

a transfer of the mortgage and himself enforce its provisions. The mortgage was transferred for the nominal consideration of 5s. on the 14th July, 1897, the understanding being that Mr. Hill was to enforce the mortgage, and to account to Mr. Arrowsmith for moneys received, and Mr. Hill accordingly credited Mr. Arrowsmith, as he received them, with all funds received on account of the debt.

Mr. Greenhead was informed by Mr. Arrowsmith of the transfer, but not of its nominal character. Mr. Greenhead did not pay the amount due for interest on demand, and on the 15th November, 1897, Mr. Hill caused the land to be sold by auction, by order of the Registrar of the Supreme Court, in accordance with the provisions of "The Property Law Consolidation Act, 1883." At the sale Mr. Hill was the highest bidder, at the sum of £210. The Registrar conveyed the property to Mr. Hill, the conveyance being dated the 9th December, 1897. After the sale Mr. E. Mahony, as solicitor for Mr. Hill, demanded possession of the property, and threatened Mr. Greenhead with legal proceedings in default.

In reply to a letter of Mr. Greenhead to Mr. Mahony, the latter demanded possession by the 15th December, 1897, and pointed out the fact that Mr. Hill was now the actual owner of the land.

Mr. Greenhead not having complied with this demand, he was on the 23rd December served with a writ from the Supreme Court demanding possession. He then took the advice of a solicitor, and acting on that advice he called on Mr. Hill, and the result was that the latter agreed to lease the land again to Greenhead, with a purchasing clause, upon certain terms, the principal ones being that before such lease Mr. Greenhead should assign an endowment policy on his life to Hill, and should reimburse Mr. Hill the amount of the principal, interest, and costs he had been put to. Mr. Greenhead states that he agreed to the terms, and admits that he signed agreements embodying those terms. He also assigned the policy, but, for reasons which he gives, and which will subsequently appear in this report, he raised a fresh dispute, and tried to evade payment of the principal, interest, and costs mentioned in those terms. Mr. Hill's letter embodying the terms agreed to by Mr. Greenhead is as follows:—

" 38 Shortland Street, Auckland, 17th February, 1898.

" Mr. Charles Henry Greenhead, Waiuku.

" DEAR SIR,—

" I enclose assignment of policy of insurance on your life. Please sign same before a Justice of the Peace or a Postmaster and return to me at once. I will then see that the mortgage and interest, also premiums, are paid, and upon this being done will grant you a lease at 5s. a week, payable monthly, of the premises occupied by you, for the term of                    that the policy has to run, with a purchasing clause at a price, being the amount of principal, interest, and costs that you have put me to; also entering into an agreement that the amount receivable from the A.M.P. Society, when paid, less amount paid on policy and premiums as above, and interest on same at 5 per cent. shall be credited you on account of purchase-money of property.

" You will have to pay Mr. Mahony for drawing out lease and agreement.

" This is without prejudice to the existing action.

" Yours obediently,

" WALTER JAMES HILL."

Mr. Greenhead having agreed to the terms, as he says, signed the assignment of policy and returned it to Mr. Hill. The policy had been mortgaged to the A.M.P. Society, and was then in their hands. On examination by Mr. Mahony of the assignment it appeared to him that, owing to an alteration of the law, the assignment must be indorsed on the policy, and therefore another assignment was subsequently signed by Mr. Greenhead. The second assignment is dated the 15th March, 1898. On the 21st March, 1898, Mr. Hill paid to the A.M.P. Society £131 9s. 11d., being the amount of mortgage, interest, and premiums due to them. The agreement and lease prepared by Mr. Mahony, and produced by him, are dated the 11th April, but Mr. Greenhead asserts that the agreements and lease produced in the Supreme Court in subsequent actions were not those signed by him, nor were they signed at the date which appears on them.

These are Mr. Greenhead's principal complaints under inquiry, and will be alluded to at length later on.

On these documents being signed, the action *Hill v. Greenhead* for possession was allowed to drop, and Mr. Greenhead remained in possession under the lease at a rent of £3 5s., payable quarterly, on the 28th days of February, May, August, and November.

Greenhead after this paid certain rents to Mr. Hill, but again fell into arrears. The last sum paid to Mr. Hill personally was the sum of £3 5s. on the 7th November, 1900, which settled the rent to the 28th November, 1899.

Mr. Arrowsmith died in July, 1900, and his executors were Messrs. Griffiths and Hill. Mr. Greenhead made two payments of rent (£3 5s. each) to the executors, the last of which was on the 6th September, 1901, which settled the rent up to the 28th May, 1900, the rent being more than a year overdue. Mr. Greenhead then discontinued paying rent because, as he says, the last receipts had been signed by Arrowsmith's executors, which raised suspicion and required explanation; but he appears to have made no inquiries, and, in fact, no communication took place between him and Mr. Hill up to the date of the latter's death in January, 1902. Mrs. Hill (his widow) and Mr. Cossar (managing clerk in Mr. Mahony's office) were appointed executors, but they have since handed the estate over to the Public Trustee.

On the 6th February, 1903, the executors of W. J. Hill by deed assigned to C. F. Griffiths, the surviving executor of the estate of William Arrowsmith, all their interest in Allotment 42, Waiuku East, which was then still under lease to Mr. Greenhead. It appears that Mrs. Hill had some doubts as to whether that interest was really Arrowsmith's, but, having consulted her then solicitor, Mr. Thomas Buddle, she concurred in the transaction. Due notice was given to Mr. Greenhead of the assignment, and Mr. Mahony, as solicitor for Mr. Griffiths, made a demand on Mr. Greenhead