

Trading in Commodore International Is Halted On 2 Key Exchanges

By a WALL STREET JOURNAL Staff Reporter

MONTREAL—Trading of Commodore International Ltd. shares was suspended on the Montreal Stock Exchange yesterday at the market opening, pending the results of what the exchange said was an "investigation into the trading of the company's shares and clarification of its affairs."

Trading was also halted on the American Stock Exchange, and the Quebec Securities Commission issued a cease-trading order for all Province of Quebec brokers.

A Montreal Exchange official said the exchange and the Quebec Securities Commission were conducting a "joint action" investigating "mainly the rise in the price (of Commodore shares) over the past few months." He said he expected there would be a meeting with company officials "quite soon."

Commodore's chairman, Irving Gould, was reported to be on the way to Montreal last evening.

Commodore shares have risen sharply on the American and Montreal stock exchanges, and Commodore officials have said they are unable to explain the action. Commodore earlier this week told the American exchange there weren't any unannounced corporate developments that would account for the stock's rise. Commodore officials were unavailable for comment yesterday.

In New York, the American exchange said it halted trading in Commodore's stock pending "clarification" of the news of the investigation in Montreal. An Amex spokesman said late yesterday that the exchange was "reviewing the situation and awaiting a statement from the company, after which we will evaluate the situation." He said the exchange hadn't made any decision about resuming trading.

The Quebec Securities Commission noted that the price of Commodore's shares on the Montreal Stock Exchange rose to \$19.50 on Wednesday from \$5.375 on April 1.

The commission said that besides the "considerable rise" in share price that the company hadn't been able to explain, "the commission has reasons to believe that the market is fictitious or simulated."

Commodore is engaged in the manufacture and sale of office equipment and business machines, primarily typewriters, adding machines and electronic calculators. The company, formerly known as Commodore Business Machines (Canada) Ltd., was reincorporated in the Bahamas last year. It had been incorporated in Canada. Its "head office" is located in Scarborough, Ontario, a Toronto suburb, but its "executive office" is in Palo Alto, Calif., the site of one of its manufacturing operations.