TL _____	Tang. NW: _____	
Rate: P+ <u>0</u>	Original Rate: P+ <u>0</u>	Original Date: <u>8/15/78</u>
Repayment Terms: <u>Payable in one year at borrower's discretion</u>	Maturity Date: <u>8/15/80</u>	
Original Terms: <u>payable at borrower's convenience</u>		
Original Amount: <u>23,250</u>		

Amount \$ 25,000 (includes \$ \_\_\_\_\_ "new" money) Total Liability \$ 100,250

Proceeds Disbursed by Credit to Account # pay prior debt or Bank Check # \_\_\_\_\_

Purpose/Original Purpose: fund campaign expenses

Primary Source of Repayment: income

Secondary Source of Repayment: collateral

Collateral: Citytrust passbook 219001161 bal \$2,500

Balance Requirements: \_\_\_\_\_

SUPPORTING DOCUMENTS

	Original On File At Main Office	Copy/Original Attached	Due by	Waived
Financial Statement dated _____	_____	_____	_____	_____
Borrowing Resolution dated _____	_____	_____	_____	_____
Guarantor, etc. Statement dated _____	_____	_____	_____	_____
Other (describe) _____	_____	_____	_____	_____

FINANCIAL STATEMENTS (If personal, copy of statement must be attached)

( ) Spread Sheet Attached Waived (in thousands)

DATE			
QUICK ASSETS			
CURRENT ASSETS			
CURRENT LIABILITIES			
TOTAL ASSETS			
TOTAL LIABILITIES			
TANGIBLE NET WORTH			
SALES			
NET INCOME AFTER TAXES			
DEPRECIATION			
OFFICER COMPENSATION			
WORKING CAPITAL			
CURRENT RATIO			
DEBT/WORTH			

AUDITED: ( ) Yes ( ) No

ACCOUNTANT: \_\_\_\_\_

COMMENTS:

payments will begin shortly in regular fashion as the uppers account will allow

COLLATERAL DEFINITION EXPANSION:

Citytrust passbook 21901171 has current balance of \$25,000.00

LIABILITY SECTION:

LOAN BALANCES AFTER THIS LOAN *			
MAKER BORROWINGS		ENDORSER(S) BORROWINGS	
UNSECURED	\$ _____	UNSECURED	\$ _____
SECURED LIQUID	\$ 23250	SECURED LIQUID	\$ 25000
SECURED NON-LIQUID	\$ _____	SECURED NON-LIQUID	\$ 50000
INSTALLMENT	\$ _____	INSTALLMENT	\$ _____
M/C LINE	\$ _____	M/C LINE	\$ 2000
MORTGAGE	\$ _____	MORTGAGE	\$ _____
LETTERS OF CR	\$ _____	LETTERS OF CR	\$ _____
LEASES	\$ _____	LEASES	\$ _____
INDIRECT L & D	\$ _____	TOTAL ENDORSER(S)	\$ 77000
INDIRECT INST.	\$ _____		
INDIRECT MTG.	\$ _____		
UNUSED LINE OR COMM. (DIR.)	\$ _____		
UNUSED LINE OR COMM. (IND.)	\$ _____		
TOTAL MAKER	\$ 23250		

\* Where there are multiple endorsers/guarantors, a separate sheet must be attached listing borrowings from Citytrust of each. If the endorser(s)/ guarantor(s) are liable on any other Citytrust loan(s) indicate which account(s) and the liability on each. Use a separate sheet if necessary.

ACCOUNT NUMBER	DEPOSIT BALANCE	ACCOUNT NUMBER	DEPOSIT BALANCE	ACCOUNT NUMBER	DEPOSIT BALANCE
21901174	25000	J. Warrick			
21901161	25000	J. Warrick			
0000237	201	J. Warrick			

TOTAL DDA: \_\_\_\_\_ TOTAL SAVINGS: \_\_\_\_\_

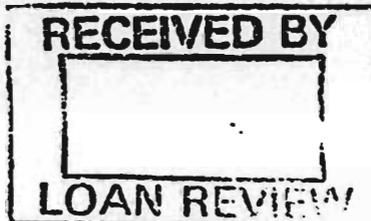
APPROVAL

Officer(s)	Branch	Officer I.D. # or Letters	Lending Limit (\$ or A.B. etc.)
<i>[Signature]</i>	21	<i>[Signature]</i>	B
<i>[Signature]</i>	521	<i>[Signature]</i>	D

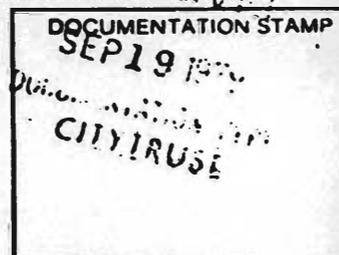
LOAN POLICY COMMITTEE APPROVAL DATE \_\_\_\_\_

OFFICER RATING (Circle below)

Overall: 1 2 3 4 5  
Collateral: A B C



Signed by (for other than loan approvals):



*Interest. This has fully secured by liquid collateral*

COMMENTS:

*payments will begin shortly in regular fashion as the upans account will allow*

COLLATERAL DEFINITION EXPANSION:

*Citytrust passbook 21901171 has current balance of \$25,000.00*

LIABILITY SECTION:

MAKER BORROWINGS				ENDORSER(S) BORROWINGS			
UNSECURED	\$	INDIRECT L & D	\$	UNSECURED	\$	<i>J. Wawonipson</i>	
SECURED LIQUID	\$	INDIRECT INST.	\$	SECURED LIQUID	\$	<i>25000</i>	
SECURED NON-LIQUID	\$	INDIRECT MTG.	\$	SECURED NON-LIQUID	\$	<i>50,000</i>	
INSTALLMENT	\$	UNUSED LINE OR COMM. (DIR.)	\$	INSTALLMENT	\$	UNUSED LINE OR COMM. (DIR.)	\$
M/C LINE	\$	UNUSED LINE OR COMM. (IND.)	\$	M/C LINE	\$	<i>2000</i>	
MORTGAGE	\$	TOTAL MAKER	\$	MORTGAGE	\$	TOTAL ENDORSER(S):	
LETTERS OF CR	\$		\$	LETTERS OF CR	\$	<i>77000</i>	
LEASES	\$		\$	LEASES	\$	<i>TL 100250</i>	

\* Where there are multiple endorsers/guarantors, a separate sheet must be attached listing borrowings from Citytrust of each. If the endorser(s)/guarantor(s) are liable on any other Citytrust loan(s) indicate which account(s) and the liability on each. Use a separate sheet if necessary.

ACCOUNT NUMBER	DEPOSIT BALANCE	ACCOUNT NUMBER	DEPOSIT BALANCE	ACCOUNT NUMBER	DEPOSIT BALANCE
<i>21901174</i>	<i>25000</i>	<i>J Wawon</i>			
<i>21901161</i>	<i>25000</i>	<i>J Wawon</i>			
<i>0600237</i>	<i>201</i>	<i>J Wawon</i>			

TOTAL DDA: \_\_\_\_\_ TOTAL SAVINGS: \_\_\_\_\_

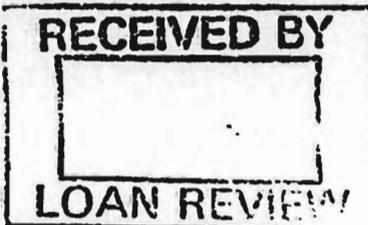
APPROVAL

Officer(s)	Branch	Officer I.D. # or Letters	Lending Limit (\$ or A.B. etc.)
<i>[Signature]</i>	<i>21</i>	<i>D/K</i>	<i>B</i>
<i>[Signature]</i>	<i>521</i>	<i>(S/K)</i>	<i>D</i>

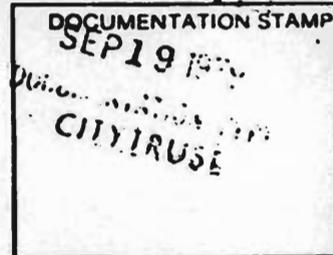
LOAN POLICY COMMITTEE APPROVAL DATE \_\_\_\_\_

OFFICER RATING (Circle below)

Overall: 1 2 3 4 5  
Collateral: A B C



Signed by (for other than loan approvals):





**CityTrust**

December 28, 1979

Mr. J. Warren Upson, Esquire  
P.O. Box 308  
Woodbury, Connecticut 06798

RE: Account #4402884

Dear Mr. Upson:

This letter will confirm the understanding reached at the meeting of you, Mr. Kopperl and I on December 26, 1979 with regard to payments on the subject loan. The source of payment is understood to be as follows:

<u>Date</u>	<u>Amount</u>	<u>Source</u>
12-28-79	\$ 3,000.00	Gift of J. Warren Upson from Certificate
1-3-80	3,000.00	Gift of J. Warren Upson from Certificate
1-3-80	16,726.50	Note to J. Warren Upson from Thomas Upson Cash for note from certificate
1-3-80	791.61	Interest due 11-15-79 and
	461.19	subsequently.

The interest payments assume principal reductions made on the dates indicated and that prime rate stays at 15.25%.

Very truly yours,

David W. Kelley  
Vice President  
Waterbury-National Office

DWK/mcg

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**ATTACHMENT 8: PROPOSED LETTERS AND  
CONCILIATION AGREEMENTS**

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Thomas Upson  
47 Holmes Avenue  
Waterbury, Connecticut 06710

Re: MUR 1174

Dear Mr. Upson:

On , 1980, the Commission determined there was probable cause to believe that you and the Upson for Congress Committee committed a violation of section 441a(f) of the Federal Election Campaign Act of 1971, as amended ("the Act"), in connection with the receipt of a loan endorsed by J. Warren Upson in August, 1978, the receipt of interest payments and two \$3,000 payments to reduce the loan from J. Warren Upson, and the receipt of a \$16,726.50 loan from J. Warren Upson in January 1980. The Commission also determined that there was probable cause to believe the Upson for Congress Committee violated former 2 U.S.C. § 434(b)(5) and (b)(12) and present 2 U.S.C. § 434(b)(3)(E) and (b)(8) in connection with the committee's failure to fully report the receipt of a \$30,000 loan obtained by Thomas Upson in April, 1978, the receipt of a renegotiated loan endorsed by J. Warren Upson in August, 1978, the receipt of a \$16,726.50 loan from J. Warren Upson in January, 1980, and failure to report all debts and obligations until extinguished. Additionally, the Commission determined that there is no probable cause to believe Thomas Upson or the Upson for Congress Committee violated 2 U.S.C. § 441b(a) in connection with the receipt of a loan from Citytrust Bank in August, 1978.

The Commission has a duty to attempt to correct such violations for a period of thirty to ninety days by informal methods of conference, conciliation and persuasion, and by

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Letter to: Thomas Upson  
Page 2

entering into a conciliation agreement. If we are unable to reach an agreement during that period, the Commission may institute civil suit in United States District Court and seek payment of a civil penalty.

We enclose a conciliation agreement that this office is prepared to recommend to the Commission in settlement of this matter. If you agree with the provisions of the enclosed agreement, please sign and return it along with the civil penalty to the Commission within ten days. I will then recommend that the Commission approve the agreement. Please make your check for the civil penalty payable to the U.S. Treasurer.

If you have any questions or suggestions for changes in the enclosed conciliation agreement, please contact Maura White, the staff member assigned to this matter, at 202-523-4060.

Sincerely,

Charles N. Steele  
General Counsel

Enclosure  
Conciliation Agreement

81040291690



**FEDERAL ELECTION COMMISSION**

WASHINGTON, D.C. 20463

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

J. Warren Upson  
30 Applegate Lane  
Woodbury, Connecticut 06710

Re: MUR 1174

Dear Mr. Upson:

On \_\_\_\_\_, 1980, the Commission determined there was probable cause to believe that you committed a violation of section 441a(a)(1)(A) of the Federal Election Campaign Act of 1971, as amended ("the Act"), in connection with your endorsement of a loan, and the payment of interest on the loan, to Thomas Upson in August, 1978, as well as your payment of \$6,000 to Thomas Upson to reduce the loan and your refinancing of the loan in January, 1980.

The Commission has a duty to attempt to correct such violations for a period of thirty to ninety days by informal methods of conference, conciliation and persuasion, and by entering into a conciliation agreement. If we are unable to reach an agreement during that period, the Commission may institute civil suit in United States District Court and seek payment of a civil penalty.

We enclose a conciliation agreement that this office is prepared to recommend to the Commission in settlement of this matter. If you agree with the provisions of the enclosed agreement, please sign and return it along with the civil penalty to the Commission within ten days. I will then recommend that the Commission approve the agreement. Please make your check for the civil penalty payable to the U.S. Treasurer.

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Letter to: J. Warren Upson  
Page 2

If you have any questions or suggestions for changes in the enclosed conciliation agreement, please contact Maura White, the staff member assigned to this matter, at 202-523-4060.

Sincerely,

Charles N. Steele  
General Counsel

Enclosure  
Conciliation Agreement

31040291692



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Norman Schaff, Jr.  
Citytrust Bank  
961 Main Street  
Bridgeport, Connecticut 06602

Re: MUR 1174

Dear Mr. Schaff:

This is to notify you that on \_\_\_\_\_, 1980, the Federal Election Commission determined, on the basis of information provided by Citytrust Bank, that there is no probable cause to believe Citytrust Bank violated section 441b(a) of the Federal Election Campaign Act of 1971, as amended ("the Act") in connection with the making of a loan to Thomas Upson during 1978. Accordingly, the Commission will take no further action in regard to this allegation.

If you have any questions please contact Maura White, the staff member assigned to this matter, at 202-523-4060.

Sincerely,

Charles N. Steele  
General Counsel

31040291693

ATTENTION: Secretary

804029169

**MOYNAHAN & RUSKIN**

ATTORNEYS AT LAW

63 BANK STREET • P. O. BOX 2601  
WATERBURY, CONNECTICUT 06720

*To:*

FEDERAL ELECTION COMMISSION  
Washington, D.C. 20463

**FIRST CLASS MAIL**

**CERTIFIED**

No. 639713

**MAIL**

90132 ACCY  
3270

**MOYNAHAN & RUSKIN**  
ATTORNEYS AT LAW  
62 BANK STREET  
P. O. BOX 2601  
WATERBURY, CONNECTICUT 06723  
(203) 757-8888, 573-1441

30 NOV 7 P12:37

TIMOTHY C. MOYNAHAN  
STEPHEN A. RUSKIN  
MARK CARRINGTON  
THOMAS F. UPSON  
JOHN AMBROZAITIS, JR.

**WOLCOTT OFFICE:**  
290 CENTRAL AVENUE  
WOLCOTT, CONN. 06716  
(203) 878-0830  
**WOODBURY OFFICE:**  
MIDDLE QUARTER MALL  
WOODBURY, CONN. 06798  
(203) 263-0401

October 31, 1980

**CERTIFIED MAIL  
RETURN RECEIPT REQUESTED**

**FEDERAL ELECTION COMMISSION  
Washington, D.C. 20463**

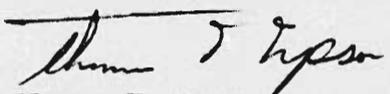
Attention: Charles N. Steele, General Counsel

Gentlemen:

Re: MUR 1174

Please find enclosed herewith three copies of the above captioned Respondent's Reply to the General Counsel's brief. I am mailing ten copies to the Secretary of the Counsel as indicated to me on October 9, 1980.

As far as conciliation is concerned, I feel that my position is a very strong one. After my presentation has been reviewed, if you still think that conciliation is indicated, please advise.

Very truly yours,  
  
Thomas F. Upson

TFU/sf  
Encs.

81040291695

**MOYNAHAN & RUSKIN**  
ATTORNEYS AT LAW  
63 BANK STREET  
P. O. BOX 2601  
WATERBURY, CONNECTICUT 06723

(203) 757-0626, 573-1411

TIMOTHY C. MOYNAHAN  
STEPHEN A. RUSKIN  
MARK CARRINGTON  
THOMAS F. UPSON  
JOHN AMBROZAITIS, JR.

WOLCOTT OFFICE:  
200 CENTRAL AVENUE  
WOLCOTT, CONN. 06716  
(203) 878-0830  
WOODBURY OFFICE:  
MIDDLE QUARTER MALL  
WOODBURY, CONN. 06798  
(203) 863-0401

October 31, 1980

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

FEDERAL ELECTION COMMISSION  
Washington, D.C. 20463

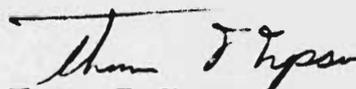
Attention: Secretary

Dear Sir:

Re: MJR 1174

In conformance with the instructions to me in a letter from the General Counsel dated October 9, 1980, I forward to you herewith ten copies of my reply brief.

Very truly yours,

  
Thomas F. Upson

TFU/sf  
Encs.

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BEFORE THE FEDERAL ELECTION COMMISSION

OCTOBER 31, 1980

In the Matter )  
 )  
Thomas Upson and the )                   MUR 1174  
Upson for Congress Committee )

RESPONDENT'S BRIEF

STATEMENT OF THE CASE:

On December 27, 1977, Federal Election Commission (hereinafter F.E.C.) Form #1 entitled, "State of Organization for Committee" was signed and sent to the F.E.C. by Upson for Congress 1978 (hereinafter Committee) (I.D. HGCT06064). F.E.C. Form #2 entitled, "Statement of a Candidate for Nomination or Election to Office" was also signed and sent by Thomas F. Upson, Candidate. The Committee was registered on January 3, 1978 with the Office of the Clerk, United States House of Representatives and given the I.D. #072800.

F.E.C. Form #3 entitled, "Report of Receipts and Expenditures" was sent to the F.E.C. on March 21, 1978. Said report covered the period from December 27, 1979 through December 31, 1977 and showed a balance of \$24.20.

A Second Report of Receipts and Expenditures was sent to the F.E.C. covering the period from 1/1/78 through 4/1/78 which showed receipts of

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\$820.00; expenditures of \$789.55 leaving cash on hand in the amount of \$54.65. The Third Report sent on 7/1/78 covering the period of 4/1/78 through 6/30/78 included on Page 1 of Schedule B, reference to a loan repayment in the amount of \$9,501.25 for primary, the loan being in the name of Thomas F. Upson, 30 Northfield Road, Watertown, Connecticut. Reference to this loan was also found in F.E.C. Form #3, Page 2, Line 2 under Loans. It appears in retrospect that a further reference giving more details of the loan should have been included in Form #3 Schedule A, Itemized Receipts. However, it was mentioned in two sections of the Third Report thereby giving the F.E.C. actual notice of the existence of a loan.

The Fourth Report that was filed was dated 9/14/78 and was considered by the Committee to be a Termination Report for the Committee. This covered the period from 7/1/78 through 9/14/78 and was entitled, "Termination Report" and it showed that all the debts had been paid off and that there was cash on hand of \$49.60. Thereafter, the Committee answered numerous letters directed to them, copies of which are on file at the F.E.C. Finally, on July 3, 1979 at the request of a research assistant with the F.E.C., Thomas Upson filed an informal July 10, 1979 quarterly report. Therefore the Commission accepted informal reports.

At no time did the Committee attempt to hide any information and in fact, reported the information to the F.E.C. which now the General Counsel is stating that we failed to report.

8 1 0 4 0 2 9 1 6 9 9

The fact that we referred to a loan and listed a repayment of a loan but failed to fill out a form showing the receipt of the \$30,000 is insufficient to find a violation of 2 U.S.C., Section 434(b)(3)(E) since the Commission has had knowledge of this matter including all documentation for over one year and now, two years later, it decides not to accept the Termination Report filed by the Committee in September of 1978.

It was the belief of the Committee at that time that the \$30,000 note did not have to be reported since it was a personal note by Citytrust to the candidate, however, reference was made to it twice in the first report immediately after the personal note was taken out. While some details were missing surrounding the note in the 7/1/78 Report, this information was later submitted to the Commission by Sid Kopperl The Treasurer with no thought or evidence of hinderance or delay. The initial requests for information from the Commission were vague and the Committee did not understand the requests that were made, nevertheless, once the Commission was definite, information was readily supplied.

The Committee did allow the candidate's father, J. Warren Upson, to endorse a note with the candidate in the amount of \$23,500 only after an attempt was made to raise funds to pay for the existing indebtedness. As you know, Thomas F. Upson was never the nominee since he withdrew from consideration over 45 days before the Republican Nominating Convention for Connecticut's

Sixth District. The question remains at who in fact did he influence since he was never an endorsed candidate? If he influenced any voters to vote for himself, it was impossible for them to carry it out because he never was on any ballot.

LEGAL ANALYSIS

II. (a) 2 U.S.C., Section 441(a)(f)

It is clear under the provisions of Chapter 14 of 2 U.S.C. that the provisions become effective when an individual becomes a candidate as defined in 2 U.S.C. §431(b). There is no statutory provision indicating when the provisions of said Chapter 14 cease to be effective. The Statute of Limitations as found in 2 U.S.C. §455(a) is three years, from the last violation, so that after three years a violator is immune from the punitive provisions of the Chapter.

By the very terms of Chapter 14 the provisions thereof ceases to be effective as to contributions when the donee is no longer a candidate. The term candidate is defined in 2 U.S.C. §431(b) and without doubt, Thomas F. Upson became a candidate under the provisions of this definition, as one seeking a nomination for election or election to Federal office. However, Thomas F. Upson had ceased to be a candidate eight weeks prior to the revision of his personal obligations to Citytrust by the endorsement of J. Warren Upson his father. Since Thomas F. Upson was not a candidate on August 17, 1978, the

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refinancing on that date was not a "contribution".

The General Counsel states that the further refinancing on January 2, 1980 "was incurring obligations for the purpose of influencing a federal election". Any such ascertains finds no support in the provisions of Chapter 14 as on that date Thomas F. Upson was not a candidate and had not been a candidate for over 18 months. Thomas F. Upson never became the party nominee and elected to withdraw as a prospective nominee long before the nominating convention.

If Congress had intended the surveillance of the Federal Election Commission to extend during the lifetime of any person who let his name be considered in the nominating process for a federal office, the legislation should have so indicated. Certainly the legislative intent cuts off surveillance when the three year statute has run. It is submitted that Chapter 14 provides for supervision of the Committee until its final report has been filed and approved. However, its supervision of the candidate ends when he ceases to be a candidate. The only alternative would be a holding that the Commission will supervise payments so long as the candidate lives although penalties may not be imposed after three years have elapsed.

The construction of Chapter 14 advanced by the General Counsel would mean that the undersigned would have to pay off the borrowed sum himself since he found it impossible to raise funds by small contributions after his withdrawal as a candidate. Should this Commission adopt this statutory construction,

any prospective candidate without large financial reserves could not possibly participate in political candidacy. Certainly Congress did not intend to devise Chapter 14 to inhibit political aspirants from seeking public office.

(b) 2. U.S.C., Section 434

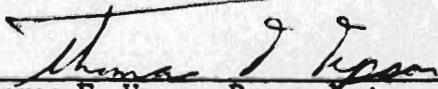
The Committee did not violate any of the provisions of 2 U.S.C. §434 since information was supplied to the F.E.C. immediately after the personal loan from the Citytrust to Thomas F. Upson was executed. This information was filed with the F.E.C. in the Committee's Third Report, Receipts and Expenditures dated 7/1/78 covering the period of 4/1/78 through 6/30/78. This information was found in Schedule 1, Page 1 and Form 3, Page 2, Line 2. In addition, when the Commission asked for definite information that information was forthcoming by all those concerned with the defunct Committee.

The Committee has consistently maintained that its Termination Report dated September 14, 1978 was final and therefore, did not need elaboration. In fact, the Committee was disbanded after the withdrawal of Thomas F. Upson, which occurred long before the nominating process. Meanwhile, the F.E.C. did not communicate to any member of the Committee what the problems were with the Termination Report and it was not until 1980 that there was any meaningful communication between the F.E.C. and the Committee. Once the F.E.C. specifically asked for the information it was forthcoming even though the

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Committee felt that the information sought dealt with a "personal loan" and not a loan of the campaigns. It still maintains that the personal note was in fact personal and not related to the actual campaign.

The F.E.C. constantly relied on informal reports and in fact misled the Committee. If the Committee had anything to hide, they never would have recorded the payment of the personal loan. How can the Commission find probable cause in this matter when the Committee originally recorded repayment of the loan in question and upon more precise questioning from the F.E.C. provided any and all answers to the questions asked both personal and as to the campaign. Therefore, it is submitted that the Committee met all the reporting requirements of the F.E.C. both initially in its first filings and subsequently, in later communications. In addition, the candidate allowed his father to recast a personal obligation in order to pay off campaign debts instead of filing bankruptcy. This was done only after an attempt to raise funds. Lastly, Thomas F. Upson executed a promissory note to his father, J. Warren Upson, and has paid sums to date to reduce same. This note is outstanding and is being reduced monthly and there will be a final accounting on J. W. Upson's death as to the balance owed.

  
Thomas F. Upson, Respondent  
and the Upson for Congress Committee

63 BANK ST.  
WATERBURY, CONN. 06720

ATTENTION: Charles H. Steele, General Counsel

8104029174

**MOYNAHAN & RUSKIN**

ATTORNEYS AT LAW

63 BANK STREET • P. O. BOX 2601  
WATERBURY, CONNECTICUT 06720

**To:**

FEDERAL ELECTION COMMISSION  
Washington, D.C. 20463

**FIRST CLASS MAIL**

**CERTIFIED**

No. 639714

**MAIL**

NOV 7 12:37

NOV 7 12:38



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES STEELE  
FROM: MARJORIE W. EMMONS/MARGARET CHANEY *mc*  
DATE: NOVEMBER 5, 1980  
SUBJECT: MUR 1174 - Interim Investigative Report #3,  
dated 10-30-80; Signed 11-3-80; Received  
in OCS 11-4-80, 10:57

The above-named document was circulated to the  
Commission on a no-objection basis at 4:00, November 4, 1980.

There were no objections to the Interim Investigative  
Report at the time of the deadline; however, Commissioner Reiche  
submitted a comment. A copy of his vote sheet is attached.

ATTACHMENT:  
Copy of Vote Sheet

81040291705



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.  
WASHINGTON, D.C. 20463

80 NOV 5 12:40

DATE AND TIME OF TRANSMITTAL TUESDAY, 11-4-80  
4:00

Commissioner FRIEDENSDORF, ALVENS, TIERNAN, MCGARRY, REICHE, HARRIS

RETURN TO THE OFFICE OF COMMISSION SECRETARY BY: WEDNESDAY, NOVEMBER 5, 1980  
4:00

MUR No. 1174 - Interim Investigative Report #3, dated 10-30-80  
Signed 11-3-80

( ) I object to the recommendation in the attached report.

COMMENTS: Let's keep tabs on this.

Date 11/4/80 Signature Frank P. Reiche

OBJECTIONS, SIGNED AND DATED, MUST BE RECEIVED IN THE COMMISSION SECRETARY'S OFFICE NO LATER THAN THE DATE AND TIME SHOWN ABOVE OR THE MATTER WILL BE DEEMED APPROVED. PLEASE RETURN ALL PAPERS TO THE OFFICE OF THE SECRETARY TO THE COMMISSION.

81040291706



November 4, 1980

MEMORANDUM TO: Marjorie W. Emons

FROM: Elissa T. Garr

SUBJECT: MUR 1174

Please have the attached Interim Invest Report distributed to the Commission. Thank you.

31040291707

RECEIVED  
OFFICE OF THE  
COMMISSION SECRETARY

BEFORE THE FEDERAL ELECTION COMMISSION

October 30, 1980

80 NOV 4 A10: 57

In the Matter of )  
 ) MUR 1174  
Thomas Upson, J. Warren )  
Upson, Upson for Congress )  
Committee, and Citytrust Bank )

Interim Investigative Report #3

On October 9, 1980, the Office of General Counsel mailed a brief to each of the four respondents in this matter which stated the position of the General Counsel on the legal and factual issues of the case. Upon receipt of the respondents' replies to the General Counsel's briefs, this office will make a further report to the Commission.

3 November 1980  
Date

  
\_\_\_\_\_  
Charles N. Steele  
General Counsel

81040291708



911071

BRIDGEPORT CONNECTICUT 06602

GCC#3219

80 NOV 3 P1:55

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

October 29, 1980

Secretary of the Commission  
Federal Election Commission  
Washington, DC 20463

Mr. Charles N. Steele  
General Counsel  
Federal Election Commission  
Washington, DC 20463

Re: Your File No. MUR 1174

Gentlemen:

Thank you for Mr. Steele's letter of October 9, 1980 to Norman Schaff, Jr., Honorary Chairman of the Board of Citytrust, in which Mr. Steele stated that the Office of General Counsel is prepared to recommend that the Commission find no probable cause to believe that Citytrust violated §441b(a) of the Federal Election Campaign Act of 1971.

As I stated in my response to the Commission's "reason to believe notification letter" of June 13, 1980, a review of our records, and discussions with the bank officers involved, indicated that the loan by Citytrust to Thomas Upson on August 17, 1978, was made in accordance with applicable law and in the ordinary course of business. At no time did Citytrust treat the loan and repayment in a manner that would differ from that which would be followed in the case of a nonpolitical debtor.

The brief of the General Counsel regarding the legal and factual issues of this matter, states that "2 U.S.C. §431 (e) (5) (G) (recodified at §431(8) (b) (vii)) excludes from the definition of contribution any loan of money made by a state bank or national bank made in accordance with applicable banking laws and in the ordinary course of business. 2 U.S.C. §441b(a) renders it unlawful for national banks and corporations to make contributions in connection with federal election activities."

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80 NOV 3 P2:50

GENERAL COUNSEL



2/File No. MUR 1174  
October 29, 1980

Based upon applicable law, the response of Citytrust dated July 7, 1980, and the recommendation of the General Counsel which agrees with our position on the issues, we respectfully request that the Commission find no probable cause to believe that Citytrust has violated 2 U.S.C. §441b(a).

Sincerely,

A handwritten signature in cursive script that reads 'Harriet E. Munrett'.

Harriet E. Munrett  
Assistant Legal Counsel  
and Assistant Secretary

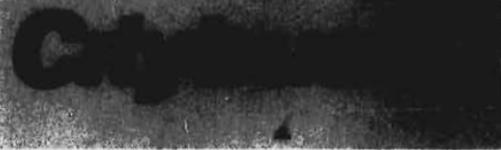
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cc: Norman Schaff, Jr.

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**Certified Mail**  
Return Receipt Requested



**CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

**Secretary of the Commission  
Federal Election Commission  
Washington, DC 20463**

11447

BRIDGEPORT  
CONNECTICUT 06602

**Certified Mail**  
Return Receipt Requested

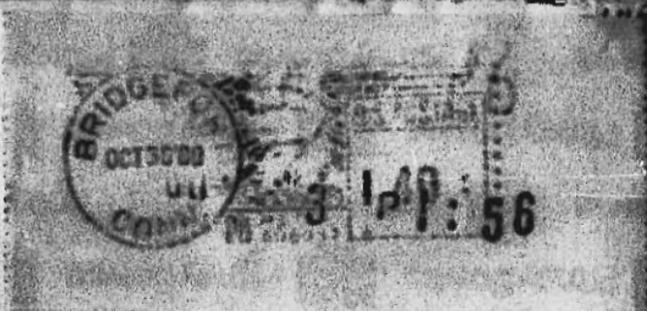
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**Certified Mail**  
Return Receipt Requested

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BRIDGEPORT,  
CONNECTICUT 06602



**CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

Mr. Charles N. Steele  
General Counsel  
Federal Election Commission  
Washington, DC 20463

GCC# 99

911010

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90 NOV 1 AM: 26

SECOR, CASSIDY & McPARTLAND  
P. C.  
ATTORNEYS AT LAW  
41-33 CHURCH STREET  
WATERBURY, CONNECTICUT 06721  
TELEPHONE (203) 757-9261

WILLIAM J. SECOR, JR.  
JOHN H. CASSIDY, JR.  
DONALD McPARTLAND  
W. FIELDING SECOR  
RAYMOND F. VOELKER  
JAMES E. HARTLEY, JR.  
PAMELA M. TAYLOR

J. WARREN UPSON  
H. JOHN WEISMAN  
MILTON A. SEYMOUR  
OF COUNSEL

CHESHIRE OFFICE  
420 HIGHLAND AVENUE  
CHESHIRE, CONNECTICUT 06410

WOODBURY OFFICE  
WOODBURY HANLEY  
1055 MAIN STREET SOUTH  
WOODBURY, CONNECTICUT 06798

October 28, 1980

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

FEDERAL ELECTION COMMISSION  
Washington, D.C. 20463

Attention: Charles N. Steele, General Counsel

RE: MUR 1174

Gentlemen:

Please find enclosed herewith three copies of the above captioned Respondent's Reply to the General Counsel's brief. I am mailing ten copies to the Secretary of the Counsel as indicated to me on October 9, 1980.

As far as conciliation is concerned, I feel that my position is a very strong one. After my presentation has been reviewed, if you still think that conciliation is indicated, please advise.

Very truly yours,

*Warren Upson*

J. Warren Upson

JWU:cas  
Enc.

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NOV 1 9 34 AM '80

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AFTER 5 DAYS RETURN TO  
SECOR, CASSIDY & MCPARTLAND, P. C.  
ATTORNEYS AT LAW  
WATERBURY, CONNECTICUT 06721



CERTIFIED  
P08 1075496  
MAIL

FEDERAL ELECTION COMMISSION  
Washington, D.C. 20463

Attention: Charles N. Steele,  
General Counsel

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911035

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GCC# 3199

NOV 1 AIO: 42

**SECOR, CASSIDY & McPARTLAND  
P. C.**

**ATTORNEYS AT LAW**

**41-33 CHURCH STREET**

**WATERBURY, CONNECTICUT 06721**

**TELEPHONE (203) 757-9261**

WILLIAM J. SECOR, JR.  
JOHN M. CASSIDY, JR.  
DONALD McPARTLAND  
W. FIELDING SECOR  
RAYMOND F. VOELKER  
JAMES E. HARTLEY, JR.  
PAMELA M. TAYLOR

J. WARREN UPSON  
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MILTON A. SEYMOUR  
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WOODBURY OFFICE  
WOODBURY HAMLET  
108B MAIN STREET SOUTH  
WOODBURY, CONNECTICUT 06798

**October 28, 1980**

**CERTIFIED MAIL  
RETURN RECEIPT REQUESTED**

**FEDERAL ELECTION COMMISSION  
Washington, D.C. 20463**

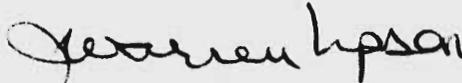
**Attention: Secretary**

**RE: MUR 1174**

Dear Sir:

In conformance with the instructions to me in a letter from the General Counsel dated October 9, 1980, I forward to you herewith ten copies of my reply brief.

Very truly yours,



J. Warren Upton

JWU:cas  
Enc.

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REC



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After the first week of June, 1978, Thomas F. Upson had ceased to be a candidate for the Republican nomination in the Sixth District and nothing thereafter was done which either was intended to or in fact did influence a federal election.

The undersigned had no participation in any of the activity as outlined above. The undersigned first participated when he endorsed the note of his son at Citytrust on August 17, 1978. All activity relating to influencing a federal election had terminated at least two months prior to the endorsement of the note on August 17, 1978.

II. RESPONSE TO "LEGAL ANALYSIS"

Under 2 U.S.C.S §431 (e) (1) a contribution "means a gift, subscription, loan, advance, or deposit of money or anything of value made for the purpose of: influencing the nomination for election, or election of any person to Federal office . . .".

How can it be asserted that two months after the prospective candidate had terminated all activity in seeking political office, that endorsing a note was "for the purpose of influencing the nomination for election to office"? It is submitted that such a construction of the statutory provisions is improper as well as unwarranted.

The general counsel argues that "the loan and the subsequent transactions were undertaken for the purpose of influencing

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& McPARTLAND P.C.  
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41 CHURCH STREET  
WATERBURY, CONNECTICUT  
06721  
PHONE 5525  
TEL. \* 757-9261

8 1 0 4 0 2 9 1 7 1 8

a federal election". It is obvious that the loan was so undertaken. It seems equally apparent that the endorsement of the note and the consequent payment were not so undertaken. When the undersigned participated in such transactions, all activities as to obtaining federal office had long since ceased.

