

disbursements and witnesses' expenses. I accepted the statement of claim as correct, and judgment went for the amount. There was no question raised about the accounts. I admit judgment went against me for the amount paid by Mr. Wynyard, and I did not pay more than the judgment was for. I knew the amounts I had to pay were right, but what I want to find out is what books the accounts were taken from. I defended the action on other grounds—not on the ground that the statement of claim was incorrect. I do not want to do anything with the matter now, only to mention that the statement of account is not correct.

(See folio 10 of detective's report.) I still allege falsification of these accounts, I cannot say by whom, but I rely on a comparison of accounts to prove their falsity.

[The detective's report on his investigation into accounts under heading 5 on pages 9, 10, 11 read to Mr. Greenhead.]

Mr. Greenhead says, "I still say those accounts are not correct."

[NOTE.—Mr. Brabant informed Mr. Greenhead that he would go into a calculation of the accounts to see if the detective's conclusions are correct, and that Mr. Greenhead may have Mr. Griffiths in attendance in the matter if he so desires.]

C. H. GREENHEAD.

Taken at Auckland, this 21st day of January, 1908,
before me,—

HERBERT W. BRABANT,
Stipendiary Magistrate.

CHARLES FREDERICK GRIFFITHS saith,—

I am a barrister and solicitor of the Supreme Court of New Zealand.

Mr. Mahony acted as my solicitor in connected with the estate, but I am conversant with the accounts. I have the books in the Arrowsmith estate, but they show no more than the accounts produced. I produce the balance-sheet and auditor's report made up by me at the request of the two residuary legatees. The amount received from the A.M.P. Society (£294 16s.) is included in the receipts in the balance-sheet. My cash-book would show the entry. The money was received by me from Mr. Mahony. No fully detailed balance-sheet is made out and furnished to any one.

[NOTE.—Mr. Greenhead states he will be satisfied if Mr. Griffiths will produce his cash-book or ledger showing the payment of the amount received from the A.M.P. Society. Mr. Griffiths now produces cash-book and ledger showing entry of amount received from A.M.P. Society, together with certificate of auditor.]

Evidence continued,—

To Mr. Greenhead: I received the amount on the 13th July, and banked it on the 15th July. The books in Arrowsmith's estate were kept by Mr. Hill until his illness prevented him doing so, and I then employed clerical assistance. Both cash-book and ledger produced are those belonging to Arrowsmith's estate, and are not Mr. Hill's private books. Those books show all transactions in the Arrowsmith estate. That is not Mr. Hill's private ledger. The item £294 16s. is included in the balance-sheet—probably in the item "Mortgages." In the ledger it is shown in what is called "Greenhead No. 2 Account." The preparation of the balance-sheet was entirely in the hands of the auditor, Mr. Churton. The money was paid into my account at the National Bank, as trustee in the Arrowsmith estate. The amount is not specially detailed in the balance-sheet, nor is it shown in the ledger under "Mortgages."

Under "Real Estate" in the ledger is an entry of £238 1s. 5d., which represents receipts of the balance towards the Arrowsmith estate when you settled up with Mr. Mahony.

The rent you paid appears under the heading "Personal Estate" in the ledger. The entries are in Mr. Hill's handwriting until he got too ill. The last entry he made was on the 24th September, 1901.

I do not think Mr. McIlveney went through my cash-book or ledger. I do not remember his doing so. From what the detective says in his report I must have shown him those books.

[Report of Detective McIlveney, under heading "(5) Falsification of Accounts," &c., pp. 9, 10, and 11, read to Mr. Griffiths.]

I have heard McIlveney's report read, also the statement I made to him. Both are correct.

The first statement of claim in the action on which we were nonsuited was a correct statement of claim at that time as far as I can recollect. The final settlement of claim on which we sued was correct. The balances shown on the four accounts were struck at different times, although there appear to be errors in the accounts, which appear to me to be all in Mr. Greenhead's favour.

Mr. Greenhead has not been charged any more than he ought to have been charged, and I am satisfied he has paid less than he ought to have paid owing to errors that were made.

To Mr. Greenhead: If the account had been correct you would have had to pay more. The first statement of claim shows, "Received from A.M.P. Society, £289 11s." £5 5s. had been deducted from the original £294 16s. shown in second statement of claim. The Arrowsmith estate lost that £5 5s. You were not charged with it. The A.M.P. Society deducted the £5 5s. for charges of their solicitor at Wellington. Mr. Mahony told me so. The society refused to pay the £5 5s. You were credited with the £294 16s. You got the benefit of the £5 5s. You lodged an objection against the society paying the money over. From what you tell me I believe Mr. Brookfield advised you to withdraw your objection.

Mr. Mahony would be more conversant with the accounts than I am.

CHAS. F. GRIFFITHS.

Taken at Auckland, this 21st day of January, 1908,
before me,—

HERBERT W. BRABANT,
Stipendiary Magistrate.