SFExaminer APR 16 1972

New Disclosures

Deal With U.S. Aid To ITT, Paper Says

ST. LOUIS — (UPI) — Confidential documents held by the Justice Department indicate key terms of a billion-dollar antitrust settlemen last year involving International Telephone and Telegraph Corp. were carefully negotiated to the company's advantage, the St. Louis Post-Dispatch said today.

The newspaper said the documents indicate the firm agreed to divest itself of a company whose stock was greatly undervalued. The heretofore secret documents also said ITT had described one of its subsidiaries as a small firm even though it was a billion-dollar operation.

The Post-Dispatch story said an analysis of the documents showed that ITT agreed to divest itself of its 46 percent interest in Jajoca Corp., knowing that, at $85 to $90 a share, "the company's stock was grossly undervalued in the over - the - counter market."

$3 Million Profit

ITT sold its 41,200 shares of Jajoca earlier this year at $155 a share — a potential market profit of about $3 million on the first of its divestitures in compliance with the antitrust settlement, the newspaper said.

"ITT initially characterized its ITT Levitt Development Inc. subsidiary as a 'small subsidiary ... engaged in disposing of land owned or acquired by Reyonier Corp. (another ITT subsidiary)'," the Post-Dispatch said.

Actually, the story said, ITT Levitt Development Inc. — which the Justice Department allowed ITT to retain although all other Levitt & Sons assets are to be dispersed of under the antitrust settlement — is a billion-dollar Florida real estate project known as Palm Coast.

Planned Town

The story said Harold S. Geneen, ITT president and board chairman, told the company's stockholders last month, "Palm Coast will be one of the largest planned communities in the United States."

"Retention of the Palm Coast development," the story continued, "ties in directly with ITT's long-range plan to exploit the financial resources of Hartford Life insurance Co., the sixth largest insurance company in the U.S. with assets of $2 billion and an annual premium income of a billion."

Under terms of the antitrust settlement, ITT was permitted to retain Hartford Fire, which it acquired in 1969, provided ITT sold some other assets.

The newspaper said a secret memorandum prepared after a meeting between ITT and Hartford executives in New York in November, 1968, refers to Palm Coast as a billion-dollar land development project and the use of Hartford's cash to finance the development not only in Florida but in at least a dozen other states.