The statutory provisions here involved are, in effect, penal statutes. They must be strictly construed and certainly the construction adopted by the general counsel radically extends the provisions set forth in the statutory wording far beyond their clear intention.

It is established that the Federal Election Campaign Act is to be liberally interpreted in favor of the accused.

U.S. v. Hankin  
607 F2d 611 (C. A. 3, 1979)

When the loan was taken out by Thomas F. Upson, the undersigned neither knew of it, nor agreed to be responsible for its repayment. When the undersigned undertook responsibility in connection with its repayment, Thomas F. Upson was no longer involved in a nomination or election. At such time, Thomas F. Upson was not a "candidate" within the meaning of 2U.S.C.S. Section 431(b) since he was no longer seeking nomination.

It is apparent that the opinion of the General Counsel extends liability so far beyond the statutory provisions as

◇ to be erroneous.

*J. Warren Upson*  
J. Warren Upson, Respondent

31040291719

SEOR CASSIDY  
& MCPARTLAND P.C.  
ATTORNEYS AT LAW  
47 CHURCH STREET  
WATERBURY CONNECTICUT  
06721  
PHONE # 8022  
TEL. # 224264



FEDERAL ELECTION COMMISSION  
Washington, D.C. 20463

Attention: Secretary

RETURN RECEIPT  
REQUESTED

CERTIFIED

P08 1075497

MAIL



REC BRIDGEPORT  
CONNECTICUT 06602  
(203) 384-5522

80 OCT 16 10 42:02

NORMAN SCHAFF, JR.  
Honorary  
Chairman Of The Board

GCC #

2953

October 14, 1980

Mr. Charles N. Steele  
General Counsel  
Federal Election Commission  
Washington, D.C. 20463

Re: Your File Number MUR 1174

Dear Mr. Steele:

I hereby acknowledge receipt of your letter of October 9, 1980 with regard to the possibility that we had violated section 441b(a) of the Federal Election Campaign Act of 1971.

I am referring this letter to Mr. Frank W. Estes who is our Secretary and Legal Counsel and who will respond with the brief that you have requested.

Thank you very much.

Sincerely,

*Norman Schaff*  
Norman Schaff, Jr.

NSJr/aca

cc: Frank W. Estes

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RECEIVED



Mr. Charles N. Steele  
General Counsel  
Federal Election Commission  
Washington, D.C. 20463

BRIDGEPORT,  
CONNECTICUT 06602



**FEDERAL ELECTION COMMISSION**

1325 K STREET N.W.  
WASHINGTON, D.C. 20463

**MEMORANDUM TO :** THE COMMISSION

**FROM:** MARJORIE W. EMONS/MARGARET CHANEY

**DATE:** OCTOBER 14, 1980

**SUBJECT:** MUR 1174 - General Counsel's Brief, Memorandum  
to the Commission dated 10-10-80

The attached documents are circulated for your information.

**ATTACHMENTS:**

1) Memo; 2) Brief; 3) Letter

31040291723

October 10, 1980

**MEMORANDUM TO:** Marjorie W. Emons  
**FROM:** Elissa T. Garr  
**SUBJECT:** MUR 1174

Please have the attached Memo and briefs distributed to the Commission on an informational basis. Thank you.

81040291724



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RECEIVED  
OFFICE OF THE  
COMMISSION SECRETARY

80 OCT 10 P 2: 37

October 10, 1980

MEMORANDUM TO: The Commission

FROM: Charles N. Steele  
General Counsel *CNS*

SUBJECT: MUR 1174

Attached for the Commission's review are three briefs stating the position of the General Counsel on the legal and factual issues of the above-captioned matter. A copy of the brief and letter notifying each respondent of the General Counsel's intended recommendation to the Commission was mailed to Citytrust Bank on October 10, 1980, Thomas Upson and the Upson for Congress Committee on October 10, 1980, and J. Warren Upson on October 10, 1980.

Attachments:  
Briefs (3)

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

October 9, 1980

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Thomas Upson  
47 Holmes Avenue  
Waterbury, Connecticut

Re: MUR 1174

Dear Mr. Upson:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission, on June 10, 1980, found reason to believe that both you and the Upson for Congress Committee violated sections 441a(f) and 441b(a) of Title 2, United States Code, and instituted an investigation of this matter. On November 17, 1978, the Commission had found reason to believe that the Upson for Congress Committee violated 2 U.S.C. § 434.

After considering all the evidence available to the Commission, the Office of the General Counsel is prepared to recommend that the Commission find no probable cause to believe that either you or the Upson for Congress Committee violated 2 U.S.C. § 441b(a), but that it find probable cause to believe that both you and the Upson for Congress Committee violated 2 U.S.C. § 441a(f). The Office of General Counsel is also prepared to recommend that the Commission find probable cause to believe that the Upson for Congress Committee violated former 2 U.S.C. § 434(b)(5) and (b)(12) and present 2 U.S.C. § 434(b)(3)(E) and (b)(8).

Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. Within fifteen days of your receipt of this notice, you may file with the Secretary of the Commission a brief (10 copies) stating your position on the issues and replying to the brief of the General Counsel. (Three copies of such brief should also be forwarded to the Office of General Counsel.) The General Counsel's brief and any brief which you may submit will be considered by the Commission before proceeding to a vote of whether there is probable cause to believe a violation has occurred.

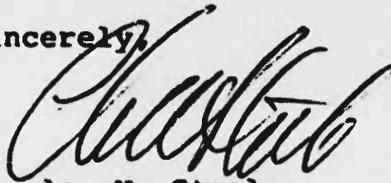
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Letter to: Thomas Upson  
Page 2

A finding of probable cause to believe requires that the Office of General Counsel attempt for a period of not less than thirty, but not more than ninety days, to settle this matter through a conciliation agreement. This does not preclude settlement of this matter through informal conciliation prior to a finding of probable cause to believe, if you so desire.

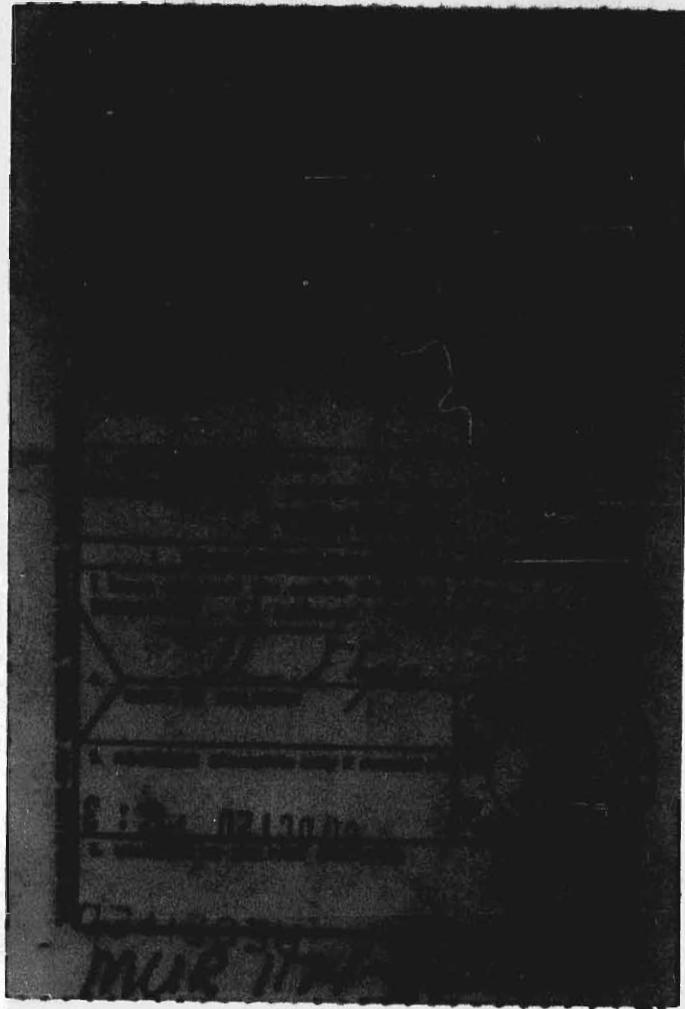
Should you have any questions, please contact Maura White at 202/523-4060.

Sincerely,



Charles N. Steele  
General Counsel

Enclosure  
Brief



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In the Matter )  
 ) MUR 1174  
Thomas Upson and the )  
Upson for Congress Committee )

GENERAL COUNSEL'S BRIEF

I. STATEMENT OF THE CASE

On June 10, 1980, the Federal Election Commission determined that there is reason to believe that Thomas Upson and Upson for Congress Committee violated 2 U.S.C. § 441b(a) in connection with a loan from Citytrust Bank to Thomas and J. Warren Upson, on August 17, 1978, which may not have been transacted in the ordinary course of business. Reason to believe notification letters were mailed to Thomas Upson and the Upson for Congress Committee on June 13, 1980. The response of Thomas Upson was received by the Commission on July 16, 1980.

The Commission also determined that there is reason to believe Thomas Upson and the Upson for Congress Committee violated 2 U.S.C. § 441a(f). The Commission's finding was based on the endorsement by J. Warren Upson of a \$23,250 loan to Thomas Upson from Citytrust Bank on August 17, 1978, and a \$16,726.50 loan to Thomas Upson from J. Warren Upson on January 2, 1980, for the purpose of repayment of the bank loan dated August 17, 1978. A bank loan of April 7, 1978, to which the loan of August 17, 1978, relates, was lent to the Upson for Congress Committee. The reason

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to believe notification letters which were mailed to Thomas Upson and the Upson for Congress Committee in regard to the Commission's § 441b(a) finding also notified the respondents of the Commission's determination in regard to § 441a(f).

This matter further involves apparent violations of the reporting requirements, in regard to the loan transactions, by the Upson for Congress Committee. On November 17, 1978, the Commission, through the Reports Analysis Division, found reason to believe that the Upson for Congress Committee violated 2 U.S.C. § 434.

(a) 2 U.S.C. § 441b(a)

The July 7, 1980, response of Citytrust Bank to notification of the Commission's reason to believe finding stated that, based upon a review of their records and discussions with the bank officers involved, the "loan in question was made in accordance with applicable law and in the ordinary course of business." Additionally, the response explained that on August 17, 1978, a note was issued to J. Warren Upson and Thomas Upson in the amount of \$23,250 to pay off the campaign debts of Thomas Upson, and that the "note was secured by a Citytrust time savings account in the name of J. Warren Upson, the balance of which was in excess of the loan amount." The response further stated that the loan of August 17, 1978, originally had a maturity date of August 15, 1979, but that in "September of 1979 (the delay due to the loan officer's vacation), there was a change in note class to reflect the

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fact that the note was secured by a time savings account, and a new maturity date of August 15, 1980 was assigned. For the entire duration of this loan, Citytrust held the time savings account as security, the interest rate remained at prime, and interest payments were always current. "

A review of loan papers submitted with Citytrust's response indicates that the original terms of the loan permitted Thomas Upson to make payments at his convenience. Citytrust's response cited both the long standing relationship of J. Warren and Thomas Upson with the bank and the fact that the loan was secured by liquid collateral as the rationale for originally granting the loan to Thomas Upson and permitting "an extension past the original maturity date." The bank's response concluded that "[a]t no time did Citytrust Bank treat the loan and repayment in a manner that would differ from that which would be followed in the case of a nonpolitical debtor."

(b) 2 U.S.C. § 441a(f)

The July 16, 1980, response of Thomas Upson to notification of the Commission's reason to believe finding stated that on April 7, 1978, he borrowed \$30,000 from Citytrust Bank to finance his congressional race but that on June 10, 1978, as a result of being sued for divorce, he withdrew his candidacy. Thomas Upson explained that a ramification of his withdrawal was that "the contributions to [his] campaign dried

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up, leaving [him] with an outstanding balance on the Citytrust loan of approximately \$23,250.00." He further stated that on August 17, 1978, "upon the demand of Citytrust Bank," he signed a new note in the amount of \$23,250 and had his "father add his signature as co-maker." Thomas Upson noted, in this same response, that in late 1979 and early 1980 he received a total of \$6,000 from J. Warren Upson which he used to pay off a portion of the loan and that on January 2, 1980, the "remaining balance on the note of \$16,726.50 was refinanced by [his] father, J. Warren Upson" who took a "personal promissory note [from Thomas Upson] for that amount." In addition, it was admitted that J. Warren Upson paid certain interest payments on the loan. Since January 2, 1980, Thomas Upson has made five payments totalling \$450 on the loan from J. Warren Upson.

(c) 2 U.S.C. § 434

The July 10, 1978, quarterly report filed by the Upson for Congress Committee reported the receipt of \$30,000 in loans on the detailed summary page but reported no other information in regard to the loan transaction except for a payment of \$9,501.25 to Thomas Upson on June 1, 1978, for "re-payment of a loan." A request for additional information ("RFAI"), concerning the July 10, 1978, quarterly report, was mailed to the Upson for Congress Committee on August 24, 1978. On September 16, 1978, the Upson for Congress Committee filed a

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termination report which reported no outstanding debts and obligations owed by the Committee. On November 17, 1978, the Commission found reason to believe that the Upson for Congress Committee violated 2 U.S.C. § 434. On April 25, 1979, the Upson for Congress Committee responded in writing to the request for additional information dated August 24, 1978. On October 5, 1979, an additional request for information was mailed to the Upson for Congress Committee, and the Committee's written responses were received on December 3, 1979, and April 2, 1980.

II. LEGAL ANALYSIS

(a) 2 U.S.C. § 441b(a)

Under 2 U.S.C. § 431(8)(b)(vii)(former § 431(e)(5)(G)) the term "contribution" does not include any loan of money made by a state bank or national bank made in accordance with applicable banking laws and in the ordinary course of business. Pursuant to 2 U.S.C. § 441b(a) it is unlawful for national banks and corporations to make contributions in connection with federal election activities.

The response of Citytrust Bank dated July 7, 1980, indicates that the loan of August 17, 1978, to Thomas Upson was transacted in the ordinary course of business. The General Counsel, therefore, recommends that the Commission find no probable cause to believe Thomas Upson or the Upson for Congress Committee violated 2 U.S.C. § 441b(a).

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(b) 2 U.S.C. § 441a(f)

Under 2 U.S.C. § 441a(a)(1)(A) an individual is prohibited from contributing more than \$1,000 to a federal candidate with respect to each election for federal office. Under 2 U.S.C. § 441a(f) any candidate or political committee is prohibited from knowingly accepting contributions which are in violation of 2 U.S.C. § 441a.

During the period relevant to this matter, the term "contribution" was defined at 2 U.S.C. § 431(e)(1) (recodified at § 431(8)(A)) to include any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for federal office. A "loan" is defined at 11 C.F.R. § 100.7(a)(1)(i)(C) (former § 100.4(a)(1)(i)) to be a contribution by each endorser or guarantor. Each endorser or guarantor is deemed to have contributed that portion of the total amount of the loan for which he or she agreed to be liable in a written agreement (formerly defined as a guarantee, endorsement, and other form of security where the risk of nonpayment rests with the surety, guarantor or endorser as well as with a political committee, candidate or other primary obligor). Pursuant to 11 C.F.R. § 100.7(a)(1)(i)(C) and 2 U.S.C. § 431(8)(B)(vii)(I)(former § 431(e)(5)(G)) a loan is considered a loan by each endorser or guarantor in that proportion of the unpaid balance that each endorser or guarantor bears to the total number of endorsers or guarantors. A loan is a contri-

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bution to the extent that the obligation remains outstanding. 11 C.F.R. § 100.7(a)(1)(i)(B)(former § 100.4 (a)(1)(i)).

Thomas Upson was a federal candidate on April 7, 1978, when he obtained a loan of \$30,000 from Citytrust Bank. The bank loan was lent to the Upson for Congress Committee. As a federal candidate Thomas Upson incurred the obligation for the purpose of influencing a federal election. Similarly, by endorsing the August 17, 1978, renegotiation of the same loan and by refinancing that loan on January 2, 1980, J. Warren Upson was incurring obligations for the purpose of influencing a federal election. The fact that Thomas Upson withdrew from the congressional race prior to the primary election and prior to J. Warren Upson's actions does not alter the fact that the loan and the subsequent transactions were undertaken for the purpose of influencing a federal election. It is the General Counsel's view that Thomas Upson and the Upson for Congress Committee violated 2 U.S.C. § 441a(f) when they accepted the loan of \$23,250 endorsed by J. Warren Upson on August 17, 1978, when they accepted interest payments and two separate payments of \$3,000, and when they accepted the loan of \$16,726.50 from J. Warren Upson on January 2, 1980. The General Counsel, therefore, recommends that the Commission find probable cause to believe that Thomas Upson and the Upson for Congress Committee violated 2 U.S.C. § 441a(f).

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(c) 2 U.S.C. § 434

A political committee is required by 2 U.S.C. § 434(b)(8) (former § 434(b)(12)) to continually report the amount and nature of all debts and obligations until extinguished. Pursuant to 2 U.S.C. § 434(b)(3)(E) (former § 434(b)(5)) each report filed by a political committee is required to disclose the identification of each person who makes a loan to the reporting committee during the reporting period, together with the identification of any endorser or guarantor of such loan, and the date and amount of value of such loan.

The Upson for Congress Committee was the principal campaign committee of Thomas Upson when Thomas Upson obtained the loan of April 7, 1978, from Citytrust Bank. Although the July 10, 1978, quarterly report of the Upson for Congress Committee reported the receipt of \$30,000 in loans on the detailed summary page of the report, the committee's report did not provide any other information in regard to the transaction. The Upson for Congress Committee has not filed any reports, with the exception of a July 10, 1979, quarterly report, since the filing of its termination report on September 16, 1978. It is the General Counsel's view that the Upson for Congress Committee has violated former 2 U.S.C. § 434(b)(5) and present 2 U.S.C. § 434(b)(3)(E) by failing to fully report the receipt of a \$30,000 loan obtained by Thomas Upson on April 7, 1978, the receipt of a renegotiated loan of \$23,250 endorsed by J. Warren Upson on August 17, 1978, and the receipt of a \$16,726.50 loan from J. Warren Upson on January 2, 1980. It is also the General Counsel's view that

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the Upson for Congress Committee violated former 2 U.S.C. § 434(b)(12) and present 2 U.S.C. § 434(b)(8) by failing to report all debts and obligations of the committee until extinguished. The General Counsel, therefore, recommends that the Commission find probable cause to believe that the Upson for Congress Committee violated former 2 U.S.C. § 434(b)(5) and (b)(12) and present 2 U.S.C. § 434(b)(3)(E) and (b)(8).

III. GENERAL COUNSEL'S RECOMMENDATIONS

1. The General Counsel recommends that the Commission find no probable cause to believe that Thomas Upson or the Upson for Congress Committee violated 2 U.S.C. § 441b(a).
2. The General Counsel recommends that the Commission find probable cause to believe that Thomas Upson and the Upson for Congress Committee violated 2 U.S.C. § 441a(f).
3. The General Counsel recommends that the Commission find probable cause to believe that the Upson for Congress Committee violated former 2 U.S.C. § 434(b)(5) and (b)(12) and present 2 U.S.C. § 434(b)(3)(E) and (b)(8).

9 October 1980  
Date

  
Charles N. Steele  
General Counsel

81040291736



**FEDERAL ELECTION COMMISSION**  
WASHINGTON, D.C. 20463

October 9, 1980

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

J. Warren Upson  
30 Applegate Lane  
Woodbury, CT

Re: MUR 1174

Dear Mr. Upson:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, and information supplied by you, the Federal Election Commission, on June 10, 1980, found reason to believe that you violated section 441a(a)(1)(A) of the Federal Election Campaign Act of 1971, as amended, and instituted an investigation of this matter.

After considering all the evidence available to the Commission, the Office of the General Counsel is prepared to recommend that the Commission find probable cause to believe that a violation has occurred.

Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. Within fifteen days of your receipt of this notice, you may file with the Secretary of the Commission a brief (10 copies) stating your position on the issues and replying to the brief of the General Counsel. (Three copies of such brief should also be forwarded to the Office of General Counsel.) The General Counsel's brief and any brief which you may submit will be considered by the Commission before proceeding to a vote of whether there is probable cause to believe a violation has occurred.

A finding of probable cause to believe requires that the Office of General Counsel attempt for a period of not less than thirty, but not more than ninety days, to settle this matter through a conciliation agreement. This does not preclude settlement of this matter through informal conciliation prior to a finding of probable cause to believe, if you so desire.

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Letter to: J. Warren Upson  
Page 2

Should you have any questions, please contact Maura  
White at 202/523-4060.

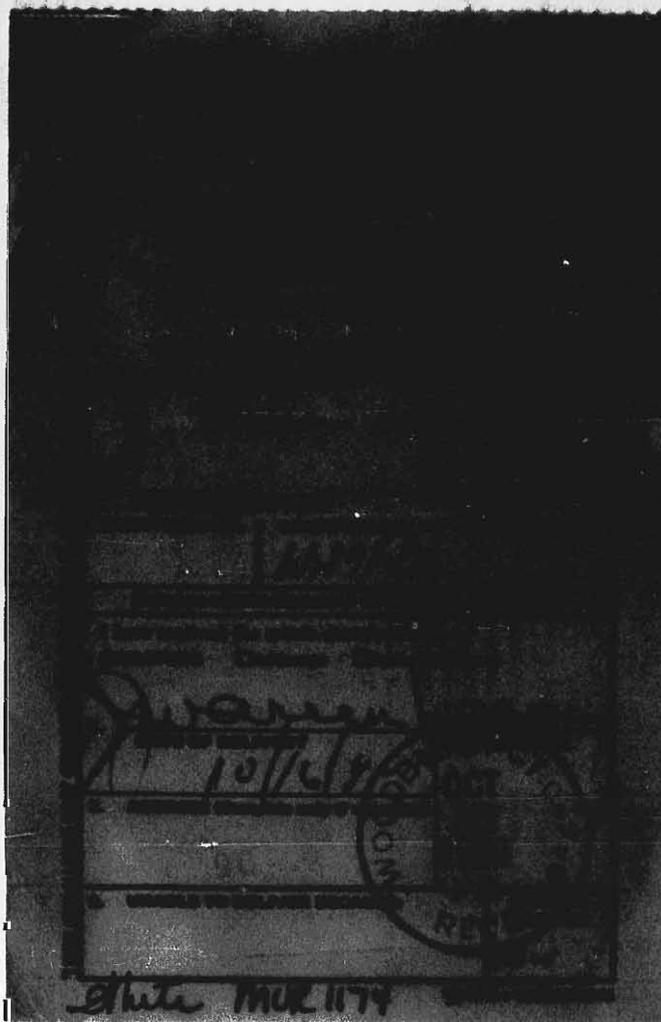
Sincerely,



Charles N. Steele  
General Counsel

Enclosure  
Brief

81040291730



In the Matter of )  
                          ) MUR 1174  
J. Warren Upson )

GENERAL COUNSEL'S BRIEF

I. STATEMENT OF THE CASE

This matter was referred to the Office of General Counsel by the Reports Analysis Division on February 14, 1980. This matter involves the endorsement by J. Warren Upson of a \$23,250 loan to Thomas Upson, a 1978 congressional candidate (CT-6), on August 17, 1978, and a \$16,726.50 loan to Thomas Upson, from J. Warren Upson, on January 2, 1980, for the purpose of repayment of the bank loan dated August 17, 1978. A bank loan of April 7, 1978, to which the loan of August 17, 1978, relates, was lent to the Upson for Congress Committee.

On June 10, 1980, the Commission found reason to believe that J. Warren Upson violated 2 U.S.C. § 441a(a)(1)(A). On June 13, 1980, a reason to believe notification letter was mailed to J. Warren Upson and his response was received on July 10, 1980

The July 10, 1980, response of J. Warren Upson stated that in April 1978 his son, Thomas Upson, borrowed \$30,000 from Citytrust Bank for his congressional race and "intended to pay the loan off with campaign contributions on a monthly basis." However, after Thomas Upson was served with a divorce complaint in June 1978, he withdrew his candidacy and was "obligated to the bank for between \$22,000 and \$23,000."

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J. Warren Upson further stated that Thomas Upson's earning capacity "made it impossible for him to pay even the interest" on the loan and that he "was unemployed after July 1, 1978."

J. Warren Upson stated that he, therefore, endorsed the bank loan [on August 17, 1978, in the amount of \$23,250] for Thomas Upson and began to pay the interest on the note. Moreover, in late 1979 and early 1980, he gave Thomas Upson a total of \$6,000 to use to reduce the loan and in January, 1980, paid off the entire amount owed to Citytrust Bank [\$16,726.50] by Thomas Upson and received a promissory note from Thomas Upson for that amount.

## II. LEGAL ANALYSIS

Under 2 U.S.C. § 441a(a)(1)(A) an individual is prohibited from contributing more than \$1,000 to a federal candidate with respect to each election for federal office. Under 2 U.S.C. § 441a(f) any candidate or political committee is prohibited from knowingly accepting contributions which are in violation of 2 U.S.C. § 441a.

At the time relevant to this matter the term "contribution" was defined at 2 U.S.C. § 431(e)(1) (recodified at § 431(8)(A)) to include any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for federal office. A "loan" is defined at 11 C.F.R. § 100.7(a)(1)(i)(C) (former § 100.4(a)(1)(i)) to be a contribution by each endorser or guarantor. Each endorser or guarantor shall

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be deemed to have contributed that portion of the total amount of the loan for which he or she agreed to be liable in a written agreement (formerly defined as a guarantee, endorsement, and other form of security where the risk of nonpayment rests with the surety, guarantor or endorser as well as with a political committee, candidate or other primary obligor). Pursuant to 11 C.F.R. § 100.7(a)(1)(i)(C) and 2 U.S.C. § 431(8)(B)(vii)(I)(former § 431(e)(5)(G)) a loan is considered a loan by each endorser or guarantor in that proportion of the unpaid balance that each endorser or guarantor bears to the total number of endorsees or guarantors. A loan is a contribution to the extent that the obligation remains outstanding. 11 C.F.R. § 100.7(a)(1)(i)(B)(former § 100.4(a)(1)(i)).

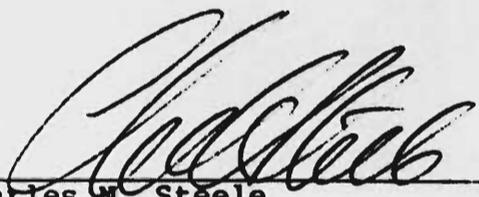
Thomas Upson was a federal candidate on April 7, 1978, when he obtained the loan of \$30,000 from Citytrust Bank. As a federal candidate Thomas Upson incurred the obligation for the purpose of influencing a federal election. Similarly, by endorsing the August 17, 1978, renegotiation of the same loan and by refinancing that loan on January 2, 1980, J. Warren Upson was incurring obligations for the purpose of influencing a federal election. The fact that Thomas Upson withdrew from the congressional race prior to the primary election and prior to J. Warren Upson's actions does not alter the fact that the loan and the subsequent transactions were undertaken for the purpose of influencing a federal election. It is the General Counsel's

view, therefore, that J. Warren Upson violated 2 U.S.C. § 441a (a)(1)(A) when he endorsed the loan of \$23,250 from Citytrust Bank to Thomas Upson on August 17, 1978, when he made the interest payments and two \$3,000 payments, and when he made the loan of \$16,726.50 to Thomas Upson on January 2, 1980, to extinguish the bank loan of August 17, 1978.

GENERAL COUNSEL'S RECOMMENDATION

Find Probable Cause to Believe that J. Warren Upson violated 2 U.S.C. § 441a(a)(1)(A).

9 October 1980  
Date

  
\_\_\_\_\_  
Charles W. Steele  
General Counsel

81040291742



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

October 9, 1980

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Norman Schaff, Jr.  
Citytrust Bank  
961 Main Street  
Bridgeport, Connecticut 06602

Re: MUR 1174

Dear Mr. Schaff:

Based on information ascertained in the normal course of carrying out its supervisory responsibilities, the Federal Election Commission, on June 10, 1980, found reason to believe that Citytrust Bank violated section 441b(a) of the Federal Election Campaign Act of 1971, as amended, and instituted an investigation of this matter.

After considering all the evidence available to the Commission, the Office of the General Counsel is prepared to recommend that the Commission find no probable cause to believe that a violation has occurred.

Submitted for your review is a brief stating the position of the General Counsel on the legal and factual issues of the case. Within fifteen days of your receipt of this notice, you may file with the Secretary of the Commission a brief (10 copies) stating your position on the issues and replying to the brief of the General Counsel. Three copies of such brief should also be forwarded to the Office of General Counsel. The General Counsel's brief and any brief which you may submit will be considered by the Commission before proceeding to a vote of no probable cause to believe a violation has occurred.

Should you have any questions, please contact Maura White at (202) 523-4060.

Sincerely,

Charles N. Steele  
General Counsel

Enclosure

Brief

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PS Form 3811, Aug. 1978  
RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

**SENDER:** Complete items 1, 2, and 3.  
Add your address in the "RETURN TO" space on the front.

1. The following service is requested (check one).  
 Show to whom and date delivered.  
 Show to whom, date, and address of delivery.  
 **RESTRICTED DELIVERY**  
 Show to whom and date delivered.  
 **RESTRICTED DELIVERY**  
 Show to whom, date, and address of delivery.  
 (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:  
*Norman Schaff, Jr.*

3. ARTICLE DESCRIPTION:  
 REGISTERED NO. *658910*    CERTIFIED NO.    INSURED NO.

1. Always check dimensions of articles or goods.

I have received the article described above.  
 SIGNATURE  Address  Authorized agent  
*Norman R. Holt*

DATE OF DELIVERY *10/14/80*    POSTMARK

4. ADDRESS: (Complete only if requested)

5. UNABLE TO DELIVER BECAUSE:    CARRIER'S INITIALS

MAR 1174 - White

In the Matter of     )  
                          ) MUR 1174  
Citytrust Bank        )

GENERAL COUNSEL'S BRIEF

I. STATEMENT OF THE CASE

On June 10, 1980, the Federal Election Commission determined that there is reason to believe that Citytrust Bank (hereinafter "Citytrust") violated 2 U.S.C. § 441b(a) by its apparent failure to transact a loan dated August 17, 1978, with Thomas Upson in the ordinary course of business. A reason to believe notification letter was mailed to Citytrust on June 13, 1980, and their response was received by the Commission on July 7, 1980.

The response of Citytrust stated that, based upon a review of their records and discussions with the officers involved, the "loan in question was made in accordance with applicable law and in the ordinary course of business." Additionally, the response explained that on August 17, 1978, a note was issued to J. Warren Upson and Thomas Upson in the amount of \$23,250 to pay off the campaign debts of Thomas Upson, and that the "note was secured by a Citytrust time savings account in the name of J. Warren Upson, the balance of which was in excess of the loan amount." The response further stated that the loan of August 17, 1978, originally had a maturity date of August 15, 1979, but that in "September of 1979 (the delay due to the loan officer's vacation), there

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was a change in note class to reflect that fact that the note was secured by a time savings account, and a new maturity date of August 15, 1980, was assigned. For the entire duration of this loan, Citytrust held the time savings account as security, the interest rate remained at prime, and interest payments were always current."

A review of loan papers submitted with Citytrust's response indicates that the original terms of the loan permitted Thomas Upson to make payments at his convenience. Citytrust's response cited both the long standing relationship of J. Warren and Thomas Upson with the bank, and the fact that the loan was secured by liquid collateral, as the rationale for originally granting the loan to Thomas Upson, as well as permitting "an extension past the original maturity date." The bank's response concluded that "[a]t no time did Citytrust Bank treat the loan and repayment in a manner that would differ from that which would be followed in the case of a nonpolitical debtor."

## II. ANALYSIS

2 U.S.C. § 431(e)(5)(G) (recodified at § 431(8)(b)(vii)) excludes from the definition of contribution any loan of money made by a state bank or national bank made in accordance with applicable banking laws and in the ordinary course of business. 2 U.S.C. § 441b(a) renders it unlawful for national banks and corporations to make contributions in connection with federal election activities.

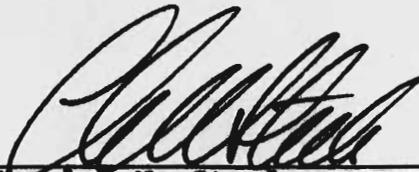
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The response of Citytrust Bank dated July 7, 1980, indicates that the loan of August 17, 1978, to Thomas Upson was transacted in the ordinary course of business. The General Counsel, therefore, recommends that the Commission find no probable cause to believe that Citytrust Bank violated 2 U.S.C. § 441b(a).

III. GENERAL COUNSEL'S RECOMMENDATION

The General Counsel recommends that the Commission find no probable cause to believe that Citytrust Bank violated 2 U.S.C. § 441b(a).

9 October 1980  
Date

  
\_\_\_\_\_  
Charles N. Steele  
General Counsel

81040291747



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES STEELE *MWC*  
FROM: MARJORIE W. EMMONS/MARGARET CHANEY *me*  
DATE: SEPTEMBER 15, 1980  
SUBJECT: MUR 1174 - Interim Investigative Report #2,  
dated 9-11-80; Received in OCS 9-12-80,  
10:19

The above-named document was circulated to the  
Commission on a no-objection basis at 2:00, September 12, 1980.

There were no objections to the Interim Investigative  
Report at the time of the deadline.

81040291748

September 12, 1980

MEMORANDUM TO: Marjorie W. Emmons  
FROM: Jane Colgrove  
SUBJECT: MUR 1174

Please have the attached Interim Investigative Report on MUR 1174 distributed to the Commission on a 24 hour no-objection basis.

Thank you.

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In the Matter of )  
 )  
Thomas Upson, J. Warren )  
Upson, Upson for Congress )  
Committee, Citytrust Bank )

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MUR 1174

INTERIM INVESTIGATIVE REPORT #2

On June 10, 1980, the Commission found reason to believe that Thomas Upson violated 2 U.S.C. § 441a(f) and § 441b(a), J. Warren Upson violated 2 U.S.C. § 441a(a)(1)(A), the Upson for Congress Committee violated 2 U.S.C. § 441a(f) and § 441b(a), and Citytrust Bank violated 2 U.S.C. § 441b(a). The responses of J. Warren Upson, Citytrust Bank, and Thomas Upson, to reason to believe notification letters, were received by the Office of General Counsel on July 10, 1980, July 7, 1980, and July 16, 1980, respectively. The Office of General Counsel and Thomas Upson engaged in a telephone conversation in regard to resolution of this matter on September 11, 1980. The Office of General Counsel is currently reviewing the replies of the respondents and will make the appropriate recommendations to the Commission shortly.

11 Sept 1980  
Date

  
\_\_\_\_\_  
Charles N. Steele  
General Counsel

81040291750



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

August 28, 1980

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Thomas Upson  
47 Holmes Avenue  
Waterbury, Connecticut

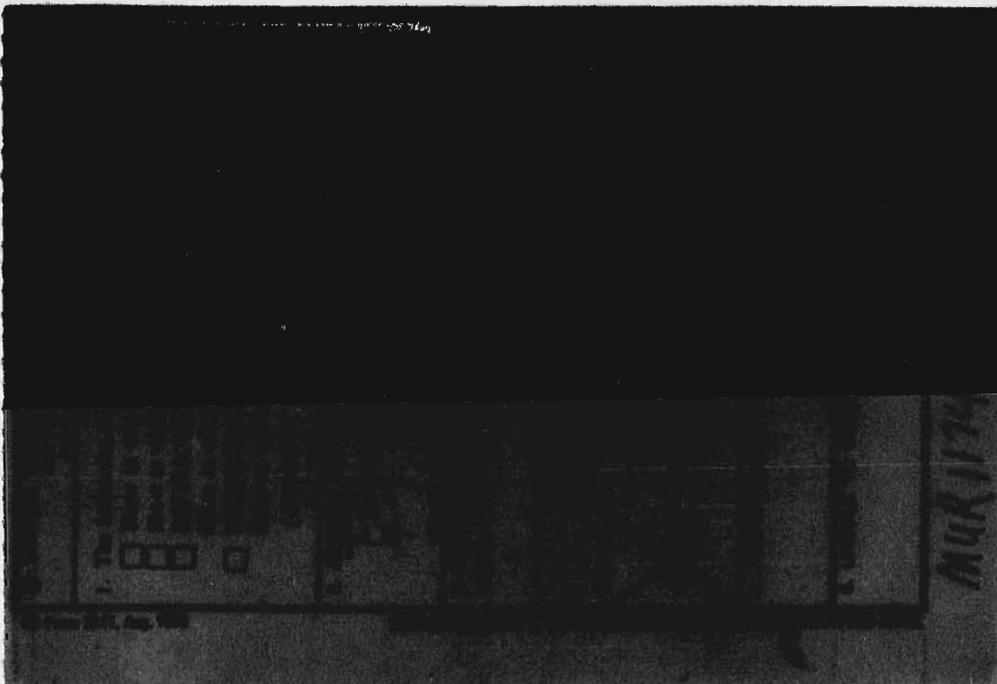
Re: MUR 1174

Dear Mr. Upson:

This is in reference to your letter dated August 13, 1980, in the matter of MUR 1174. The letters mailed to you in regard to the filing of the July 31, 1980, semi-annual report by Thomas Haselhorst, Assistant Staff Director of the Reports Analysis Division, arise from the same loan transactions which are the subject matter of MUR 1174. 2 U.S.C. § 434(b) (8) requires all political committees to disclose the amount and nature of all outstanding debts and obligations owed by, or to, the political committee until extinguished.

