

111. That sale was practically nullified by the compromise made while the Court was sitting?—Flower was held by the Divisional Court and the Court of Appeal to have fraudulently claimed that he bought it for himself.

112. He was held to be your trustee?—Yes, it was held that he was trustee of the estate for me.

113. When that action was compromised you came to an agreement about it?—That is so.

114. And your counsel advised you that there was no money obtainable from the other side, and that they were not worth powder and shot?—Not only that, it came somehow through some solicitor's clerk that knew.

115. There were four people concerned in that—Flower, Nussey, Fellowes, and Hopkinson?—The compromise was with Flower, because he was the only owner of the estate.

116. Had Fellowes any money?—He had been a clerk in the office, and was made a partner for the transaction.

117. And Nussey?—They believed that all the property he had belonged to his wife at Chiselhurst.

118. And Hopkinson was a bankrupt?—Yes.

119. Every precaution was taken to see that there was no money?—Yes, or I would not have compromised. After the compromise the foreman of the jury and I were having dinner together, and he said, "We were going to give you the whole amount claimed." I wanted to take the verdict at first, and my counsel said, "You take my advice," and I agreed to the compromise.

120. Between 1904 and 1907, you say, they circulated the same reports respecting the quality of the coal—that is, they circulated damaging statements about the property?—Yes.

121. Can you explain this: these executors of Flower's had some £17,000 at stake at that time—why should they go about circulating damaging reports about a property over which they had security? Would that not damage the value of the property which came into their hands later on?—They might have wanted to work the property themselves. Messrs. Doyle and Roberts were getting the money for me, when I met Mr. Seward one morning at the corner of Bishopsgate Street and Threadneedle Street. He showed me the damaging report on the coal. I asked Mr. Seward where he had got his damaging report from, and he said, "It is copied from the report of the engineer who went out to look at the property." I said, "That will damn it." He said, "I am very sorry; in the face of that report I cannot go any further with it." He showed the report to Mr. Doyle, and its circulation damned the whole thing. If they had got the property they would have worked it themselves, and then it would not have mattered what the report was.

122. You think that explains their running down the property, although they had it as security?—I can give you no other reason.

123. Coming to the sale of the 10th August, 1907, you say, "There being no bidding by the public, the executors became the purchasers at the amount of their alleged claim"?—That is to say, they bought it in for £14,000.

124. It was sold through the Registrar?—They bought it in themselves, but Herrman Lewis was the purchaser, as the world was led to believe. Flower's executors had tried to get a lot of people to buy it, but he was the only man they could get to look at it, and there is no doubt that Flower's executors made use of this Herrman Lewis.

125. You state in your evidence that Herrman Lewis had no money?—Yes. In two places in Mr. Dalziell's evidence he says that Herrman Lewis is extremely pushed in one place, and in another place he says that he had no means of paying the money.

126. You told us that Herrman Lewis owed Macarthy £25,000?—Yes.

127. And you said Macarthy had double security for that amount?—Yes.

128. If Mr. Macarthy held security for double the advance, was not Herrman Lewis worth the equity of redemption—that is, £25,000—if he had £50,000 worth of property with a mortgage of £25,000 on it? You say that Herrman Lewis was a man of no substance, but assuming that those figures are correct he must have had £25,000. He might have got a second mortgage as he held the equity?—As a matter of fact Herrman Lewis did not put a penny into this concern—not a farthing. I want you to be clear about that. The evidence shows that he bought the property at £14,000 and mortgaged it back again the same day for £14,000. It is not denied that the executors put him in as a dummy.

129. You say he was a dummy for the executors?—Yes, and it was proved afterwards. The money was paid to Messrs. Moorhouse and Hadfield—the first lot of £4,000-odd.

130. Who was the mortgagee when Macarthy came into the matter?—The people in London held the mortgage for £14,000.

131. Do you not think the money would go to the agents of the mortgagee—it would not go to Herrman Lewis?—How could Herrman Lewis be a *bona fide* purchaser?

132. Would not the mortgagees naturally insist on any proceeds of the sale going to them and not to Herrman Lewis?—Herrman Lewis was merely the dummy, not the actual purchaser, as is proved by the mortgagees saying, "Don't pay this man the money, pay us." If he were a *bona fide* purchaser Herrman Lewis would say, "Pay the money to me."

133. Supposing you held a mortgage for £14,000 over a property, and you knew that the man selling it was receiving the proceeds of the sale, would you not want the money to be given to you?—Naturally, but that shows that the man who held the title was a dummy. In Mr. Dalziell's evidence it says the purchasers said, "Put Herrman Lewis's name on the title—on the Land Transfer Register—and then we will deal with you." They did that, and took the mortgage back the same day. He was merely the medium, not a *bona fide* purchaser.