

November 21, 1991, Thursday

SECTION: HOME NEWS

LENGTH: 321 words

HEADLINE: BANKS TO HOLD MAXWELL CRISIS MEETING

BYLINE: Sally Weale, Press Association Chief Reporter and Nick Hudson, City Staff

BODY:

The 25 banks which have lent L750 million to the Maxwell family businesses are to hold crisis talks. The meeting on Monday, which will be led by National Westminster Bank, was called after the Swiss Bank Corporation brought in the Serious Fraud Office over a L55 million loan which it said should be repaid "as soon as possible". Shares in Maxwell Communication Corporation steadied tonight to close up 1p after two days of heavy falls triggered by speculation about the company's future. MCC was worth L788.4 million and shares traded at 121p before dealing was suspended when Robert Maxwell was reported missing at sea off Tenerife from his yacht, Lady Ghislaine. But in the two weeks since the publisher's death, and as Spanish authorities continue their investigation into its cause, the share price has plummeted and the company is now worth about L235 million. The shares closed at a new low of 36p as fears grew about the group's debt crisis. The Maxwell family businesses and MCC are closely linked. It is thought that the family has pledged a large part of its 68% stake in MCC as collateral to cover the family business debts. Mirror Group Newspapers shares went up 1p to close at 127p on speculation that the Maxwell family could be forced to sell it off. In Spain, authorities probing the 68-year-old tycoon's death had hoped the results of tests on his body at Madrid's National Institute of Toxicology would be complete by the end of this week.

But according to Dr Carlos Lopez de Lamela, the pathologist who carried out the initial post mortem examination, they are unlikely to be finished until next Wednesday. Latest reports from Tenerife have focused on a tiny mark under Mr Maxwell's left ear, which is said to have resembled a perforation caused by a syringe. But Dr de Lamela said he did not believe the mark was significant and still agreed with the provisional post mortem findings.