If you have any questions please contact Maura White, the staff member assigned to this matter, at 202-523-4060.

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*[Handwritten Signature]*  
es N. Steel  
al Counsel

MUR 1174



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Thomas Upson  
47 Holmes Avenue  
Waterbury, Connecticut

Re: MUR 1174

Dear Mr. Upson:

This is in reference to your letter dated August 13, 1980, in the matter of MUR 1174. The letters mailed to you in regard to the filing of the July 31, 1980, semi-annual report by Thomas Haselhorst, Assistant Staff Director of the Reports Analysis Division, arise from the same loan transactions which are the subject matter of MUR 1174. 2 U.S.C. § 434(b)(8) requires all political committees to disclose the amount and nature of all outstanding debts and obligations owed by, or to, the political committee until extinguished.

If you have any questions please contact Maura White, the staff member assigned to this matter, at 202-523-4060.

Sincerely,

Charles N. Steele  
General Counsel

*CS*  
*8/26/80*

81040291752

MOYNAHAN & RUSKIN  
ATTORNEYS AT LAW  
65 BANK STREET  
P. O. BOX 2801  
WATERBURY, CONNECTICUT 06723  
(203) 757-0620, 873-1411

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TIMOTHY C. MOYNAHAN  
STEPHEN A. RUSKIN  
MARK CARRINGTON  
THOMAS F. UPSON  
JOHN AMBROZAITIS, JR.

WOLCOTT OFFICE:  
286 CENTRAL AVENUE  
WOLCOTT, CONN. 06716  
(203) 878-0630

August 13, 1980

Max L. Friedersdorf, Chairman  
Federal Election Commission  
Washington, DC 20463

Re: Your File No: MUR 1174

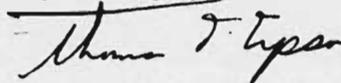
Dear Mr. Friedersdorf:

Please be advised that I continuously receive Mailgrams from Thomas J. Haselhorst stating that the Upson for Congress 1978 Committee has not filed the July 31, 1980 mid-year report of receipts and expenditures.

It is my understanding that since the matter is under review by the Federal Election Commission for my entire 1978 campaign reports, I question whether or not my committee is forced to file unnecessary returns of negative receipts and expenditures since nothing has occurred since the filing of the termination report in 1978.

Would you be kind enough to include the report requirements with respect to this matter for my review so that there will be no unnecessary duplications. Thank you for your cooperation.

Very truly yours,



THOMAS F. UPSON

TFU:cf

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MOYNAHAN & RUSKIN  
ATTORNEYS AT LAW  
63 BANK STREET  
P. O. BOX 2601  
WATERBURY, CONNECTICUT 06723

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Max L. Friedersdorf, Chairman  
Federal Election Commission  
Washington, DC 20463

00 AUG 19 09:53

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

MEMORANDUM TO: CHARLES STEELE *mwe*  
FROM: MARJORIE W. EMMONS/MARGARET CHANEY *me*  
DATE: JULY 30, 1980  
SUBJECT: MUR 1174 - Interim Investigative Report #1,  
dated 7-25-80; Signed 7-28-80; Received  
7-29-80, 4:45

The above-named document was circulated to the  
Commission on a 24 hour no-objection basis at 11:00,  
July 29, 1980.

There were no objections to the Interim Investigative  
Report at the time of the deadline.

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July 28, 1980

MEMORANDUM TO: Marjorie W. Emmons  
FROM: Jane Colgrove  
SUBJECT: MUR 1174

Please have the attached Interim Investigative Report on MUR 1174 distributed to the Commission on a 24 hour no-objection basis.

Thank you.

81040291756

BEFORE THE FEDERAL ELECTION COMMISSION  
July 25, 1980

In the Matter of )  
 )  
Thomas Upson, J. Warren ) MUR 1174  
Upson, Upson for Congress )  
Committee, Citytrust Bank )

INTERIM INVESTIGATIVE REPORT #1

On June 10, 1980, the Commission found reason to believe that Thomas Upson violated 2 U.S.C. §§ 441a(f) and 441b(a), that J. Warren Upson violated 2 U.S.C. § 441a(a)(1)(A), that the Upson for Congress Committee violated 2 U.S.C. §§ 441b(a) and 441a(f), and that Citytrust Bank violated 2 U.S.C. § 441b(a). Reason to believe notification letters were mailed to the four respondents on June 13, 1980. The responses of J. Warren Upson, Citytrust Bank, and Thomas Upson were received by the Office of General Counsel on July 10, 1980, July 7, 1980, and July 16, 1980, respectively. The Office of General Counsel is currently reviewing these responses and will make the appropriate recommendations to the Commission shortly.

25 July 1980  
Date

  
Charles N. Steele  
General Counsel

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RECEIVED  
OFFICE OF THE  
COMMISSION SECRETARY

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White

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**MOYNAHAN & RUSKIN**  
ATTORNEYS AT LAW  
63 BANK STREET  
P. O. BOX 8801  
WATERBURY, CONNECTICUT 06723  
(803) 757-8888, 573-1411

TIMOTHY C. MOYNAHAN  
STEPHEN A. RUSKIN  
MARK CARRINGTON  
THOMAS F. UPSON  
JOHN AMBROZAITIS, JR.

WOLCOTT OFFICE:  
200 CENTRAL AVENUE  
WOLCOTT, CONN. 06716  
(803) 578-0830

July 10, 1980

Max L. Friedersdorf, Chairman  
Federal Election Commission  
Washington, DC 20463

Re: Your File MUR 1174

Dear Mr. Friedersdorf:

I would like to provide you with some background information in response to your interrogatories and request for information dated June 13, 1980, which I received on or about June 25, 1980.

On or about December 27, 1977, I set up a committee to run for Congress in Connecticut's Sixth Congressional District. On April 7, 1978, I borrowed \$30,000.00 from the City Trust Bank, Waterbury Office, and signed a Promissory Note on demand whereby I agreed to make monthly repayments in the amount of \$5,000.00, beginning June 1, 1978 (although the Promissory Note does not state same).

I obtained the Promissory Note solely for the purpose of financing my 1978 campaign. The loan was obtained and processed by my Treasurer, Sidney H. Kopperl, who was also the loan officer for City Trust Bank.

At the time of the signing of the Promissory Note, I believe that I handed a statement of my wife's and my financial net worth to Mr. Kopperl which was in excess of \$30,000.00. In addition, Mr. Kopperl suggested the need for a guarantee for the loan. Although I never saw any guarantee, written or otherwise, it is my understanding that Mr. Kopperl asked Albert LaBouchere, my Finance Chairman, of Undermountain Road, Salisbury, Connecticut,

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GENERAL  
OFFICE

Max L. Friedersdorf, Chairman

Page 2

July 10, 1980

for some type of guarantee. I do not know whether the Bank ever obtained a guarantee or not.

To the best of my knowledge, the Upson for Congress 1978 Campaign Committee did make payments on my April 7th note in a total amount of approximately \$9,500.00.

On June 10, 1978, I withdrew from the congressional race for personal reasons, and, naturally, the contributions to my campaign dried up, leaving me with an outstanding balance on the City Trust loan of approximately \$23,250.00.

On August 17, 1978, upon the demand of City Trust, I signed a new note in the amount of \$23,250.00, and, also upon the demand of the Bank, I had my father add his signature as co-maker.

In January of 1980, the \$23,250.00 note was paid in full at the bank; I gave the bank \$6,000.00, which I had received as personal family gifts from my father--\$3,000.00 in 1979 and \$3000.00 in 1980. The remaining balance on the note of \$16,726.50 was refinanced by my father; he paid City Trust and he took my personal Promissory Note dated January 2, 1980 for that amount.

Since January 2, 1980, I have made five (5) payments on the Note to my father, totalling to \$450.00.

The only documents that I have in my possession are the original April 7, 1978 Note; the August 17, 1978 Note; miscellaneous memos from the City Trust Loan and Discount Department; and the copy of the Promissory Note dated January 2, 1980.

Again, the primary reason behind my withdrawal from the campaign stems from the serving of a divorce writ on me in June, 1978, by my ex-wife.

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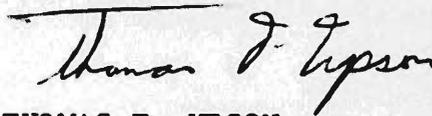
**MOYNAHAN & RUSKIN**  
**ATTORNEYS AT LAW**

Max L. Friedersdorf, Chairman  
Page 3  
July 10, 1980

I officially withdrew from the race on June 10, 1978. At the time of my withdrawal, I was Director of Admissions of St. Margaret McTernan School, Waterbury, Connecticut, and my employment contract ran from January 1, 1977 through June 30, 1978. I was unemployed for approximately one month, and I was divorced in January, 1979 at which time my ex-wife obtained all my interest in my home in Watertown, Connecticut, as well as other assets.

I would be happy to attend an informal conference with a member of your staff at anytime as I have been willing to answer any questions and have cooperated fully with your staff at all times.

Very truly yours,



THOMAS F. UPSON

TFU:cf  
Enclosures

CERTIFIED LETTER NO. 879283  
RETURN RECEIPT REQUESTED.

81010201750



PROMISSORY NOTE 5

April 7, 1978

For value received, at the times stated herein the undersigned jointly and severally (if more than one) promise to pay to the order of Citytrust ("City") at Waterbury National Office, 195 Grand St, Waterbury, Connecticut, the principal sum of THIRTY THOUSAND and 00/100 (\$30,000.00) Dollars together with interest at the rate herein stated on any unpaid principal balance. Principal shall be due and payable as follows (the checked provision applies):

- on demand
on \_\_\_\_\_ in one payment.
in equal monthly instalments of \$ \_\_\_\_\_ commencing on \_\_\_\_\_, 19\_\_\_\_ and on the same day of each successive month until paid in full.
in equal quarterly instalments of \$ \_\_\_\_\_ commencing on \_\_\_\_\_, 19\_\_\_\_ and on the same day of each successive \_\_\_\_\_, and \_\_\_\_\_ until paid in full.
in equal semi-annual instalments of \$ \_\_\_\_\_ commencing on \_\_\_\_\_, 19\_\_\_\_, and on the same day of each successive \_\_\_\_\_ and \_\_\_\_\_, until paid in full.
\$ \_\_\_\_\_ on \_\_\_\_\_ and \$ \_\_\_\_\_ on \_\_\_\_\_
(describe any other principal payment schedule)

Interest until maturity shall be payable on the unpaid principal balance with the first payment due June 1, 1978. Subsequent payments due as follows until the principal balance has been paid in full (the checked provision applies):

- (monthly) on the same day of each successive month.
(quarterly) on the same day of each successive \_\_\_\_\_ and \_\_\_\_\_
(semi-annually) on the same day of each successive \_\_\_\_\_ and \_\_\_\_\_
on \_\_\_\_\_
(describe any other interest payment schedule)

Interest shall be computed at

- the rate of \_\_\_\_\_ % per annum.
a variable rate computed daily at \_\_\_\_\_ % per annum above the rate charged by City to its prime commercial customers for ninety-day loans as that rate is determined daily by City.
a rate equal to 2% of the rate charged by City to its prime commercial customers for ninety-day loans. If the prime rate changes during the term of this note, City may at its option change the rate of this note to equal the same percentage of the new prime rate.

The checked rate also applies to amounts unpaid after maturity.

To secure the obligations of the undersigned, the undersigned grant City to the extent permitted by law a security interest in any deposit or other sum now or in the future credited by or due from City to any of the undersigned. City may apply or set off such deposits or other sums against the unpaid balance due under this note at any time.

The undersigned agree to pay City on demand any and all expenses, including reasonable attorney's fees, incurred or paid by City in collection of this note.

At the option of City, this note and all obligations of any of the undersigned hereof to City shall become immediately due and payable without notice or demand upon the occurrence of any of the following events of default: (a) default in the payment or performance of any liability or obligation to City of any of the undersigned, or of any maker, endorser or guarantor of any liability or obligation of any of the undersigned; (b) death, dissolution, termination of existence, insolvency, business failure, appointment of a receiver of any part of the property of, assignment for the benefit of creditors by or the commencement of any proceedings under any bankruptcy or insolvency laws by or against any maker, endorser or guarantor hereof; (c) the mortgage of or creation of a security interest in any property of any maker, endorser or guarantor hereof subsequent to the date hereof unless City shall be the mortgagee or secured party; (d) the issuance of an execution, attachment, notice of tax levy or lien, or other writ upon any maker, endorser or guarantor hereof; (e) failure of any maker to promptly furnish City with such financial data as City may reasonably request.

Failure by City to insist on performance in accordance with this note or any security agreement securing the note shall not be deemed a waiver of any future or other obligation under the note or security agreement.

The undersigned waive presentment for payment, demand, notice or dishonor, protest and notice of protest and all other demands and notices to parties in connection with the delivery, acceptance, performance, default or enforcement of this note.

The undersigned execute this Note and acknowledge receipt of a complete and executed copy.

THOMAS F. UPSON

Print or type Company Name (Customer)

By Thomas F. Upson Signature Title

c/o St. Margarets-McTernan School, Box 1070, 575 Chase Parkway Waterbury, Ct. 06720 Address

Customer's Signature

Address

PA SEP 01 1978 CITYTRUST

In consideration of the loan or other extension of credit or accommodation evidenced by the within note, the undersigned, jointly and severally, hereby unconditionally guarantee to the holder of said note, regardless of the genuineness, validity, regularity or enforceability thereof or any other circumstances, the prompt payment of said note when due, at maturity, by acceleration or otherwise, and hereby consent that from time to time, without notice to the undersigned, said note may be extended or renewed in whole or in part or the rate of interest thereon may be changed, and the holder may waive any right, exchange or release any collateral security or release any other party primarily or secondarily liable on said note, all without affecting or releasing the liability of any of the undersigned. The undersigned agree to be bound by each and every term of said note. Each signature hereto is intended also as an endorsement of the within note, and each of the undersigned hereby waives presentment, demand of payment, protest and notice of dishonor and of protest and any and all other notices and demands whatsoever. To secure the obligations of the undersigned hereunder, the undersigned hereby grant to Citytrust, to the extent permitted by law, a security interest in any deposit or sums now or in the future credited by or due from Citytrust to the undersigned. Citytrust may apply or set off such deposits or other sums against the unpaid balance due under this note at any time. At the option of Citytrust, all other obligations of the undersigned to Citytrust shall become immediately due and payable without notice or demand upon the occurrence of an event of default as set forth in the note. The undersigned acknowledge receipt of a complete and executed copy of the note.

\_\_\_\_\_  
Endorser's Name (Print or Type)

\_\_\_\_\_  
Endorser's Signature

\_\_\_\_\_  
Endorser's Name (Print or Type)

\_\_\_\_\_  
Endorser's Signature



For value received, at the times stated herein the undersigned jointly and severally (if more than one) promise to pay to the order of Citytrust ("City") at Waterbury National Office, 195 Grand St., Waterbury, Connecticut, the principal sum of

(Address of Branch)  
TWENTY THREE THOUSAND TWO HUNDRED FIFTY and 00/100 (\$23,250.00)

dollars together with interest at the rate herein stated on any unpaid principal balance. Principal shall be due and payable as follows (the checked provision applies):

- on demand
- on \_\_\_\_\_ in one payment.
- in equal monthly instalments of \$ \_\_\_\_\_ commencing on \_\_\_\_\_, 19\_\_\_\_ and on the same day of each successive month until paid in full.
- in equal quarterly instalments of \$ \_\_\_\_\_ commencing on \_\_\_\_\_, 19\_\_\_\_ and on the same day of each successive \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_ until paid in full.
- in equal semi-annual instalments of \$ \_\_\_\_\_ commencing on \_\_\_\_\_, 19\_\_\_\_, and on the same day of each successive \_\_\_\_\_ and \_\_\_\_\_, until paid in full.
- \$ \_\_\_\_\_ on \_\_\_\_\_ and \$ \_\_\_\_\_ on \_\_\_\_\_.
- \_\_\_\_\_  
(describe any other principal payment schedule)

Interest until maturity shall be payable on the unpaid principal balance with the first payment due November 15, 1978 and subsequent payments due as follows until the principal balance has been paid in full (the checked provision applies):

- (monthly) on the same day of each successive month.
- (quarterly) on the same day of each successive \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_
- (semi-annually) on the same day of each successive \_\_\_\_\_ and \_\_\_\_\_.
- on \_\_\_\_\_  
(describe any other interest payment schedule)

Interest shall be computed at

- the rate of \_\_\_\_\_ % per annum.
- a variable rate computed daily at PRIME % per annum above the rate charged by City to its prime commercial customers for ninety-day loans as that rate is determined daily by City.
- a rate equal to \_\_\_\_\_ % of the rate charged by City to its prime commercial customers for ninety-day loans. If the prime rate changes during the term of this note, City may at its option change the rate of this note to equal the same percentage of the new prime rate.

The checked rate also applies to amounts unpaid after maturity.

To secure the obligations of the undersigned, the undersigned grant City to the extent permitted by law a security interest in any deposit or other sum now or in the future credited by or due from City to any of the undersigned. City may apply or set off such deposits or other sums against the unpaid balance due under this note at any time.

The undersigned agree to pay City on demand any and all expenses, including reasonable attorney's fees, incurred or paid by City in collection of this note.

At the option of City, this note and all obligations of any of the undersigned hereof to City shall become immediately due and payable without notice or demand upon the occurrence of any of the following events of default: (a) default in the payment or performance of any liability or obligation to City of any of the undersigned, or of any maker, endorser or guarantor of any liability or obligation of any of the undersigned; (b) death, dissolution, termination of existence, insolvency, business failure, appointment of a receiver of any part of the property of, assignment for the benefit of creditors by or the commencement of any proceedings under any bankruptcy or insolvency laws by or against any maker, endorser or guarantor hereof; (c) the mortgage of or creation of a security interest in any property of any maker, endorser or guarantor hereof subsequent to the date hereof unless City shall be the mortgagee or secured party; (d) the issuance of an execution, attachment, notice of tax levy or lien, or other writ upon any maker, endorser or guarantor hereof; (e) failure of any maker to promptly furnish City with such financial data as City may reasonably request.

Failure by City to insist on performance in accordance with this note or any security agreement securing the note shall not be deemed a waiver of any future or other obligation under the note or security agreement

The undersigned waive presentment for payment, demand, notice or dishonor, protest and notice of protest and all other demands and notices, to parties in connection with the delivery, acceptance, performance, default or enforcement of this note.

The undersigned execute this Note and acknowledge receipt of a complete and executed copy.

MAR 06 1980

J. WARREN UPSON  
 Print or type Company Name (Customer)  
 By Thomas E. Upson X  
 Signature Title  
 THOMAS E. UPSON  
 Address  
Thomas E. Upson  
 Customer's Signature  
 Address

In consideration of the loan or other extension of credit or accommodation evidenced by the within note, the undersigned, jointly and severally, hereby unconditionally guarantee to the holder of said note, regardless of the genuineness, validity, regularity or enforceability thereof or any other circumstances, the prompt payment of said note when due, maturity by acceleration or otherwise, and hereby consent that from time to time, without notice to the undersigned, said note may be extended or renewed in whole or in part or the rate of interest thereon may be changed, and the holder may waive any right, exchange or release any collateral security or release any other party primarily or secondarily liable on said note, all without affecting or releasing the liability of any of the undersigned. The undersigned agree to be bound by each and every term of said note. Each signature hereto is intended also as an endorsement of the within note, and each of the undersigned hereby waives presentment, demand of payment, protest and notice of dishonor and of protest and any and all other notices and demands whatsoever. To secure the obligations of the undersigned hereunder, the undersigned hereby grant to Citytrust, to the extent permitted by law, a security interest in any deposit or sums now or in the future credited by or due from Citytrust to the undersigned. Citytrust may apply or set off such deposits or other sums against the unpaid balance due under this note at any time. At the option of Citytrust, all other obligations of the undersigned to Citytrust shall become immediately due and payable without notice or demand upon the occurrence of an event of default as set forth in the note. The undersigned acknowledge receipt of a complete and executed copy of the note.

\_\_\_\_\_  
Endorser's Name (Print or Type)

\_\_\_\_\_  
Endorser's Signature

\_\_\_\_\_  
Endorser's Name (Print or Type)

\_\_\_\_\_  
Endorser's Signature



**Citytrust**

981 MAIN STREET  
BRIDGEPORT, CT 06602

040291865

LOAN AND DISCOUNT DEPARTMENT

THE RATE OF INTEREST ON YOUR NOTE DESCRIBED BELOW HAS BEEN DECREASED BY 1/4% EFFECTIVE NOVEMBER 7, 1979.

ACCOUNT NO. 4402884	NOTE NO. 8082400	NOTE DATE	08/17/78
J WARREN UPSON & THOMAS UPSON C/O THOMAS F UPSON 47 HOLMES AVENUE WATERBURY CONN 06704		CURR PRINCIPAL	22,726.50
		NEW INTEREST RATE	15.25000



**Citytrust**

981 MAIN STREET  
BRIDGEPORT, CT 06602

LOAN AND DISCOUNT DEPARTMENT

THE RATE OF INTEREST ON YOUR NOTE DESCRIBED BELOW HAS BEEN INCREASED BY 1/4% EFFECTIVE NOVEMBER 9, 1979.

ACCOUNT NO. 4402884	NOTE NO. 8082400	NOTE DATE	08/17/78
J WARREN UPSON & THOMAS UPSON C/O THOMAS F UPSON 47 HOLMES AVENUE WATERBURY CONN 06704		CURR PRINCIPAL	22,726.50
		NEW INTEREST RATE	15.75000



**Citytrust**

981 MAIN STREET  
BRIDGEPORT, CT 06602

LOAN ACCOUNTING DEPARTMENT 21 11/05/79 01

PAYMENT ON YOUR NOTE DESCRIBED BELOW AND DATED 08-17-78 WILL BE DUE 11-15-79. TO ASSURE PROPER CREDIT PLEASE RETURN A COPY OF THIS NOTICE WITH YOUR PAYMENT.

ACCOUNT NO. 4402884	NOTE NO. 8082400	PRINCIPAL BALANCE 22,726.50	DUE DATE 11-15-79
J WARREN UPSON & THOMAS UPSON C/O THOMAS F UPSON 47 HOLMES AVENUE WATERBURY CONN 06704		ANNUAL PERCENTAGE INTEREST RATE	15.50000
		PRINCIPAL DUE	
		INTEREST DUE	791.61
		TOTAL DUE	791.61

TO ASSURE PROPER CREDIT PLEASE RETURN A COPY OF THIS NOTICE WITH YOUR PAYMENT



**Citytrust**

981 MAIN STREET  
BRIDGEPORT, CT 06602

\*\*\* THIRD NOTICE \*\*\*

LOAN ACCOUNTING DEPARTMENT 21 12/17/79 01

YOUR PAYMENT ON THE NOTE DESCRIBED BELOW AND DATED 08-17-78 WAS DUE 11-15-79. TO ASSURE PROPER CREDIT PLEASE RETURN A COPY OF THIS NOTICE WITH YOUR PAYMENT. PLEASE DISREGARD THIS ADVICE IF PAYMENT HAS BEEN MADE.

ACCOUNT NO. 4402884	NOTE NO. 8082400	PRINCIPAL BALANCE 22,726.50	DUE DATE 11-15-79
J WARREN UPSON & THOMAS UPSON C/O THOMAS F UPSON 47 HOLMES AVENUE WATERBURY CONN 06704		ANNUAL PERCENTAGE INTEREST RATE	15.25000
		PRINCIPAL DUE	
		INTEREST DUE	791.61
		TOTAL DUE	791.61

TO ASSURE PROPER CREDIT PLEASE RETURN A COPY OF THIS NOTICE WITH YOUR PAYMENT

PROMISSORY NOTE

\$16,726.50

January 2, 1980  
Waterbury, Connecticut

FOR VALLE RECEIVED, the undersigned promises to pay to J. Warren Upson, 30 Applegate Lane, Woodbury, Connecticut, or order, the sum of Sixteen Thousand Seven Hundred Twenty-Six and 50/100 (\$16,726.50) Dollars, without interest, together with all costs of collection, including reasonable attorney's fees incurred in any actions taken to collect this note.

---

Thomas F. Upson

81040291756

MOYNAHAN & RUSKIN

ATTORNEYS AT LAW

63 BANK STREET

P. O. BOX 2901

WATERBURY, CONNECTICUT 06723



CERTIFIED MAIL  
NO. 879283  
RETURN RECEIPT

Max L. Friedersdorf, Chairman  
Federal Election Commission  
Washington, DC 20463

CERTIFIED

No. 879283

MAIL

61040291767

OCC  
GCC#1897

**SECOR, CASSIDY & McPARTLAND  
P. C.  
ATTORNEYS AT LAW  
41-33 CHURCH STREET  
WATERBURY, CONNECTICUT 06721  
TELEPHONE (203) 757-8261**

WILLIAM J. SECOR, JR.  
JOHN H. CASSIDY, JR.  
DONALD McPARTLAND  
W. FIELDING SECOR  
RAYMOND F. VOELKER  
JAMES E. HARTLEY, JR.  
PAMELA M. TAYLOR  
  
J. WARREN UPSON  
H. JOHN WEISMAN  
MILTON A. SEYMOUR  
OF COUNSEL

CHESHIRE OFFICE  
480 HIGHLAND AVENUE  
CHESHIRE, CONNECTICUT 06410

WOODBURY OFFICE  
WOODBURY HALL  
1088 MAIN STREET SOUTH  
WOODBURY, CONNECTICUT

July 8, 1980

555689

30 JUL 10 1980  
GENERAL COUNSEL

Max L. Friedersdorf, Chairman  
Federal Election Commission  
Washington, D.C. 20463

RE: Your File MUR 1174

Dear Mr. Friedersdorf:

I am the father of Thomas F. Upson. I am seventy-six years old. I have practiced law since 1929. While I have had a good practice, it has not been particularly lucrative and I am not wealthy.

In March of 1978, my son, Thomas F. Upson, announced his intention of running for Congress from the Connecticut sixth district. He was then married with two children of pre school age. He borrowed \$30,000.00 from Citytrust in April, 1978, intending to use this fund to start his campaign and intended to pay the loan off with campaign contributions on a monthly basis. He opened a campaign office and started his campaign late in May, 1978. Early in June, 1978, he was served with a divorce complaint.

After a discussion with me and his campaign staff, he elected to withdraw his candidacy. This action on his part was fully justified as he was in a state of shock from the divorce suit. After meeting campaign expenses to the date of his withdrawal as a candidate in June, he was obligated personally to the bank for between \$22,000.00 and \$23,000.00. His earning capacity at that time made it impossible for him to pay even the interest of this sum and his principal asset, his residence, was tied up in the divorce proceeding and was ultimately taken from him in the divorce decree. He was unemployed after July 1, 1978.

I endorsed the note at the bank and commenced to pay interest on the note. As the interest rates went up in late 1978 and in 1979, interest charges approximated \$300.00 per month, far more than I could afford. In late 1979, I liquidated an asset and made a gift in 1979 of \$3,000.00 to my son which he used to reduce the loan and did the same thing in January, 1980 so that the loan was reduced to an amount between \$16,000.00 and \$17,000.00. This I paid and received a note from my son for that amount which I now hold.

8104029176A

July 8, 1980  
Page 2

When I die, that note will be a part of my estate and will be distributed to my son as his share of my assets.

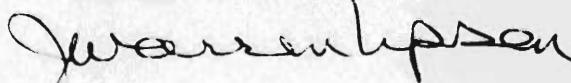
I am at a loss to see how I am guilty of any criminal action under these circumstances. I certainly will not plead guilty to any indictment and, should a trial occur, I would predict that no jury would find me to be guilty of any criminal conduct.

In my view, what was done was the only sensible way to resolve this problem. My son did not have the assets so that he could himself have paid off the loan. There was no practical way in which he could solicit funds which would have enabled him to get contributions from the large number of contributors needed to provide the amount needed to pay off the loan in full. The interest charges were high and, when he did become employed, his income was not adequate to take care of his family responsibilities and to pay interest on the loan, to say nothing about reducing the principal.

As I see it, the course that was followed was the only practical one. I am sure that information that you received from Citytrust will verify the facts outlined above.

I should be very glad to cooperate in any way possible but I will not, by word or deed, concede that I am guilty of any criminal conduct.

Very truly yours,



J. Warren Upson

JWU:cas

81040291759

81040291770

AFTER 5 DAYS RETURN TO  
SECOR, CASSIDY & MCPARTLAND, P. C.  
ATTORNEYS AT LAW  
WATERBURY, CONNECTICUT 06721



**RETURN RECEIPT  
REQUESTED**

**REGISTERED**

NO. 39153

Max L. Friedersdorf, Chairman  
Federal Election Commission  
Washington, D.C. 20463

NOV 11 1955

OGG

RECEIVED  
BRIDGEPORT  
CONNECTICUT 06602

'80 JUL 7 PM 1  
CAC # 18680



CERTIFIED MAIL - RETURN RECEIPT REQUESTED

July 1, 1980

308965

Max L. Friedersdorf, Chairman  
Federal Election Commission  
Washington, DC 20463

Re: Your File MUR 1174

Dear Mr. Friedersdorf:

This is in response to your letter under date of June 13, 1980 to Norman Schaff, Jr., Chairman of the Board of Citytrust, in which you indicated that the Commission had reason to believe that Citytrust violated Section 441(b) of the Federal Election Campaign Act of 1971, as amended (the "Act").

The report on the Commission's finding which you attached to your letter, states that ". . . the loan by Citytrust Bank to Thomas Upson on August (or October) 17, 1978, does not appear to have been transacted in the ordinary course of business . . ." A review of our records, and discussions with the officers involved, indicates that the loan in question was made in accordance with applicable law and in the ordinary course of business, as defined by 2 U.S.C.A. §431(8)(b) (vii) and Federal Election Commission Regulation §100.4(b)(13).

On August 17, 1978 a note was issued for the amount of \$23,250, the borrowers being J. Warren Upson and Thomas F. Upson, the purpose of which was to pay off campaign debts of Thomas Upson. This note was secured by a Citytrust time savings account in the name of J. Warren Upson, the balance of which was in excess of the loan amount. The interest rate on the loan was at prime, which at that time was 9.25% but which later increased and, therefore, was in excess of the minimum rate required by FDIC Rules and Regulations, §329.4(h) for interest rates on loans secured by time deposits. The interest payments on this note were automatically charged to a checking account, the charges of which I have summarized as follows:

81040291771



2/Max L. Friedersdorf, Chairman  
July 1, 1980

<u>Transaction Date</u>	<u>Interest Payment</u>	<u>Date</u>	<u>Principal Payment</u>	<u>Date</u>	<u>Balance</u>	<u>Rate (Prime)</u>
Note issued 8/17/78					\$23,250.	9.25%
11/15/78	575.74	11/15/78			23,250.	11.00%
2/15/79	706.21	2/15/79			23,250.	12.00%
5/15/79	689.75	5/15/79			23,250.	12.00%
8/15/79	704.12	8/15/79	523.50	8/13/79	22,726.50	11.75%

The August 17, 1978 note had a maturity date of August 15, 1979, however in September of 1979 (the delay due to the loan officer's vacation), there was a change in note class to reflect the fact that the note was secured by a time savings account, and a new maturity date of August 15, 1980 was assigned. For the entire duration of this loan, Citytrust held the time savings account as security, the interest rate remained at prime, and interest payments were always current.

In December of 1979, and again in January of 1980, payments were made on the principal as well as interest, which can be summarized as follows:

<u>Transaction Date</u>	<u>Interest Payment</u>	<u>Date</u>	<u>Principal Payment</u>	<u>Date</u>	<u>Balance</u>	<u>Rate (Prime)</u>
9/20/79 change in note class (Interest carried forward \$281.06)					\$22,726.50	13.00%
12/31/79	791.61	11/15/79	3,000.00	12/28/79	19,726.50	15.25%
1/2/80	461.19	12/31/79	3,000.00	12/31/79		
			16,726.50	12/31/79	-0-	15.25%

It should be noted the reason that Citytrust not only granted this loan but also permitted an extension past the original maturity date, was due to the long standing relationship of both J. Warren and Thomas F. Upson with our bank, and that the loan was fully secured by liquid collateral. This loan was made on a basis which assured repayment, was evidenced by a written instrument, and was made and pursued under commercially reasonable standards and in the ordinary course of business. At no time did Citytrust treat the loan and repayment in a manner that would differ from that which would be followed in the case of a nonpolitical debtor.

I have included, for your information, copies of all pertinent documents, together with a copy of a letter to Mr. J. Warren Upson from David W. Kelley, Vice President of our Waterbury National office, which was written to confirm the understanding that was reached at a meeting on December 26, 1979 regarding the final payments on the questioned loan.

31040291772



3/Max L. Friedersdorf, Chairman  
July 1, 1980

I hope that you will find this explanation of the matter sufficient.

Sincerely yours,

A handwritten signature in cursive script that reads 'Harriet E. Munrett'.

