

226. Has Mr. Wild received no consideration for his title?—As far as the company is concerned, he has received no consideration.

227. Has he signed the transfer?—I presume so.

228. Does the company still hold the ground?—Yes, we still pay the rent.

229. Has Mr. Wild applied to have these shares transferred to him?—Yes, I think he has.

230. What do the minutes say about it?—I do not think there has been a demand from Wild before the directors.

231. There is an agreement that Cook cannot pay Wild until Cook gets the paid-up shares from the company?—Yes.

232. Has Mr. Cook applied for these paid-up shares in order to pay Wild?—I do not think so.

233. Why did the solicitor advise the company not to allot these shares?—Because if the company went into liquidation it would complicate matters if the vendors' shares were allotted. He said it would be better to make an arrangement with them, in the event of liquidation, that they should not insist on their right as vendors.

234. *Mr. W. Fraser.*] In order to facilitate liquidation?—Yes.

235. *Mr. J. Allen.*] What would be the rights of Mr. Wild in case of liquidation?—I understand that he could insist on the capital being called up.

236. That is the law, is it not—that the subscribers' shares can be called up?—Yes; it would inflict a hardship on the subscribing shareholders.

237. Have you got the minute with the solicitor's opinion?—No.

238. Can you tell us from memory what his opinion was?—That the vendor be written to and asked to voluntarily forego any vendor's interest—not to insist upon the shares being allotted.

239. Which vendor?—Mr. Cook.

240. You know nothing about Mr. Wild's position?—No.

241. *Mr. R. McKenzie.*] You were secretary to this company?—Yes, and I am still secretary.

242. Also a clerk in Cook and Gray's service?—I was at that time.

243. Were you allowed to do any work outside of Cook and Gray's office?—No.

244. You were entirely in their service?—Yes.

245. Was Mr. Cook a director of the company at that time?—Yes; he was elected a director at the start.

246. How much was paid as secretary's fees?—£75 per annum, including office-rent.

247. Who was it paid to?—It was to Cook and Gray; I paid it into their account.

248. So that in reality Cook was both director to the company and secretary, acting through you?—Yes, putting it in that way.

249. When Cook was superintending the boring on the West Coast what remuneration did he receive?—None except as director's fees; he received no separate remuneration.

250. Are you aware whether it is legal for directors to transfer shares until all calls on them are paid up?—I understand that it is illegal.

251. Do you know the law on that point? I want to know whether you know, yourself, that all calls must be paid before a transfer can be made?—Yes; but I will amend my statement in this way: when I say I am aware, I am not here to say that it is so.

252. You know that to be a fact?—Yes.

253. Were you secretary to the company when the shares were transferred from Choyce to Easton?—Yes.

254. Did you sign the transfers?—No, I do not think so.

255. Which directors passed the transfers?—The directors present at the meeting were Messrs. Leijon and Somerville.

256. You stated in reply to Mr. Cook, that it was customary in Dunedin to pay application and allotment together?—Yes.

257. Can you cite any cases where it has been done?—It would be rather difficult to speak of individual cases, but there have been several that I know of.

258. But have you got anything to justify you in saying that: can you give us any case in point?—It would be extremely difficult to name cases.

259. Do you know of any?—I could not give you the exact names, but I know of cases; I could turn them up.

260. Outside of Cook and Gray's companies?—That is another matter. I have myself paid application- and allotment-money together, outside of Cook and Gray's companies.

261. In what company?—The Happy Valley Company.

262. Who were the directors of it?—I really could not tell you; but I think I paid the two together in that case.

263. At the time of the application?—No; the time of the allotment.

264. What I wish to get from you is, do you know of any other cases in which brokerage was paid on shares before the application-money was paid?—You asked me to speak of a definite case, and I cannot undertake that.

265. Is it usual in Dunedin to pay brokerage on shares when there is no application-money paid?—It is commonly understood to be so.

266. Can you say that of your own knowledge?—I cannot of my own knowledge speak of other places.

267. Do you know of any other case than the one referred to in which brokerage was paid without any application-money being paid?—I understand it was the same in the Bignell's No Town Company.

268. Is that one of Cook and Gray's companies?—No.