

Nader Suit Could Halt ITT Merger

HARTFORD (Conn.) — (AP) — The controversial Justice Department settlement permitting the merger of International Telephone & Telegraph and Hartford Fire Insurance Co. could be nullified through a state court suit initiated by Ralph Nader.

Superior Judge Walter Sidor has not indicated when he will rule on the suit.

Nader filed his challenge in June 1970, shortly after the merger was approved by the state insurance commissioner.

Argued

The state law under which Nader attacked the merger, said to be the largest in the nation's history, regulates take-overs of Connecticut-based insurance companies by noninsurance corporations.

During a Superior Court hearing in January, Nader argued that certain facts about ITT finances and promises the company made to Connecticut officials were not made public as required under the statute.

Nader also alleges that former state Insurance Commissioner William Cotter was under political and economic pressure that af-

fecting his decision May 23, 1970, to approve the merger.

Cotter, now U.S. Representative from Connecticut's First District, testified that he indeed was under pressure, "but not political."

The pressure came, the Democratic congressman said, from Hartford area residents opposed to the merger and from brokerage houses and stockholders who wanted to know when his decision would be announced.

The Securities and Exchange Commission is investigating the merger and heavy stock transactions immediately prior to Cotter's announcement of the merger approval. It is a violation of SEC regulations to trade information about forthcoming company plans.

Divest

Under the settlement announced by the Justice Department last July, ITT would divest itself of several subsidiaries and in return the antitrust suit against the ITT - Hartford Fire merger would be dropped.

Hartford Fire, with assets exceeding \$2 billion, is generally considered more valuable to ITT than the companies it agreed to give up.