Harriet E. Munrett  
Assistant Legal Counsel  
and Assistant Secretary

HEM:kms  
Enclosures  
cc: Maura White

31040291773



COMPLETE THE UNSHADED INFORMATION ONLY

PREPARED BY 1604121

DATE 8/26/18

LOAN OFFICER MUST CHECK ONE BOX

12 NEW NOTE

22 REWRITTEN NOTE OR CHANGE

AN OFFICER MUST CHECK ONE BOX AND FILL IN APPROPRIATE LOAN CODES

1 L & D

2 STUDENT LOAN

OTHER

RETAIL DIVISION

COMMERCIAL DIVISION

SCREEN NUMBER: CL, TRANSACTION NUMBER: IN, NOTE CLASS: 014402884, NOTE NUMBER: 0087, LOAN TYPE: LT221

NOTE AMOUNT (NEW LOAN OR TIME INCREASE): AM 23250.00, INTEREST RATE: IR 9.25, EFFECTIVE DATE: 081778, DISCOUNT AMOUNT: DI

NOTE DATE (NEW): DA 081778, MATURITY DATE: MD 081579, RENEWAL NOTE DATE: RN, PAST DUE PRINCIPAL: PD

COMMITMENT AMOUNT: AC, FED. RES. CODE: FR715, REG. I: RZ, APP. CODE: AP, YEAR BASE: YB2, ACCT. OFFICER: AOSHK, BRANCH NO.: BR521

TIME LOAN BILLING INFORMATION

PRINCIPAL REDUCTION ON RENEWALS: RP, ANTICIPATED REDUCTION: AR, EXPECTED # OF REN.: XR, BILLING CODE: BC, SEND NO NOTICE: NO

DEMAND OR TERM LOAN BILLING INFORMATION

BILLING CODE: BC2, BILLING DATE: BD 111578, PRINCIPAL PAYMENT: PP, CODE: PI, WAIVE PRINC.: WP, DUE DATE: DD, INTEREST RATE INDICATOR: PR2

CHARGE ACCOUNT NO.: CA 0600237, CODE: BM, SPECIFIC BILLING MONTHS: LD, PAST DUE DATE: IL, INTEREST LOW BRACKET: IL

COLLATERAL SCHEDULE NO.: CS

ENDORSEER INFORMATION

SPECIFY: EE=ENDORSEER, EG=GUARANTOR, EC=CO-SIGNER, ENTER AMOUNT FOR EG ONLY (000 OMITTED)

SPECIFY #1 ACCOUNT NO.	AMOUNT	#2 ACCOUNT NO.	AMOUNT
#3 ACCOUNT NO.	AMOUNT	#4 ACCOUNT NO.	AMOUNT

LOAN REVIEW

REVIEWER'S NAME: \_\_\_\_\_

GRADE: GR, REVIEW DATE: RDO

	#1	#2	#3	#4
DEBT				
NET WORTH				
STATEMENT DATE				

EE, EC & EG NAME(S)

#1 \_\_\_\_\_

#2 \_\_\_\_\_

#3 \_\_\_\_\_

#4 \_\_\_\_\_

BORROWER'S INFORMATION

NAME: J. Warren Upson & Thomas F. Upson

ADDRESS: 30 Northfield Road, Watertown Ct. 06195

REPAYMENT TERMS: \_\_\_\_\_

COLLATERAL VALUATION & TYPE: Passbook J. Warren Upson 25hr

SPECIAL TERMS OR CONDITIONS: Paying off Acct. 2409520 81010 8/17/18 \$20,938.98 + Int 513.25 if/for Thomas F. Upson

BUSINESS: Attorney

LOAN AMOUNT: \$ 23,250

NEW MONEY ADVANCED: \$ 1,197.71

LOAN REDUCTION: \$ \_\_\_\_\_

COMPENSATING BALANCES: \$ \_\_\_\_\_

DISBURSEMENT ISSUED CHECK: 4 checks

TIED TO PRIME:  OTHER:

INTEREST RATE: Prime

LOAN OR INCREASE:  RENEWAL:

SECURED:  UNSECURED:

REWRITTEN (SEE REVERSE SIDE):  TRANS RENEWAL:

DATE: / /

NET WORTH: <u>J. Warren</u>	WORKING CAPITAL: _____	TOTAL DEBT: <u>3500</u>
NET INCOME: <u>15A</u>	DEPRECIATION: _____	NET WORTH: <u>2200</u>

REGULATED =  YES  NO

AUDITED =  YES  NO

CITYTRUST STATEMENT FORM:  YES  NO

DATE OF STATEMENT: 8/26

DATE NAME

ALTERNATE ADDRESS LINE 1

ALTERNATE ADDRESS LINE 2

ALTERNATE ADDRESS LINE 3

9 Z P 9

HAS BANK CREDIT INTERCHANGE CHECK BEEN COMPLETED?  YES  NO

HAS D & B OR OTHER AGENCY CHECK BEEN COMPLETED?  YES  NO

LOAN BALANCES AFTER THIS LOAN

MAKER BORROWINGS			ENDORSER(S) BORROWINGS				
UNSECURED	\$ 23,250	INDIRECT L & D	\$	UNSECURED	\$		
SECURED	\$	INDIRECT INST.	\$	SECURED	\$		
INSTALMENT	\$	INDIRECT MTG.	\$	INSTALMENT	\$		
M/C LINE	\$	UNUSED LINE OR COMM. (DIR.)	\$	M/C LINE	\$		
MORTGAGE	\$	UNUSED LINE OR COMM. (IND.)	\$	MORTGAGE	\$		
LETTERS OF CR.	\$	LEASES	\$	LETTERS OF CR.	\$		
TOTAL MAKER			\$ 23,250	TOTAL ENDORSERS			\$

ACCOUNT NUMBER	DEPOSIT BALANCE	ACCOUNT NUMBER	DEPOSIT BALANCE	ACCOUNT NUMBER	DEPOSIT BALANCE
1060-021-7		113-821-3			
J. Warren Upson		Thomas R. Upson			

**LOAN INFORMATION**

PURPOSE/ORIGINAL PURPOSE: Pay off T. Upson Campaign Debt - Personal expenses

PRIMARY SOURCE OF REPAYMENT: Income

SECONDARY SOURCE OF REPAYMENT: Passbook

ORIGINAL TERMS (THIS SHADED AREA MUST BE COMPLETED ON ALL RENEWAL OR REFINANCED LOANS): Int. Qtrly In full 1 yr.

ORIGINAL DATE: 8/1 ORIGINAL AMOUNT: 23,250 COLLATERAL VALUE: *None*

PREVIOUS INT. RATE: Prime CURRENT INT. RATE: Prime TOTAL DEPOSIT BAL.: TOTAL LOAN: 23,250 NET AMOUNT PAID: 1797.71

**DOCUMENT SECTION**

DOCUMENT DATE	ON FILE	ENCLOSED
	<input type="checkbox"/>	BORR. RES.
	<input type="checkbox"/>	GUARANTEE
	<input type="checkbox"/>	HYPOTHECATION
	<input type="checkbox"/>	UCC 1
	<input type="checkbox"/>	BCI REPORT
	<input type="checkbox"/>	D & B REPORT
	<input type="checkbox"/>	NOTE
	<input type="checkbox"/>	COLLATERAL
	<input type="checkbox"/>	POWERS
	<input type="checkbox"/>	REG. U STMT.
	<input type="checkbox"/>	LOAN AGREE.
	<input type="checkbox"/>	FIN. STMT.

**COMMENTS** IF REWRITTEN, GIVE SPECIFIC REASON FOR NOT PAYING IN ACCORDANCE WITH TERMS.

Paying off Acct. 2409520, Note 81010 info Thomas R. Upson is 20,938.98 Prime. 513.25 Int. to 8/17/78 - Pay off 23,250.

RECEIVED  
AUG 29 1978  
DOCUMENTATION DEPT.  
CITYTRUST

LOAN OFFICER: *[Signature]* REGIONAL MANAGER: COMMITTEE: APPROVAL DATE:

81040291775





CREDIT BRIEF

Date 7-11-79

CREDIT DEPARTMENT ACTION REQUEST

ADVISING CREDIT DEPARTMENT ONLY

Reason for Submitting: ( ) Prepare Risk Offering ( ) Spread Only ( ) New Loan ( ) Minor Extension/Modification  
( ) Spread and Analysis Only ( ) Other (See Comments) ( ) Restructured  
( ) Skip Payment  
( ) Other (See Comments)

CUSTOMER DESCRIPTION ( ) New Account Acct. # 4402884 Note # 808240

Name of Borrower(s): Edna J. Warren Hoan + Thomas Hoan

Location: 30 Northfield Rd Wakefield MA 01785

Type of Business: Atty -

Principal(s): \_\_\_\_\_

Related Companies/Accounts (Names): \_\_\_\_\_

Organization: (x) Individual ( ) Corporation ( ) Sub S ( ) Partnership ( ) Proprietorship ( ) Other \_\_\_\_\_

LOAN DESCRIPTION

( ) Line of Credit  
 ( ) Internal Guidance Line  
 ( ) Approval  
 ( ) Advance  
 ( ) Term Loan  
 ( ) Bus. Instal. Loan  
 ( ) Revolver  
 ( ) M/R Financing  
 ( ) Commercial Mortgage  
 ( ) Time Loan  
 (x) Demand Loan  
 ( ) Other (describe): \_\_\_\_\_

Secured Liquid ( ) Secured Non-Liquid ( ) Unsecured  
 ( ) Guaranteed \$ \_\_\_\_\_ ( ) Endorsed \$ \_\_\_\_\_ ( ) Co-signed \$ \_\_\_\_\_  
 by: ① \_\_\_\_\_ T/L \_\_\_\_\_ Tang. NW: \_\_\_\_\_  
 ② \_\_\_\_\_ T/L \_\_\_\_\_ Tang. NW: \_\_\_\_\_  
 ③ \_\_\_\_\_ T/L \_\_\_\_\_ Tang. NW: \_\_\_\_\_  
 Rate: P+ 0 Original Rate: P+ 0 Original Date: 8/15/79  
 Repayment Terms: payable in one year after commencement Maturity Date: 8/15/80  
 Original Terms: payable at borrower's convenience  
 Original Amount: 23,250

Amount \$ 25,000 (includes \$ \_\_\_\_\_ "new" money) Total Liability \$ 100,250

Proceeds Disbursed by Credit to Account # pay burr dist or Bank Check # \_\_\_\_\_

Purpose/Original Purpose: fund campaign expenses

Primary Source of Repayment: income

Secondary Source of Repayment: collateral

Collateral: Citytrust pledged - 219041161 net \$25,000

Balance Requirements: \_\_\_\_\_

SUPPORTING DOCUMENTS

	Original On File At Main Office	Copy/Original Attached	Due by	Waived
Financial Statement dated _____	_____	_____	_____	_____
Borrowing Resolution dated _____	_____	_____	_____	_____
Grantor, etc. Statement dated _____	_____	_____	_____	_____
Other (describe) _____	_____	_____	_____	_____

FINANCIAL STATEMENTS (If personal, copy of statement must be attached)

( ) Spread Sheet Attached waived (in thousands)

DATE			
QUICK ASSETS			
CURRENT ASSETS			
CURRENT LIABILITIES			
TOTAL ASSETS			
TOTAL LIABILITIES			
TANGIBLE NET WORTH			
SALES			
NET INCOME AFTER TAXES			
DEPRECIATION			
OFFICER COMPENSATION			
WORKING CAPITAL			
CURRENT RATIO			
EBT/WORTH			

AUDITED: ( ) Yes ( ) No

ACCOUNTANT: \_\_\_\_\_

AN OFFICER'S REASON(S) FOR GRANTING THIS LOAN OR EXTENSION/MODIFICATION:

MRESPSON + son have long standing relationship with Citytrust. This loan fully secured liquid collateral

COMMENTS:

payments will begin shortly in irregular fashion as the spouses income will allow

COLLATERAL DEFINITION EXPANSION:

Citytrust probosc 01901171 has current balance of \$25,000.00

LIABILITY SECTION:

LOAN BALANCES AFTER THIS LOAN \*

MAKER BORROWINGS				ENDORSEER(S) BORROWINGS			
UNSECURED	\$	INDIRECT L & D	\$	UNSECURED	\$	J. W. ...	
SECURED LIQUID	\$ 23,250	INDIRECT INST.	\$	SECURED LIQUID	\$ 25,000		
SECURED NON-LIQUID	\$	INDIRECT MTG.	\$	SECURED NON-LIQUID	\$ 50,000		
INSTALMENT	\$	UNUSED LINE OR COMM (DIR.)	\$	INSTALMENT	\$	UNUSED LINE OR COMM (DIR.)	\$
MVC LINE	\$	UNUSED LINE OR COMM (IND.)	\$	MVC LINE	\$ 2000		
MORTGAGE	\$	TOTAL MAKER	\$ 23,250	MORTGAGE	\$	TOTAL ENDORSEER(S)	\$ 77,000
LETTERS OF CR	\$			LETTERS OF CR	\$		
LEASES	\$			LEASES	\$		

\* Where there are multiple endorsers/guarantors, a separate sheet must be attached listing borrowings from Citytrust of each. If the endorser(s)/guarantor(s) are liable on any other Citytrust loan(s) indicate which account(s) and the liability on each. Use a separate sheet if necessary.

ACCOUNT NUMBER	DEPOSIT BALANCE	ACCOUNT NUMBER	DEPOSIT BALANCE	ACCOUNT NUMBER	DEPOSIT BALANCE
21901174	25000	J W ...			
21901161	25000	J W ...			
0500237	201	J W ...			

TOTAL DDA: \_\_\_\_\_ TOTAL SAVINGS: \_\_\_\_\_

APPROVAL

Officer(s) [Signature] Branch 21 Officer I.D. # or Letters Dick Lending Limit (\$ or A.B. etc.) B

LOAN POLICY COMMITTEE APPROVAL DATE \_\_\_\_\_

OFFICER RATING (Circle below)

Overall 1 2 3 4 5  
Collateral A B C

Signed by (for other than loan approvals)

DOCUMENTATION STAMP



CREDIT BRIEF

Date: 7-11-79

CREDIT DEPARTMENT ACTION REQUEST

ADVISING CREDIT DEPARTMENT ONLY

Reason for Submitting: ( ) Prepare Risk Offering ( ) Spread Only ( ) New Loan ( ) Minor Extension/Modification ( ) Spread and Analysis Only ( ) Other (See Comments) ( ) Restructured ( ) Skip Payment ( ) Other (See Comments)

CUSTOMER DESCRIPTION ( ) New Account Acct. # 4402884 Note # 8082400
Name of Borrower(s): Frank J. Warren Mason + Thomas Mason
Location: 30 Northfield Rd Waltham, MA 02155
Type of Business: - Atty -
Principal(s):
Related Companies/Accounts (Names):

Organization: (x) Individual ( ) Corporation ( ) Sub S ( ) Partnership ( ) Proprietorship ( ) Other

LOAN DESCRIPTION

- ( ) Line of Credit
( ) Internal Guidance Line
( ) Approval
( ) Advance
( ) Term Loan
( ) Bus. Instal. Loan
( ) Revolver
( ) A/R Financing
( ) Commercial Mortgage
( ) Time Loan
( ) Demand Loan
( ) Other (describe):

Secured Liquid ( ) Secured Non-Liquid ( ) Unsecured
( ) Guaranteed \$ ( ) Endorsed \$ ( ) Co-signed \$
by: 1 TL Tang. NW:
2 TL Tang. NW:
3 TL Tang. NW:
Rate: P+ 0 Original Rate: P+ 0 Original Date: 8/15/78
Repayment Terms: Payable in one year at borrower Maturity Date: 8/15/80
Original Terms: payable at borrower's convenience
Original Amount: 25,250

Amount \$ 25,000 (includes \$ "new" money) Total Liability \$ 100,250
Proceeds Disbursed by Credit to Account: pay prior debt or Bank Check #
Purpose/Original Purpose: fund campaign expenses
Primary Source of Repayment: income
Secondary Source of Repayment: collateral
Collateral: Citytrust passbook 219001161 bal 25,000 -

SUPPORTING DOCUMENTS

Table with columns: Original On File At Main Office, Copy/Original Attached, Due by, Waived. Rows: Financial Statement dated, Borrowing Resolution dated, Guarantor, etc. Statement dated, Other (describe).

FINANCIAL STATEMENTS (If personal, copy of statement must be attached)

( ) Spread Sheet Attached (in thousands)

Table with columns: DATE, QUICK ASSETS, CURRENT ASSETS, CURRENT LIABILITIES, TOTAL ASSETS, TOTAL LIABILITIES, TANGIBLE NET WORTH, SALES, NET INCOME AFTER TAXES, DEPRECIATION, OFFICER COMPENSATION, WORKING CAPITAL, CURRENT RATIO, DEBT/WORTH.

AUDITED: ( ) Yes ( ) No ACCOUNTANT:

OFFICER'S REASON(S) FOR GRANTING THIS LOAN OR EXTENSION OF CREDIT:  
 Applicant + Son have long standing relationship with Citytrust. This loan fully secured by liquid collateral.

COMMENTS:

payments will begin shortly in irregular fashion as Mr. Lipson's income will allow

COLLATERAL DEFINITION EXPANSION:

Citytrust passbook 219011171 has current balance of \$25,000.00

LIABILITY SECTION:

LOAN BALANCES AFTER THIS LOAN \*

MAKER BORROWINGS				ENDORSER(S) BORROWINGS			
UNSECURED	\$	INDIRECT L & D	\$	UNSECURED	\$	J. Warrant Lipson	
SECURED LIQUID	\$ 23,250	INDIRECT INST.	\$	SECURED LIQUID	\$ 25,000		
SECURED NON-LIQUID	\$	INDIRECT MTG.	\$	SECURED NON-LIQUID	\$ 50,000		
INSTALMENT	\$	UNUSED LINE OR COMM (DIR.)	\$	INSTALMENT	\$	UNUSED LINE OR COMM (DIR.)	\$
M/C LINE	\$	UNUSED LINE OR COMM (IND)	\$	M/C LINE	\$ 200		
MORTGAGE	\$	TOTAL MAKER	\$ 23,250	MORTGAGE	\$		
LETTERS OF CR	\$			LETTERS OF CR	\$	TOTAL ENDORSER(S):	\$ 77,000
LEASES	\$			LEASES	\$	TL - 100,250	

\* Where there are multiple endorsers/guarantors, a separate sheet must be attached listing borrowings from Citytrust of each. If the endorser(s)/guarantor(s) are liable on any other Citytrust loan(s) indicate which account(s) and the liability on each. Use a separate sheet if necessary

ACCOUNT NUMBER	DEPOSIT BALANCE	ACCOUNT NUMBER	DEPOSIT BALANCE	ACCOUNT NUMBER	DEPOSIT BALANCE
219011174	25000	J Warron			
219011161	25000	J Warron			
0600237	201	J Warron			

TOTAL DDA: \_\_\_\_\_ TOTAL SAVINGS: \_\_\_\_\_

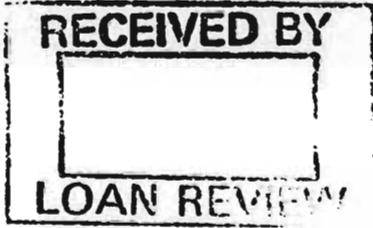
APPROVAL

Officer(s) [Signature] Branch 21 Officer I.D. # or Letters Di/K Lending Limit (\$ or A.B.etc) B  
[Signature] 521 [Signature] D

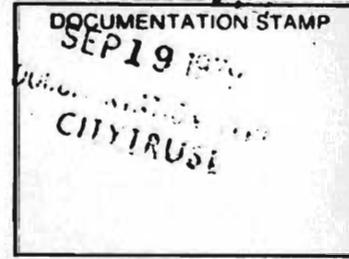
LOAN POLICY COMMITTEE APPROVAL DATE \_\_\_\_\_

OFFICER RATING (Circle below)

Overall 1 2 3 4 5  
 Collateral A B C



Signed by (for other than Loan Approvals) \_\_\_\_\_





**Citytrust**

December 26, 1979

Mr. J. Warren Upson, Esquire  
P.O. Box 308  
Woodbury, Connecticut 06798

RE: Account #4402884

Dear Mr. Upson:

This letter will confirm the understanding reached at the meeting of you, Mr. Kopperl and I on December 26, 1979 with regard to payments on the subject loan. The source of payment is understood to be as follows:

<u>Date</u>	<u>Amount</u>	<u>Source</u>
12-28-79	\$ 3,000.00	Gift of J. Warren Upson from Certificate
1-3- 80	3,000.00	Gift of J. Warren Upson from Certificate
1-3-80	16,726.50	Note to J. Warren Upson from Thomas Upson Cash for note from certificate
1-3-80	791.61	Interest due 11-15-79 and subsequently.
	-461.19	

The interest payments assume principal reductions made on the dates indicated and that prime rate stays at 15.25%.

Very truly yours,

David W. Kelley  
Vice President  
Waterbury National Office

DWK/mcg

81040291781



**Citytrust**

RECEIVED  
CONNECTICUT 2002

'80 JUL 7 AM 10:52

acc# 1860

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

July 1, 1980

**908949**

**Max L. Friedersdorf, Chairman  
Federal Election Commission  
Washington, DC 20463**

**Re: Your File MUR 1174**

**Dear Mr. Friedersdorf:**

**This is in response to your letter under date of June 13, 1980 to Norman Schaff, Jr., Chairman of the Board of Citytrust, in which you indicated that the Commission had reason to believe that Citytrust violated Section 441(b) of the Federal Election Campaign Act of 1971, as amended (the "Act").**

**The report on the Commission's finding which you attached to your letter, states that ". . . the loan by Citytrust Bank to Thomas Upson on August (or October) 17, 1978, does not appear to have been transacted in the ordinary course of business . . ." A review of our records, and discussions with the officers involved, indicates that the loan in question was made in accordance with applicable law and in the ordinary course of business, as defined by 2 U.S.C.A. §431(8)(b) (vii) and Federal Election Commission Regulation §100.4(b)(13).**

**On August 17, 1978 a note was issued for the amount of \$23,250, the borrowers being J. Warren Upson and Thomas F. Upson, the purpose of which was to pay off campaign debts of Thomas Upson. This note was secured by a Citytrust time savings account in the name of J. Warren Upson, the balance of which was in excess of the loan amount. The interest rate on the loan was at prime, which at that time was 9.25% but which later increased and, therefore, was in excess of the minimum rate required by FDIC Rules and Regulations, §329.4(h) for interest rates on loans secured by time deposits. The interest payments on this note were automatically charged to a checking account, the charges of which I have summarized as follows:**

81040291782

00:50 2 JUL 08

GENERAL DELIVERY  
RECEIVED



2/Max L. Friedersdorf, Chairman  
July 1, 1980

<u>Transaction Date</u>	<u>Interest Payment</u>	<u>Date</u>	<u>Principal Payment</u>	<u>Date</u>	<u>Balance</u>	<u>Rate (Prime)</u>
Note issued 8/17/78					\$23,250.	9.25%
11/15/78	575.74	11/15/78			23,250.	11.00%
2/15/79	706.21	2/15/79			23,250.	12.00%
5/15/79	689.75	5/15/79			23,250.	12.00%
8/15/79	704.12	8/15/79	523.50	8/13/79	22,726.50	11.75%

The August 17, 1978 note had a maturity date of August 15, 1979, however in September of 1979 (the delay due to the loan officer's vacation), there was a change in note class to reflect the fact that the note was secured by a time savings account, and a new maturity date of August 15, 1980 was assigned. For the entire duration of this loan, Citytrust held the time savings account as security, the interest rate remained at prime, and interest payments were always current.

In December of 1979, and again in January of 1980, payments were made on the principal as well as interest, which can be summarized as follows:

<u>Transaction Date</u>	<u>Interest Payment</u>	<u>Date</u>	<u>Principal Payment</u>	<u>Date</u>	<u>Balance</u>	<u>Rate (Prime)</u>
9/20/79 change in note class (Interest carried forward \$281.06)					\$22,726.50	13.00%
12/31/79	791.61	11/15/79	3,000.00	12/28/79	19,726.50	15.25%
1/2/80	461.19	12/31/79	3,000.00	12/31/79		
			16,726.50	12/31/79	-0-	15.25%

It should be noted the reason that Citytrust not only granted this loan but also permitted an extension past the original maturity date, was due to the long standing relationship of both J. Warren and Thomas F. Upson with our bank, and that the loan was fully secured by liquid collateral. This loan was made on a basis which assured repayment, was evidenced by a written instrument, and was made and pursued under commercially reasonable standards and in the ordinary course of business. At no time did Citytrust treat the loan and repayment in a manner that would differ from that which would be followed in the case of a nonpolitical debtor.

I have included, for your information, copies of all pertinent documents, together with a copy of a letter to Mr. J. Warren Upson from David W. Kelley, Vice President of our Waterbury National office, which was written to confirm the understanding that was reached at a meeting on December 26, 1979 regarding the final payments on the questioned loan.

81040291783



3/Max L. Friedersdorf, Chairman  
July 1, 1980

I hope that you will find this explanation of the matter sufficient.

Sincerely yours,

Harriet E. Munrett  
Assistant Legal Counsel  
and Assistant Secretary

HEM:kms  
Enclosures  
cc: Maura White

81040291784

3 1 0 4 0 2 1 7 8 5



BRIDGEPORT  
CONNECTICUT 06602

Maura White

Federal Election Commission

Washington, DC 20463





FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

June 13, 1980

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

J. Warren Upson  
30 Applegate Lane  
Woodbury, CT

Re: MUR 1174

Dear Mr. Upson:

On June 10, 1980, the Federal Election Commission found reason to believe that you violated section 441a of the Federal Election Campaign Act of 1971, as amended ("the Act"). A report on the Commission's finding is enclosed for your information.

You may submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. In the absence of any information which demonstrates that no further action should be taken against you, the Commission may find probable cause to believe that a violation has occurred, and proceed with formal conciliation. Of course, this does not preclude the settlement of this matter through informal conciliation prior to a finding of probable cause to believe if you so desire.

This matter will remain confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) (formerly § 437g(a)(3)(B)) unless you notify the Commission in writing that you wish the matter to be made public.

If you have any questions, please contact Maura White, the staff member assigned to this matter at 202/523-4060.

Sincerely,

*Max L. Friedersdorf*  
Max L. Friedersdorf  
Chairman

Enclosure

81040291735

8104029137878

FORM 3811, Aug. 1978

SENDER: Complete items 1, 2, and 3.  
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).  
 Show to whom and date delivered.  
 Show to whom, date, and address of delivery.  
 RESTRICTED DELIVERY  
 Show to whom and date delivered.  
 RESTRICTED DELIVERY.  
 Show to whom, date, and address of delivery.  
 (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO: *Wayne Up*  
*30 Applegate Lane*  
*Woodbury, CT*

3. ARTICLE DESCRIPTION:  
 REGISTERED NO. | CERTIFIED NO. | INSURED NO.  
 | *945179* |

4. (Always obtain signature of addressee or agent)  
 I have received the article described above:  
 SIGNATURE  Addressee  Authorized agent  
*Jessie Coyle*

5. DATE OF DELIVERY

6. ADDRESS (Complete only if requested)

7. UNABLE TO DELIVER BECAUSE:

*MW MURPHY*

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

WOODBURY  
 JUN 21  
 CT

FEDERAL ELECTION COMMISSION

NOTIFICATION OF REASON TO BELIEVE FINDING

DATE June 13, 1980

MUR NO. 1174  
STAFF MEMBER(S) & TEL. NO.  
M. White/D.Branch

RESPONDENT J. Warren Upson

202-523-4060

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

BACKGROUND

On February 14, 1980, the Reports Analysis Division ("RAD") referred this matter to the Office of General Counsel. J. Warren Upson may have violated 2 U.S.C. § 441a (a)(1)(A) by making contributions (loans) to Thomas Upson, a 1978 congressional candidate, in excess of the limits on contributions.

FACTUAL AND LEGAL ANALYSIS

A review of the July 10, 1978, quarterly report filed by the Upson for Congress Committee ("Committee") revealed that while the committee did not report any outstanding debts and obligations, it did report an expenditure of \$9,501.25 to Thomas Upson, the candidate, on June 1, 1978, for "repayment of a loan," and the detailed summary page listed the receipt of \$30,000 in loans.

On April 24, 1979, Sidney Kopperl, the treasurer of the Committee provided RAD with an explanation of the loan transaction. According to Mr. Kopperl's response, a \$30,000 loan was made to Thomas Upson on April 7, 1978. The loan was to be repaid at the rate of \$5,000 per month and was made to Mr. Upson "based on the strength exhibited in his personal financial statement. This money was subsequently lent to the Upson for Congress campaign." Mr. Kopperl stated that on August 17, 1978, the loan balance stood at \$23,250. On that date, this balance was "paid off and re-cast in a new obligation made in the name of Thomas F. Upson and J. Warren Upson." 1/

81040291738

On October 5, 1979, RAD mailed a surface violation letter to the Committee in response to the amended July 10, 1978, quarterly report filed on April 24, 1979 (Mr. Kopperl's response). The letter advised the Committee that the loan received from J. Warren Upson appeared to exceed the limits of 2 U.S.C. § 441a. Thomas Upson responded to the surface violation letter on December 3, 1979, in a telephone conversation and a letter. Mr. Upson's letter stated that he withdrew from the congressional race on June 10, 1978, and subsequent to his withdrawal "all the debts of the campaign were paid off and the note was recast in a new obligation dated October 17, 1978 made in the name of Thomas Upson and my father, J. Warren Upson." See fn. 1. A copy of a bank statement was submitted with Mr. Upson's response which indicates that, on or about September 21, 1979, the principal on the loan was \$22,726.50. Mr. Upson stated in his December 3 letter that this amount was the current balance on the loan.

On March 31, 1980, Thomas Upson informed the Commission that on December 28, 1979, and January 2, 1980, he reduced the loan by \$6,000, and that on January 2, 1980, he "paid off the entire loan and executed a note to J. Warren Upson (my father), from myself to him for the entire balance." The note executed to J. Warren Upson appears to have been in the amount of \$16,726.50. Thomas Upson has stated that the "entire debt owed to Citytrust Bank on behalf of [his] campaign has been paid off," and he is repaying his father on the note that he executed to him.

2 U.S.C. § 431(e)(1) (recodified at § 431(8)(A)) defines contribution to include any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for federal office. 11 C.F.R. § 100.7(a)(1)(i)(C) (former § 100.4(a)(1)(i)) defines a loan to be a contribution by each endorser or guarantor. Each endorser or guarantor shall be deemed to have contributed that portion of the total amount of the loan for which he or she agreed to be liable in a written agreement (formerly defined as a guarantee, endorsement, and other form of security where the risk of nonpayment rests with the surety, guarantor or endorser as well as with a political committee, candidate, or other primary obligor). Pursuant to 11 C.F.R. § 100.7(a)(1)(i)(C) and 2 U.S.C. § 431(8)(B)(vii)(I) (former § 431(e)(5)(G))

1/ Mr. Kopperl's response does not agree in detail with the response of Thomas Upson dated December 3, 1979. Mr. Upson has stated that on or about April 1, 1978, he borrowed \$30,000 from Citytrust Bank which was guaranteed by a "second party." There was no mention of a second party in Mr. Kopperl's response. Furthermore, while Mr. Kopperl stated that the new obligation was incurred on August 17, 1978, Mr. Upson has stated that the new debt was incurred on October 17, 1978.

8104021739

a loan is considered a loan by each endorser or guarantor in that proportion of the unpaid balance that each endorser or guarantor bears to the total number of endorsers or guarantors. A loan is a contribution to the extent that the obligation remains outstanding. 11 C.F.R. § 100.7(a)(1)(i)(B) (former § 100.4(a)(1)(i)).

2 U.S.C. § 441a(a)(1)(A) prohibits any person from making contributions in excess of \$1,000 per candidate per election. 2 U.S.C. § 441a(f) prohibits any candidate or political committee from knowingly receiving contributions which are in violation of 2 U.S.C. § 441a.

As J. Warren Upson was a guarantor of the August (or October) 17, 1978, loan to Thomas Upson, and made a loan to Thomas Upson, on January 2, 1980, in the apparent amount of \$16,726.50, there is reason to believe that J. Warren Upson violated 2 U.S.C. § 441a(a)(1)(A).

Based on the foregoing analysis, the Federal Election Commission has found:

1. Reason to Believe that J. Warren Upson violated 2 U.S.C. § 441a(a)(1)(A).

81040291790



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

June 13, 1980

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Sidney H. Kopperl, Treasurer  
Upson for Congress Committee  
47 Holmes Avenue  
Waterbury, CT

Re: MUR 1174

Dear Mr. Kopperl:

The Federal Election Commission notified you in letters dated August 24, 1978, November 17, 1978, and October 5, 1979, that your committee may have violated certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act").

Upon further review of the information available to the Commission and information supplied by you, the Commission determined, on June 10, 1980, that there is reason to believe that your committee violated 2 U.S.C. §§ 441a(f) and 441b(a). (You were notified in a letter dated November 17, 1978, that the Commission found reason to believe that your committee violated 2 U.S.C. § 434.) A report on the Commission's finding is attached for your information. You may submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter.

In the absence of any additional information which demonstrates that no further action should be taken against your committee, the Commission may find probable cause to believe that a violation has occurred, and proceed with formal conciliation. Of course, this does not preclude the settlement of this matter through informal conciliation prior to a finding of probable cause to believe if you so desire.

This matter will remain confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) (formerly § 437g(a)(3)(B)) unless you notify the Commission in writing that you wish the matter to be made public.

If you have any questions please contact Maura White, the staff member assigned to this matter, at 202-523-4060.

Sincerely,

*Max L. Friedersdorf*  
Max L. Friedersdorf  
Chairman

Enclosure

81040291791

81040291792

PS Form 3815, Aug. 1978

SENDER: Complete items 1, 2, and 3.  
Add your address in the "RETURN TO" section.

1. The following service is requested (check one).  
 Show to whom and date delivered.  
 Show to whom, date, and address of delivery.  
 RESTRICTED DELIVERY  
 Show to whom and date delivered.  
 RESTRICTED DELIVERY.  
 Show to whom, date, and address of delivery.  
 (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:  
 Sidney P. Kappuly, Trustee  
 Nassau County Community College  
 47 Haverhill Avenue  
 Westbury, N.Y.

3. ARTICLE DESCRIPTION: *Waterbury*

REGISTERED NO.	CERTIFIED NO.	INSURED NO.
	091520	

(Always check signature of addressee or agent)

I have received the article described above.  
 Signature  Address  Authorized agent

4. DATE OF DELIVERY: *7/1*

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

CLIENT'S INITIALS

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

MAR 11 74 MW

FEDERAL ELECTION COMMISSION

NOTIFICATION OF REASON TO BELIEVE FINDING

DATE June 13, 1980

MUR NO. 1174  
STAFF MEMBER(S) & TEL. NO.

RESPONDENT Upson for Congress

M. White/ D. Branch  
202/523-4060

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

BACKGROUND

On February 14, 1980, the Reports Analysis Division ("RAD") referred the name of the Upson for Congress Committee ("Committee") to Office of General Counsel. The Committee may have violated 2 U.S.C. § 441a by accepting loans in excess of the limitation on contributions, and may have violated 2 U.S.C. § 441b by its receipt of loans from Citytrust Bank which may not have been transacted in the ordinary course of business.

FACTUAL AND LEGAL ANALYSIS

a) 2 U.S.C. § 441a

A review of the July 10, 1978, quarterly report filed by the Upson for Congress Committee revealed that while the committee did not report any outstanding debts and obligations, it did report an expenditure of \$9,501.25 to Thomas Upson, the candidate, on June 1, 1978, for "repayment of a loan," and the detailed summary page listed the receipt of \$30,000 in loans. No other information concerning either the receipt or repayment of obligations was reported. RAD mailed the Committee a request for additional information ("RFAI") on August 24, 1978, asking for an explanation as to

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why a loan repayment was reported but not the receipt of a loan. The Committee did not respond to the RFAI and on November 17, 1978, a reason to believe notification letter, in regard to a violation of 2 U.S.C. § 434, was mailed.

On April 16, 1979, Sidney Kopperl, the treasurer of the Committee, telephoned RAD in response to the RFAI of August 24, 1978, and explained that Thomas Upson had obtained a \$30,000 loan from Citytrust Bank. On April 24, 1979, Mr. Kopperl provided RAD with an explanation of the loan transaction. According to Mr. Kopperl's response, a \$30,000 loan was made to Thomas Upson on April 7, 1978. The loan was to be repaid at the rate of \$5,000 per month and was made to Mr. Upson "based on the strength exhibited in his personal financial statement. This money was subsequently lent to the Upson for Congress campaign." Mr. Kopperl stated that on August 17, 1978, the loan balance stood at \$23,250. On that date, this balance was "paid off and re-cast in a new obligation made in the name of Thomas F. Upson and J. Warren Upson." 1/

On October 5, 1979, RAD mailed a surface violation letter to the Committee in response to the amended July 10, 1978, quarterly report filed on April 24, 1979 (Mr. Kopperl's response). The letter advised the Committee that the loan received from J. Warren Upson appeared to exceed the limits of 2 U.S.C. § 441a. Thomas Upson responded to the surface violation letter on December 3, 1979, in a telephone conversation and a letter. Mr. Upson's letter stated that he withdrew from the congressional race on June 10, 1978, and subsequent to his withdrawal "all the debts of the campaign were paid off and the note was recast in a new obligation dated October 17, 1978 made in the name of Thomas Upson and my father, J. Warren Upson." See fn. 1. A copy of a bank statement was submitted with Mr. Upson's response which indicates that, on or about September 21, 1979, the principal on the loan was \$22,726.50. Mr. Upson stated in his December 3 letter that this amount was the current balance on the loan.

---

1/ Mr. Kopperl's response does not agree in detail with the response of Thomas Upson dated December 3, 1979. Mr. Upson has stated that on or about April 1, 1978, he borrowed \$30,000 from Citytrust Bank which was guaranteed by a "second party." There was no mention of a second party in Mr. Kopperl's response. Furthermore, while Mr. Kopperl stated that the new obligation was incurred on August 17, 1978, Mr. Upson has stated that the new debt was incurred on October 17, 1978.

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On March 31, 1980, Thomas Upson informed the Commission that on December 28, 1979, and January 2, 1980, he reduced the loan by \$6,000, and that on January 2, 1980, he "paid off the entire loan and executed a note to J. Warren Upson (my father), from myself to him for the entire balance." The note executed to J. Warren Upson appears to have been in the amount of \$16,726.50. Thomas Upson has stated that the "entire debt owed to Citytrust Bank on behalf of [his] campaign has been paid off," and he is repaying his father on the note that he executed to him.

