items and the company paying them, and then these having to be refunded by order of the auditor, is not right, and when it happened once Mr. Cook and his servants should have seen that it did not happen again, otherwise it would subject them to grave suspicion. This happened more than once. Notwithstanding Mr. Cook blaming Mr. Holsted in the matter, the minute-books of the company show that he himself is to blame, as he as director at directors' meetings passed his brokerage account as correct and signed the same, and in some cases ordered payment; in others he had collected application-money on the shares sold, and he simply retained the brokerage, paying the balance over to the company. This trouble is to be attributed to Mr. Cook being promoter, broker, director, and secretary all in one.

(15.) "Shareholders voting and directors acting when their calls were unpaid": Mr. Cook elicited from Mr. Somerville that he (Mr. Somerville) had voted and also acted as director while his application-money was unpaid, and he had received director's fees, and the accounts of his firm had also been paid, while he still owed money for calls. What happened in Mr. Somerville's case happened in a much worse form in regard to Mr. Cook, as will be seen by looking at the comparative table of Mr. Cook's dealings with the seven companies whose books your Committee have, for in all of these companies he had not even paid his allotment-money till it was about nine months, on the average, overdue, and yet during this time he had acted as director, attended meetings and voted, and even passed some of his own brokerage accounts for payment, as well as his secretary's salary. He had actually passed large sums for payment to himself, and had received them while he himself was still owing to the company large sums of money. The law certainly requires amending in the direction of depriving a shareholder of the right to vote or act as director until he has paid his allotment-money.

(16.) "Improper auditing": The Committee desire to point out that in some cases brokerage was charged by Messrs. Cook and Gray on application-money when such application-money was never paid; the matter escaped the attention of the auditors.

Generally.

VI. To each and all of the above charges Mr. Cook's chief answer was to point out to the Committee the very large number of contributing shares he had taken up in each of these companies for himself and Mrs. Cook. That he must have taken them up purely as a mining venture, and not for speculative purposes only, he said, was proved by the fact that he did not sell his shares, and that he stood to lose double the amount that the others did if the companies failed. This position was often during the inquiry impressed upon us by Mr. Cook, and it would have been a very strong argument indeed of Mr. Cook's *bona fides* if it was fully borne out, but it does not stand close criticism, for Mr. Cook has paid for his and Mrs. Cook's shares in the seven companies whose books were put in evidence the sum of £2,140, but Messrs. Cook and Gray received £1,841 13s. 9d. back from the companies, as shown by the following table:—

Comparative Table.

Paid by Mr. Cook to Companies.					Received by Cook and Gray from Companies.			
Company.	——	Date.	Amount.	Total.	——	Date.	Amount.	Total.
			£ s. d.	£ s. d.			£ s. d.	£ s. d.
1. Wicklow ..	Paid Application	9 May, 1890	50 0 0		By Brokerage ..	21 May, 1900	139 0 0	
	Allotment ..	22 Feb., 1891	50 0 0		Secretary's salary	..	87 10 0	
	Subsequent shares	..	15 0 0		Director's fees	..	21 0 0	
				115 0 0				247 10 0
2. Ngahere ..	Paid Application	23 April, 1900	50 0 0		By Brokerage ..	24 Sept., 1900	175 0 0	
	Allotment ..	6 Mar., 1901	50 0 0		Secretary's salary	..	87 10 0	
	No calls made ..	..	..		Director's fees	..	3 18 9	
				100 0 0				266 8 9
3. Lees Ferry ..	Paid Application	15 June, 1900	50 0 0		By Brokerage ..	15 June, 1900	150 0 0	
	Allotment ..	22 Feb., 1901	50 0 0		Secretary's salary	..	100 0 0	
	No calls made ..	..	..		Director's fees	..	21 0 0	
				100 0 0				271 0 0
4. Tucker Flat	Paid Application	19 May, 1900	65 0 0		By Brokerage ..	19 May, 1900	150 0 0	
	Allotment ..	About 25 Jan., 1901	65 0 0		Secretary's salary	..	56 15 0	
	Subsequent calls paid	..	65 0 0		Director's fees	..	21 0 0	
				195 0 0				227 15 0
5. No Town No. 2	Paid Application	8 May, 1900	50 0 0		By Brokerage ..	8 May, 1900	185 0 0	
	Allotment ..	22 Feb., 1901	50 0 0		Secretary's salary	..	87 10 0	
	Calls subsequently	..	500 0 0		Director's fees	..	7 0 0	
				600 0 0				279 10 0
6. Golden Grey	Paid Application	21 May, 1900	50 0 0		By Brokerage ..	25 May, 1900	139 0 0	
	Allotment ..	25 Feb., 1901	50 0 0		Secretary's salary	..	87 10 0	
	No calls made ..	..	..		Director's fees	..	21 0 0	
				100 0 0				247 10 0
7. Ross Day Dawn	Paid Application	27 Mar., 1900	50 0 0		By Brokerage ..	27 Mar., 1900	175 0 0	
	Allotment ..	27 Dec., 1900	50 0 0		Secretary's salary	..	106 0 0	
	Some calls paid with allotment	..	830 0 0		Director's fees	..	21 0 0	
				930 0 0				302 0 0
			Total ..	£2,140 0 0			Total ..	£1,841 13 9