

By the Hon. Mr. Watson :

Q. Do you consider that when they paid him the \$27,000 they were buying him out of his contract ?—A. Yes.

Q. I should like to ask you if from your experience of the company as a general book-keeper, did you consider it a good arrangement to credit Moss for \$37,000 to buy him out of his contract, in the interests of the company ?—A. I should think it would be considered a good business operation on the part of the company.

By the Hon. Mr. Wilson :

Q. In the second contract will you explain to me what took place or what was the agreement under which this contract expired ?—A. The second one ?

Q. Yes. Was Moss, when he was settled with, in possession of all the proceeds of the business of the agents, or was he not entirely paid off, and did he simply release what he was to get ?—A. He was.

Q. Then the second contract shows that the matter was closed so far as he was concerned ?—A. You are speaking of July, 1898 ?

Q. And if he owed the company at that time so many thousand dollars, as you mentioned, he was settled and paid ?—A. No, he was not; he was written off and charged commission.

Q. The rights to renewals—was that matter not closed with the contract of 1898 ?—A. No, because the renewals went for five years after the termination of the contract.

Mr. COSTER.—The report of the examiner of the state of New York, August 22, 1899, page 20, with reference to the Moss account contains the following statement :—

‘ A reference to “ Account No. 4 ” indicates that the contract of January 7, 1897, contemplated the payment to the general manager of a commission to him on new business in addition to the commissions provided for in the contract to be paid by him to sub-agents, and the amount shows this commission to have been so allowed him to the extent of \$93,810.78, notwithstanding the fact that at the same time his sub-agents were becoming indebted to the association for moneys belonging to it and which they ultimately failed to remit. These unpaid balances of 1897 form the larger portion of the \$244,954.07 of agents’ debit balances to which attention has been called. The value of these accounts could not be reliably ascertained at the date of the last examination, they having been so recently created, but an examination of them at this late day must lead to the conclusion already given in presenting this matter to you, viz. : that they are of nominal value only.’

Q. In the face of that do you say those were all paid in cash ?—A. What paid in cash ?

Q. There is Moss’s agents’ balance, \$247,000 due the company, of nominal value ?—A. I do not know anything about that report at all.

Q. But you say these moneys were not paid ?—A. No. I was ordered to credit Moton D. Moss’s account as \$93,000 overriding commissions. There is no loss under the 1897 contract.

By Mr. Pringle, Counsel for the Mutual Reserve :

Q. Do you know, as a matter of fact, that the company was reimbursed and recouped for all matters in connection with Moss and his contract ?—A. I know that the company was recouped in the matter of the 1897 contract in full, and received the profit beyond all expenses.

Q. And do you know the facts and figures that produce that result ?—A. I do.

Q. On the business which was done by the company through Moss, what amount of commission did it cost the company ?—A. It cost eighty-two and eighty-five one-hundredths per cent, plus the renewals.