2 U.S.C. § 431(e)(1) (recodified at § 431(8)(A)) defines contribution to include any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for federal office. 11 C.F.R. § 100.7(a)(1)(i)(C) (former § 100.4(a)(1)(i)) defines a loan to be a contribution by each endorser or guarantor. Each endorser or guarantor shall be deemed to have contributed that portion of the total amount of the loan for which he or she agreed to be liable in a written agreement (formerly defined as a guarantee, endorsement, and other form of security where the risk of nonpayment rests with the surety, guarantor or endorser as well as with a political committee, candidate, or other primary obligor). Pursuant to 11 C.F.R. § 100.7(a)(1)(i)(C) and 2 U.S.C. § 431(8)(B)(vii)(I) (former § 431(e)(5)(G)) a loan is considered a loan by each endorser or guarantor in that proportion of the unpaid balance that each endorser or guarantor bears to the total number of endorsers or guarantors. A loan is a contribution to the extent that the obligation remains outstanding. 11 C.F.R. § 100.7(a)(1)(i)(B) (former § 100.4(a)(1)(i)).

2 U.S.C. § 441a(a)(1)(A) prohibits any person from making contributions in excess of \$1,000 per candidate per election. 2 U.S.C. § 441a(f) prohibits any candidate or political committee from knowingly receiving contributions which are in violation of 2 U.S.C. § 441a.

The receipt of the August (or October) 17, 1978, and January 2, 1980, loans by the Upson for Congress Committee provides reason to believe that a violation of 2 U.S.C. § 441a(f) has occurred.

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b) 2 U.S.C. § 441b

This matter also includes a possible violation of 2 U.S.C. § 441b in that the loans granted to Thomas Upson by the Citytrust Bank were possibly not transacted in accordance with applicable banking laws and regulations in the ordinary course of business. If the loans to Thomas Upson by Citytrust Bank were not transacted in the ordinary course of business then they are to be considered as contributions to Thomas Upson in violation of 2 U.S.C. § 441b. A review of repayments on the loan of August (or October) 17, 1978, appears to indicate that the terms of the loan were not satisfied. According to responses received, this loan was written for one year, yet no payments appear to have been made on the loan until more than a year later on December 28, 1979. The treasurer of the Upson for Congress Committee is employed at the same bank, Citytrust Bank, that granted Mr. Upson his loans.

2 U.S.C. § 431(e)(5)(G) (recodified at § 431(8)(B)(vii)) excludes from the definition of contribution any loan of money by a state bank or national bank made in accordance with applicable banking laws and in the ordinary course of business. 2 U.S.C. § 441b(a) renders it unlawful for national banks and corporations to make contributions in connection with federal election activities; it is also a violation of this section for any person to knowingly accept or receive any contribution prohibited by this section.

The loan of August (or October) 17, 1978, to Thomas Upson from Citytrust Bank appears to have been lent by Thomas Upson to the Upson for Congress Committee. As the loan does not appear to have been transacted in the ordinary course of business, there is reason to believe that the Upson for Congress Committee violated 2 U.S.C. § 441b(a).

Based on the foregoing analysis, the Federal Election Commission has found:

- 1) Reason to believe that the Upson for Congress Committee violated 2 U.S.C. §§ 441a(f) and 441b(a).

81040291796



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

June 13, 1980

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Thomas Upson  
47 Holmes Avenue  
Waterbury, Connecticut

Re: MUR 1174

Dear Mr. Upson:

On June 10, 1980, the Federal Election Commission found reason to believe that you violated sections 441a and 441b of the Federal Election Campaign Act of 1971, as amended (the "Act"). A report on the Commission's finding is enclosed for your information. You may submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter.

Please submit answers to the enclosed questions within 10 days of your receipt of this letter. Where appropriate, statements should be submitted under oath.

In the absence of any additional information which demonstrates that no further action should be taken against you, the Commission may find probable cause to believe that a violation has occurred, and proceed with formal conciliation. Of course, this does not preclude the settlement of this matter through informal conciliation prior to a finding of probable cause to believe if you so desire.

This matter will remain confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) (formerly § 437g(a)(3)(B)) unless you notify the Commission in writing that you wish the matter to be made public.

If you have any questions, please contact Maura White, the staff member assigned to this matter at 202/523-4060.

Sincerely,

*Max L. Friedersdorf*  
Max L. Friedersdorf  
Chairman

Enclosures

81040291797

81040291798

PS Form 3811, Aug. 1978

● SENDER: Complete items 1, 2, and 3.  
Add your address in the "RETURN TO" space.

1. The following service is requested (check one):

Show to whom and date delivered

Show to whom, date, and address of delivery

RESTRICTED DELIVERY  
Show to whom and date delivered.

RESTRICTED DELIVERY  
Show to whom, date, and address of delivery.

(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:  
*Thomas Upson  
47 Helene Ave  
Watertown, MA*

3. ARTICLE DESCRIPTION:  
REGISTERED NO. CERTIFIED NO. INSURED NO.  
*945161*

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE  Address  Authorized agent

*Tom Upson*

4. DATE OF DELIVERY

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE

RECEIVED JUN 27

CONN. MAIL

MUR 1174 MW

POSTNET

To: Thomas Upson

Interrogatories/Requests for Information

- 81040291799
- 1a) Provide copies of all documents relating to the loan of \$30,000 from the Citytrust Bank on or about April 1, 1978. Such documentation should include, but not be limited to, the loan agreement, the note, and the security agreement.
  - b) For what purpose was the loan obtained?
  - c) What assets, if any, secured the bank loan (e.g. bank account, house, stock)? State in whose name any such assets were held.
  - d) Did a second party guarantee the loan agreement? If the answer is yes, identify that individual and their relationship to you.
  - e) In what capacity did a second party sign the loan agreement?
  - f) Was the signature of a second party necessary to obtain the loan?
  - g) State the name of the individual or entity which was responsible for repayment of the loan.
  - h) Has this note been repaid?
  - i) If the answer to question #1(h) is yes, explain how the note was repaid. List the dates and amounts of all payments for interest and reduction of the principal.
  - j) Did the individual or entity responsible for repayment of the loan, at any time, fail to meet the terms of the loan agreement. If the answer is yes, please explain in what way the failure occurred.
  - k) If the answer to question #1(j) is yes, did the bank take any steps to obtain payment (e.g. mailing of reminder notices, commencement of attachment proceedings)?
  - 2a) Provide copies of all documents relating to the loan from Citytrust Bank on August (or October) 17, 1978. Such documentation should include, but not be limited to, the loan agreement, the note, and the security agreement.

To: T. Upson

- 2 -

- b) For what purpose was the loan obtained?
- c) What assets, if any, secured the bank loan (e.g. bank account, house, stock)? State in whose name any such assets were held.
- d) In what capacity did J. Warren Upson sign the loan agreement of August (or October) 17, 1978?
- e) Was the signature of J. Warren Upson necessary to obtain the loan?
- f) State the name of the individual or entity which was responsible for repayment of the loan.
- g) Has this note been repaid?
- h) If the answer to question #2(g) is yes, explain how the note was repaid. Include the dates and amounts of all payments for interest and reduction of the principal.
- i) Did the individual or entity responsible for repayment of the loan, at any time, fail to meet the terms of the loan agreement. If the answer is yes, please explain in what way the failure occurred.
- j) If the answer to question #2(i) is yes, did the bank take any steps to obtain payment (e.g. mailing of reminder notices, commencement of attachment proceedings)?
- 3a) Provide copies of all documents relating to the loan from J. Warren Upson to Thomas Upson on January 2, 1980. Such documentation should include, but not be limited, to, the loan agreement and the note.
- b) State the amount of the loan to Thomas Upson.
- c) List the date and amount of all payments to J. Warren Upson for interest and reduction of the principal.
- d) What is the current outstanding balance, if any, on the note?

81040291800

To: T. Upson

- 3 -

- 4a) List all loans, by date and amount, made by Thomas Upson to the Upson for Congress Committee since January 1, 1978, to the present.
- b) List all payments for interest and reduction of the principal, if any, by the Upson for Congress Committee to Thomas Upson since January 1, 1978, to the present.
- c) List all payments for interest and reduction of the principal, if any, by the Upson for Congress Committee to Citytrust Bank since January 1, 1978, to the present.
- d) List all payments for interest and reduction of the principal, if any, by the Upson for Congress Committee to J. Warren Upson since January 1, 1978, to the present.

81040291801

FEDERAL ELECTION COMMISSION

NOTIFICATION OF REASON TO BELIEVE FINDING

DATE June 13, 1980

MUR NO. 1174  
STAFF MEMBER(S) & TEL. NO.  
M. White/ D. Branch

RESPONDENT Thomas Upson

202/523-4060

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

BACKGROUND

On February 14, 1980, the Reports Analysis Division ("RAD") referred this matter to the Office of General Counsel. Thomas Upson may have violated 2 U.S.C. § 441a by accepting loans in excess of the limitation on contributions, and may have violated 2 U.S.C. § 441b by his receipt of loans from Citytrust Bank which may not have been transacted in the ordinary course of business.

FACTUAL BASIS AND LEGAL ANALYSIS

a) 2 U.S.C. § 441a

A review of the July 10, 1978, quarterly report filed by the Upson for Congress Committee revealed that while the committee did not report any outstanding debts and obligations, it did report an expenditure of \$9,501.25 to Thomas Upson, the candidate, on June 1, 1978, for "repayment of a loan," and the detailed summary page listed the receipt of \$30,000 in loans. No other information concerning either the receipt or repayment of obligations was reported. RAD mailed the Committee a request for additional information ("RFAI") on

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August 24, 1978, asking for an explanation as to why a loan repayment was reported but not the receipt of a loan. The Committee did not respond to the RFAI and on November 17, 1978, a reason to believe notification letter, in regard to a violation of 2 U.S.C. § 434, was mailed.

On April 16, 1979, Sidney Kopperl, the treasurer of the Committee, telephoned RAD in response to the RFAI of August 24, 1978, and explained that Thomas Upson had obtained a \$30,000 loan from Citytrust Bank. On April 24, 1979, Mr. Kopperl provided RAD with an explanation of the loan transaction. According to Mr. Kopperl's response, a \$30,000 loan was made to Thomas Upson on April 7, 1978. The loan was to be repaid at the rate of \$5,000 per month and was made to Mr. Upson "based on the strength exhibited in his personal financial statement. This money was subsequently lent to the Upson for Congress campaign." Mr. Kopperl stated that on August 17, 1978, the loan balance stood at \$23,250. On that date, this balance was "paid off and re-cast in a new obligation made in the name of Thomas F. Upson and J. Warren Upson." 1/

On October 5, 1979, RAD mailed a surface violation letter to the Committee in response to the amended July 10, 1978, quarterly report filed on April 24, 1979 (Mr. Kopperl's response). The letter advised the Committee that the loan received from J. Warren Upson appeared to exceed the limits of 2 U.S.C. § 441a. Thomas Upson responded to the surface violation letter on December 3, 1979, in a telephone conversation and a letter. Mr. Upson's letter stated that he withdrew from the congressional race on June 10, 1978, and subsequent to his withdrawal "all the debts of the campaign were paid off and the note was recast in a new obligation dated October 17, 1978 made in the name of Thomas Upson and my father, J. Warren Upson." See fn. 1. A copy of a bank statement was submitted with Mr. Upson's response which indicates that on or about September 21, 1979, the principal on the loan was \$22,726.50. Mr. Upson stated in his December 3 letter that this amount was the current balance on the loan.

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1/ Mr. Kopperl's response does not agree in detail with the response of Thomas Upson dated December 3, 1979. Mr. Upson has stated that on or about April 1, 1978, he borrowed \$30,000 from Citytrust Bank which was guaranteed by a "second party." There was no mention of a second party in Mr. Kopperl's response. Furthermore, while Mr. Kopperl stated that the new obligation was incurred on August 17, 1978, Mr. Upson has stated that the new debt was incurred on October 17, 1978.

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On March 31, 1980, Thomas Upson informed the Commission that on December 28, 1979, and January 2, 1980, he reduced the loan by \$6,000, and that on January 2, 1980, he "paid off the entire loan and executed a note to J. Warren Upson (my father), from myself to him for the entire balance." The note executed to J. Warren Upson appears to have been in the amount of \$16,726.50. Thomas Upson has stated that the "entire debt owed to Citytrust Bank on behalf of [his] campaign has been paid off," and he is repaying his father on the note that he executed to him.

2 U.S.C. § 431(e)(1) (recodified at § 431(8)(A)) defines contribution to include any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for federal office. 11 C.F.R. § 100.7(a)(1)(i)(C) (former § 100.4(a)(1)(i)) defines loan to be a contribution by each endorser or guarantor. Each endorser or guarantor shall be deemed to have contributed that portion of the total amount of the loan for which he or she agreed to be liable in a written agreement (formerly defined as a guarantee, endorsement, and other form of security where the risk of nonpayment rests with the surety, guarantor or endorser as well as with a political committee, candidate, or other primary obligor). Pursuant to 11 C.F.R. § 100.7(a)(1)(i)(C) and 2 U.S.C. § 431(8)(B)(vii)(I) (former § 431(e)(5)(G)) a loan is considered a loan by each endorser or guarantor in that proportion of the unpaid balance that each endorser or guarantor bears to the total number of endorsers or guarantors. A loan is a contribution to the extent that the obligation remains outstanding. 11 C.F.R. § 100.7(a)(1)(i)(B) (former § 100.4(a)(1)(i)).

2 U.S.C. § 441a(a)(1)(A) prohibits any person from making contributions in excess of \$1,000 per candidate per election. 2 U.S.C. § 441a(f) prohibits any candidate or political committee from knowingly receiving contributions which are in violation of 2 U.S.C. § 441a.

The receipt of the August (or October) 17, 1978, loan guaranteed by J. Warren Upson, and the receipt of the January 2, 1980, loan from J. Warren Upson, provides reason to believe that Thomas Upson violated 2 U.S.C. § 441a(f).

81040291804

b) 2 U.S.C. § 441b

This matter also includes a possible violation of 2 U.S.C. § 441b in that the loans granted to Thomas Upson by the Citytrust Bank were possibly not transacted in accordance with applicable banking laws and regulations in the ordinary course of business. If the loans to Thomas Upson by Citytrust Bank were not transacted in the ordinary course of business then they were to be considered as contributions to Thomas Upson in violation of 2 U.S.C. § 441b. Citytrust Bank is currently a state bank which is chartered as a corporation.

A review of repayments on the loan of August (or October) 17, 1978, appears to indicate that the terms of the loan were not satisfied. According to responses received, this loan was written for one year, yet no payments appear to have been made on the loan until more than a year later on December 28, 1979. The treasurer of the Upson for Congress Committee is employed at the same bank, Citytrust Bank, that granted Mr. Upson his loans.

2 U.S.C. § 431(e)(5)(G) (recodified at § 431(8)(B)(vii)) excludes from the definition of contribution any loan of money by a state bank or national bank made in accordance with applicable banking laws and in the ordinary course of business. 2 U.S.C. § 441b(a) renders it unlawful for national banks and corporations to make contributions in connection with federal election activities; it is also a violation of this section for any person to knowingly accept or receive any contribution prohibited by this section.

As the loan of August (or October) 17, 1978, does not appear to have been transacted in the ordinary course of business, there is reason to believe that Thomas Upson violated 2 U.S.C. § 441b(a).

Based on the foregoing analysis, the Federal Election Commission has found:

- 1) Reason to believe that Thomas Upson violated 2 U.S.C. §§ 441a(f) and 441b(a).

81040291805



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

June 13, 1980

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Norman Schaff, Jr., President  
Citytrust Bank  
961 Main Street  
Bridgeport, Connecticut 06602

Re: MUR 1174

Dear Mr. Schaff:

On June 10, 1980, the Federal Election Commission determined that there is reason to believe that Citytrust Bank violated section 441b of the Federal Election Campaign Act of 1971, as amended (the "Act"). A report on the Commission's finding is attached for your information. You may submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter.

Please submit, within 10 days of receipt of this letter, answers to the enclosed questions. Where appropriate, statements should be submitted under oath.

In the absence of any information which demonstrates that no further action should be taken against Citytrust Bank, the Commission may find probable cause to believe that a violation has occurred, and proceed with formal conciliation. Of course, this does not preclude the settlement of this matter through informal conciliation prior to a finding of probable cause to believe if you so desire.

This matter will remain confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) (formerly § 437g(a)(3)(B)) unless you notify the Commission in writing that you wish the matter to be made public.

If you have any questions, please contact Maura White, the staff member assigned to this matter at 202/523-4060.

Sincerely,

*Max L. Friedersdorf*  
Max L. Friedersdorf  
Chairman

Enclosure

81040291806

81040291807

SENDER: Complete items 1, 2, and 3.  
 Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one)  
 Show to whom and date delivered  
 Show to whom, date, and address of delivery  
 RESTRICTED DELIVERY  
 Show to whom and date delivered  
 RESTRICTED DELIVERY  
 Show to whom, date, and address of delivery  
 (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO: *Norman*  
*Citytrust Bank*  
*9610 main st*  
*Bridgeport, CT*

3. ARTICLE DESCRIPTION:  
 REGISTERED NO. CERTIFIED NO. INSURED NO.  
 | | |  
 | *6912946* | |

(Always obtain signature of addressee or agent)

I have received the article described above.  
 SIGNATURE:  Addressee:  Authorized Agent

DATE OF DELIVERY: *6-19-80* POSTOFFICE:

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS:

*mc* *mlm 1174*

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

To: Citytrust Bank

**Interrogatories/Requests for Information**

For purposes of these interrogatories, the following definition applies: "Bank" means the Citytrust Bank.

- 81040291808
- 1a) Did the Citytrust Bank make a loan(s) to Thomas Upson, 47 Holmes Avenue, Waterbury, Connecticut, (formerly 30 Northfield Road, Watertown, Connecticut), during 1978, 1979, or 1980?
  - b) If the answer to 1(a) is yes, state the date and amount of each loan.
  - c) For each loan listed in 1(b) above, provide copies of all documents relating to the loans from Citytrust Bank to Thomas Upson. Such documentation should include, but not be limited to, the loan agreement, the note, and the security agreement.
  - d) For each loan listed in 1(b), provide a list of all payments for interest and reduction of the principal as of the date of these interrogatories, by date and amount, on each and every loan. Identify the person or entity that made each and every repayment.
  - e) For each loan listed in 1(b), state the name of all guarantors, endorsers, or co-signers. Indicate in what capacity each party signed the loan agreement (i.e., guarantor, co-signer).
  - f) For each loan listed in 1(b), state whether or not the signature of a second party was necessary in order for Thomas Upson to obtain the loan(s). Explain why the signature(s) was necessary.
  - g) For each loan listed above, was the loan secured by any assets? State in whose name any such assets were held.
- 
- 2a) Did the Citytrust Bank make any loan(s) to the Upson for Congress Committee, 47 Homes Avenue, Waterbury, Connecticut, during 1978, 1979, or 1980?
  - b) If the answer to 2(a) is yes, state the date and amount of each loan.
  - c) For each loan listed in 2(b), provide copies of all documents relating to the loan(s) from Citytrust Bank to the Upson for Congress Committee. Such documentation should include, but not be limited to, the loan agreement, the note, and the security agreement.

- d) For each loan listed in 2(b), provide a list of all payments for interest and reduction of the principal as of the date of these interrogatories, by date and amount, on each and every loan. Identify the person or entity that made each and every repayment.
- e) For each loan listed in 2(b), state the name of all guarantors, endorsers, or co-signers. Indicate in what capacity each party signed the loan agreement (i.e., guarantor, co-signer).
- f) For each loan listed in 2(b), state whether or not the signature of a second party was necessary in order for the Upson for Congress Committee to obtain the loan(s). Explain why the signature(s) was necessary.
- g) For each loan listed in 2(b), was the loan secured by any assets? State in whose name any such assets were held.
- 3a) Did either Thomas Upson or the Upson for Congress Committee, at any time, fail to meet the terms of a loan agreement? Explain the circumstances of this occurrence, and identify the party involved (i.e., Thomas Upson or the Upson for Congress Committee).
- b) If the answer to question 3(a) is yes, what measures did the bank take to obtain repayment?
- c) What regular procedures does the bank follow to obtain repayment from borrowers who fail to meet the terms of a loan agreement (i.e. mailing of reminder notices, commencement of attachment proceedings)?
- d) If after any failure to meet the terms of the loan(s) described in 3(a), the bank failed to follow its regular procedures to obtain repayment, explain what measures, if any, the bank took in lieu of the norm.
- 4a) Did Thomas Upson indicate to the bank the purpose of each loan listed in question 1(b)? If the answer is yes, state the bank's understanding of the purpose of each loan.
- b) Did the Upson for Congress Committee indicate to the bank the purpose of each loan listed in question 2(b)? If the answer is yes, state the bank's understanding of the purpose of each loan.

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5) Was Citytrust Bank a national bank during:

- a) 1978?
- b) 1979?
- c) 1980?

6) Was Citytrust Bank a state bank during:

- a) 1978?
- b) 1979?
- c) 1980?

81040291810

FEDERAL ELECTION COMMISSION

NOTIFICATION OF REASON TO BELIEVE FINDING

DATE June 13, 1980

MUR NO. 1174  
STAFF MEMBER(S) & TEL. NO.  
M. White/D.Branch

RESPONDENT Citytrust Bank

202-523-4060

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

BACKGROUND

This matter was referred by the Reports Analysis Division ("RAD") to the Office of General Counsel. Citytrust Bank may have violated 2 U.S.C. § 441b(a) by its apparent failure to transact loans with Thomas Upson, a 1978 congressional candidate, in accordance with applicable banking laws and in the ordinary course of business. If the loans were not transacted in the ordinary course of business, then they are to be considered as contributions to Thomas Upson in violation of 2 U.S.C. § 441b(a). Citytrust Bank is a state bank chartered as a corporation.

FACTUAL BASIS AND LEGAL ANALYSIS

Thomas Upson received a \$30,000 loan from Citytrust Bank on or about April 1, 1978. Mr. Upson subsequently lent this money to the Upson for Congress Committee. (The treasurer of the Upson for Congress Committee, Sidney Kopperl, is employed by the Waterbury Branch of Citytrust Bank.) The loan was scheduled to be repaid at the rate of \$5,000 per month. This loan may have been guaranteed by a second party.

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On August (or October) 17, 1978, the balance on the note (\$23,250) was paid off and the note was re-cast in a new obligation made in the name of Thomas F. Upson and J. Warren Upson. This loan was written for a one year period.

A review of repayments on the loan of August or (October) 17, 1978, indicates that the loan was not transacted in the ordinary course of business. While the loan was written for a one year period, no payments appear to have been made on the loan until more than a year later on December 28, 1979. On December 28, 1979, Thomas Upson made a \$3,000 payment on the loan. On January 2, 1980, Thomas Upson made another \$3,000 payment, and then also on January 2, 1980, paid off the entire balance of \$16,726.50.

2 U.S.C. § 431(e)(5)(G) (recodified at § 431(8)(b)(vii)) excludes from the definition of contribution any loan of money by a state bank or national bank made in accordance with applicable banking laws and in the ordinary course of business. 2 U.S.C. § 441b(a) renders it unlawful for national banks and corporations to make contributions in connection with federal election activities. It is also a violation of this section for any person to knowingly accept or receive any contribution prohibited by this section, and for any officer or any director of any corporation or any national bank to consent to any contribution by the corporation or national bank which is prohibited by 2 U.S.C. § 441b(a).

As the loan by Citytrust Bank to Thomas Upson on August (or October) 17, 1978, does not appear to have been transacted in the ordinary course of business, there is reason to believe that Citytrust Bank violated 2 U.S.C. § 441b(a).

Based on the foregoing analysis, the Federal Election Commission has found:

- 1) Reason to believe that Citytrust Bank violated 2 U.S.C. § 441b(a).

81040291812

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of )  
 )  
Thomas Upson )  
Upson for Congress Committee )  
J. Warren Upson )  
Citytrust Bank )

MUR 1174

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission's executive session on June 10, 1980, do hereby certify that the Commission decided by a vote of 4-2 to take the following actions in MUR 1174:

1. Find reason to believe that J. Warren Upson violated 2 U.S.C. §441a(a)(1)(A).
2. Find reason to believe that Thomas Upson violated 2 U.S.C. §441a(f) and 2 U.S.C. §441b(a).
3. Find reason to believe that Citytrust Bank violated 2 U.S.C. §441b(a).
4. Find reason to believe that the Upson for Congress Committee violated 2 U.S.C. §§441a(f) and 441b(a).
5. Send the letters attached to the General Counsel's June 2, 1980 report.

Commissioners Harris, McGarry, Reiche, and Tiernan voted affirmatively for the decision: Commissioners Aikens and Friedersdorf dissented.

Attest:

6/11/80  
Date

Marjorie W. Emmons  
Marjorie W. Emmons  
Secretary to the Commission

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**FEDERAL ELECTION COMMISSION**  
WASHINGTON, D.C. 20463

**MEMORANDUM TO:** CHARLES STEELE  
**FROM:** MARJORIE W. EMMONS/MARGARET CHANEY *me*  
**DATE:** JUNE 4, 1980  
**SUBJECT:** MUR 1174 - First General Counsel's Report  
dated 6-2-80; Received in OCS 6-2-80, 11:03

The above-named document was circulated on a 48 hour  
vote basis at 4:00, June 2, 1980.

Commissioner Aikens submitted an objection at 1:40,  
June 4, 1980, thereby placing MUR 1174 on the Executive  
Session Agenda for Tuesday, June 10, 1980.

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June 2, 1980

MEMORANDUM TO: Marjorie W. Emons  
FROM: Jane Colgrove  
SUBJECT: MUR 1174

Please have the attached First General Counsel's Report on MUR 1174 distributed at the Commission on a 48 hour tally basis.

Thank you.

31040291815

FEDERAL ELECTION COMMISSION  
1325 K Street, N.W.  
Washington, D.C. 20463

FIRST GENERAL COUNSEL'S REPORT

DATE AND TIME OF TRANSMITTAL  
BY OGC TO THE COMMISSION JUN 2 1980

MUR # 1174  
STAFF MEMBER(S)  
M. White/ D. Branch  
202-523-4060

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

RESPONDENT'S NAME: Thomas Upson  
Upson for Congress Committee  
J. Warren Upson  
Citytrust Bank

RELEVANT STATUTE: 2 U.S.C. §§ 441a and 441b

INTERNAL REPORTS CHECKED: Committee Reports

FEDERAL AGENCIES CHECKED: None

80 JUN 2 11:00  
RECEIVED  
OFFICE OF THE  
COMMISSION SECRETARY

SUMMARY OF ALLEGATIONS

On February 14, 1980, the Reports Analysis Division ("RAD") referred the name of the Upson for Congress Committee ("Committee") to the Office of General Counsel (Attachment 1). The Committee may have violated 2 U.S.C. § 441a by accepting loans in excess of the limitations on contributions, and may have violated 2 U.S.C. § 441b by its receipt of loans from Citytrust Bank which may not have been transacted in the ordinary course of business.

FACTUAL AND LEGAL ANALYSIS

(a) 2 U.S.C. § 441a

A review of the July 10, 1978, quarterly report filed by the Upson for Congress Committee revealed that while the committee did not report any outstanding debts and obligations, it did report an expenditure of \$9,501.25 to

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Thomas Upson, the candidate, on June 1, 1978, for "repayment of a loan," and the detailed summary page listed the receipt of \$30,000 in loans. No other information concerning either the receipt or repayment of obligations was reported. RAD mailed the Committee a request for additional information ("RFAI") on August 24, 1978, asking for an explanation as to why a loan repayment was reported but not the receipt of a loan. The Committee did not respond to the RFAI and on November 17, 1978, a reason to believe notification letter, in regard to a violation of 2 U.S.C. § 434, was mailed.

On April 16, 1979, Sidney Kopperl, the treasurer of the Committee, telephoned RAD in response to the RFAI of August 24, 1978, and explained that Thomas Upson had obtained a \$30,000 loan from Citytrust Bank. On April 24, 1979, Mr. Kopperl provided RAD with an explanation of the loan transaction. According to Mr. Kopperl's response, a \$30,000 loan was made to Thomas Upson on April 7, 1978. The loan was to be repaid at the rate of \$5,000 per month and was made to Mr. Upson "based on the strength exhibited in his personal financial statement. This money was subsequently lent to the Upson for Congress campaign." Mr. Kopperl stated that on August 17, 1978, the loan balance stood at \$23,250. On that date, this balance was "paid off and re-cast in a new obligation made in the name of Thomas F. Upson and J. Warren Upson." 1/

On October 5, 1979, RAD mailed a surface violation letter to the Committee in response to the amended July 10, 1978, quarterly report filed on April 24, 1979 (Mr. Kopperl's response). The letter advised the Committee that the loan received from J. Warren Upson appeared to exceed the limits of 2 U.S.C. § 441a. Thomas Upson responded to the surface violation letter on December 3, 1979, in a telephone conversation and a letter. Mr. Upson's letter stated that he withdrew from the congressional race on June 10, 1978, and subsequent to his withdrawal "all the debts of the campaign were paid off and the note was recast in a new obligation dated October 17, 1978 made in the name of Thomas Upson and my father, J. Warren Upson." See fn. 1. A copy of a bank statement was submitted with Mr. Upson's response which

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1/ Mr. Kopperl's response does not agree in detail with the response of Thomas Upson dated December 3, 1979. Mr. Upson has stated that on or about April 1, 1978, he borrowed \$30,000 from Citytrust Bank which was guaranteed by a "second party." The second party was not identified by Mr. Upson, and the identity of the individual has not yet been determined. There was no mention of a second party in Mr. Kopperl's response. Furthermore, while Mr. Kopperl stated that the new obligation was incurred on August 17, 1978, Mr. Upson has stated that the new debt was incurred on October 17, 1978. It appears, however, that August 17, 1978, is the correct date.

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indicates that on or about September 21, 1979, the principal on the loan was \$22,726.50. Mr. Upson stated in his December 3 letter that this amount was the current balance on the loan.

On March 31, 1980, Thomas Upson informed the Commission that on December 28, 1979, and January 2, 1980, he reduced the loan by \$6,000, and that on January 2, 1980, he "paid off the entire loan and executed a note to J. Warren (my father), from myself to him for the entire balance." The note executed to J. Warren Upson appears to have been in the amount of \$16,726.50. Thomas Upson has stated that the "entire debt owed to Citytrust Bank on behalf of [his] campaign has been paid off," and he is repaying his father on the note that he executed to him.

2 U.S.C. § 431(e)(1) (recodified at § 431(8)(A)) defines contribution to include any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for federal office. 11 C.F.R. § 100.7(a)(1)(i)(C) (former § 100.4(a)(1)(i)) defines a loan to be a contribution by each endorser or guarantor. Each endorser or guarantor shall be deemed to have contributed that portion of the total amount of the loan for which he or she agreed to be liable in a written agreement (formerly defined as a guarantee, endorsement, and other form of security where the risk of nonpayment rests with the surety, guarantor or endorser as well as with a political committee, candidate or other primary obligor). Pursuant to 11 C.F.R. § 100.7(a)(1)(i)(C) and 2 U.S.C. § 431(8)(B)(vii)(I) (former § 431(e)(5)(G)) a loan is considered a loan by each endorser or guarantor in that proportion of the unpaid balance that each endorser or guarantor bears to the total number of endorsers or guarantors. A loan is a contribution to the extent that the obligation remains outstanding. 11 C.F.R. § 100.7(a)(1)(i)(B) (former § 100.4(a)(1)(i)).

2 U.S.C. § 441a(a)(1)(A) prohibits any person from making contributions in excess of \$1,000 per candidate per election. 2 U.S.C. § 441a(f) prohibits any candidate or political committee from knowingly receiving contributions which are in violation of 2 U.S.C. § 441a.

The endorsement of at least a \$22,726.50 loan by J. Warren Upson on August (or October) 17, 1978, as well as the making of a \$16,726.50 loan on January 2, 1980, to Thomas Upson, provides reason to believe that J. Warren Upson violated 2 U.S.C. § 441a(a)(1)(A). The receipt of the August (or October) 17, 1978, loan guaranteed by J. Warren Upson, and the receipt of the January 2, 1980, loan from J. Warren Upson provides reason to believe that Thomas Upson violated 2 U.S.C. § 441a(f). The receipt of the August (or October) 17, 1978, and January 2, 1980, loans by the Committee provides reason to believe that a violation of 2 U.S.C. § 441a(f) has occurred.

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b) 2 U.S.C. § 441b

This referral also includes a possible violation of 2 U.S.C. § 441b in that the loans granted to Thomas Upson by the Citytrust Bank were possibly not transacted in accordance with applicable banking laws and regulations and in the ordinary course of business. If the loans to Thomas Upson by Citytrust Bank were not transacted in the ordinary course of business then they are to be considered as contributions to Thomas Upson in violation of 2 U.S.C. § 441b. Citytrust Bank is currently a state bank which is chartered as a corporation. 2/

A review of all information pertinent to the loan of \$30,000 on (or about) April 1, 1978, appears to indicate that the terms of the loan were satisfied. However, a review of repayments on the loan of August (or October) 17, 1978, appears to indicate that the terms of this loan were not satisfied. According to responses received, this ~~loan~~ was written for one year, yet no payments appear to have been made on the loan until more than a year later on December 28, 1979. It should be noted that the treasurer of the Upson for Congress Committee is employed at the same bank, Citytrust Bank, that granted Mr. Upson his loans.

2 U.S.C. § 431(e)(5)(G) (recodified at § 431(8)(B)(vii)) excludes from the definition of contribution any loan of money by a state bank or national bank made in accordance with applicable banking laws and in the ordinary course of business. 2 U.S.C. § 441b(a) renders it unlawful for national banks and corporations to make contributions in connection with federal election activities. It is also a violation of this section for any person to knowingly accept or receive any contribution prohibited by this section, and for any officer or any director of any corporation or any national bank to consent to any contribution by the corporation or national bank which is prohibited by 2 U.S.C. § 441b(a).

The purpose of the loan to Thomas Upson on August (October) 17, 1978, was most probably brought to the attention of the bank. The loan to Thomas Upson appears to have been subsequently lent to the Committee. As the loan does not appear to have been transacted in the ordinary course of business there is reason to believe that a violation of 2 U.S.C.

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2/ According to the Connecticut Banking Commission, Citytrust Bank was a national bank during 1978 (known as Citynational Bank). They were unable to determine, however, the date of its reversion to State bank status.

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§ 441b has occurred. Accordingly, the General Counsel recommends that the Commission find reason to believe that Thomas Upson, Citytrust Bank, and the Upson for Congress Committee violated 2 U.S.C. § 441b(a).

RECOMMENDATIONS

1. Find reason to believe that J. Warren Upson violated 2 U.S.C. § 441a(1)(A).
2. Find reason to believe that Thomas Upson violated 2 U.S.C. § 441a(f) and 2 U.S.C. § 441b(a).
3. Find reason to believe that Citytrust Bank violated 2 U.S.C. § 441b(a).
4. Find reason to believe that the Upson for Congress Committee violated 2 U.S.C. §§ 441a(f) and 441b(a).
5. Sent the attached letters.

Attachments:

- 1) Referral from RAD
- 2) Letters to T. Upson, J.W. Upson, Upson for Congress Committee, and Citytrust Bank.

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ATTACHMENT #1

81040291821

REPORTS ANALYSIS REFERRAL SHEET

DATE February 14, 1980 ANALYST Susan Kaltenbaugh  
 TO: Office of General Counsel TEAM CHIEF Peter Kell, Jr.  
 THROUGH: STAFF DIRECTOR [Signature] COMPLIANCE REVIEW Bowen/Sims  
 FROM: ASSISTANT STAFF DIRECTOR FOR REPORTS ANALYSIS [Signature]

CANDIDATE/COMMITTEE: UPSON FOR CONGRESS -1978 CT/06 C00084095  
 TREASURER: Sidney H. Kopperl  
 ADDRESS: 47 Holmes Ave.  
 Waterbury, Connecticut 06710  
 AFFILIATE(S): N/A

ALLEGATION(S): The Committee has accepted an excessive loan from the candidate's father. Possible securing of bank loan in violation of banking laws and regulations.  
 CITE: 2 U.S.C. 441(a)(1)(A)  
 2 U.S.C. 431(e)(5)(G)  
 2 U.S.C. 441(b)  
 ATTACHMENT(S) 6  
 DATE INITIATED: 8/22/78

MANNER IN WHICH REVIEW WAS INITIATED:  
 Normal Review  Other:  
 Special Project:

ATTACHMENT

REPORTS: All reports within the dates listed below have received initial basic review. For all reports reviewed, see Attachment 1.

