

company's solicitor to produce the document. This the solicitor declined to do unless I paid a private account of some £80 which Mr. Cook owed him, the solicitor. I made a second request by letter on the 30th July, 1901, to which the company's solicitor replied by letter declining to produce this document. I find that in June last Mr. Cook's late partner, William Gray, and other large shareholders gave evidence on oath, in defending payment in respect of shares, to the effect that Mr. Cook assured them that the liability of the shareholders in this company was only 1s. per share, and that Mr. Cook had stated this and other companies were entirely under his own control—that he had arranged for the other directors to be his nominees. A Mr. R. H. Abbott stated, in sworn evidence, that Mr. Cook promised him that if a market existed for the shares he would sell sufficient of the shares that Mr. Abbott applied for to make the balance fully paid up. At the last meeting of the Golden Grey Company Mr. Cook's nominee and employé, Howes, stated that, if a resolution to liquidate was carried, the liquidation might be very expensive to the shareholders, as his employer, Mr. Cook, might claim to receive a dividend from the contributing shareholders on his vendor's shares. That is my statement, sir, in regard to the Lees Ferry Company.

7. *Mr. Allen.*] Have you got the letter which the Stock Exchange sent you?—The Stock Exchange merely sent a formal letter of acknowledgment a week after they heard the evidence, and we have heard nothing from them since.

8. They took action?—They removed the names of the companies from their list.

9. *Mr. Fraser.*] They sent an acknowledgment of your letter to them?—Of our report to them.

10. *Mr. Herries.*] Did they appoint you to report?—They appointed a special committee to hear our report and verbal evidence.

11. Can you give us the names of the gentlemen comprising that committee?—I have not the names here, but I can easily get them. I will give them later.

12. *Mr. Allen.*] Have you Mr. Howard Jackson's letter which was published in the newspapers?—I have not got it with me, but I can get it for you. It was published in the *Otago Daily Times*.

13. *Mr. Fraser.*] Can you give us any particulars about the Auckland Beach Back Lead Gold-dredging Company (Limited)?—Yes. It was registered in August, 1900, the promoters being Messrs. Cook and Gray, the interim secretary Mr. W. R. Cook, vendor to the company Mr. W. R. Cook, and the capital £9,000—2,500 fully paid-up shares to be allotted to vendor as part payment, also £500 in cash to the vendor, and the cost of flotation and registration. The prospectus states, "Will yield excellent returns." After 2s. per share had been paid by the contributing shareholders the claim was condemned by Mr. Cook's own employé and expert (Mr. Chester) as valueless. This company was liquidated some months ago, but up to the present time no statement of accounts has been rendered.

14. *The Chairman.*] Did the company go into liquidation voluntarily?—Yes.

15. Now, with regard to the Tucker Flat Company, can you give us any information about that?—Yes. The company was registered on the 5th March, 1900, the capital being £7,500, made up of contributing shares £6,000, and vendors' £1,500. The prospectus states the company to be registered under the Companies Act of 1882; interim secretary, Mr. W. R. Cook; application for shares to be made to Cook and Gray; property highly auriferous, all gold-bearing, a genuine investment; the whole of the subscribed capital, less cost of flotation and registration, to be devoted to building the dredge, and the development and working of the property; the contract for the sale to the company and the memoranda and articles of association of the company being open for inspection at the office of the interim secretary. The only contract entered into by the vendors is dated 21st September, 1899, and is made between Richard Wyld of the one part and William Richard Cook of the other. Mr. Cook was a director; Mr. Cook's nominee and employé, Mr. W. Holsted, was the secretary; the registered office of the company, Messrs. Cook and Gray's office; the brokers, Messrs. Cook and Gray; vendor to the company, Mr. W. R. Cook. In March, 1901, Mr. Cook resigned from the board, and I was elected to fill the vacancy. The secretary, in the directors' report, caused two directors to retire instead of one. On the 27th March last, at the annual meeting, I lost my seat, another employé and nominee of the promoter's (Mr. W. Howes) taking my place. At the present time this man is chairman of the company. At an extraordinary general meeting held shortly after the annual meeting Mr. Howes moved that the capital be increased by £5,000, but could find no one to second the motion. A requisition to liquidate, signed by a very large majority of the shareholders, was lodged at the company's office on the 15th July last. On the 10th July I purchased through a firm of brokers 100 fully paid vendors' shares of £1 each for £81 11s., paid by my cheque, for which I was promised the scrip. On the 29th August, 1900, I purchased through Mr. W. R. Cook, of a Mr. Henry C. Choyce, 200 contributing shares at par, sending £25 2s.—being the application-money at 1s. per share, the allotment of 1s., and transfer-fee 2s.—to the secretary, Mr. William Holsted, Mr. Cook's employé and nominee. Now, the directors had, on the 10th August, 1900, struck a call of 2s. a share. At the time the secretary and directors accepted the transfer from Mr. Choyce to myself Mr. Choyce had not paid this call amounting to £25, and I was not made aware that it had been struck. On the 15th July, 1901, the call was still unpaid, and I refused to accept the liability. On the 9th March last the auditor to the company signed the balance-sheet for the period ended 28th February, 1901, with this call outstanding, as being correct. On the 19th December, 1900, the directors struck another call of 2s. per share. In December, 1900, finding that scrip could not be delivered for the £100 fully paid shares I had purchased in July, I caused a writ to be issued on the broker through whom I purchased, and at once recovered the £81 11s. I had paid, less £3 7s. 6d. costs. Up to the 28th February, 1901, £479 4s. 9d. of the shareholders' money has been spent, and no attempt made to either design a dredge or build the pontoons. On the 15th July, 1901, an extract from the share