

118. Do you know of any other company in which a man held a seat on the board of directors without having paid his application-money?—Not outside these companies.

119. And drew director's fees?—No, not outside these companies.

120. Who was the solicitor to these companies?—Mr. Allan Holmes was solicitor to all of them at the first; but the Golden Grey and Wicklow Companies were transferred to Mr. W. C. MacGregor.

121. Were you one of the original directors of any of the four companies that have been discussed so much lately?—I signed the articles of association, but did not act at any of the meetings.

122. With regard to the alterations of Schedule A that have been mentioned?—The articles of association were drawn by the solicitor.

123. At whose instigation?—As far as I know, Mr. Howes's or Mr. Cook's, as I stated before. The vendors were responsible for the drawing-up of the articles of association.

124. *Hon. Mr. Lee Smith.*] Were you not an original director of the Lees Ferry Company?—Yes. I signed the articles of association; but, as I said before, I did not attend any of the meetings.

125. Mr. Cook asked you some questions as to your acting as a director when you had paid no allotment- or application-moneys: do you know whether at that time any other director of the same company had not paid application or allotment?—I could not say from memory.

126. Do you know whether Cook owed application or allotment-money, or not?—I could not say from memory, but could find out by referring to the books.

127. Then, will you please turn up the books of the Lees Ferry Company?—Yes; the shares were allotted on the 9th March, 1900, and Cook's application-money was paid on the 15th June, 1900.

128. *Hon. Mr. Jennings.*] What was the amount of the application-money?—On 500 shares, £25. The allotment-money was paid in February, 1901.

129. *Hon. Mr. Lee Smith.*] Had you anything to do with the Wicklow Company?—Yes.

130. Did you pay your application-money?—Yes; with the application.

131. Was Cook a director of that company?—Yes.

132. Do you know whether his application-money was paid?—According to the books he paid his application-money on the 21st May of last year, and his allotment-money on the 22nd February of this year.

133. At what date was it that Mr. Holmes advised that those whose names were on the share register could vote though they had not paid any money to the company?—I answered that before; I think it was June of this year.

134. Was that the first intimation you had that all whose names appeared on the share register could vote, or had you any knowledge beforehand?—That was my opinion, from the way the articles of association are drawn. One clause states that all calls—and I understand that application- and allotment-money are not calls—

135. And therefore, if no calls had been made, that clause would be no bar to a man voting?—Quite so; so long as his name appeared on the register he could vote.

136. *Hon. the Chairman.*] With his calls overdue?—According to the articles of association he could vote, though his application- and allotment-money were unpaid, if no calls had been made.

137. That was Mr. Holmes's advice to you?—Yes.

138. *Hon. Mr. Lee Smith.*] With regard to shares being controlled by a person other than the one in whose name they appear on the register—"dummies," as you called them—how do you know that they were controlled by another person?—From sworn evidence.

139. Whose evidence?—Evidence given in a case before the Magistrate in Auckland.

140. Who was prosecuting and who was defending in the case?—One of the four companies which have been referred to was prosecuting, and the defendants were Mr. Abbott, Mr. Choyce, and Mr. and Miss Milne.

141. They swore that they held the shares under an arrangement with Cook?—Yes.

142. About what time was that? I want to get at the time when you got to know it, and how you got to know it.

143. *Hon. the Chairman.*] I suppose, through seeing it in the public prints?—I saw Mr. Gray's evidence about March, I should say.

144. *Hon. Mr. Lee Smith.*] Was the tenor of it the same as that which you saw in the Auckland papers?—Yes.

145. Now, Mr. Cook has said that he never dealt with any of his vendors' or contributing shares—

*Mr. J. Allen:* I do not think he said that he had not dealt with his contributing shares.

*Mr. W. Fraser:* I do not think he did, either.

146. *Hon. Mr. Lee Smith.*] I am sure that he did on the first day of the proceedings. However, I will leave that point in the meantime. Do you know of any company of which you were a director, Mr. Somerville, in which the directors were taking proceedings against small shareholders while owing money themselves?—I am not certain.

147. You do not know?—No.

148. You do not know whether any shareholders were summoned for the calls which the directors were owing at the time of the summonses being issued?—I cannot say.

149. *Hon. the Chairman.*] Were you a director of the Ngahere Company?—Yes.

*Hon. the Chairman:* According to the minute-book, at a meeting held on the 25th June the secretary reported that according to instructions the accounts of all shareholders in arrear had been handed to the company's solicitor, with instructions to take legal proceedings for recovery.

150. *Hon. Mr. Lee Smith.*] Were you a director at that time?—Yes.