PERIOD COVERED FROM 4/1/78 TO 6/30/78

TOTAL RECEIPTS \$ 40842.50 TOTAL EXPENDITURES \$ 40320.48  
 CASH ON HAND \$ 576.67 DEBTS \$ Committee maintains there are no debts

HISTORY:

RESULTS OF REVIEW: **ATTACHMENT**  
 RFAI on 8/24/78-failure to disclose receipt of loan 2,3  
 RTB on 11/17/78 4  
 SV on 10/5/79-for excessive loan from candidate's father 11  
 Information notice on 1/28/80-informing committee that they cannot terminate until debts are paid. 14

COMMUNICATIONS WITH CANDIDATE/COMMITTEE: **ATTACHMENT**  
 Telecon 4/16/79 -with treasurer 5  
 Telecon 8/3/79-with candidate 8  
 Telecon 12/3/79-with candidate 13

REASON(S) FOR REFERRAL: **ATTACHMENT**  
 Response received 4/24/79-adequate response to RFAI but prompted sending of SV 6  
 Response received 12/3/79-inadequate 12

OTHER PENDING ACTIONS INITIATED BY RAD: **ATTACHMENT**  
 N/A

OTHER RELEVANT INFORMATION: **ATTACHMENT**  
 Please see Page Two.

PREVIOUS OGC/AUDIT REFERRALS FROM RAD:

OTHER RELEVANT INFORMATION

ATTACHMENT

Sidney Kopperl, treasurer of the committee, occupies a position of Vice President of the Commercial Division of Citytrust Bank in Waterbury, which is the bank where the candidate obtained a loan of \$30,000. The terms of repayment of the loan (\$5000 per month) were not satisfied, as the committee only reported a single loan repayment of \$9501. The original note was recast on 8/17/78 for a period of one year, however, the committee has never reported the dissolution of this second loan. This creates the possibility that the loan may have been transacted in a manner not in accordance with applicable banking laws and regulations, and not in the ordinary course of business. The committee has tried to terminate on numerous occasions, and has maintained that there are no outstanding debts or obligations.

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FEDERAL ELECTION COMMISSION  
COMMITTEE INDEX OF DISCLOSURE DOCUMENTS - (C) 1977-1978

DATE 30 JAN 80 101

PAGE 1

HOUSE

COMMITTEE	DOCUMENT	RECEIPTS		EXPENDITURES		COVERAGE DATES	PAGES	MICROFILM LOCATION
		PRIMARY	GENERAL	PRIMARY	GENERAL			
UNSON FOR CONGRESS - 1978								
	1977 STATEMENT OF ORGANIZATION					3 JAN 77	3	77HSE/127/34671
	1978 STATEMENT OF ORGANIZATION- AMENDMENT					18 JAN 78	3	78HSE/128/0239
	STATEMENT OF ORGANIZATION- AMENDMENT					3 FEB 78	3	78HSE/129/4254
	MISCELLANEOUS TRANSACTION TO F.B.C.					27 JUL 78	1	78HSE/142/3289
	APRIL 10 QUARTERLY	820		789			4	78HSE/132/0304
	APRIL 10 QUARTERLY - AMENDMENT						3	78HSE/144/0323
	APRIL 10 QUARTERLY - AMENDMENT	820		789		1 JAN 78 - 1 APR 78	1	78HSE/134/3250
	REQUEST FOR ADDITIONAL INFORMATION					1 JAN 78 - 1 APR 78	2	78FEC/080/4645
	JULY 10 QUARTERLY	40,842		40,320		1 APR 78 - 30 JUN 78	13	78HSE/138/6211
	JULY 10 QUARTERLY - AMENDMENT						2	78HSE/144/0326
	REQUEST FOR ADDITIONAL INFORMATION					1 APR 78 - 30 JUN 78	3	78FEC/083/3482
	REQUEST FOR ADDITIONAL INFORMATION					1 APR 78 - 30 JUN 78	2	79FEC/137/1735
	JULY 10 QUARTERLY - AMENDMENT					- 30 JUN 78	1	79HSE/165/0176
	JULY 10 QUARTERLY - AMENDMENT					- 30 JUN 78	1	79HSE/170/2334
	TERMINATION REPORT	1,305		1,841		1 JUL 78 - 14 SEP 78	5	78HSE/145/4630
-----								
	1977 YEAR END REPORT						2	78HSE/130/2619
	REQUEST FOR ADDITIONAL INFORMATION					27 DEC 77	3	78FEC/080/4640
	1977 YEAR END REPORT - AMENDMENT						5	78HSE/144/0318
	YEAR END REPORT - AMENDMENT	24		0		27 DEC 77 - 31 DEC 77	1	78HSE/131/2714
	TOTAL	42,991	0	42,950	0		58	TOTAL PAGES

All reports reviewed

8 1 0 4 0 2 9 1 8 2 5

FEDERAL ELECTION COMMISSION  
COMMITTEE INDEX OF DISCLOSURE DOCUMENTS - (C) 1979-1980

DATE 30JUN80  
PAGE 1

HOUSE

COMMITTEE	DOCUMENT	RECEIPTS		EXPENDITURES		COVERAGE DATES	# OF PAGES	MICROFILM LOCATION
		PRIMARY	GENERAL	PRIMARY	GENERAL			
	CONGRESS 100 10 QUARTERLY		3A - POSTCARD			30JUN79	1	ID# C00004075 1 77HSE/167/4160 ✓

*All reports renewed*

Federal Commission  
Washington, D.C. 20463

### ITEMIZED EXPENDITURES

(Operating, Transfers Out, Contributions in Kind,  
Loans, Loan Repayments and Refunds Made)  
Supplement Lines 20a, 21a, and 22a, 22b, and 22c  
of FEC FORM 3

Page 1 of 1 for  
Line Number 21a

Use Separate Schedules for  
each number, etc.

Name of Candidate or Committee on Ballot

**UPSON For Congress 1978**

Full Name, Main Address and ZIP Code

**Tom UPSON  
30 NORTH FIELD RD  
225 WATERTOWN CT**

Particulars of Expenditure

**REPAYMENT OF LOAN**

Date

**6-1-78**

Amount

**9501.25**

Expenditure for:

Salary  Campaign  Other

Full Name, Main Address and ZIP Code

**225 WATERTOWN CT**

Particulars of Expenditure

Expenditure for:

Salary  Campaign  Other

Full Name, Main Address and ZIP Code

Expenditure for:

Salary  Campaign  Other

Full Name, Main Address and ZIP Code

Expenditure for:

Salary  Campaign  Other

Full Name, Main Address and ZIP Code

Expenditure for:

Salary  Campaign  Other

Full Name, Main Address and ZIP Code

Expenditure for:

Salary  Campaign  Other

Full Name, Main Address and ZIP Code

Expenditure for:

Salary  Campaign  Other

Full Name, Main Address and ZIP Code

Expenditure for:

Salary  Campaign  Other

81040291836

9/24



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.  
WASHINGTON, D.C. 20463

August 24, 1978

Sidney H. Kopperl, Treasurer  
~~UPSON~~ FOR CONGRESS-1978  
30 Northfield Road  
Watertown, Connecticut 06795-

Dear Mr. Kopperl:

This letter is prompted by our interest in assisting House candidates and committees who wish to comply with the Federal Election Campaign Act.

During review of the July 10 Report of Receipts and Expenditures, we noted that you omitted certain information or made apparent mathematical errors in certain entries. Attached is an itemization of the information requested.

The Federal Election Commission, in connection with its statutory responsibility to enforce the Act, reviews all Federal campaign disclosure documents, including those filed initially with the Clerk of the House. The Office of the Clerk, as an informational service, is notifying filers of the errors and omissions found in their preliminary review of documents filed with the Clerk. This letter and attached documentation constitute official notification by the Commission of errors and omissions found, and require a written response.

While we recognize the difficulties you may have experienced in filling out the reporting forms, we must ask that you supply the Clerk of the House, Office of Records and Registration, 1036 Longworth HOB, Washington, D.C. 20515, with the missing information within fifteen (15) days from the date of this letter. If you have any questions, please do not hesitate to contact Mike Filler in our Reports Analysis Division on the toll free number (800)424-9530. Our local number is (202)523-4172.

Sincerely,

*Orlando B. Potter*

Orlando B. Potter  
Staff Director

Attachment  
FEC Form 12

81040291827

TO: URSON FOR CONGRESS-1078

DATE: August 26, 1978

T-06

I.D. NO.: C00084095

REQUEST FOR ADDITIONAL INFORMATION FOR THE July 10 REPORT OF RECEIPTS  
AND EXPENDITURES COVERING THE PERIOD April 1, 1978 THROUGH June 30, 1978  
PURSUANT TO THE FEDERAL ELECTION CAMPAIGN ACT OF 1971, AS AMENDED.

A review of the report indicates that additional information is needed in order to be considered complete. Please return a copy of this form with your amended submission(s).

Please provide the required data, as indicated (x):

Coverage Dates  omitted or  incorrect

Signature  omitted or  incorrect

Summary Page Line(s)  Column(s)  Totals  omitted or  incorrect

Detailed Summary (Page 2) Line(s)  Column(s)  Totals  omitted or  incorrect

Schedule Totals  disagree with Detailed Summary (Page 2) or  omitted

Date(s)  omitted or  inadequate for Schedule(s)  Line(s)

Full Name(s) Omitted for Schedule(s)  Line(s)

Billing Address(es)  omitted or  inadequate for Schedule(s)  Line(s)

Occupational Descriptions  omitted or  inadequate for Schedule(s)  Line(s)

Principal Place(s) of Business  omitted or  inadequate for Schedule(s)  Line(s)

Aggregate Year-to-date Totals  omitted or  inadequate for Schedule(s)  Line(s)

Nature or Purpose of Expenditure  omitted or  inadequate for Schedule(s)  Line(s)

Nature or Purpose of Receipt  omitted or  inadequate for Schedule(s)  Line(s)

Inadequate Description of  proceeds  dates  events  location of Schedule

Other: \_\_\_\_\_

Your initial submission(s), together with this request for additional information, has been made available for public inspection. The Commission urges you to file the additional submission(s) promptly to the above address: If you have any questions regarding this request, please call the Disclosure Division toll free at (800) 424-9530. The local Washington, D.C. telephone number is (202) 523-4048.

Senate filers should file their submission(s) with the Secretary of the Senate, Office of Public Records, 119 D St N.E., Washington, D.C. 20510. House filers should file their submission(s) with the Clerk of the House, Office of Records and Registration, 1036 Longworth House Office Building, Washington, D.C. 20515.

REQUEST FOR ADDITIONAL INFORMATION  
PAGE TWO

Upson for Congress-1978  
C00084095  
July 10 Report

Please be advised that Section 104.2(b)(9) of the Commission Regulations requires the particulars to be provided for each expenditure which exceeds \$100 in the aggregate. Please amend your report to clarify the purpose of the expenditure paid to Tom Upson for \$861.32.

In addition, on Line 21a of Schedule B, your report discloses a loan repayment to the candidate, Tom Upson, on June 1, 1978 of \$9,501.25. However, the committee never discloses receiving a loan. Please explain this discrepancy.

81040291829

In reply please refer to 4HQ2/78-301MF

12/17



FEDERAL ELECTION COMMISSION

1125 K STREET N.W.  
WASHINGTON, D.C. 20463

17 November 1978

Mr. Sidney H. Kopperl, Treasurer  
Unson for Congress - 1978  
30 Northfield Road  
Watertown, Connecticut 06795

Dear Mr. Kopperl:

On August 24, 1978, you were notified that the July 10 Report of Receipts and Expenditures filed by your committee omitted certain required information.

As of this date, however, we have received no response from you. Your failure to amend your report gives the Commission reason to believe that you are in violation of 2 U.S.C. 434.

The Commission will take no action against you until you have had a reasonable opportunity to respond to this letter. This response should be mailed to the Commission within fifteen (15) days from the date of this letter.

If you have responded to the above or you require additional information, please contact Mike Filler, our Reports Analyst assigned to you on our toll free number (800)424-9530. Our local number is 523-4172.

Sincerely,

Commissioner

Certified Mail:  
Return Receipt Requested

81040291830

# RTB RECEIPT

EG Upson 4RA2778-304 MF

PS Form 3811, Apr. 1977

RETURN RECEIPT REGISTERED, INSURED AND CERTIFIED MAIL

SENDER. Complete items 1, 2, and 3.  
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).  
 Show to whom and date delivered ..... c  
 Show to whom, date, and address of delivery ..... c  
 RESTRICTED DELIVERY  
 Show to whom and date delivered ..... c  
 RESTRICTED DELIVERY  
 Show to whom, date, and address of delivery. \$ \_\_\_\_  
 (CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:

3. ARTICLE DESCRIPTION:  
 REGISTERED NO. | CERTIFIED NO. | INSURED NO.  
 | 438154 | |  
 (Always obtain signature of addressee or agent)

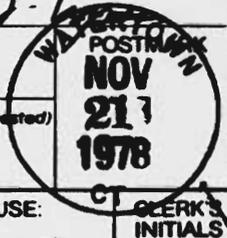
I have received the article described above.  
 SIGNATURE  Addressee  Authorized agent

4. DATE OF DELIVERY  
 11-21-78

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

CT CLERK'S INITIALS



Koppeel

81040291831

**MEMORANDUM FOR FILES**

**RE:** TELECON

**DATE:** 4/16/79

**FROM:** Sidney Kopperl, treasurer 203-384-5212

**TO:** Mike Filler

**NAME OF COMMITTEE:** Upson for Congress 1978 CT/06

81040291832

---

Mr. Kopperl called today regarding an RFAI sent out on the '78 July 10 report. The Detailed Summary Page had disclosed \$30,000 in loans received during the period, however, the report failed to disclose the source(s) of the funds. In addition, a loan repayment to the candidate (Thomas Upson) was disclosed on the expenditure schedule, and Schedule C did not show any outstanding obligations for loans received.

The treasurer is employed by Citytrust Bank in Connecticut. According to Mr. Kopperl, the candidate had obtained a \$30,000 loan from the Westport branch of Citytrust.

A letter will be forthcoming from Mr. Kopperl disclosing the source, terms and status of the \$30,000 loan.



REGULAR MAIL  
APR 20 1979

April 20, 1979

Mr. Michael Fuller,  
Federal Election Commission,  
1325 K Street, N.W.,  
Washington D.C. 20463

055816

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
79 APR 24 AM 8:38

1979 APR 25 AM 11:36  
U.S. DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION

Dear Mr. Fuller:

I am writing you at this time to try to answer any questions you may have regarding a loan that was given to Thomas F. Upson in connection with his attempt to run for Congress in the Sixth Congressional District of Connecticut.

A loan in the amount of \$30,000 was granted to Thomas F. Upson on April 7, 1978. This loan was scheduled to repay at the rate of \$5,000 per month. This loan was granted to Thomas Upson based on the strength exhibited in his personal financial statement. This money was subsequently lent to the Upson for Congress campaign.

On August 17, 1978 the balance at that time of \$23,250. was paid off and re-cast in a new obligation made in the name of Thomas F. Upson & J. Warren Upson. This loan was written for a one-year period.

I hope the above information will satisfy your needs with regards to the above-mentioned loan.

Yours very truly,

Sidney H. Kopperl,  
Vice President  
Commercial Div., Waterbury

SHK:p

8104029183  
7901150176

REGULAR MAIL  
JUL 25 1978



**Citytrust**

CT0612

U.S. MAIL  
JUL 21 1978

July 25, 1978

Clerk of House of Representatives,  
1036 Longworth House Office Building,  
Washington D.C. 20515

Re: Thomas F. Upson # 072800

Dear Mr. Henshaw:

I am writing you on behalf of Thomas F. Upson who was running for Congress from the 6th Congressional District of Connecticut.

I am the Treasurer of Mr. Upson's campaign Committee. Several weeks ago Mr. Upson announced that for personal reasons he had decided not to seek office this year. Since that time we have closed down his campaign headquarters and have undertaken no active campaigning. Mr. Upson's name will not appear for nomination at this year's convention.

We are, at this time, in the process of analyzing the amount of refunds available to us with respect to the amount of campaign debts still owing. It is anticipated that upon the collection of all refunds, all campaign debts will be fully liquidated. At that time (expected to be August, 1978) we will formally terminate our campaign.

I ask for your cooperation at this time in waiving the requirements for the submitting of the Primary report. I have spoken to a representative of the F.E.C. and was informed that this would be the procedure necessary in order to get the requirement of the aforementioned report waived. Your cooperation in this matter will be greatly appreciated.

Sincerely,

*Sidney H. Kopperl*

Sidney H. Kopperl  
Treasurer,  
Upson for Congress Committee

SHK:p

81040291834

X

**MEMORANDUM FOR FILES**

**RE:** TELECON  
**DATE:** 8/3/79  
**FROM:** Tom Upson, candidate  
**TO:** Susan Kaltenbaugh  
**NAME OF COMMITTEE:** Upson for Congress 1978 CT/06

---

Mr. Upson called in reference to a July 10 mailgram. I returned his call and told him that his letter of 7/27 would not exempt him from filing that report. I told him that an individual from another division (OGC) would be contacting him in the future as there was some question as to the adequacy of his loan transactions. He said that he still owes his father the money, and that it would be taken care of in the inheritance agreement or by some other method "that had nothing to do with this".

81040291835

SK

U.S. HOUSE OF REPRESENTATIVES  
379 AUG -6 AM 9 3  
U.S. HOUSE OF REPRESENTATIVES

**MOYNAHAN & RUSKIN**

ATTORNEYS AT LAW

63 BANK STREET

P.O. BOX 2601

WATERBURY, CONNECTICUT 06723

(203) 757-0220, 578-1422

**AUG 2 1979**  
**REGULAR MAIL**

TIMOTHY C. MOYNAHAN

STEPHEN A. RUSKIN

~~THOMAS F. UPSON~~

MARK CARRINGTON

~~JOHN ANBROZAITIS, JR.~~

Thomas F. Upson

John Ambrozaitis, Jr.

WOLCOTT OFFICE:  
200 CENTRAL AVENUE  
WOLCOTT, CONN. 06716  
(203) 570-2427

August 3, 1979

The Clerk of the House  
Office of Records and Registration  
1036 Longworth H.O.B.  
Washington, D.C. 20315

ID# 072800

RE: July 10 Quarterly Report  
Upson for Congress - 1978

Gentlemen:

Please be advised that there has been no financial activity in the above-captioned matter.

I withdrew on June 10, 1978 from running for the 1978 Republican Nomination for the Connecticut's 6th District.

I currently can be reached at the number found in the above letterhead. I would appreciate it if we could end the numerous letters that I keep receiving from the Federal Election Commission, as there are no outstanding debts or receipts from the campaign.

Very truly yours,  
*Thomas F. Upson*  
THOMAS F. UPSON

TFU:dd

79011674160  
310402918

**REGULAR MAIL**  
 RECEIVED  
 SEP 14 1978  
 Federal Election Commission  
 1325 K Street, N.W.  
 Washington, D.C. 20543

**REPORT OF RECEIPTS AND EXPENDITURES  
 FOR A CANDIDATE OR COMMITTEE  
 SUPPORTING CANDIDATE(S) FOR  
 NOMINATION OR ELECTION TO FEDERAL OFFICE**

(Except for Candidates or Committees Receiving Federal Matching Funds)

12:25:16 PM 11:44

Note: Committees authorized by a candidate to receive contributions and make expenditures in connection with more than one election must maintain separate records with respect to each election.

1 UPSON for Congress 1978 2 I.D. No. 072800  
 Name of Candidate or Committee (in full) Candidate/Committee  
50 Northfield Rd. 3 US Congress 6<sup>th</sup> Dist. Conn.  
 Address (number and street) Office Sought, State/District (if applicable)  
Westport CT  
 City, State and ZIP Code  Check if address is different than previously reported Year of Election 1978

4 Type of Report (check appropriate boxes)

April 10 Quarterly Report  Tenth day report preceding \_\_\_\_\_ election (primary, general or convention)  Termination Report

July 10 Quarterly Report on \_\_\_\_\_ in the State of \_\_\_\_\_  Amendment for: \_\_\_\_\_

October 10 Quarterly Report (date) (which report)

January 31 Annual Report  Thirtieth day report following \_\_\_\_\_ election (primary, general or convention)

Monthly Report \_\_\_\_\_ on \_\_\_\_\_ in the State of \_\_\_\_\_ (month) (date)

This is a report for  Primary Election  General Election  Primary and General  Other (special, runoff, etc.)

**SUMMARY OF RECEIPTS AND EXPENDITURES**  
 (Figures may be rounded to nearest dollar.)

5 Covering Period	Column A This Period	Column B Calendar Year-To-Date
<u>7-1-78</u> Through <u>9-14-78</u>		
6 Cash on hand January 1, 1978		\$ 2420
7 Cash on hand at beginning of reporting period	\$ 576.67	
8 Total receipts (from line 19)	\$ 1305.71	\$ 42968.21
(a) Subtotal (Add lines 7 and 8 for Column A and lines 6 and 8 for Column B)	\$ 1882.38	\$ 42992.41
9 Total expenditures (from line 25)	\$ 1841.69	\$ 42951.72
10 Cash on hand at close of reporting period (Subtract line 9 from line 8a)	\$ 40.69	\$ 40.69
11 Value of contributed items on hand to be liquidated (Attach itemized list)		
12 Debts and obligations owed to the Committee/Candidate (itemize all on Schedule C)	\$	
13 Debts and obligations owed by the Committee/Candidate (itemize all on Schedule C)	\$	

I certify that I have examined this Report and to the best of my knowledge and belief it is true, correct and complete.

9-14-78 SUNNY H. KERRICK [Signature]  
 (Date) (Typed Name of Treasurer or Candidate) (Signature of Treasurer or Candidate)

Note: Submission of false, erroneous, or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C. Section 437g, or Section 441; (see reverse side of form).

For further information, contact: Federal Election Commission, 1325 K Street, N.W., Washington, D.C. 20543 or call 800 424-9530. Approved by GAO B-187620 (R05C6) Expires 3-31-81

All previous versions of FEC FORM 3 are obsolete and should no longer be used.

Any information reported herein may not be copied for sale or use by any person for purposes of soliciting contributions or for any commercial purpose.

81040291837

OCT 5 1978

C00084095  
Upson for Congress - 1978  
Sidney H. Kopperl, Treasurer  
30 Northfield Road  
Watertown, CT 06795

Toll Free Number: (800) 424-9530  
Local Number: (202) 523-4172

The following information is requested by our analyst, Susan Kaltenbaugh, for the July 10 Amended Report covering April 1, 1978 through June 30, 1978.

2 U.S.C. 431(e)(1) defines "contribution" to be "a gift, subscription, loan, advance, or deposit of money or anything of value made for the purpose of influencing the nomination for election..."

FEC Regulations Section 100.4(a)(1)(i) further defines "loan" to "include" a guarantee, endorsement and any other form of security..."

Your amended July 10, 1978 report, dated April 20, 1979, discloses a contribution from J. Warren Upson which appears to exceed the limits set forth in 2 U.S.C. 441a. The Act precludes an individual or a political committee, other than a multi-candidate committee, from making a contribution to a candidate for Federal office in excess of \$1,000 per election. If you have received a contribution which exceeds the limits, the Commission recommends that you refund to the donor the amount in excess of \$1,000. (Any refund should appear on Line 21a of Schedule B on your next report.)

If you find that the contribution is question was disclosed incompletely or incorrectly, please amend your original report with the clarifying information.

Although the Commission may take further legal steps concerning the acceptance of an excessive contribution, your prompt refund of the excessive amount to the donor will be taken into consideration by the Commission. Please inform the Commission of your determination in this matter by letter within fifteen (15) days from the date of this notification.

81040291838

**MOYNAHAN & RUSHIN**  
ATTORNEYS AT LAW  
68 BANK STREET  
P. O. BOX 2001  
WATERBURY, CONNECTICUT 06722  
(202) 557-2222, 572-1411

RECEIVED  
FEDERAL ELECTION  
COMMISSION

'79 DEC 3 PM 12:15

**TIMOTHY G. MOYNAHAN**  
**STEPHEN A. RUSHIN**  
**MARK CARRINGTON**  
**THOMAS F. UPSON**  
**JOHN ANTHROSAKIS, JR.**

**WOLCOTT OFFICE**  
**205 CENTRAL AVENUE**  
**WOLCOTT, CONN. 06716**  
(202) 570-2222

November 30, 1979

*Called 12/2 2:15 m/k/b.*

Mr. Thomas J. Haselhorst  
Assistant Staff Director  
Reports Analysis Division  
Federal Election Commission  
Washington, D.C. 20463

Dear Mr. Haselhorst:

On or about April 1, 1978 I borrowed \$30,000 from Citytrust evidenced by a promissory note which was guaranteed by a second party. I officially withdrew from the Congressional race on June 10, 1978 after being served divorce papers by my former wife. After my withdrawal, all the debts of the campaign were paid off and the note was recast in a new obligation dated October 17, 1978 made in the name of Thomas F. Upson and my father, J. Warren Upson.

A researcher for the Federal Election Commission has continually asked my former campaign chairman for information concerning the new note alleging that J. Warren Upson has exceeded the limits set forth in U.S.C. 441a which precludes an individual from contributing in excess of \$1,000 per election to a candidate for a federal office.

I am enclosing a statement from the Loan and Discount Department of Citytrust which shows the current balance on the note.

Please contact me so that we can discuss this matter.

Very truly yours,

*Thomas F. Upson*  
Thomas F. Upson

TFU/sf

81040291839

MEMORANDUM FOR FILES

RE: TELECON

DATE: 12/3/79

FROM: Tom Upson

TO: Sue Kaltenbaugh

NAME OF COMMITTEE: Upson for Congress CT/06

---

81040291810

Mr. Upson returned my called. I explained that the endorsement by his father on a bank loan was an excessive contribution. He hadn't really understood that before. I suggested (per the Compliance team) that he try to get other people to endorse that loan, to lower the amount of the father's contribution. He said that would be impossible, as the elections were two years ago and who would do that for him? I then suggested he re-negotiate the loan with the bank and assume more of the loan himself. He told me that his wife divorced him last year and took the house and all of his assets-he is considering declaring bankruptcy. His father has recently had a heart attack, and he presumes the will should take care of the bank loan. I told him this was a referable matter. He asked me to give him some time, as he was considering a fundraiser in March (he wasn't sure if that would even raise any money). I told him I could hold the referral until January. He wanted a letter detailing our conversation-I told him that it would be impossible. I am sending him an information notice, stating that his termination report was not accepted because of the outstanding campaign debt. I reminded him that the treasurer was responsible for committee filings--and he said that the treasurer would be upset, as he was an officer of the bank. I told him to call me, or to have the treasurer call me if there were any questions on how to resolve this problem.

Note: Mr. Upson asked me not to have any letters sent to his father, implying that he was responsible for this matter. I told him I did not know what letters OGC might send, but that I would note his request. He is most concerned about his father's ill health.

CT/06  
C00084095  
Upson for Congress 1978  
Sidney Kapperl, Treasurer  
47 Holmes Avenue  
Waterbury, CT 06710

Date: January 28, 1980  
Toll Free Number: (800) 424-9530  
Local Number: (202) 523-4172

This informational notice has been prepared by our analyst Susan Kaltenbaugh for the Termination Report, covering July 1, 1978 through September 14, 1978.

Please be advised that Section 102.4(a) of the Commission's Regulations prohibits a committee from terminating until all debts and obligations have been extinguished. The debts and obligations must be reported on separate schedules, together with a statement explaining the circumstances and conditions under which each debt and obligation was incurred or extinguished as required by Section 104.8(a) of the Commission's Regulations. Your Committee must continue to report until all campaign related debts are paid.

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*Proposed*

RAD 80L-41

**REPORTS ANALYSIS REFERRAL UPDATE**

**\*ORIGIN:** RAD

**DATE** April 3, 1980

**ANALYST** Susan Kaltenbaugh

**TO:** OGC

**TEAM CHIEF** Peter Kell, Jr.

**ATTENTION:**

**COMPLIANCE REVIEW** Bowen/Sims

**THROUGH:** STAFF DIRECTOR *OPD.*

**FROM:** ASSISTANT STAFF DIRECTOR FOR REPORTS ANALYSIS *[Signature]*

**MUR No.** 1174

**DATE OF ORIGINAL REFERRAL** 2/14/80

**\*\*PURPOSE:**

Attached please find a letter received by RAD relating to the above MUR number.

81040291812

\*Commission unit which initiated original Referral (e.g. AUDIT/RAD/OGC).  
\*\*INFORMATION, or RESULTS OF RAD ACTION, as appropriate.

RECEIVED

80 APR 2 12:00

**MOYNAHAN & RUSKIN**  
ATTORNEYS AT LAW  
68 BANK STREET  
P. O. BOX 2601  
WATERBURY, CONNECTICUT 06726  
(203) 757-9886, 572-1611

**TIMOTHY C. MOYNAHAN**  
**STEPHEN A. RUSKIN**  
**MARK CARRINGTON**  
**THOMAS F. UPSON**  
**JOHN AMBROZATTIS, JR.**

**WOLCOTT OFFICE**  
**206 CENTRAL AVENUE**  
**WOLCOTT, CONN. 06716**  
(203) 670-6666

March 31, 1980

Mr. Thomas J. Haselhorst  
Assistant Staff Director  
Reports Analysis Division  
Federal Election Commission  
Washington, D.C. 20463

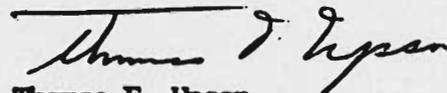
Dear Mr. Haselhorst:

Re: Upson for Congress- 1978  
C00084095

Please be advised that on December 28, 1979 I reduced by \$3,000 the amount owed the Citytrust by the Upson for Congress 1978 campaign. (See attachment 1). On January 2, 1980, I made another payment in the amount of \$3,000 again reducing the total. (See attachment 2). On January 2, 1980, I paid off the entire loan and executed a note to J. Warren Upson (my father), from myself to him for the entire balance. Therefore, the entire debt owed to Citytrust on behalf of my campaign has been paid off by two \$3,000 payments from me and the balance of \$16,726.50 has been paid, and I am repaying my father on the note that I executed to him.

This I hope is sufficient for the reporting requirements for the Federal Election Commission and if I do not hear from you, I assume that you will now treat this as closed.

Very truly yours,

  
Thomas F. Upson

TFU/sf  
Encs. (3)

91040291843



# RECEIPT

No. 360925

VALIDATION STAMP

BRANCH OR DEPT. WNO2 DATE 12/28/7

RECEIVED OF: Thomas F. Upson

FOR CREDIT TO ACCOUNT NO. 4402884

LOAN AND DISCOUNT   
INSTALLMENT LOAN

MASTER CHARGE   
MORTGAGE

OTHER: [Signature]  
SIGNATURE (IF NOT OTHERWISE VALIDATED)

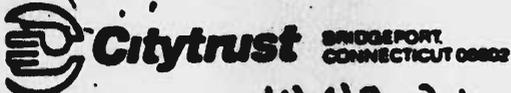
FORM W-100



\$ 3000.00

FILE COPY

310402918



# RECEIPT

No. 360927

VALIDATION STAMP

BRANCH OR DEPT. WNO 21 DATE 11/2/80

RECEIVED OF: Thomas F. Upson

FOR CREDIT TO ACCOUNT NO. 44102884

LOAN AND DISCOUNT	<input checked="" type="checkbox"/>	MASTER CHARGE	<input type="checkbox"/>
INSTALLMENT LOAN	<input type="checkbox"/>	MORTGAGE	<input type="checkbox"/>

OTHER \_\_\_\_\_

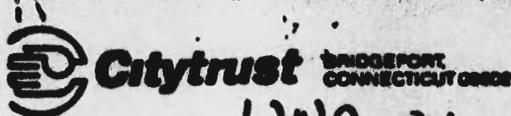
\$ 3000 -

Dee Day  
SIGNATURE (IF NOT OTHERWISE VALIDATED)

FORM W-104

FILE COPY

310402918



# RECEIPT

No. 360926

BRANCH OR DEPT. WNO 21 DATE Jan 2, 1980

RECEIVED OF: Thomas F. Upson

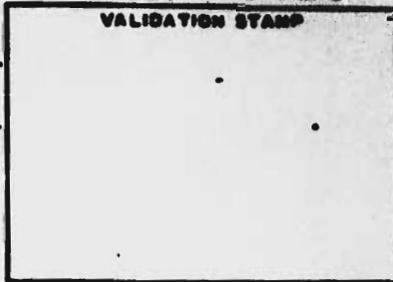
FOR CREDIT TO ACCOUNT NO. 4402884

LOAN AND DISCOUNT   
INSTALLMENT LOAN

MASTER CHARGE   
MORTGAGE

OTHER [Signature]  
SIGNATURE (IF NOT OTHERWISE VALIDATED)

FORM W-104



\$ 16,726.50

FILE COPY

310402918



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Thomas Upson  
47 Holmes Avenue  
Waterbury, Connecticut

Re: MUR 1174

Dear Mr. Upson:

On , 1980, the Federal Election Commission found reason to believe that you violated sections 441a and 441b of the Federal Election Campaign Act of 1971, as amended (the "Act"). A report on the Commission's finding is enclosed for your information. You may submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter.

Please submit answers to the enclosed questions within 10 days of your receipt of this letter. Where appropriate, statements should be submitted under oath.

In the absence of any additional information which demonstrates that no further action should be taken against you, the Commission may find probable cause to believe that a violation has occurred, and proceed with formal conciliation. Of course, this does not preclude the settlement of this matter through informal conciliation prior to a finding of probable cause to believe if you so desire.

This matter will remain confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) (formerly § 437g(a)(3)(B)) unless you notify the Commission in writing that you wish the matter to be made public.

If you have any questions, please contact Maura White, the staff member assigned to this matter at 202/523-4060.

Sincerely,

Enclosures

81040291847

To: Thomas Upson

**Interrogatories/Requests for Information**

- 81040291818
- 1a) Provide copies of all documents relating to the loan of \$30,000 from the Citytrust Bank on or about April 1, 1978. Such documentation should include, but not be limited to, the loan agreement, the note, and the security agreement.
  - b) For what purpose was the loan obtained?
  - c) What assets, if any, secured the bank loan (e.g. bank account, house, stock)? State in whose name any such assets were held.
  - d) Did a second party guarantee the loan agreement? If the answer is yes, identify that individual and their relationship to you.
  - e) In what capacity did a second party sign the loan agreement?
  - f) Was the signature of a second party necessary to obtain the loan?
  - g) State the name of the individual or entity which was responsible for repayment of the loan.
  - h) Has this note been repaid?
  - i) If the answer to question #1(h) is yes, explain how the note was repaid. List the dates and amounts of all payments for interest and reduction of the principal.
  - j) Did the individual or entity responsible for repayment of the loan, at any time, fail to meet the terms of the loan agreement. If the answer is yes, please explain in what way the failure occurred.
  - k) If the answer to question #1(j) is yes, did the bank take any steps to obtain payment (e.g. mailing of reminder notices, commencement of attachment proceedings)?
  
  - 2a) Provide copies of all documents relating to the loan from Citytrust Bank on August (or October) 17, 1978. Such documentation should include, but not be limited to, the loan agreement, the note, and the security agreement.

- b) For what purpose was the loan obtained?
- c) What assets, if any, secured the bank loan (e.g. bank account, house, stock)? State in whose name any such assets were held.
- d) In what capacity did J. Warren Upson sign the loan agreement of August (or October) 17, 1978?
- e) Was the signature of J. Warren Upson necessary to obtain the loan?
- f) State the name of the individual or entity which was responsible for repayment of the loan.
- g) Has this note been repaid?
- h) If the answer to question #2(g) is yes, explain how the note was repaid. Include the dates and amounts of all payments for interest and reduction of the principal.
- i) Did the individual or entity responsible for repayment of the loan, at any time, fail to meet the terms of the loan agreement. If the answer is yes, please explain in what way the failure occurred.
- j) If the answer to question #2(i) is yes, did the bank take any steps to obtain payment (e.g. mailing of reminder notices, commencement of attachment proceedings)?
- 3a) Provide copies of all documents relating to the loan from J. Warren Upson to Thomas Upson on January 2, 1980. Such documentation should include, but not be limited, to, the loan agreement and the note.
- b) State the amount of the loan to Thomas Upson.
- c) List the date and amount of all payments to J. Warren Upson for interest and reduction of the principal.
- d) What is the current outstanding balance, if any, on the note?

