

Levitt Unit

U.S. OK on ITT Deal Told

NEW YORK — (AP) — Shortly before settlement of three anti-trust suits against International Telephone & Telegraph Corp., the Justice Department allowed ITT to buy a major subsidiary from its ITT Levitt & Sons, Inc., unit, the Wall Street Journal said today.

ITT was required by the settlement of the suits to divest itself of Levitt & Sons, a housing and development operation. But by the time of the settlement, ITT Levitt Development Corp. no longer belonged to Levitt & Sons.

The sale may have cut Levitt & Sons' earnings in half, the newspaper said, but it wasn't mentioned in any of the Justice Department agreements or in any of ITT's public filings or disclosures.

Both Levitt & Sons and ITT refused to comment.

Sale Not Mentioned

The Justice Department was quoted by the Journal as saying it saw no reason to mention the sale of the development concern in its July 31, 1971, agreement or in the related consent decree because by that time the land development subsidiary was already part of ITT.

The anti-trust settlement required ITT to divest itself of Avis-Rent-A-Car, Canteen Corp., and a portion of Grinnell Corp., in addition to Levitt & Sons. But ITT was allowed to keep Hartford Fire Insurance Co.

Justice Department officials said ITT first learned that it would be required to sell Levitt as part of the agreement on June 17, 1971, the Journal said. At that time ITT Levitt Development Corp. was a wholly owned subsidiary of Levitt & Sons, according to ITT filings with the SEC.

Sales Estimate

Industry analysts estimate the current land sales of the development concern at about \$50 million a year with earnings of approximately \$8 million to \$10 million or 10 cents an ITT share. This would be roughly equivalent

to all of Levitt & Sons' other earnings, the Journal said.

ITT Levitt Development is currently named ITT Community Development Corp.

Citing Justice Department sources, the Journal said Levitt & Sons authorized sale of its stock in the development subsidiary to ITT on June 29, 1971, almost two weeks after the proposed anti-trust settlement was disclosed to the parent conglomerate. The sale was retroactively made effective Jan. 1, 1971, according to the Justice Department, the Journal said.

The agreement between the Justice Department and ITT was announced on July 31, 1971, and the consent decree was signed Sept. 24, 1971.