

register states £12 10s. was due on application-money, £80 on allotment-money, and £836 owing on the first and second calls. Included in these sums was £50 owing by Mr. Cook's wife, and £90 by Mr. W. R. Cook. That is on the 15th July of this year; and at this date no dredge had been ordered or contracts made. I find that the share register has been improperly kept, the shareholders' addresses not given, and pencil notes directing, in some cases, all notices of calls to be sent to Mr. Cook. I find, also, that certain shareholders have stated in sworn evidence that Mr. Cook promised that only 1s. per share should be called up, and that his co-directors should be his nominees. During the time that I was a director I declined to pass a transfer of 250 shares which Mr. Cook had, by a bill, taken over from a Mr. L. S. Benjamin. On my removal from the board this transfer was put through by Mr. Howes, Mr. Cook's employé and nominee, who had got on the board, and who is now, as I have stated, chairman of the company. He passed this transfer with £25 owing from Benjamin. On the 15th July, 1901, Mr. Cook's bill to Mr. Benjamin was dishonoured. I ask, for what purpose, other than the promoter's benefit, is this company existing?

16. Do you wish to refer to any other companies?—Yes; I might mention the Ross Day Dawn Gold-dredging Company, the circumstances in connection with which are on much the same lines. Mr. Cook was one of the vendors of the company; he and his partner acted as brokers for the company. Mr. Cook, while acting as director, received £19 13s. 9d. for attending only two of the company's board meetings—this can be verified on reference to the minute-book. I find that an entry in the minute-book on the 27th November, 1900, shows that the directors instructed Mr. William Holsted, the secretary, to place all overdue calls in the hands of a solicitor for collection; that on the 23rd April, 1901, Mr. Cook as director owed to the company on contributing calls £540; that Edward Mace, a clerk in Mr. Cook's employ, owed to the company £612; that Mr. William Howes, another employé, owed the company £90—all in respect of calls long overdue. I am given to understand that, of the 800 paid-up shares which Mr. Cook obtained from a Mr. C. Coote, the books will show 150 of these paid-up shares have been transferred by Cook to his employé, Howes; that at the time when very large sums were owing to the company by Mr. Cook and his employés, Mace and Howes, other smaller shareholders were being summoned and threatened with distress-warrants; that repeated attempts were made to pass a transfer for his employé, Mr. Howes, when the latter was owing a very large sum of money to the company; that Mr. Cook has given others to understand that his co-directors were merely his nominees; and that Mr. Cook acted as promoter, broker, and director, and his nominee as secretary, to this company at one and the same time.

17. Am I to understand from what you say that Mr. Cook was not summoned for any of his calls in connection with that company?—Not at that time.

*Mr. Cook:* Nor at any time.

18. *The Chairman.*] And others were being summoned?—Yes; I can produce the Magistrate's judgment on these summonses. I would like to say, with regard to the Ngahere Company, that Mr. Cook's employé and clerk, Edward Mace, holds no less than 1,000 contributing shares, and up to the time that I left Dunedin only £50 in respect of those shares had been paid in.

19. *Mr. Guinness.*] What should have been paid?—£100; and yet on the balance of those shares Messrs. Cook and Gray received 2½ per cent. brokerage from the genuine or qualified shareholders. I further charge that company with misrepresentation in the prospectus, inasmuch as the property is not in the locality stated in the prospectus—it is not in the position stated. The Ngahere prospectus states that this claim is fed from the rich gold-bearing creeks of German Gully, Callaghan's Creek, and Nelson Creek, and that the claim is at the confluence of those creeks. Now, Callaghan's Creek is a long way off that claim altogether.

20. *Mr. Colvin.*] Is it above or below it?—It is towards Reefton. In respect of the Wicklow Company, it was registered on the 3rd March, 1900, and on the 27th July of this year application-money was owing on 250 shares, allotment-money on 1,250 shares, and on all these shares Cook and Gray have received 2½ per cent. brokerage from the moneys paid in by the qualified shareholders. Mr. Cook, who was elected a director on the 9th April, 1900, received twenty guineas for attending one directors' meeting only during the year. One of the brokers and promoters (Mr. Gray), who had been allotted 500 contributing shares, refused payment of the allotment-money on the ground of misrepresentation of the very company he had floated. A late employé of the brokers and promoters had been paid £87 10s. for services as secretary. A motion for winding up this company I was successful in carrying. I may mention, gentlemen, that I joined the boards of these four companies for the express purpose of breaking up these rings of monopolists; and I had no other object, as I have stated over my name and address through the papers of the colony, than to smash the companies up and break up these rings of monopolists.

21. *The Chairman.*] Have you got any memoranda of association of the companies?—Yes.

22. Have you got the memorandum of association of the Lees Ferry Company?—I sent that to the House with other papers; but the articles of association are exactly the same in all these companies.

23. *Mr. Guinness.*] You stated that a number of shares in different companies are held by employés of Cook and Gray, or W. R. Cook: have you any reason to suppose that those shares are held by these employés as trustees for Cook and Gray, or W. R. Cook, or are they held in their own right?—I have taken them as I find them shown on the share register.

24. You have no evidence to suggest that the shares are held in trust for Cook and Gray?—At one of the meetings Mr. Howes insinuated that the shares were held in trust. At a meeting of the Golden Grey Company, when we were trying to liquidate it, Howes threatened to make the liquidation cost 7s. or 8s. a share unless Mr. Cook was then and there allotted 2,000 vendors' shares. A question put to Mr. Howes was answered as follows—I am reading from the report of the meeting that appeared in the *Otago Daily Times*: "Mr. Howes had only fifty contributing