81040291849

To: T. Upson

- 3 -

- 4a) List all loans, by date and amount, made by Thomas Upson to the Upson for Congress Committee since January 1, 1978, to the present.
- b) List all payments for interest and reduction of the principal, if any, by the Upson for Congress Committee to Thomas Upson since January 1, 1978, to the present.
- c) List all payments for interest and reduction of the principal, if any, by the Upson for Congress Committee to Citytrust Bank since January 1, 1978, to the present.
- d) List all payments for interest and reduction of the principal, if any, by the Upson for Congress Committee to J. Warren Upson since January 1, 1978, to the present.

81040291850

FEDERAL ELECTION COMMISSION

NOTIFICATION OF REASON TO BELIEVE FINDING

DATE \_\_\_\_\_

MUR NO. 1174  
STAFF MEMBER(S) & TEL. NO.  
M. White/ D. Branch

RESPONDENT Thomas Upson

202/523-4060

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

BACKGROUND

On February 14, 1980, the Reports Analysis Division ("RAD") referred this matter to the Office of General Counsel. Thomas Upson may have violated 2 U.S.C. § 441a by accepting loans in excess of the limitation on contributions, and may have violated 2 U.S.C. § 441b by his receipt of loans from Citytrust Bank which may not have been transacted in the ordinary course of business.

FACTUAL BASIS AND LEGAL ANALYSIS

a) 2 U.S.C. § 441a

A review of the July 10, 1978, quarterly report filed by the Upson for Congress Committee revealed that while the committee did not report any outstanding debts and obligations, it did report an expenditure of \$9,501.25 to Thomas Upson, the candidate, on June 1, 1978, for "repayment of a loan," and the detailed summary page listed the receipt of \$30,000 in loans. No other information concerning either the receipt or repayment of obligations was reported. RAD mailed the Committee a request for additional information ("RFAI") on

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August 24, 1978, asking for an explanation as to why a loan repayment was reported but not the receipt of a loan. The Committee did not respond to the RFAI and on November 17, 1978, a reason to believe notification letter, in regard to a violation of 2 U.S.C. § 434, was mailed.

On April 16, 1979, Sidney Kopperl, the treasurer of the Committee, telephoned RAD in response to the RFAI of August 24, 1978, and explained that Thomas Upson had obtained a \$30,000 loan from Citytrust Bank. On April 24, 1979, Mr. Kopperl provided RAD with an explanation of the loan transaction. According to Mr. Kopperl's response, a \$30,000 loan was made to Thomas Upson on April 7, 1978. The loan was to be repaid at the rate of \$5,000 per month and was made to Mr. Upson "based on the strength exhibited in his personal financial statement. This money was subsequently lent to the Upson for Congress campaign." Mr. Kopperl stated that on August 17, 1978, the loan balance stood at \$23,250. On that date, this balance was "paid off and re-cast in a new obligation made in the name of Thomas F. Upson and J. Warren Upson." 1/

On October 5, 1979, RAD mailed a surface violation letter to the Committee in response to the amended July 10, 1978, quarterly report filed on April 24, 1979 (Mr. Kopperl's response). The letter advised the Committee that the loan received from J. Warren Upson appeared to exceed the limits of 2 U.S.C. § 441a. Thomas Upson responded to the surface violation letter on December 3, 1979, in a telephone conversation and a letter. Mr. Upson's letter stated that he withdrew from the congressional race on June 10, 1978, and subsequent to his withdrawal "all the debts of the campaign were paid off and the note was recast in a new obligation dated October 17, 1978 made in the name of Thomas Upson and my father, J. Warren Upson." See fn. 1. A copy of a bank statement was submitted with Mr. Upson's response which indicates that on or about September 21, 1979, the principal on the loan was \$22,726.50. Mr. Upson stated in his December 3 letter that this amount was the current balance on the loan.

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1/ Mr. Kopperl's response does not agree in detail with the response of Thomas Upson dated December 3, 1979. Mr. Upson has stated that on or about April 1, 1978, he borrowed \$30,000 from Citytrust Bank which was guaranteed by a "second party." There was no mention of a second party in Mr. Kopperl's response. Furthermore, while Mr. Kopperl stated that the new obligation was incurred on August 17, 1978, Mr. Upson has stated that the new debt was incurred on October 17, 1978.

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On March 31, 1980, Thomas Upson informed the Commission that on December 28, 1979, and January 2, 1980, he reduced the loan by \$6,000, and that on January 2, 1980, he "paid off the entire loan and executed a note to J. Warren Upson (my father), from myself to him for the entire balance." The note executed to J. Warren Upson appears to have been in the amount of \$16,726.50. Thomas Upson has stated that the "entire debt owed to Citytrust Bank on behalf of [his] campaign has been paid off," and he is repaying his father on the note that he executed to him.

2 U.S.C. § 431(e)(1) (recodified at § 431(8)(A)) defines contribution to include any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for federal office. 11 C.F.R. § 100.7(a)(1)(i)(C) (former § 100.4(a)(1)(i)) defines loan to be a contribution by each endorser or guarantor. Each endorser or guarantor shall be deemed to have contributed that portion of the total amount of the loan for which he or she agreed to be liable in a written agreement (formerly defined as a guarantee, endorsement, and other form of security where the risk of nonpayment rests with the surety, guarantor or endorser as well as with a political committee, candidate, or other primary obligor). Pursuant to 11 C.F.R. § 100.7(a)(1)(i)(C) and 2 U.S.C. § 431(8)(B)(vii)(I) (former § 431(e)(5)(G)) a loan is considered a loan by each endorser or guarantor in that proportion of the unpaid balance that each endorser or guarantor bears to the total number of endorsers or guarantors. A loan is a contribution to the extent that the obligation remains outstanding. 11 C.F.R. § 100.7(a)(1)(i)(B) (former § 100.4(a)(1)(i)).

2 U.S.C. § 441a(a)(1)(A) prohibits any person from making contributions in excess of \$1,000 per candidate per election. 2 U.S.C. § 441a(f) prohibits any candidate or political committee from knowingly receiving contributions which are in violation of 2 U.S.C. § 441a.

The receipt of the August (or October) 17, 1978, loan guaranteed by J. Warren Upson, and the receipt of the January 2, 1980, loan from J. Warren Upson, provides reason to believe that Thomas Upson violated 2 U.S.C. § 441a(f).

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b) 2 U.S.C. § 441b

This matter also includes a possible violation of 2 U.S.C. § 441b in that the loans granted to Thomas Upson by the Citytrust Bank were possibly not transacted in accordance with applicable banking laws and regulations in the ordinary course of business. If the loans to Thomas Upson by Citytrust Bank were not transacted in the ordinary course of business then they were to be considered as contributions to Thomas Upson in violation of 2 U.S.C. § 441b. Citytrust Bank is currently a state bank which is chartered as a corporation.

A review of repayments on the loan of August (or October) 17, 1978, appears to indicate that the terms of the loan were not satisfied. According to responses received, this loan was written for one year, yet no payments appear to have been made on the loan until more than a year later on December 28, 1979. The treasurer of the Upson for Congress Committee is employed at the same bank, Citytrust Bank, that granted Mr. Upson his loans.

2 U.S.C. § 431(e)(5)(G) (recodified at § 431(8)(B)(vii)) excludes from the definition of contribution any loan of money by a state bank or national bank made in accordance with applicable banking laws and in the ordinary course of business. 2 U.S.C. § 441b(a) renders it unlawful for national banks and corporations to make contributions in connection with federal election activities; it is also a violation of this section for any person to knowingly accept or receive any contribution prohibited by this section.

As the loan of August (or October) 17, 1978, does not appear to have been transacted in the ordinary course of business, there is reason to believe that Thomas Upson violated 2 U.S.C. § 441b(a).

Based on the foregoing analysis, the Federal Election Commission has found:

- 1) Reason to believe that Thomas Upson violated 2 U.S.C. §§ 441a(f) and 441b(a).

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**FEDERAL ELECTION COMMISSION**  
WASHINGTON, D.C. 20463

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

J. Warren Upson  
30 Applegate Lane  
Woodbury, CT

Re: MUR 1174

Dear Mr. Upson:

On , 1980, the Federal Election Commission found reason to believe that you violated section 441a of the Federal Election Campaign Act of 1971, as amended ("the Act"). A report on the Commission's finding is enclosed for your information.

You may submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. In the absence of any information which demonstrates that no further action should be taken against you, the Commission may find probable cause to believe that a violation has occurred, and proceed with formal conciliation. Of course, this does not preclude the settlement of this matter through informal conciliation prior to a finding of probable cause to believe if you so desire.

This matter will remain confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) (formerly § 437g (a)(3)(B)) unless you notify the Commission in writing that you wish the matter to be made public.

If you have any questions, please contact Maura White, the staff member assigned to this matter at 202/523-4060.

Sincerely,

Enclosure

81040291855

FEDERAL ELECTION COMMISSION

NOTIFICATION OF REASON TO BELIEVE FINDING

DATE \_\_\_\_\_

MUR NO. 1174  
STAFF MEMBER(S) & TEL. NO.  
M. White/D.Branch

RESPONDENT J. Warren Upson

202-523-4060

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

BACKGROUND

On February 14, 1980, the Reports Analysis Division ("RAD") referred this matter to the Office of General Counsel. J. Warren Upson may have violated 2 U.S.C. § 441a (a)(1)(A) by making contributions (loans) to Thomas Upson, a 1978 congressional candidate, in excess of the limits on contributions.

FACTUAL AND LEGAL ANALYSIS

A review of the July 10, 1978, quarterly report filed by the Upson for Congress Committee ("Committee") revealed that while the committee did not report any outstanding debts and obligations, it did report an expenditure of \$9,501.25 to Thomas Upson, the candidate, on June 1, 1978, for "repayment of a loan," and the detailed summary page listed the receipt of \$30,000 in loans.

On April 24, 1979, Sidney Kopperl, the treasurer of the Committee provided RAD with an explanation of the loan transaction. According to Mr. Kopperl's response, a \$30,000 loan was made to Thomas Upson on April 7, 1978. The loan was to be repaid at the rate of \$5,000 per month and was made to Mr. Upson "based on the strength exhibited in his personal financial statement. This money was subsequently lent to the Upson for Congress campaign." Mr. Kopperl stated that on August 17, 1978, the loan balance stood at \$23,250. On that date, this balance was "paid off and re-cast in a new obligation made in the name of Thomas F. Upson and J. Warren Upson." 1/

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On October 5, 1979, RAD mailed a surface violation letter to the Committee in response to the amended July 10, 1978, quarterly report filed on April 24, 1979 (Mr. Kopperl's response). The letter advised the Committee that the loan received from J. Warren Upson appeared to exceed the limits of 2 U.S.C. § 441a. Thomas Upson responded to the surface violation letter on December 3, 1979, in a telephone conversation and a letter. Mr. Upson's letter stated that he withdrew from the congressional race on June 10, 1978, and subsequent to his withdrawal "all the debts of the campaign were paid off and the note was recast in a new obligation dated October 17, 1978 made in the name of Thomas Upson and my father, J. Warren Upson." See fn. 1. A copy of a bank statement was submitted with Mr. Upson's response which indicates that, on or about September 21, 1979, the principal on the loan was \$22,726.50. Mr. Upson stated in his December 3 letter that this amount was the current balance on the loan.

On March 31, 1980, Thomas Upson informed the Commission that on December 28, 1979, and January 2, 1980, he reduced the loan by \$6,000, and that on January 2, 1980, he "paid off the entire loan and executed a note to J. Warren Upson (my father), from myself to him for the entire balance." The note executed to J. Warren Upson appears to have been in the amount of \$16,726.50. Thomas Upson has stated that the "entire debt owed to Citytrust Bank on behalf of [his] campaign has been paid off," and he is repaying his father on the note that he executed to him.

2 U.S.C. § 431(e)(1) (recodified at § 431(8)(A)) defines contribution to include any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for federal office. 11 C.F.R. § 100.7(a)(1)(i)(C) (former § 100.4(a)(1)(i)) defines a loan to be a contribution by each endorser or guarantor. Each endorser or guarantor shall be deemed to have contributed that portion of the total amount of the loan for which he or she agreed to be liable in a written agreement (formerly defined as a guarantee, endorsement, and other form of security where the risk of nonpayment rests with the surety, guarantor or endorser as well as with a political committee, candidate, or other primary obligor). Pursuant to 11 C.F.R. § 100.7(a)(1)(i)(C) and 2 U.S.C. § 431(8)(B)(vii)(I) (former § 431(e)(5)(G))

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1/ Mr. Kopperl's response does not agree in detail with the response of Thomas Upson dated December 3, 1979. Mr. Upson has stated that on or about April 1, 1978, he borrowed \$30,000 from Citytrust Bank which was guaranteed by a "second party." There was no mention of a second party in Mr. Kopperl's response. Furthermore, while Mr. Kopperl stated that the new obligation was incurred on August 17, 1978, Mr. Upson has stated that the new debt was incurred on October 17, 1978.

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a loan is considered a loan by each endorser or guarantor in that proportion of the unpaid balance that each endorser or guarantor bears to the total number of endorsers or guarantors. A loan is a contribution to the extent that the obligation remains outstanding. 11 C.F.R. § 100.7(a)(1)(i)(B) (former § 100.4(a)(1)(i)).

2 U.S.C. § 441a(a)(1)(A) prohibits any person from making contributions in excess of \$1,000 per candidate per election. 2 U.S.C. § 441a(f) prohibits any candidate or political committee from knowingly receiving contributions which are in violation of 2 U.S.C. § 441a.

As J. Warren Upson was a guarantor of the August (or October) 17, 1978, loan to Thomas Upson, and made a loan to Thomas Upson, on January 2, 1980, in the apparent amount of \$16,726.50, there is reason to believe that J. Warren Upson violated 2 U.S.C. § 441a(a)(1)(A).

Based on the foregoing analysis, the Federal Election Commission has found:

1. Reason to Believe that J. Warren Upson violated 2 U.S.C. § 441a(a)(1)(A).

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FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Sidney H. Kopperl, Treasurer  
Upson for Congress Committee  
47 Holmes Avenue  
Waterbury, CT

Re: MUR 1174

Dear Mr. Kopperl:

The Federal Election Commission notified you in letters dated August 24, 1978, November 17, 1978, and October 5, 1979, that your committee may have violated certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act").

Upon further review of the information available to the Commission and information supplied by you, the Commission determined, on \_\_\_\_\_, 1980, that there is reason to believe that your committee violated 2 U.S.C. §§ 441a(f) and 441b(a). (You were notified in a letter dated November 17, 1978, that the Commission found reason to believe that your committee violated 2 U.S.C. § 434.) A report on the Commission's finding is attached for your information. You may submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter.

In the absence of any additional information which demonstrates that no further action should be taken against your committee, the Commission may find probable cause to believe that a violation has occurred, and proceed with formal conciliation. Of course, this does not preclude the settlement of this matter through informal conciliation prior to a finding of probable cause to believe if you so desire.

This matter will remain confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) (formerly § 437g(a)(3)(B)) unless you notify the Commission in writing that you wish the matter to be made public.

If you have any questions please contact Maura White, the staff member assigned to this matter, at 202-523-4060.

Sincerely,

Enclosure

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FEDERAL ELECTION COMMISSION

NOTIFICATION OF REASON TO BELIEVE FINDING

DATE \_\_\_\_\_

MUR NO. 1174  
STAFF MEMBER(S) & TEL. NO.

RESPONDENT Upson for Congress

M. White/ D. Branch

202/523-4060

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

BACKGROUND

On February 14, 1980, the Reports Analysis Division ("RAD") referred the name of the Upson for Congress Committee ("Committee") to Office of General Counsel. The Committee may have violated 2 U.S.C. § 441a by accepting loans in excess of the limitation on contributions, and may have violated 2 U.S.C. § 441b by its receipt of loans from Citytrust Bank which may not have been transacted in the ordinary course of business.

FACTUAL AND LEGAL ANALYSIS

a) 2 U.S.C. § 441a

A review of the July 10, 1978, quarterly report filed by the Upson for Congress Committee revealed that while the committee did not report any outstanding debts and obligations, it did report an expenditure of \$9,501.25 to Thomas Upson, the candidate, on June 1, 1978, for "repayment of a loan," and the detailed summary page listed the receipt of \$30,000 in loans. No other information concerning either the receipt or repayment of obligations was reported. RAD mailed the Committee a request for additional information ("RFAI") on August 24, 1978, asking for an explanation as to

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why a loan repayment was reported but not the receipt of a loan. The Committee did not respond to the RFAI and on November 17, 1978, a reason to believe notification letter, in regard to a violation of 2 U.S.C. § 434, was mailed.

On April 16, 1979, Sidney Kopperl, the treasurer of the Committee, telephoned RAD in response to the RFAI of August 24, 1978, and explained that Thomas Upson had obtained a \$30,000 loan from Citytrust Bank. On April 24, 1979, Mr. Kopperl provided RAD with an explanation of the loan transaction. According to Mr. Kopperl's response, a \$30,000 loan was made to Thomas Upson on April 7, 1978. The loan was to be repaid at the rate of \$5,000 per month and was made to Mr. Upson "based on the strength exhibited in his personal financial statement. This money was subsequently lent to the Upson for Congress campaign." Mr. Kopperl stated that on August 17, 1978, the loan balance stood at \$23,250. On that date, this balance was "paid off and re-cast in a new obligation made in the name of Thomas F. Upson and J. Warren Upson." 1/

On October 5, 1979, RAD mailed a surface violation letter to the Committee in response to the amended July 10, 1978, quarterly report filed on April 24, 1979 (Mr. Kopperl's response). The letter advised the Committee that the loan received from J. Warren Upson appeared to exceed the limits of 2 U.S.C. § 441a. Thomas Upson responded to the surface violation letter on December 3, 1979, in a telephone conversation and a letter. Mr. Upson's letter stated that he withdrew from the congressional race on June 10, 1978, and subsequent to his withdrawal "all the debts of the campaign were paid off and the note was recast in a new obligation dated October 17, 1978 made in the name of Thomas Upson and my father, J. Warren Upson." See fn. 1. A copy of a bank statement was submitted with Mr. Upson's response which indicates that, on or about September 21, 1979, the principal on the loan was \$22,726.50. Mr. Upson stated in his December 3 letter that this amount was the current balance on the loan.

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1/ Mr. Kopperl's response does not agree in detail with the response of Thomas Upson dated December 3, 1979. Mr. Upson has stated that on or about April 1, 1978, he borrowed \$30,000 from Citytrust Bank which was guaranteed by a "second party." There was no mention of a second party in Mr. Kopperl's response. Furthermore, while Mr. Kopperl stated that the new obligation was incurred on August 17, 1978, Mr. Upson has stated that the new debt was incurred on October 17, 1978.

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On March 31, 1980, Thomas Upson informed the Commission that on December 28, 1979, and January 2, 1980, he reduced the loan by \$6,000, and that on January 2, 1980, he "paid off the entire loan and executed a note to J. Warren Upson (my father), from myself to him for the entire balance." The note executed to J. Warren Upson appears to have been in the amount of \$16,726.50. Thomas Upson has stated that the "entire debt owed to Citytrust Bank on behalf of [his] campaign has been paid off," and he is repaying his father on the note that he executed to him.

2 U.S.C. § 431(e)(1) (recodified at § 431(8)(A)) defines contribution to include any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for federal office. 11 C.F.R. § 100.7(a)(1)(i)(C) (former § 100.4(a)(1)(i)) defines a loan to be a contribution by each endorser or guarantor. Each endorser or guarantor shall be deemed to have contributed that portion of the total amount of the loan for which he or she agreed to be liable in a written agreement (formerly defined as a guarantee, endorsement, and other form of security where the risk of nonpayment rests with the surety, guarantor or endorser as well as with a political committee, candidate, or other primary obligor). Pursuant to 11 C.F.R. § 100.7(a)(1)(i)(C) and 2 U.S.C. § 431(8)(B)(vii)(I) (former § 431(e)(5)(G)) a loan is considered a loan by each endorser or guarantor in that proportion of the unpaid balance that each endorser or guarantor bears to the total number of endorsers or guarantors. A loan is a contribution to the extent that the obligation remains outstanding. 11 C.F.R. § 100.7(a)(1)(i)(B) (former § 100.4(a)(1)(i)).

2 U.S.C. § 441a(a)(1)(A) prohibits any person from making contributions in excess of \$1,000 per candidate per election. 2 U.S.C. § 441a(f) prohibits any candidate or political committee from knowingly receiving contributions which are in violation of 2 U.S.C. § 441a.

The receipt of the August (or October) 17, 1978, and January 2, 1980, loans by the Upson for Congress Committee provides reason to believe that a violation of 2 U.S.C. § 441a(f) has occurred.

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b) 2 U.S.C. § 441b

This matter also includes a possible violation of 2 U.S.C. § 441b in that the loans granted to Thomas Upson by the Citytrust Bank were possibly not transacted in accordance with applicable banking laws and regulations in the ordinary course of business. If the loans to Thomas Upson by Citytrust Bank were not transacted in the ordinary course of business then they are to be considered as contributions to Thomas Upson in violation of 2 U.S.C. § 441b. A review of repayments on the loan of August (or October) 17, 1978, appears to indicate that the terms of the loan were not satisfied. According to responses received, this loan was written for one year, yet no payments appear to have been made on the loan until more than a year later on December 28, 1979. The treasurer of the Upson for Congress Committee is employed at the same bank, Citytrust Bank, that granted Mr. Upson his loans.

2 U.S.C. § 431(e)(5)(G) (recodified at § 431(8)(B)(vii)) excludes from the definition of contribution any loan of money by a state bank or national bank made in accordance with applicable banking laws and in the ordinary course of business. 2 U.S.C. § 441b(a) renders it unlawful for national banks and corporations to make contributions in connection with federal election activities; it is also a violation of this section for any person to knowingly accept or receive any contribution prohibited by this section.

The loan of August (or October) 17, 1978, to Thomas Upson from Citytrust Bank appears to have been lent by Thomas Upson to the Upson for Congress Committee. As the loan does not appear to have been transacted in the ordinary course of business, there is reason to believe that the Upson for Congress Committee violated 2 U.S.C. § 441b(a).

Based on the foregoing analysis, the Federal Election Commission has found:

- 1) Reason to believe that the Upson for Congress Committee violated 2 U.S.C. §§ 441a(f) and 441b(a).

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**FEDERAL ELECTION COMMISSION**  
WASHINGTON, D.C. 20463

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Norman Schaff, Jr., President  
Citytrust Bank  
961 Main Street  
Bridgeport, Connecticut 06602

Re: MUR 1174

Dear Mr. Schaff:

On \_\_\_\_\_, 1980, the Federal Election Commission determined that there is reason to believe that Citytrust Bank violated section 441b of the Federal Election Campaign Act of 1971, as amended (the "Act"). A report on the Commission's finding is attached for your information. You may submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter.

Please submit, within 10 days of receipt of this letter, answers to the enclosed questions. Where appropriate, statements should be submitted under oath.

In the absence of any information which demonstrates that no further action should be taken against Citytrust Bank, the Commission may find probable cause to believe that a violation has occurred, and proceed with formal conciliation. Of course, this does not preclude the settlement of this matter through informal conciliation prior to a finding of probable cause to believe if you so desire.

This matter will remain confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) (formerly § 437g(a)(3)(B)) unless you notify the Commission in writing that you wish the matter to be made public.

If you have any questions, please contact Maura White, the staff member assigned to this matter at 202/523-4060.

Sincerely,

Enclosure

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To: Citytrust Bank

**Interrogatories/Requests for Information**

For purposes of these interrogatories, the following definition applies: "Bank" means the Citytrust Bank.

- 8 1 0 4 0 2 9 1 8 5 5
- 1a) Did the Citytrust Bank make a loan(s) to Thomas Upson, 47 Holmes Avenue, Waterbury, Connecticut, (formerly 30 Northfield Road, Watertown, Connecticut), during 1978, 1979, or 1980?
  - b) If the answer to 1(a) is yes, state the date and amount of each loan.
  - c) For each loan listed in 1(b) above, provide copies of all documents relating to the loans from Citytrust Bank to Thomas Upson. Such documentation should include, but not be limited to, the loan agreement, the note, and the security agreement.
  - d) For each loan listed in 1(b), provide a list of all payments for interest and reduction of the principal as of the date of these interrogatories, by date and amount, on each and every loan. Identify the person or entity that made each and every repayment.
  - e) For each loan listed in 1(b), state the name of all guarantors, endorsers, or co-signers. Indicate in what capacity each party signed the loan agreement (i.e., guarantor, co-signer).
  - f) For each loan listed in 1(b), state whether or not the signature of a second party was necessary in order for Thomas Upson to obtain the loan(s). Explain why the signature(s) was necessary.
  - g) For each loan listed above, was the loan secured by any assets? State in whose name any such assets were held.
- 
- 2a) Did the Citytrust Bank make any loan(s) to the Upson for Congress Committee, 47 Homes Avenue, Waterbury, Connecticut, during 1978, 1979, or 1980?
  - b) If the answer to 2(a) is yes, state the date and amount of each loan.
  - c) For each loan listed in 2(b), provide copies of all documents relating to the loan(s) from Citytrust Bank to the Upson for Congress Committee. Such documentation should include, but not be limited to, the loan agreement, the note, and the security agreement.

- d) For each loan listed in 2(b), provide a list of all payments for interest and reduction of the principal as of the date of these interrogatories, by date and amount, on each and every loan. Identify the person or entity that made each and every repayment.
- e) For each loan listed in 2(b), state the name of all guarantors, endorsers, or co-signers. Indicate in what capacity each party signed the loan agreement (i.e., guarantor, co-signer).
- f) For each loan listed in 2(b), state whether or not the signature of a second party was necessary in order for the Upson for Congress Committee to obtain the loan(s). Explain why the signature(s) was necessary.
- g) For each loan listed in 2(b), was the loan secured by any assets? State in whose name any such assets were held.
- 3a) Did either Thomas Upson or the Upson for Congress Committee, at any time, fail to meet the terms of a loan agreement? Explain the circumstances of this occurrence, and identify the party involved (i.e., Thomas Upson or the Upson for Congress Committee).
- b) If the answer to question 3(a) is yes, what measures did the bank take to obtain repayment?
- c) What regular procedures does the bank follow to obtain repayment from borrowers who fail to meet the terms of a loan agreement (i.e. mailing of reminder notices, commencement of attachment proceedings)?
- d) If after any failure to meet the terms of the loan(s) described in 3(a), the bank failed to follow its regular procedures to obtain repayment, explain what measures, if any, the bank took in lieu of the norm.
- 4a) Did Thomas Upson indicate to the bank the purpose of each loan listed in question 1(b)? If the answer is yes, state the bank's understanding of the purpose of each loan.
- b) Did the Upson for Congress Committee indicate to the bank the purpose of each loan listed in question 2(b)? If the answer is yes, state the bank's understanding of the purpose of each loan.

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5) Was Citytrust Bank a national bank during:

- a) 1978?
- b) 1979?
- c) 1980?

6) Was Citytrust Bank a state bank during:

- a) 1978?
- b) 1979?
- c) 1980?

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FEDERAL ELECTION COMMISSION

NOTIFICATION OF REASON TO BELIEVE FINDING

DATE \_\_\_\_\_

MUR NO. 1174  
STAFF MEMBER(S) & TEL. NO.  
M. White/D.Branch

RESPONDENT Citytrust Bank

202-523-4060

SOURCE OF MUR: I N T E R N A L L Y G E N E R A T E D

BACKGROUND

This matter was referred by the Reports Analysis Division ("RAD") to the Office of General Counsel. Citytrust Bank may have violated 2 U.S.C. § 441b(a) by its apparent failure to transact loans with Thomas Upson, a 1978 congressional candidate, in accordance with applicable banking laws and in the ordinary course of business. If the loans were not transacted in the ordinary course of business, then they are to be considered as contributions to Thomas Upson in violation of 2 U.S.C. § 441b(a). Citytrust Bank is a state bank chartered as a corporation.

FACTUAL BASIS AND LEGAL ANALYSIS

Thomas Upson received a \$30,000 loan from Citytrust Bank on or about April 1, 1978. Mr. Upson subsequently lent this money to the Upson for Congress Committee. (The treasurer of the Upson for Congress Committee, Sidney Kopperl, is employed by the Waterbury Branch of Citytrust Bank.) The loan was scheduled to be repaid at the rate of \$5,000 per month. This loan may have been guaranteed by a second party.

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On August (or October) 17, 1978, the balance on the note (\$23,250) was paid off and the note was re-cast in a new obligation made in the name of Thomas F. Upson and J. Warren Upson. This loan was written for a one year period.

A review of repayments on the loan of August or (October) 17, 1978, indicates that the loan was not transacted in the ordinary course of business. While the loan was written for a one year period, no payments appear to have been made on the loan until more than a year later on December 28, 1979. On December 28, 1979, Thomas Upson made a \$3,000 payment on the loan. On January 2, 1980, Thomas Upson made another \$3,000 payment, and then also on January 2, 1980, paid off the entire balance of \$16,726.50.

2 U.S.C. § 431(e)(5)(G) (recodified at § 431(8)(b)(vii)) excludes from the definition of contribution any loan of money by a state bank or national bank made in accordance with applicable banking laws and in the ordinary course of business. 2 U.S.C. § 441b(a) renders it unlawful for national banks and corporations to make contributions in connection with federal election activities. It is also a violation of this section for any person to knowingly accept or receive any contribution prohibited by this section, and for any officer or any director of any corporation or any national bank to consent to any contribution by the corporation or national bank which is prohibited by 2 U.S.C. § 441b(a).

As the loan by Citytrust Bank to Thomas Upson on August (or October) 17, 1978, does not appear to have been transacted in the ordinary course of business, there is reason to believe that Citytrust Bank violated 2 U.S.C. § 441b(a).

Based on the foregoing analysis, the Federal Election Commission has found:

- 1) Reason to believe that Citytrust Bank violated 2 U.S.C. § 441b(a).

91040291859

RECEIVED 1174  
GCC#1574  
'80 JUN 5 AM 11:19

MOYNAHAN & RUSKIN  
ATTORNEYS AT LAW  
83 BANK STREET  
P. O. BOX 2801  
WATERBURY, CONNECTICUT 06723  
(203) 757-8888, 873-1411

TIMOTHY C. MOYNAHAN  
STEPHEN A. RUSKIN  
MARK CARRINGTON  
THOMAS F. UPSON  
JOHN AMBROZAITIS, JR.

WOLCOTT OFFICE:  
200 CENTRAL AVENUE  
WOLCOTT, CONN. 06716  
(203) 878-0830

June 2, 1980

09 JUN 5 P 2:33

GENERAL COUNSEL

Mr. Thomas J. Haselhorst  
Assistant Staff Director  
Reports Analysis Division  
Federal Election Commission  
Washington, D.C. 20463

Dear Mr. Haselhorst:

Re: Upson for Congress- 1978  
C00084095

I sent a letter to you on March 28, 1980 with an enclosure of two receipts from Citytrust in the amount of \$3,000 each and a third receipt in the amount of \$16,726.50 also made to Citytrust. In addition, I am enclosing a copy to you of a Promissory Note payable to my father in the amount of \$16,726.50 which I think is self-explanatory.

I received the punishment that you informed me of and I am enclosing a copy of one of the articles for your benefit. This article was taken from the Waterbury Republican dated April 28, 1980.

I would appreciate it if you would answer my letter of March 31, 1980, a copy of which is enclosed, as I would like to know what the Commission wishes me to do since they have all the information in their files necessary to meet the legal requirements of the Federal Election Commission.

0 7 6 1 6 2 0 1 3

'80 JUN 5 AM 11:19

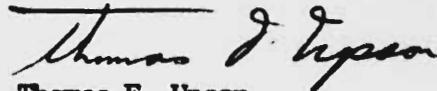
Mr. Thomas J. Haselhorst

Page 2

June 2, 1980

Please inform me if anything further is needed.

Very truly yours,

  
Thomas F. Upson

TFU/sf  
Encs.

81040291871

RECEIVED

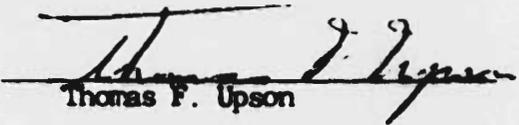
'80 JUN 5 AM 11:19

PROMISSORY NOTE

\$16,726.50

January 2, 1980  
Waterbury, Connecticut

FOR VALLE RECEIVED, the undersigned promises to pay to J. Warren Upson, 30 Applegate Lane, Woodbury, Connecticut, or order, the sum of Sixteen Thousand Seven Hundred Twenty-Six and 50/100 (\$16,726.50) Dollars, without interest, together with all costs of collection, including reasonable attorney's fees incurred in any actions taken to collect this note.

  
Thomas F. Upson

81040291072

'80 JUN 5 AM 11:19

10—Waterbury Republican, Monday, April 28, 1980

## For alleged campaign violations

# Upson faces fines, legal action

The 1978 Republican congressional campaign committee for attorney Thomas F. Upson could face fines of up to \$10,000 and court action for reportedly failing to file reports with the Federal Elections Commission.

Five other Congressional campaign committees in Connecticut also face legal action. The commission said this week the committees failed to file reports on receipts and expenditures that were due Jan. 31.

Upson's 6th District campaign for the Republican nomination to run against incumbent Democrat Anthony "Toby" Moffett lasted just over a month. He announced April 29 and withdrew June 12, 1978, for "personal reasons," partly involving a divorce from his now ex-wife, Barbara Secor.

Upson, formerly of Watertown, unsuccessfully challenged Moffett for Congress in 1976. He recently moved to Waterbury and is a member of Waterbury's GOP Town

Committee.

Neither Upson nor his campaign director, A.E. "Dick" Labouchere, could be reached for comment Sunday night.

The other campaign committees that face possible fines of up to \$10,000 are:

— The Cunningham for Congress Committee formed on behalf of Republican Richard Cunningham of Stamford in 1976.

— The Citizens to Elect John Pucciano to Congress Committee formed on behalf of the Orange Republican in 1978.

— The Citizens for Morgan Committee formed on behalf of Michael Morgan of Stamford in 1978.

— The Jim Rice for Congress Committee formed on behalf of the former state community development commissioner in 1978.

81040291873

**MOYNAHAN & RUSKIN**  
ATTORNEYS AT LAW  
63 BANK STREET  
P. O. BOX 2601  
WATERBURY, CONNECTICUT 06722  
(203) 757-0622, 878-1433

TIMOTHY C. MOYNAHAN  
STEPHEN A. RUSKIN  
MARK CARRINGTON  
THOMAS F. UPSON  
JOHN AMBROZAITIS, JR.

WELCH OFFICE  
505 CENTRAL AVENUE  
WELCH, CT 06716  
(203) 878-0000

March 31, 1980

Mr. Thomas J. Haselhorst  
Assistant Staff Director  
Reports Analysis Division  
Federal Election Commission  
Washington, D.C. 20463

Dear Mr. Haselhorst:

Re: Upson for Congress- 1978  
00084095

Please be advised that on December 28, 1979 I reduced by \$3,000 the amount owed the Citytrust by the Upson for Congress 1978 campaign. (See attachment 1). On January 2, 1980, I made another payment in the amount of \$3,000 again reducing the total. (See attachment 2). On January 2, 1980, I paid off the entire loan and executed a note to J. Warren Upson (my father), from myself to him for the entire balance. Therefore, the entire debt owed to Citytrust on behalf of my campaign has been paid off by two \$3,000 payments from me and the balance of \$16,726.50 has been paid, and I am repaying my father on the note that I executed to him.

This I hope is sufficient for the reporting requirements for the Federal Election Commission and if I do not hear from you, I assume that you will now treat this as closed.

