

I.T.T. Sale of Avis Stock Set to Start Divestiture

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By JOHN H. ALLAN

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The International Telephone and Telegraph Corporation will soon begin divesting itself of Avis, Inc., the auto rental concern that says it tries harder.

Avis announced yesterday that it had filed with the Securities and Exchange Commission a registration statement covering an offering of 1.4 million shares of common stock, the first step in I.T.T.'s divestiture agreement with the Justice Department announced last September.

Of the 1.4 million shares, 1.2 million will be sold in the United States by an underwriting network co-managed by Lazard Frères & Co.; Kuhn, Loeb & Co. and Paine, Webber, Jackson & Curtis, and 200,000 will be sold in Japan by the Daiwa Securities Company, Ltd.

All the money from the stock sale will go to I.T.T., and none will go to Avis. After the offering, I.T.T. will own 4.6 million shares of Avis, or approximately 77 per cent of the shares outstanding.

Under the terms of the consent decree, I.T.T. must sell all its Avis shares before Sept. 24, 1974. I.T.T. acquired Avis in July, 1965. Avis had been controlled by Lazard since March, 1962.

Although the Avis shares to be sold shortly were registered with the S.E.C. yesterday, a copy of the preliminary prospectus was unavailable here.

In an unrelated equity-financing development yesterday, the Public Service Electric and Gas Company, New Jersey's biggest utility, announced that it had registered 4,386,071 shares of common stock with the S.E.C.

The company plans to offer the stock to shareholders on the basis on one new one for every nine held on June 21. The offer will run until July 12 and an underwriting group headed by Merrill Lynch, Pierce, Fenner & Smith will

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buy any that are unsubscribed.

In Minneapolis, directors of the Northern States Power Company authorized the sale to stockholders of 1,902,228 new shares at a 1-for-10 rate.

The Long Island Lighting Company, meanwhile, was authorized yesterday by the New York State Public Service Commission to sell 2,222,000 shares to its stockholders at a rate of one new share for each 10 held.

Other Developments

In other stock financing developments:

The Block Drug Company filed one million shares of common stock to be sold by a Lehman Brothers group mid-June.

The Taft Broadcasting Company registered 10 million shares, 2 million by the corporation and the rest by a group of investors, including the Taft Broadcasting Company.