

No; as a matter of fact we had no knowledge of your existence in the matter—the transfer was passed on the 17th September.

83. The directors were aware when they passed that transfer that there was £25 owing by Mr. Choyce?—It was owing by you, because you distinctly had the transfer marked “two shillings only paid.”

*Mr. Easton:*] I do not accept any responsibility in respect to that £25; in fact, I might tell the Committee that I am advised that by taking an action in the Supreme Court I can get my name removed from the register. Mr. Choyce is liable.

84. *Mr. R. McKenzie.*] Is this £25 shown as paid in the balance-sheet?—No; it is shown on the debit side of the register, amongst the outstanding calls.

85. When the balance-sheet was passed, on whom did you rely for payment?—Mr. Easton.

86. Did he hold the shares when the balance-sheet was passed by the auditor?—Yes.

87. *The Chairman.*] According to this document (transfer), the consideration was £12 10s.?—Yes.

*Mr. Easton:* The amount I paid was £25 2s.

*Witness:* I may add, though it has really no bearing on the question, that the transfer would certainly have been hung up if it had not been that Mr. Easton was already known to the directors as being a man of standing, and that he was not likely to repudiate liability.

88. *Mr. R. McKenzie.*] Should not the directors have got this call paid before the shares were transferred?—I think you are quite right there.

89. *Mr. Easton.*] Are you aware, Mr. Holsted, that the balance-sheet shows that up to the 28th February £479 4s. 9d. of the shareholders' money had been spent?—Yes.

90. You are also aware that up to that date no dredge had been ordered?—That is so.

91. Do you know that the share register shows that on the 15th July of this year there was £12 10s. owing as application-money on shares, £80 allotment, and £836 due on first and second calls?—Yes, I will not dispute that, because on the 28th February it is shown that there was £1,206 in arrear.

92. Included in these sums I think you will find from the share register that £50 was owing from Mrs. Cook?—No, two calls—£100 owing.

93. And £90 from Mr. Cook?—No, £65.

94. Are you aware that Mr. Cook's late partner—one of the firm that brought this company into existence—owed £125 on the 15th July of this year?—Yes, that is so.

95. Can you remember that during the short period I had the pleasure of being a director of this celebrated Tucker Flat Company I declined to pass a transfer of 250 shares which Mr. Cook had taken over by bill from a Mr. L. S. Benjamin?—I can remember your declining to pass a transfer.

*Mr. Easton:* At the time I declined to pass the transfer there was £25 owing by Mr. Benjamin.

*The Chairman:* According to the share register, there is £25 owing, and a pencil memo. that Mr. Cook is to pay the second call.

96. *Mr. Easton.*] I declined to pass the transfer, and, as I have explained, I lost my seat on the board, Mr. Cook's other nominee, Howes, taking my place, and he is now the chairman of the company. Mr. Holsted has admitted that. Now, Mr. Holsted, that £25 was still owing on the 15th July?—Yes, the second call is owing by practically all the shareholders.

97. Mr. Benjamin gave me to understand that on the 15th July the bill was dishonoured. You are aware, Mr. Holsted, that when Mr. Howes became a director the transfer from Mr. Benjamin to Mr. Cook was put through, with the £25 owing?—Yes, that is so.

98. *The Chairman.*] Mr. Cook has not paid this £25 yet?—No; that will make his liability £90—£65 and £25.

99. *Mr. Easton.*] That is, admitting that £25 owing by Benjamin is due from Mr. Cook?—Yes, that is so. The £25 was debited to Mr. Cook. He took over the liability.

*The Chairman:* The register shows that the shares were transferred with £25 owing, that £25 being charged against Mr. Cook.

100. *Mr. W. Fraser.*] Does that relieve Benjamin from liability?—That is questionable.

101. This is different from the case between Easton and Choyce?—Yes.

102. In that case was Choyce relieved of liability according to the books?—I do not think so; it is a question of law.

103. *Mr. Easton.*] Are you aware that in the Tucker Flat Company there are 250 contributing shares on which up to date no application- or allotment-money has been paid?—Yes, that is so; you refer to Kneebone's shares.

104. Are you aware that on the whole of those shares Cook and Gray received 2½ per cent. brokerage?—Yes, that was included in the brokerage charges, I think.

105. So they have received brokerage on shares that exist only on paper?—That is hardly correct; Mr. Kneebone exists, at all events.

106. *The Chairman.*] When you put in the account for the brokerage you had this book before you, I suppose—you could see that nothing had been paid on the shares?—Yes.

107. *Mr. Easton.*] Were you sending Cook and Gray monthly or quarterly statements remitting the brokerage?—No; the brokerage would be paid into Cook and Gray's account.

108. You paid it into Cook and Gray's account?—Yes.

109. Were Cook and Gray aware that they were obtaining brokerage on shares on which nothing had been paid?—They must of necessity have been aware of it, seeing that they were the brokers.

110. They were aware that they were making a profit out of that which cost them nothing?—I do not think that it is fair to put it in that way. Of course, they sold the shares, and I presume the