

## 5. DIRECTORS.

On 8th November, 1932, articles were approved appointing Elizabeth Roberta Alcorn and Wallace Robert Boyd to be the first directors of the company, in which capacity they were acting as the representatives of New Zealand Freeholds and Buildings, Ltd., and Town Cash Stores, Ltd., respectively.

I am informed that Charles Graham Alcorn, representing the Investment Securities Association, Ltd., has replaced W. R. Boyd on the directorate, but no minute of his appointment has been produced to me. He has acted as a director, in that he has signed certain documents in that capacity.

## 6. SHAREHOLDING.

The signatories to the memorandum of association were—				£
New Zealand Freeholds and Buildings, Ltd.—990 shares of £1	..	..	..	990
The Town Cash Stores, Ltd.—10 shares of £1	..	..	..	10
				<hr/>
				1,000
On the increase of capital, the new shares created were taken up by—				
Mrs. Eva Camelia Alcorn—6,000 shares of £1	..	..	..	6,000
Investment Securities Association, Ltd.—24,000 shares of 2s. 6d.	..	..	..	3,000
				<hr/>
				£10,000
				<hr/>

There has been no further change in the shareholding.

Regarding these shareholders, it is to be noted that—

*New Zealand Freeholds and Buildings, Ltd.*, is a company with a capital of £3,000, of which £2,990 is held by Miss Elizabeth Roberta Alcorn. It also is a company on which I am reporting pursuant to the Companies (Special Investigations) Act, 1934.

*The Town Cash Stores, Ltd.*, was a tenant of New Zealand Freeholds and Buildings, Ltd., and is now in liquidation and insolvent. The shareholders were Wallace Robert Boyd and New Zealand Freeholds and Buildings, Ltd.

*Eva Camelia Alcorn* was the vendor of the property now owned by Freeholds Ltd.

*The Investment Securities Association, Ltd.*, is another company on which I am reporting pursuant to the Companies (Special Investigations) Act, 1934. The shareholders are C. G. Alcorn, E. R. Alcorn, and K. I. Grange.

All shares in Freeholds Ltd. are recorded in the books as fully paid; the method whereby such payment was made is described in Section 8 of this report.

## 7. PURCHASE OF PROPERTY.

By transfer No. 257826, registered on the 21st November, 1932, the company bought from Eva Camelia Alcorn, wife of Charles Graham Alcorn, an area of 73 acres 20 perches at Putaruru, situated about half a mile from the post-office. The consideration was £12,000. This transaction is one of several effecting partial disposal of an area of 414 acres acquired by Mrs. Alcorn in 1920 for £3,152 10s. 6d. A record of the transactions affecting this block of land is given in the report of the Inspectors on the First Mortgage Freehold Security Company of New Zealand, Ltd.

The company still retains the whole of the area except for a small portion transferred to the Putaruru Town Board for a nominal consideration on 10th October, 1933.

The property adjoins that owned by the Auckland Provincial Town Properties, Ltd., and is further from the township. It has not been subdivided and is unroaded. It is obvious that the town must develop very considerably before it would be possible to handle this block as a profitable subdivision proposition.

The Government valuation of the property, made in 1929, is £700. The disparity between this figure and the purchase price of £12,000, or even the value of issued debentures, £6,400, is so great as to raise strong doubts of there being any possibility whatever of the company being able to meet its obligations.

## 8. PAYMENT OF PURCHASE PRICE OF PROPERTY, AND OF SHARE CAPITAL.

The only actual payments made to or by the company seem to have been made on or about the 25th November, 1932.

On that date a cheque for £12,000 drawn in favour of E. C. Alcorn was debited to the company's account with the Commercial Bank of Australia, Ltd.

On the same date three cheques were lodged to the credit of the company's account, viz. :—

				£
New Zealand Freeholds and Buildings, Ltd.	..	..	..	1,000
The Investment Securities Association, Ltd.	..	..	..	5,000
E. C. Alcorn	..	..	..	6,000
				<hr/>
				£12,000
				<hr/>