Very truly yours,

Thomas F. Upson

TFU/sf  
Encs. (3)

81040291874



*Propper*

D 630  
RAD 80L-41

**REPORTS ANALYSIS REFERRAL UPDATE**

**\*ORIGIN:** RAD

**DATE** Apr 11 3, 1980

**ANALYST** Susan Kaltenbaugh

**TO:** OGC

**TEAM CHIEF** Peter Kell, Jr.

**ATTENTION:**

**THROUGH:** STAFF DIRECTOR *OP.P.*

**COMPLIANCE REVIEW** Bowen/Sims

**FROM:** ASSISTANT STAFF DIRECTOR FOR REPORTS ANALYSIS *J.H.*

**MUR No.** 1174

**DATE OF ORIGINAL REFERRAL** 2/14/80

**\*\*PURPOSE:**

Attached please find a letter received by RAD relating to the above MUR number.

81040291876

\*Commission unit which initiated original Referral (e.g. AUDIT/RAD/OGC).  
\*\*INFORMATION, or RESULTS OF RAD ACTION, as appropriate.

RECEIVED

80 APR 2 12:00

**MOYNEHAN & RUSKIN**  
ATTORNEYS AT LAW  
68 BANK STREET  
P. O. BOX 8801  
WATERBURY, CONNECTICUT 06726  
(203) 757-6666, 678-1611

**THOMAS G. MOYNEHAN**  
**STEPHEN A. RUSKIN**  
**MARK CARRINGTON**  
**THOMAS F. UPSON**  
**JOHN AMERSON, JR.**

**WOLCOTT OFFICE**  
**222 CENTRAL AVENUE**  
**WOLCOTT, CONN. 06716**  
**(203) 678-6666**

March 31, 1980

Mr. Thomas J. Haselhorst  
Assistant Staff Director  
Reports Analysis Division  
Federal Election Commission  
Washington, D.C. 20463

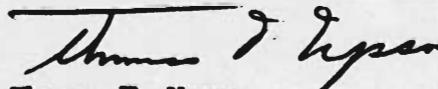
Dear Mr. Haselhorst:

Re: Upson for Congress- 1978  
000084095

Please be advised that on December 28, 1979 I reduced by \$3,000 the amount owed the Citytrust by the Upson for Congress 1978 campaign. (See attachment 1). On January 2, 1980, I made another payment in the amount of \$3,000 again reducing the total. (See attachment 2). On January 2, 1980, I paid off the entire loan and executed a note to J. Warren Upson (my father), from myself to him for the entire balance. Therefore, the entire debt owed to Citytrust on behalf of my campaign has been paid off by two \$3,000 payments from me and the balance of \$16,726.50 has been paid, and I am repaying my father on the note that I executed to him.

This I hope is sufficient for the reporting requirements for the Federal Election Commission and if I do not hear from you, I assume that you will now treat this as closed.

Very truly yours,

  
Thomas F. Upson

TFU/sf  
Encs. (3)

81040291877



# RECEIPT

No. 360925

VALIDATION STAMP

BRANCH OR DEPT. WNO2 DATE 12/28/7

RECEIVED OF: Thomas F. Upton

FOR CREDIT TO ACCOUNT NO. 4402884

LOAN AND DISCOUNT	<input checked="" type="checkbox"/>	MASTER CHARGE	<input type="checkbox"/>
INSTALLMENT LOAN	<input type="checkbox"/>	MORTGAGE	<input type="checkbox"/>

OTHER: \_\_\_\_\_

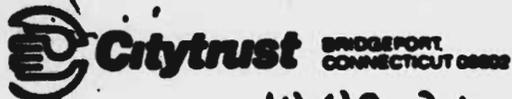
[Signature]  
SIGNATURE (IF NOT OTHERWISE VALIDATED)

FORM W-100

\$ 3000.00

FILE COPY

3101029187



# RECEIPT

No. 360927

VALIDATION STAMP

BRANCH OR DEPT. WNO 21 DATE 1/2/80

RECEIVED OF: Thomas F. Upson

FOR CREDIT TO ACCOUNT NO. 4402854

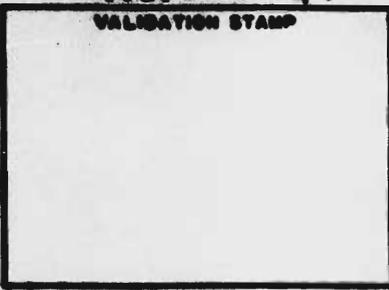
LOAN AND DISCOUNT

MASTER CHARGE

INSTALLMENT LOAN

MORTGAGE

OTHER \_\_\_\_\_



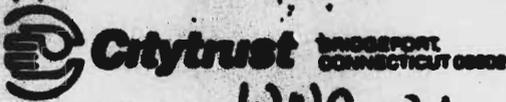
\$ 3000 -

Dee Day  
SIGNATURE (IF NOT OTHERWISE VALIDATED)

FORM W-104

FILE COPY

8104021713



# RECEIPT

No. 360926

BRANCH OR DEPT. WNO 21

DATE Jan 2, 1980

VALIDATION STAMP

RECEIVED OF: Thomas F. Upon

FOR CREDIT TO ACCOUNT NO. 4402884

LOAN AND DISCOUNT   
INSTALLMENT LOAN

MASTER CHARGE   
MORTGAGE

OTHER [Signature]  
SIGNATURE (IF NOT OTHERWISE VALIDATED)

FORM 8-104

\$ 16,726.50

FILE COPY

31040221330

REPORTS ANALYSIS REFERRAL SHEET

DATE February 14, 1980 ANALYST Susan Kaltenbaugh SK  
 TO: Office of General Counsel TEAM CHIEF Peter Kell, Jr. SK  
 THROUGH: STAFF DIRECTOR JH COMPLIANCE REVIEW Bowen/Sims PS  
 FROM: ASSISTANT STAFF DIRECTOR FOR REPORTS ANALYSIS JH

CANDIDATE/COMMITTEE: UPSON FOR CONGRESS -1978 CT/06 C00084095  
 TREASURER: Sidney H. Kopperl  
 ADDRESS: 47 Holmes Ave.  
 Waterbury, Connecticut 06710  
 AFFILIATE(S): N/A

ALLEGATION(S): The Committee has accepted an excessive loan from the candidate's father. Possible securing of bank loan in violation of banking laws and regulations.  
 CITE: 2 U.S.C. 441(a)(1)(A) ATTACHMENT(S) 6  
 2 U.S.C. 431(e)(5)(G)  
 2 U.S.C. 441(b)  
 DATE INITIATED: 8/22/78

MANNER IN WHICH REVIEW WAS INITIATED:  
 Normal Review  Other: ATTACHMENT  
 Special Project:

REPORTS: All reports within the dates listed below have received initial basic review. For all reports reviewed, see Attachment 1.

PERIOD COVERED FROM 4/1/78 TO 6/30/78

TOTAL RECEIPTS \$ 40842.50 TOTAL EXPENDITURES \$ 40320.48  
 CASH ON HAND \$ 576.67 DEBTS \$ Committee maintains there are no debts

HISTORY:

RESULTS OF REVIEW: ATTACHMENT  
 RFAI on 8/24/78-failure to disclose receipt of loan 2,3  
 RTB on 11/17/78 4  
 SV on 10/5/79-for excessive loan from candidate's father 11  
 Information notice on 1/28/80-informing committee that they cannot terminate until debts are paid. 14  
 COMMUNICATIONS WITH CANDIDATE/COMMITTEE: ATTACHMENT  
 Telecon 4/16/79 -with treasurer 5  
 Telecon 8/3/79-with candidate 8  
 Telecon 12/3/79-with candidate 13  
 REASON(S) FOR REFERRAL: ATTACHMENT  
 Response received 4/24/79-adequate response to RFAI but prompted sending of SV 6  
 Response received 12/3/79-inadequate 12

OTHER PENDING ACTIONS INITIATED BY RAD: ATTACHMENT  
 N/A

OTHER RELEVANT INFORMATION: ATTACHMENT  
 Please see Page Two.

PREVIOUS OGC/AUDIT REFERRALS FROM RAD:

OTHER RELEVANT INFORMATION

ATTACHMENT

Sidney Kopperl, treasurer of the committee, occupies a position of Vice President of the Commercial Division of Citytrust Bank in Waterbury, which is the bank where the candidate obtained a loan of \$30,000. The terms of repayment of the loan (\$5000 per month) were not satisfied, as the committee only reported a single loan repayment of \$9501. The original note was recast on 8/17/78 for a period of one year, however, the committee has never reported the dissolution of this second loan. This creates the possibility that the loan may have been transacted in a manner not in accordance with applicable banking laws and regulations, and not in the ordinary course of business. The committee has tried to terminate on numerous occasions, and has maintained that there are no outstanding debts or obligations.

7  
9  
10  
2

31040291832

FEDERAL ELECTION COMMISSION  
 COMMITTEE INDEX OF DISCLOSURE DOCUMENTS - (C) 1977-1978

DATE 30 JAN 80  
 PAGE 1

HOUSE

COMMITTEE	DOCUMENT	RECEIPTS		EXPENDITURES		COVERAGE DATE	PAGES	MICROFILM LOCATION
		PRIMARY	GENERAL	PRIMARY	GENERAL			
<b>UPSON FOR CONGRESS 1978</b>								
	1977 STATEMENT OF ORGANIZATION					3 JAN 77	3	77HSE/127/3467 ✓
	1978 STATEMENT OF ORGANIZATION - AMENDMENT					18 JAN 78	3	78HSE/128/0239 ✓
	STATEMENT OF ORGANIZATION - AMENDMENT					3 FEB 78	3	78HSE/129/4254 ✓
	MISCELLANEOUS TRANSACTION TO F.S.C.					27 JUL 78	1	78HSE/142/3289 ✓
	APRIL 10 QUARTERLY	820		789			4	78HSE/132/0386 ✓
	APRIL 10 QUARTERLY - AMENDMENT						3	78HSE/144/0323 ✓
	APRIL 10 QUARTERLY - AMENDMENT	820		789		1 JAN 78 - 1 APR 78	1	78HSE/134/3250 ✓
	REQUEST FOR ADDITIONAL INFORMATION					1 JAN 78 - 1 APR 78	2	78FEC/080/4645 ✓
	JULY 10 QUARTERLY	40,842		40,320		1 APR 78 - 30 JUN 78	13	78HSE/138/5211 ✓
	JULY 10 QUARTERLY - AMENDMENT						2	78HSE/144/0323 ✓
	REQUEST FOR ADDITIONAL INFORMATION					1 APR 78 - 30 JUN 78	3	78FEC/083/3482 ✓
	REQUEST FOR ADDITIONAL INFORMATION					1 APR 78 - 30 JUN 78	2	78FEC/137/1735 ✓
	JULY 10 QUARTERLY - AMENDMENT					- 30 JUN 78	1	78HSE/165/0176 ✓
	JULY 10 QUARTERLY - AMENDMENT					- 30 JUN 78	1	78HSE/170/2334 ✓
	TERMINATION REPORT	1,305		1,841		1 JUL 78 - 14 SEP 78	5	78HSE/145/4630 ✓
<b>1977 YEAR END REPORT</b>								
	REQUEST FOR ADDITIONAL INFORMATION					27 DEC 77	3	78FEC/080/4640 ✓
	YEAR END REPORT - AMENDMENT						5	78HSE/144/0318 ✓
	YEAR END REPORT - AMENDMENT	24		0		27 DEC 77 - 31 DEC 77	1	78HSE/131/2714 ✓
	TOTAL	42,991	0	42,950	0		58	TOTAL PAGES ✓

All reports reviewed.

81040291893

FEDERAL ELECTION COMMISSION  
COMMITTEE INDEX OF DISCLOSURE DOCUMENTS - (C) 1979-1980

DATE 30JUN80  
PAGE 1

HOUSE

COMMITTEE	DOCUMENT	RECEIPTS		EXPENDITURES		COVERAGE DATES	# OF PAGES	MICROFILM LOCATION
		PRIMARY	GENERAL	PRIMARY	GENERAL			

UPSON FOR CONGRESS 1978  
1979 JULY 10 QUARTERLY

3A - POSTCARD

30JUN79 104 000004095  
1 72HSE/16774180 ✓

*All reports reviewed*

8 1 0 4 0 2 9 1 8 3 4

**ITEMIZED EXPENDITURES**

(Operating, Transfers Out, Contributions in Kind, Loans, Loan Repayments and Refunds Allocated)  
 Submitting Lines 20a, 21a, and 22a, 23a, and 24a  
 of FEC FORM 3

Page 1 of 1  
 Line Number 319

Commissioner  
 D.C. 20543

File Separate Schedule for  
 each expenditure.

Name of Candidate or Committee on List		Date of Expenditure		Amount	
UPSON For Congress 1978					
Full Name, Title, Address and ZIP Code	Particulars of Expenditure	Date	Amount	Account No.	Source
Tom UPSON 30 NORTHFIELD RD 225 WATERLOO CT	REPAYMENT OF LOAN	6-1-78	9501.25		
Expenditure for:					
<input checked="" type="checkbox"/> Salary <input type="checkbox"/> Campaign <input type="checkbox"/> Other					
Full Name, Title, Address and ZIP Code	Particulars of Expenditure	Date	Amount	Account No.	Source
Expenditure for:					
<input type="checkbox"/> Salary <input type="checkbox"/> Campaign <input type="checkbox"/> Other					
Full Name, Title, Address and ZIP Code	Particulars of Expenditure	Date	Amount	Account No.	Source
Expenditure for:					
<input type="checkbox"/> Salary <input type="checkbox"/> Campaign <input type="checkbox"/> Other					
Full Name, Title, Address and ZIP Code	Particulars of Expenditure	Date	Amount	Account No.	Source
Expenditure for:					
<input type="checkbox"/> Salary <input type="checkbox"/> Campaign <input type="checkbox"/> Other					
Full Name, Title, Address and ZIP Code	Particulars of Expenditure	Date	Amount	Account No.	Source
Expenditure for:					
<input type="checkbox"/> Salary <input type="checkbox"/> Campaign <input type="checkbox"/> Other					
Full Name, Title, Address and ZIP Code	Particulars of Expenditure	Date	Amount	Account No.	Source
Expenditure for:					
<input type="checkbox"/> Salary <input type="checkbox"/> Campaign <input type="checkbox"/> Other					
Full Name, Title, Address and ZIP Code	Particulars of Expenditure	Date	Amount	Account No.	Source
Expenditure for:					
<input type="checkbox"/> Salary <input type="checkbox"/> Campaign <input type="checkbox"/> Other					

3104029133

9/24



FEDERAL ELECTION COMMISSION

1325 K STREET N.W.  
WASHINGTON, D.C. 20463

August 24, 1978

Sidney H. Kopperl, Treasurer  
UPSON FOR CONGRESS-1978  
30 Northfield Road  
Watertown, Connecticut 06795

Dear Mr. Kopperl:

This letter is prompted by our interest in assisting House candidates and committees who wish to comply with the Federal Election Campaign Act.

During review of the July 10 Report of Receipts and Expenditures, we noted that you omitted certain information or made apparent mathematical errors in certain entries. Attached is an itemization of the information requested.

The Federal Election Commission, in connection with its statutory responsibility to enforce the Act, reviews all Federal campaign disclosure documents, including those filed initially with the Clerk of the House. The Office of the Clerk, as an informational service, is notifying filers of the errors and omissions found in their preliminary review of documents filed with the Clerk. This letter and attached documentation constitute official notification by the Commission of errors and omissions found, and require a written response.

While we recognize the difficulties you may have experienced in filling out the reporting forms, we must ask that you supply the Clerk of the House, Office of Records and Registration, 1036 Longworth HOB, Washington, D.C. 20515, with the missing information within fifteen (15) days from the date of this letter. If you have any questions, please do not hesitate to contact Mike Filler in our Reports Analysis Division on the toll free number (800)424-9530. Our local number is (202)523-4172.

Sincerely,

*Orlando B. Potter*

Orlando B. Potter  
Staff Director

Attachment  
FEC Form 12

81040291335

mf/A  
9/24

TO: IMPSON, FOR CONGRESS-1078

DATE: August 24, 1978

T-06

I.D. NO.: C00084095

REQUEST FOR ADDITIONAL INFORMATION FOR THE July 10 REPORT OF RECEIPTS  
AND EXPENDITURES COVERING THE PERIOD April 1, 1978 THROUGH June 30, 1978  
PURSUANT TO THE FEDERAL ELECTION CAMPAIGN ACT OF 1971, AS AMENDED.

A review of the report indicates that additional information is needed in order to be considered complete. Please return a copy of this form with your amended submission(s).

Please provide the required data, as indicated (x):

Coverage Dates  omitted or  incorrect

Signature  omitted or  incorrect

Summary Page Line(s)  Column(s)  Totals  omitted or  incorrect

Detailed Summary (Page 2) Line(s)  Column(s)  Totals  omitted or  incorrect

Schedule Totals  disagree with Detailed Summary (Page 2) or  omitted

Date(s)  omitted or  inadequate for Schedule(s)  Line(s)

Full Name(s) Omitted for Schedule(s)  Line(s)

Billing Address(es)  omitted or  inadequate for Schedule(s)  Line(s)

Occupational Descriptions  omitted or  inadequate for Schedule(s)  Line(s)

Principal Place(s) of Business  omitted or  inadequate for Schedule(s)  Line(s)

Aggregate Year-to-date Totals  omitted or  inadequate for Schedule(s)  Line(s)

Nature or Purpose of Expenditure  omitted or  inadequate for Schedule(s)  Line(s)

Nature or Purpose of Receipt  omitted or  inadequate for Schedule(s)  Line(s)

Inadequate Description of  proceeds  dates  events  location of Schedule

Other: \_\_\_\_\_

Your initial submission(s), together with this request for additional information, has been made available for public inspection. The Commission urges you to file the additional submission(s) promptly to the above address: If you have any questions regarding this request, please call the Disclosure Division toll free at (800) 424-9530. The local Washington, D.C. telephone number is (202) 523-4048.

Senate filers should file their submission(s) with the Secretary of the Senate, Office of Public Records, 119 D St N.E., Washington, D.C. 20510. House filers should file their submission(s) with the Clerk of the House, Office of Public Records and Registration, 1036 Longworth House Office Building, Washington, D.C. 20515.

mf/4  
8/24/78

REQUEST FOR ADDITIONAL INFORMATION  
PAGE TWO

Upson for Congress-1978  
C00084095  
July 10 Report

Please be advised that Section 104.2(b)(9) of the Commission Regulations requires the particulars to be provided for each expenditure which exceeds \$100 in the aggregate. Please amend your report to clarify the purpose of the expenditure paid to Tom Upson for \$861.32.

In addition, on Line 21a of Schedule B, your report discloses a loan repayment to the candidate, Tom Upson, on June 1, 1978 of \$9,501.25. However, the committee never discloses receiving a loan. Please explain this discrepancy.

81040291-338

In reply please refer to 4HQ2/78-201HF

12/17



FEDERAL ELECTION COMMISSION

1125 K STREET N.W.  
WASHINGTON, D.C. 20463

17 November 1978

Mr. Sidney H. Kopperl, Treasurer  
Lipson for Congress - 1978  
30 Northfield Road  
Watertown, Connecticut 06795

Dear Mr. Kopperl:

On August 24, 1978, you were notified that the July 10 Report of Receipts and Expenditures filed by your committee omitted certain required information.

As of this date, however, we have received no response from you. Your failure to amend your report gives the Commission reason to believe that you are in violation of 2 U.S.C. 434.

The Commission will take no action against you until you have had a reasonable opportunity to respond to this letter. This response should be mailed to the Commission within fifteen (15) days from the date of this letter.

If you have responded to the above or you require additional information, please contact Mike Filler, our Reports Analyst assigned to you on our toll free number (800)424-9530. Our local number is 523-4172.

Sincerely,  
*[Signature]*  
Commissioner

Certified Mail:  
Return Receipt Requested

81040291839

# RTB RECEIPT

66 Upsom 4RA2778-304 MF

U.S. Form 3811, Rev. 1977

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

SENDER Complete items 1, 2, and 3.  
Add your address in the "RETURN TO" space on reverse.

1. The following service is requested (check one).  
 Show to whom and date delivered. \_\_\_\_\_¢  
 Show to whom, date, and address of delivery. \_\_\_\_\_¢  
 RESTRICTED DELIVERY  
Show to whom and date delivered. \_\_\_\_\_¢  
 RESTRICTED DELIVERY  
Show to whom, date, and address of delivery. \$\_\_\_\_  
(CONSULT POSTMASTER FOR FEES)

2. ARTICLE ADDRESSED TO:

3. ARTICLE DESCRIPTION:  
REGISTERED NO. CERTIFIED NO. INSURED NO.  
438154 | | |  
(Always obtain signature of addressee or agent)

I have received the article described above.  
SIGNATURE  Addressee  Authorized agent

4. DATE OF DELIVERY  
11-21-78

5. ADDRESS (Complete only if requested)

6. UNABLE TO DELIVER BECAUSE:

CLERK'S INITIALS

POSTMARK  
NOV  
21  
1978

Koppeel

☆GPO: 1977-0-248-585

0681620018

**MEMORANDUM FOR FILES**

**RE: TELECON**

**DATE: 4/16/79**

**FROM: Sidney Kopperl, treasurer 203-384-5212**

**TO: Mike Filler**

**NAME OF COMMITTEE: Upson for Congress 1978 CT/06**

Mr. Kopperl called today regarding an RFAI sent out on the '78 July 10 report. The Detailed Summary Page had disclosed \$30,000 in loans received during the period, however, the report failed to disclose the source(s) of the funds. In addition, a loan repayment to the candidate (Thomas Upson) was disclosed on the expenditure schedule, and Schedule C did not show any outstanding obligations for loans received.

The treasurer is employed by Citytrust Bank in Connecticut. According to Mr. Kopperl, the candidate had obtained a \$30,000 loan from the Westport branch of Citytrust.

A letter will be forthcoming from Mr. Kopperl disclosing the source, terms and status of the \$30,000 loan.

31040291371



REGULAR MAIL

APR 20 1979

April 20, 1979

Mr. Michael Fuller,  
Federal Election Commission,  
1325 K Street, N.W.,  
Washington D.C. 20463

055816

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
79 APR 29 AM 8:38

1979 APR 25 AM 11:36  
U.S. DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION

Dear Mr. Fuller:

I am writing you at this time to try to answer any questions you may have regarding a loan that was given to Thomas F. Upson in connection with his attempt to run for Congress in the Sixth Congressional District of Connecticut.

A loan in the amount of \$30,000 was granted to Thomas F. Upson on April 7, 1978. This loan was scheduled to repay at the rate of \$5,000 per month. This loan was granted to Thomas Upson based on the strength exhibited in his personal financial statement. This money was subsequently lent to the Upson for Congress campaign.

On August 17, 1978 the balance at that time of \$23,250. was paid off and re-cast in a new obligation made in the name of Thomas F. Upson & J. Warren Upson. This loan was written for a one-year period.

I hope the above information will satisfy your needs with regards to the above-mentioned loan.

Yours very truly,

Sidney H. Kopperl,  
Vice President  
Commercial Div., Waterbury

SHK:p

31010221322  
7901150176



**Citytrust**

REGULAR MAIL  
JUL 25 1978

OPTIONAL FORM NO. 10  
MAY 1962 EDITION GSA GEN. REG. NO. 27

CT0612

U.S. MAIL  
JUL 21 1978

July 25, 1978

Clerk of House of Representatives,  
1036 Longworth House Office Building,  
Washington D.C. 20515

Re: Thomas F. Upson # 072800

Dear Mr. Henshaw:

I am writing you on behalf of Thomas F. Upson who was running for Congress from the 6th Congressional District of Connecticut.

I am the Treasurer of Mr. Upson's campaign Committee. Several weeks ago Mr. Upson announced that for personal reasons he had decided not to seek office this year. Since that time we have closed down his campaign headquarters and have undertaken no active campaigning. Mr. Upson's name will not appear for nomination at this year's convention.

We are, at this time, in the process of analyzing the amount of refunds available to us with respect to the amount of campaign debts still owing. It is anticipated that upon the collection of all refunds, all campaign debts will be fully liquidated. At that time (expected to be August, 1978) we will formally terminate our campaign.

I ask for your cooperation at this time in waiving the requirements for the submitting of the Primary report. I have spoken to a representative of the F.E.C. and was informed that this would be the procedure necessary in order to get the requirement of the aforementioned report waived. Your cooperation in this matter will be greatly appreciated.

Sincerely,

Sidney H. Kopperl  
Treasurer,  
Upson for Congress Committee

SHK:p

X

31040391893

1  
3)

MEMORANDUM FOR FILES

RE: TELECON

DATE: 8/3/79

FROM: Tom Upson, candidate

TO: Susan Kaltenbaugh

NAME OF COMMITTEE: Upson for Congress 1978 CT/06

---

Mr. Upson called in reference to a July 10 mailgram. I returned his call and told him that his letter of 7/27 would not exempt him from filing that report. I told him that an individual from another division (OGC) would be contacting him in the future as there was some question as to the adequacy of his loan transactions. He said that he still owes his father the money, and that it would be taken care of in the inheritance agreement or by some other method "that had nothing to do with this".

31040291894

SK

U.S. HOUSE OF REPRESENTATIVES  
1979 AUG -6 AM 9 33

**MOYNAHAN & RUSKIN**  
ATTORNEYS AT LAW

63 BANK STREET  
P.O. BOX 2801

WATERBURY, CONNECTICUT 06723  
(203) 757-0600, 679-1444

**AUG 2 1979**  
**REGULAR MAIL**

TIMOTHY C. MOYNAHAN  
STEPHEN A. RUSKIN  
~~THOMAS F. UPSON~~  
MARK CARRINGTON

Thomas F. Upson  
~~John Ambrozaitis, Jr.~~

WOLCOTT OFFICE:  
200 CENTRAL AVENUE  
WOLCOTT, CONN. 06716  
(203) 679-1447

August 3, 1979

The Clerk of the House  
Office of Records and Registration  
1036 Longworth H.O.B.  
Washington, D.C. 20315

ID# 072800

RE: July 10 Quarterly Report  
Upson for Congress - 1978

Gentlemen:

Please be advised that there has been no financial activity in the above-captioned matter.

I withdrew on June 10, 1978 from running for the 1978 Republican Nomination for the Connecticut's 6th District.

I currently can be reached at the number found in the above letterhead. I would appreciate it if we could end the numerous letters that I keep receiving from the Federal Election Commission, as there are no outstanding debts or receipts from the campaign.

Very truly yours,  
*Thomas F. Upson*  
THOMAS F. UPSON

TFU:dd

79011674160

**REGULAR MAIL**  
 VISED  
 SEP 14 1978  
 Federal Election Commission  
 1325 K Street, N.W.  
 Washington, D.C. 20463

**REPORT OF RECEIPTS AND EXPENDITURES  
 FOR A CANDIDATE OR COMMITTEE  
 SUPPORTING CANDIDATE(S) FOR  
 NOMINATION OR ELECTION TO FEDERAL OFFICE**

(Except for Candidates or Committees Receiving Federal Matching Funds)

1978-16 REV. 10-66

Note: Committees authorized by a candidate to receive contributions and make expenditures in connection with more than one election must maintain separate records with respect to each election.

INITIALS

1. UPSON for Congress 1978 2. I.D. No. 072800  
 Name of Candidate or Committee (in full) Candidate/Committee  
50 Northfield Rd. 3. US Congress 6<sup>th</sup> Dist. Conn.  
 Address (number and street) Office Sought, State/District (if applicable)  
Weston CT  
 City, State and ZIP Code  Check if address is different than previously reported Year of Election 1978

4. Type of Report (check appropriate boxes)

April 10 Quarterly Report  Tenth day report preceding \_\_\_\_\_ election (primary, general or convention)  Termination Report

July 10 Quarterly Report on \_\_\_\_\_ in the State of \_\_\_\_\_  Amendment for: \_\_\_\_\_

October 10 Quarterly Report  Thirtieth day report following \_\_\_\_\_ election (primary, general or convention) (which report) \_\_\_\_\_

January 31 Annual Report

Monthly Report \_\_\_\_\_ on \_\_\_\_\_ in the State of \_\_\_\_\_ (month) (date)

This is a report for  Primary Election  General Election  Primary and General  Other (special, runoff, etc.)

**SUMMARY OF RECEIPTS AND EXPENDITURES**  
 (Figures may be rounded to nearest dollar.)

5. Covering Period	Column A This Period	Column B Calendar Year-To-Date
<u>7-1-78</u> Through <u>9-14-78</u>		
6. Cash on hand January 1, 1978		\$ 2420
7. Cash on hand at beginning of reporting period	\$ 576.67	
8. Total receipts (from line 19)	\$ 1305.71	\$ 42,968.21
(a) Subtotal (Add lines 7 and 8 for Column A and lines 6 and 8 for Column B)	\$ 1882.38	\$ 42,992.41
9. Total expenditures (from line 25)	\$ 1841.69	\$ 42,951.72
10. Cash on hand at close of reporting period (Subtract line 9 from line 8a)	\$ 40.69	\$ 40.69
11. Value of contributed items on hand to be liquidated (Attach itemized list)	\$	
12. Debts and obligations owed to the Committee/Candidate (itemize all on Schedule C)	\$	
13. Debts and obligations owed by the Committee/Candidate (itemize all on Schedule C)	\$	

I certify that I have examined this Report and to the best of my knowledge and belief it is true, correct and complete.  
9-14-78 SIDNEY H. KOPPEL [Signature]  
 (Date) (Typed Name of Treasurer or Candidate) (Signature of Treasurer or Candidate)

Note: Submission of false, erroneous, or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C. Section 437g, or Section 441j (see reverse side of form).

For further information, contact:

Federal Election Commission  
 1325 K Street, N.W.  
 Washington, D.C. 20463

or call 800 424-9530

Approved by GAO  
 B-187620 (R0506)  
 Expires 3-31-81

All previous versions of FEC FORM 3 are obsolete and should no longer be used.

Any information reported herein may not be copied for sale or use by any person for purposes of soliciting contributions or for any commercial purpose.

3101013335

OCT 5 1978

C00084095  
Upson for Congress - 1978  
Sidney H. Kopperl, Treasurer  
30 Northfield Road  
Watertown, CT 06795

Toll Free Number: (800) 424-9530  
Local Number: (202) 523-4172

The following information is requested by our analyst, Susan Kaltenbaugh, for the July 10 Amended Report covering April 1, 1978 through June 30, 1978.

2 U.S.C. 431(e)(1) defines "contribution" to be "a gift, subscription, loan, advance, or deposit of money or anything of value made for the purpose of influencing the nomination for election..."

FEC Regulations Section 100.4(a)(1)(i) further defines "loan" to "include" a guarantee, endorsement and any other form of security..."

Your amended July 10, 1978 report, dated April 20, 1979, discloses a contribution from J. Warren Upson which appears to exceed the limits set forth in 2 U.S.C. 441a. The Act precludes an individual or a political committee, other than a multi-candidate committee, from making a contribution to a candidate for Federal office in excess of \$1,000 per election. If you have received a contribution which exceeds the limits, the Commission recommends that you refund to the donor the amount in excess of \$1,000. (Any refund should appear on Line 21a of Schedule B on your next report.)

If you find that the contribution is question was disclosed incompletely or incorrectly, please amend your original report with the clarifying information.

Although the Commission may take further legal steps concerning the acceptance of an excessive contribution, your prompt refund of the excessive amount to the donor will be taken into consideration by the Commission. Please inform the Commission of your determination in this matter by letter within fifteen (15) days from the date of this notification.

81040291897

**MOYNAHAN & RUSKIN**  
ATTORNEYS AT LAW  
88 BANK STREET  
P. O. BOX 2662  
WATERBURY, CONNECTICUT 06726  
(203) 757-0000, 572-1422

RECEIVED  
FEDERAL ELECTION  
COMMISSION

'79 DEC 3 PM 12:15

TIMOTHY G. MOYNAHAN  
STEPHEN A. RUSKIN  
MARK CARRINGTON  
THOMAS F. UPSON  
JOHN AMERSONITE, JR.

WOLCOTT OFFICE  
200 CENTRAL AVENUE  
WOLCOTT, CONN. 06710  
(203) 570-0000

November 30, 1979

*Called 12/3 2:15 w/16.*

Mr. Thomas J. Haselhorst  
Assistant Staff Director  
Reports Analysis Division  
Federal Election Commission  
Washington, D.C. 20463

Dear Mr. Haselhorst:

On or about April 1, 1978 I borrowed \$30,000 from Citytrust evidenced by a promissory note which was guaranteed by a second party. I officially withdrew from the Congressional race on June 10, 1978 after being served divorce papers by my former wife. After my withdrawal, all the debts of the campaign were paid off and the note was recast in a new obligation dated October 17, 1978 made in the name of Thomas F. Upson and my father, J. Warren Upson.

A researcher for the Federal Election Commission has continually asked my former campaign chairman for information concerning the new note alleging that J. Warren Upson has exceeded the limits set forth in U.S.C. 441a which precludes an individual from contributing in excess of \$1,000 per election to a candidate for a federal office.

I am enclosing a statement from the Loan and Discount Department of Citytrust which shows the current balance on the note.

Please contact me so that we can discuss this matter.

Very truly yours,

*Thomas F. Upson*  
Thomas F. Upson

TFU/sf

81040291398



**Citytrust**

50 MAIN STREET  
BRIDGEPORT, CT 06602

**LOAN AND DISCOUNT DEPARTMENT**

THE RATE OF INTEREST ON YOUR NOTE DESCRIBED BELOW HAS BEEN INCREASED BY 1/4% EFFECTIVE SEPTEMBER 21, 1974.

ACCOUNT NO. 4402484	NOTE NO. 8042400	NOTE DATE	09/17/74
J WARREN UPSON & THOMAS UPSON		CURR PRINCIPAL	22,726.50
C/O THOMAS F UPSON		NEW INTEREST RATE	13.2500
47 MILPES AVENUE			
WATERBURY CONN			
	06-704		

81040201899



**MEMORANDUM FOR FILES**

**RE:** TELECON  
**DATE:** 12/3/79  
**FROM:** Tom Upson  
**TO:** Sue Kaltenbaugh  
**NAME OF COMMITTEE:** Upson for Congress CT/06

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91040291900  
Mr. Upson returned my called. I explained that the endorsement by his father on a bank loan was an excessive contribution. He hadn't really understood that before. I suggested (per the Compliance team) that he try to get other people to endorse that loan, to lower the amount of the father's contribution. He said that would be impossible, as the elections were two years ago and who would do that for him? I then suggested he re-negotiate the loan with the bank and assume more of the loan himself. He told me that his wife divorced him last year and took the house and all of his assets-he is considering declaring bankruptcy. His father has recently had a heart attack, and he presumes the will should take care of the bank loan. I told him this was a referrable matter. He asked me to give him some time, as he was considering a fundraiser in March (he wasn't sure if that would even raise any money). I told him I could hold the referral until January. He wanted a letter detailing our conversation-I told him that it would be impossible. I am sending him an information notice, stating that his termination report was not accepted because of the outstanding campaign debt. I reminded him that the treasurer was responsible for committee filings--and he said that the treasurer would be upset, as he was an officer of the bank. I told him to call me, or to have the treasurer call me if there were any questions on how to resolve this problem.

Note: Mr. Upson asked me not to have any letters sent to his father, implying that he was responsible for this matter. I told him I did not know what letters OGC might send, but that I would note his request. He is most concerned about his father's ill health.

CT/06  
C00084095  
Upson for Congress 1978  
Sidney Kapperl, Treasurer  
47 Holmes Avenue  
Waterbury, CT 06710

Date: January 28, 1980  
Toll Free Number: (800) 424-9530  
Local Number: (202) 523-4172

This informational notice has been prepared by our analyst Susan Kaltenbaugh for the Termination Report, covering July 1, 1978 through September 14, 1978.

Please be advised that Section 102.4(a) of the Commission's Regulations prohibits a committee from terminating until all debts and obligations have been extinguished. The debts and obligations must be reported on separate schedules, together with a statement explaining the circumstances and conditions under which each debt and obligation was incurred or extinguished as required by Section 104.8(a) of the Commission's Regulations. Your Committee must continue to report until all campaign related debts are paid.

8 1 0 7 1 0 2 6 1 3 9 1 0 1 3



FEDERAL ELECTION COMMISSION

1125 K STREET N.W.  
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 1174

Date Filmed 8-11-81 Camera No. --- 2

Camerman LPC

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