

151. Do you know whether any directors were then owing money?—I could not tell you.
152. Who were the directors of the company?—Mr. Davidson and myself.
153. *Mr. Herries.*] Did either of you owe money? Turn up the register, please?—No.
154. Did Mr. Cook?—No; he had paid up.
155. *Hon. Mr. Lee Smith.*] You do not know of any other company in which the shareholders were being sued when the directors were owing money?—In the case of the No Town No. 2 Company I think they were.
156. Were you on the board of that company?—No.
157. Who were the directors?—Mr. Cook was one; the others were Dr. Martin and Mr. Wales, I think.
158. According to the minute-book the following resolution was passed at a meeting held on the 19th April: "Resolved, that all shareholders owing more than two calls be sued, and that the secretary prepare accounts and instruct the company's solicitor to at once obtain all calls due." Do you know anything about that?—That is so. A considerable number of summonses were issued on the 19th April.
159. Were the directors owing money then?—Mr. Cook had paid up to that date £100 on 500 shares—4s. a share—and there were seven calls overdue—£350. Dr. Martin had paid up; Mr. Wales had paid up to that call, and Mr. Pearce had paid up to the sixth call.
- Mr. Cook:* Might I ask, Mr. Chairman, that the date be obtained on which those summonses were issued, because about the end of April I paid £200.
- Witness:* The summonses were issued on the 19th April. According to the register Mr. Cook paid £100 on the 1st May, and another £100 on the 7th May.
160. *Hon. Mr. Lee Smith.*] Did that money pay all calls due on Mr. Cook's shares?—It paid up to the fifth call.
161. What arrears were you suing for?—Up to and including the sixth call.
162. *Hon. Mr. Twomey.*] With reference to the Lees Ferry Company, you stated that you were thrown off the directorate by proxy votes?—That is so.
163. And then you qualified this statement when answering a subsequent question put to you by Mr. Cook, who showed that you were thrown off by a majority of votes other than proxy votes?—Yes.
164. Here is the minute-book: will you kindly tell me how many people were present at that meeting?—Messrs. Holmes, Easton, Howes, Davidson, Haggett, Holsted, and myself.
165. Was Mr. Holmes a shareholder in the company?—His name did not appear on the register.
166. He was a solicitor, was he not? Was he at the meeting as a shareholder?—He was there as a shareholder.
167. Who moved the motion for the election of Messrs. Howes and Pearce as directors?—Mr. Howes moved the election of himself and Mr. Pearce, who was not present.
168. Who seconded the motion?—It was seconded by Mr. Holsted.
169. Was Holsted a shareholder?—His name was not on the register.
170. What was he?—He was not a shareholder.
171. Then, the facts that there was not a shareholder present to propose Mr. Howes, and that he had to perform that function for himself, and that he proposed, in conjunction with himself, an absentee, were some justification for your statement, were they not?—Certainly.
172. *Mr. Herries.*] I will go further with that same matter. Whom did you propose for the directorate at that meeting?—Mr. Easton.
173. Who seconded the motion?—Mr. Holsted.
174. Who was the chairman of the meeting?—I was.
175. Then, why did you allow a non-shareholder to second motions for the election of directors?—Because the company's solicitor advised us that he was a shareholder. Mr. Holmes was present.
176. Did the solicitor advise that a person whose name was not on the share register could vote?—That is so. He said that Mr. Holsted was a shareholder.
177. The solicitor advised that persons whose names were not on the share register could vote?—Yes. He explained that the articles of association formed a register of their own; that was his explanation.
178. Now, a ballot was taken; did Mr. Holsted vote at that ballot?—I could not tell you.
179. Do you know if Mr. Holmes voted?—No.
180. Would you have stopped him if he had attempted to?—The voting was not by show of hands. I do not know whether they voted or not, but I suppose that a voting-paper would be given to them.
181. I would like to ask why these companies were registered under the Companies Act and not under the Mining Companies Act?—That is a matter for the promoters and vendors.
182. Do you not now think, from your knowledge, that it would have been better if the companies had been registered under the Mining Companies Act, and been "no liability" companies?—I think I would prefer them under the "liability" arrangement.
183. Are most of the companies floated in Dunedin registered under the Companies Act?—They are all under the Companies Act of 1882.
184. With regard to the memorandum of association, had you anything to do with preparing the memorandum of association of any of the companies?—No, none of these companies.
185. Did you have anything to do with the preparation of the memorandum of association of any companies outside those under review?—Yes.
186. Is the memorandum of association of the companies floated by Cook and Gray the kind usually used by dredging companies?—The whole of Table A is usually set out in full and printed.