

Nader Aide's Charge on

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The investment banking firm in which ITT director Felix G. Rohatyn is a partner unloaded "hundreds of thousands of shares" of ITT stock in the weeks immediately before the company's antitrust suits were settled, a Ralph Nader associate said yesterday.

Rohatyn met five times with then Deputy Attorney General Richard G. Kleindienst and, according to Kleindienst's testimony be-

fore the Senate Judiciary Committee, set in motion the procedures which led to the settlement last July 31.

In a letter to Senator James O. Eastland (Dem-Miss.), judiciary committee chairman, Reuben B. Robertson III, an associate of Nader, urged the committee to investigate this aspect of the International Telephone and Telegraph case.

Robertson described as "fundamentally misleading"

testimony by Rohatyn that his Wall street firm of Lazard Freres and Co. was both buying and selling ITT stock during the entire period of antitrust negotiations between ITT and the Justice Department.

He said the statement "did not properly indicate the magnitude of the sales."

Robertson, who joined Nader in an unsuccessful bid to overturn the merger of ITT with the Hartford Fire Insurance Co., said ITT stocks

suffered a net drop in market value of \$1.25 billion immediately following announcement of the settlement.

Rohatyn told a reporter yesterday that all of Lazard Freres' sales of ITT securities during the period of settlement negotiations resulted from "unsolicited orders received by the firm from its clients."

From last June through August, Rohatyn said, "no shares of ITT securities

Unloading of ITT Stock

were sold for the account of Lazard Freres, any of its partners or their families — directly or indirectly."

The injection of the insider stock sale question further complicates the question of whether to continue the hearings which the committee will consider Thursday.

Citing testimony before the committee, Robertson said the Justice Department's offer to settle the ITT antitrust cases, rather than fight them out in the

Supreme Court, was privately communicated to Rohatyn last June 17.

Robertson said that in the weeks immediately preceding announcement of the settlement Lazard "was perhaps the most active seller in the world of ITT Series N preferred stock — the stock which had been issued in exchange for Hartford Fire Stock." He said the investment banking firm had unloaded "hundreds of thousands of shares upon the

public and upon trust and pension funds throughout the country."

Referring to allegations that ITT officers and directors also had sold sizable amounts of ITT stock during the negotiation period, Robertson said the significance is "that they were privy to vital information concerning the company's antitrust problems that the public was not made aware of."

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