

187. Without any alteration?—There is usually an alteration to this effect: that all calls, moneys, and dues to the company must be paid before a shareholder can vote.

188. You say that the articles of association of the companies under review are, as far as your knowledge goes, different from the articles of association in general use?—Yes. A clause is altered to provide that all moneys due, whether application or allotment-moneys, shall bear interest.

189. Taking the Cook and Gray companies' articles of association as a whole, you say that they are different from those generally used by other companies that you know of?—That is so.

190. Did you read the articles of association when you became a director?—I cannot say.

191. Were you aware that they were different from other companies' articles of association?—I did not look particularly at that clause when I signed the articles.

192. Do you not think it is the business of a director to be aware of what is contained in the articles of association?—Yes, I think so.

193. *Mr. Colvin.* You signed the articles of association of the Tucker Flat Company?—Yes.

194. Mr. Allan Holmes also signed them?—I think so; but I cannot remember. I think they were all the same. They were taken round together.

195. Did Mr. Holsted sign them?—Yes, I think so.

196. Were you aware, at the time when Mr. Holmes and Mr. Holsted voted, that neither was on the share register of the company?—Yes.

197. And yet they voted?—It was the solicitor's ruling that they could.

*Hon. Mr. Lee Smith:* I made the statement that Mr. Cook had said that he had not dealt with either vendors' or contributing shares in these companies, and my statement was disputed. On page 8 of the printed evidence it will be seen that Mr. Cook stated, in answer to a question asked by Mr. Colvin, "If the companies go into liquidation, or are not successful, I stand to-day to lose double as much as any other man in the place; and, as I say, I have not dealt with any of my shares, either contributing or vendors, in the companies complained of."

198. *Hon. the Chairman.* Will you explain that, please, Mr. Cook? Have you corrected that evidence?—I think I have. I do not wish to go behind the evidence. I made that statement before I had had an opportunity of seeing the books at all, but it is practically correct to-day. I have not sold any shares.

199. *Mr. J. Allen.* You have not sold contributing shares in any of these companies, Mr. Cook?—No; only the 100 which I sold to Mr. Easton at par, at the first.

200. *Mr. Easton.* I would like to ask Mr. Cook whether he has sold any shares in the Tucker Flat Company?—No. I said that Mrs. Cook and myself took 500 shares each in each company, which we now hold. In the case of the Tucker Flat Company there were 300 shares unallotted. I sold some of my shares, but I bought again, and to-day I hold 650 contributing shares in the company, and Mrs. Cook holds 500.

201. That is not an answer to my question?—I sold Tucker Flat shares at the initiation of the company; I bought and sold, as I said before. There were 300 shares unallotted, which I took, and to-day I hold 650 shares, instead of 500, in the Tucker Flat Company, and my wife holds 500. That is my answer. I bought at a premium.

202. Then, you did sell shares?—Certainly, at the start. But what I stated in the first place was this: I took 500 shares in each company, and my wife took 500; and to-day I hold 650 contributing shares in the Tucker Flat Company, and Mrs. Cook 500. When the companies were floated there was a rush for shares, and two or three people—for instance, Cutten Brothers, the engineers—did not get enough shares in the Tucker Flat Company, and asked me to sell some of mine. I did so, and bought again to cover myself.

203. *Hon. Mr. McGowan.* I would like to ask Mr. Somerville a question arising out of a question put by Mr. Herries. You stated that Mr. Holmes had advised you, Mr. Somerville, that those whose names were not on the register could vote. I want to know whether Mr. Holmes advised you as a director that that was so, or whether the secretary stated that Mr. Holmes so advised?—Mr. Holmes was present personally.

204. I would also like to ask Mr. Cook a question. You stated, Mr. Cook, that you had sold no shares in the companies under review?—Yes.

205. Now you say that you did sell some shares; one of the statements must be incorrect?—When I stated that I had not dealt with any of my shares I had not seen the books. The statement I intended to make was that I had not sold any vendors' shares in these companies, and that I hold the same number of contributing shares that I took up in the first place.

206. I am not asking whether you hold the same number or not. You stated that you sold no shares, and now you state that you did sell shares?—At the inception of the Tucker Flat Company I changed some shares; that is really what it amounts to. The transactions were done within the first two or three months of the company's existence.

207. *Mr. Easton.* I have one or two questions which I would like to ask Mr. Somerville. Have you ever had any communication with Mr. Allan Holmes as to the titles to the companies' claims, Mr. Somerville?—After I left the board I did.

208. What did he tell you?—He stated that he did not hurry about the completion of the titles, because he anticipated that most of the companies would go into liquidation.

209. Have you had any communication from one of Mr. Cook's employés, a Mr. Thompson, stating the reason why he signed the articles of association of several of the companies though he did not take up a share?—Yes; I sent a wire to him to this effect:—

Cook says he personally took no part in flotations, but left to staff. Presume included yourself. Questions arising why you signed several memoranda associations without taking a share. Serious matter. Had you not better explain reasons briefly in reply wire? Inquiry on again to-morrow.