

was held in Dunedin on the 2nd March, 1891, five days after the meeting. A departure in this connection was made in inviting shareholders by advertisement, whereas they had always been invited by circular previously. An advertisement about an inch long was put in the Dunedin newspaper.

*Dr. Findlay*: Did you say no circular was sent at all?

*Mr. Bevan*: I never got any. I saw the advertisement, which appeared in the *Otago Daily Times*. The report of the meeting and the balance-sheet arrived in the same letter. Now, we will analyse this balance-sheet of 1890. This is the last one. Calls unpaid, under the heading of assets, £10,665 9s. 2d.; property, £6,200. For the first time has the following item appeared under its proper heading: "Fire, Marine, and Accident Indemnity Company (in liquidation), as an asset, £11,401 13s. 4d." Cash in bank, £18 7s. 3d.; branch balances, £2,012 16s. 6d.; outstanding amounts due to company, £6,790 7s. 10d.; office furniture, stationery, and preliminary expenses, £1,613 15s. 8d.—leaving a debtor balance of £42,693 18s. 1d., absolutely lost. Now we arrive again at liabilities: Sundry creditors, £13,513 18s.; unclaimed dividends, 16s.; appropriation for unadjusted and probable losses, £2,201 9s. 10d.; total liabilities (according to this balance-sheet), £15,716 3s. 10d. The company ceased operations about the 21st February, 1891. The branches in South Australia, Queensland, and Victoria having been sold or disposed of a month or six weeks earlier than the 21st February, 1891, evidently showing that the directors, when they issued this balance-sheet, were in treaty for the sale of the company's property. Now, in this year, we have fire and marine premiums dealt with in the same way as in the previous year, not showing reinsurance, but merely giving the net result of the year's operations, which was £17,993 16s. 4d.; transfer-fee, 15s. (evidently some transfer had taken place of somebody's shares when other transfers were being refused). Now we come to the debtor's side, and we will take agents' commissions, salaries, and other expenses, £7,619 2s. 10d.; underwriters' associations and fire-brigades, £327 5s. 4d.; Government license, rates, and taxes, £518 5s. 4d.; interest, £778 2s. 4d.; office furniture, stationery, and preliminary expenses written off, £471 11s. 10d.; appropriation for unadjusted and probable losses, £2,201 9s. 10d.; fire and marine losses, less appropriation for 1889, £10,585 2s. 5d.: or a gross total for that year of £22,500 19s. 11d. (in the acquisition of business amounting to £17,994 11s. 4d.), whilst in the circular of Mr. Maxwell, issued in November, he says the business is improving day by day. Now comes the report which reached Hokitika on the 11th March. It is dated the 2nd March, 1891, and I will put it in evidence. The chairman of directors says,—

"On looking over the figures you will note that there is an increase of nearly £2,000 under net premium income as compared with last year, a decrease of nearly £1,100 in losses, and a decrease of £2,225 in charges. The amounts owing by the association are £9,450, and the total losses for the year are £5,175 less than last year. These figures show a very marked improvement in the position of the company."

I particularly point out this, as a personal charge is made against me that my actions were causing a vast deal of injury to the business of the company. With regard to clause 13—"That your petitioners have from time to time strenuously attempted to get qualified reports and investigations effected, and have used every legal means for the purpose, but have always failed in consequence of frivolous and technical objections being raised by the directors and their legal advisers, such as setting aside proxies at meetings, holding scrutinies of votes in private, and refusing to supply schedules of votes when results declared"—I will read some notes from my note-book made at that time. I went down armed with proxies for 25,470 votes for the purpose of refusing to ratify the illegal acts of the directors. These proxies were duly lodged, and 11,070 of them were thrown out, notwithstanding that I protested that the directors had no right to throw out a single vote, seeing that at the time of their taking the increased fees there was not a shareholder owing one sixpence to the company, and that they had a perfect right to vote on a question which meant taking money out of their pockets.

1. *Mr. Crowther*.] Were the proxies in due form?—Yes.

*Mr. Callan*: It was the articles of association which prevented them voting.

*Mr. Bevan*: I was excluded from voting in the interests of a deceased friend who held 800 shares in the company. I had always been notified of the calls, and I had always paid those calls regularly, and the rejection of that proxy was based on the frivolous pretext that I could not produce the will. The same applied to Mr. Alexander Spence, whose attorney has paid calls for years, who was refused on the ground that no power of attorney had been sent. I have nothing to say of clauses 14 and 15, except that in regard to clause 15 we have already been put to the expense of fully £150 in connection with the whole case. I have the evidence of this. I myself prepared a requisition addressed to the chairman of directors, Mr. Callan, which was delivered to him, signed by shareholders representing 30,756 shares in perfect order.

*Mr. Callan*: To shorten matters, I admit receiving the petition, and refusing to act on it.

*Mr. Bevan*: It was for the appointment of inspectors under section 94 of "The Companies Act, 1882." It was handed to Mr. Callan, and he absolutely refused to act on the requisition. With regard to clause 16, on the 10th January, 1888, I became alarmed as to the plunging tendencies of the Equitable Insurance Association, as set forth in this letter and this bundle of letters.

[After some discussion, it was decided to refuse the correspondence as irrelevant.]

*Mr. Guinness*: I wish to state that a few weeks ago, before I knew any petition was coming up, as one of the largest shareholders in this unfortunate company, I wrote to Mr. E. B. Cargill, one of the first directors of the company, and asked him if he could supply me with a statement as to the operations of the company from the time of first entering into business up to the time he ceased to have any connection with it as chairman of directors, or in any other capacity. He replied that he would be most happy to do so. By the post from Dunedin which arrived in town yesterday I received from Mr. Cargill this very interesting document, which I now wish to produce and hand in as evidence. It is dated the 22nd September, 1894. [Appendix F.]