

APPENDIX No. 1

Q. You mean a considerable amount of money during the year?—A. I presume it was somewhere between fifteen and twenty-five thousand dollars. He is an expensive man.

By Mr. Coster, K.C., Counsel for the Committee :

Q. What services did he perform for the company that year?—A. I really cannot tell you what services he performed, I think he appeared before the Insurance Department. It was either that or the succeeding year that he appeared before Attorney General Hancock on a complaint of Llewlyn Demming and argued the case against Demming's action, I think that is the year that occurred.

Q. Do you know of President Burnham getting back any money that year, paid to himself from time to time?—A. I do not.

Q. Did you never hear of it?—A. I heard that Mr. Moss made something of such charge, but as to the details of it I do not know, and never heard in any authoritative way.

Q. You do not know of Mr. Moss being paid any large amount of money by President Brunham?—A. I do not.

Q. Afterwards in settlement of the suit?—A. I do not.

Q. Thirty or forty thousand dollars?—A. I do not.

Q. Did you never hear of it?—A. I did not. It is something on the general rumour and the report here and I have been told by Mr. Burnham that he paid nothing of the kind. That is all I know.

Q. You spoke of that fifteen hundred pounds that Mr. Moss got, about his being paid \$1 a thousand; what did you mean by that? I remember seeing it in your examination?—A. I meant that Moss put out his agents and did special work towards the close of 1896, and that the \$75,000 amounted to about a dollar a thousand on the business done by his agents outside the metropolitan business.

Q. And, therefore, it amounted exactly to the fifteen hundred pounds?—A. No, it did not amount to that exactly. My impression is, that it was either made a little over one dollar a thousand or under it; but it was approximately one dollar a thousand. We gave him that amount as compensation for the time spent in England and for the sending his agents outside the metropolitan district and doing special business during that time.

Q. Did you ever hear Mr. Moss claim that he paid back the whole of that fifteen hundred pounds to Mr. Burnham?—A. I never heard him make that claim.

Q. And do you, or do you not, know that that was proved in the suit brought by Mr. Moss against Mr. Burnham?—A. I do not know that it was proved.

Q. You remember the purchase of what you called the P.P.I. interest: you made a contract by which you stated to pay them some large amount of money. Did you pay any portion of that?—A. There were commissions to be paid on the annual dues as they accrued, and the commissions up to the execution of the second contract, which was February 9, 1897, which we interpreted as the cancellation of that contract, were paid to these trustees.

Q. How much money did you pay them, do you remember?—A. I could not give the amount, but my impression is, that it was somewhere in the neighbourhood of ten or twelve thousand dollars.

Q. You paid ten or twelve thousand dollars on account of it, and then a suit was brought for the balance, and they failed because the court held it was an illegal contract. Is that right or is it not right?—A. It was tried in the United States, and the court decided it was a contract under which the trustees intended to provide by their trust, and that it would not be sustained by the court.

Q. That is, that it was an illegal contract; that is about the result of it?—A. Yes. It was not a contract of reinsurance that was tried. It was the contract with the trustees. The policy-holders at their meeting, called for that purpose, ordered the trustees to turn it over to the Mutual Reserve for the purposes for which it had been communicated.