

APPENDIX No. 1

Q. Yes?—A. That was just charged off to commission.

Q. Written off?—A. Yes.

Q. As a bad debt?—A. Yes.

By the Hon. Mr. Béique :

Q. You say that the \$75,000 were written off as bad debts?—A. I say in July, 1898, the three accounts of Moton D. Moss showed that he had about \$37,000 as a debit balance.

Q. Showed that he owned the company about that amount?—A. Yes.

Q. And?—A. And just about the 27th July, 1898, if I remember correctly, there was a warrant prepared crediting all the accounts of Moss and charged to commission account.

Q. Under his contract was he entitled to renewal? Was he entitled on his contract to renewal commissions?—A. Yes.

Q. Which would have amounted to how much?—A. I do not know.

Q. Approximately?—A. I have not any idea. I cannot tell from any papers I have what his commission would be.

Q. Did the company continue to pay him the renewal contracts?—A. They did not.

Q. Then he did not get those renewal contracts?—A. After July, 1898, there was no renewal contracts credited to Moss at all.

Q. You do not know to how much it amounted?—A. No, I do not.

By the Hon. Mr. Wilson :

Q. If Moss was indebted to the company when he left, the books would not balance the day of his discharge?—A. They may have balanced if the renewals had been cashed up.

Q. We are not considering what was to come in at all. When he was discharged from the company, he paid all his indebtedness to the company after considering the renewals that might or might not come in?—A. He had not.

Q. Then he was a debtor to the company?—A. He was.

Q. And upon what grounds do you say that he was liable to the income from the business that he had been obtaining in the country and from the agents? What reason have you to say that he was to receive a certain amount there?—A. On account of his contract.

Q. The contract had ceased when he was dismissed, when he ceased to be a servant?—A. Yes, and in consideration of that they wrote off his account.

Q. They had not received the money, but they balanced the books and considered he was not good and dismissed him?—A. Generally released.

By the Hon. Mr. Watson :

Q. I do not understand you to say that this was written off as a bad debt?—A. No, not as a bad debt—debit balance.

Q. Was Moss, under his contracts, entitled to the payments on renewal policies at the time, in July, 1898?—A. He was.

Q. I think you said you did not know the amount he would be entitled to under his contract?—A. No.

Q. Have you any reason to suppose that in writing that off it was not as an offset for the profits he was entitled to on the renewals under the contract?—A. It was in consideration of that, I should say.

By the Chairman :

Q. He would be entitled to the money on these policies if the policies did not lapse?—A. Correct.

Q. If all the policies lapsed, the company would be out the money?—A. Yes.