

Old GM shares drop in value with symbol change

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DETROIT (AP) — Shares of the old General Motors Corp. lost half their value Wednesday after the stock symbol was changed to reflect the company's new name, Motors Liquidation Co.

Trading of GM stock under the symbol GMGMQ had been suspended since Friday afternoon by the Financial Industry Regulatory Authority, which regulates over-the-counter stocks. On Wednesday, the authority changed the symbol and allowed trading to resume.

Motors Liquidation shares fell 57 cents, or 50 percent, to 57 cents in midday trading.

FINRA suspended trading because investors apparently confused the stock with the new GM, which emerged from bankruptcy protection on Friday as a leaner company free of the burdensome debt and contracts that had plagued the old automaker.

The new GM is a private company that is majority owned by the U.S. government. It plans to issue new shares perhaps as early as next year.

"We certainly were concerned that there was confusion in the marketplace that people weren't sure whether they were buying the new GM when it emerges from bankruptcy or whether they were buying the bankrupt portion of the stock," said Steve Joachim, executive vice president of transparency services for FINRA.

Motors Liquidation is the old GM, which is still under bankruptcy court supervision. It owns the unwanted assets and the liabilities of the old GM and was set up to sell off the assets to pay creditors as much as possible.

The new symbol, MTLQQ, is designed to avoid confusion with new GM, FINRA said in a statement.

The stock had been traded over-the-counter since it was knocked off the New York Stock Exchange when GM filed for bankruptcy protection on June 1. But despite warnings from GM that it soon would have no value, trading continued. Trading was suspended on Friday after the shares rose 37 percent to \$1.15 after GM emerged from bankruptcy protection.

GM spokesman Tom Wilkinson said despite numerous warnings and statements from GM that the stock was likely worthless, GMGMQ continued to climb.

"We were concerned, Motors Liquidation was concerned, I think the regulator was concerned that people were trading the stock not understanding what it was," Wilkinson said.

FINRA spokeswoman Nancy Condon also said some investment Web sites and spammers had been falsely touting GMGMQ's value.

"They're just taking advantage of some confusion in the marketplace," said David Kudla, CEO of Mainstay Capital Management in Grand Blanc, Mich., which manages investments for many GM employees and retirees. "They drove artificial interest in the stock by taking advantage of the confusion."

The strategy worked on Friday when the stock rose dramatically before trading was halted, Kudla said.

Shares of the former GM trade on the over-the-counter Pink Sheets system, which offers quotes for stocks that do not meet minimum requirements to list on an exchange. Many of the companies, for example, don't make filings with the Securities and Exchange Commission.

But the new GM and regulators caution that the shares will almost certainly have no value because shareholders fall in line behind creditors whose claims aren't expected to be met