R. 157 (M 6)
R. 34 (25-28)

14.—The Respondent Emory was the Company's Manager in the Colony until some time in 1918 when he left their employment. He knew that the Company wanted Aurora and Semerie. Early in 1919 he returned to the Colony and Humphrys met him by appointment about the middle of January. He said that he had left the Company but was interested in bauxite and was acting for principals in America and Humphrys told him in answer to questions by him that the Company had offered $5,000 for the properties which Mrs. Hubbard had refused. He then asked Humphrys to ask Mrs. Hubbard to give him (Emory) an option for $5,500. Humphrys refused on the grounds that Joseph King had asked for a refusal of the highest offer and that he himself was a proxy Director of the Company. After some discussion Humphrys said that he would ask Mrs. Hubbard if she would give him (Humphrys) an option for $5,500 and that if he got it he would ask the Company if they would spring on their offer. He did not suggest to Emory to make an offer direct to Mrs. Hubbard.

R. 17 (39) to R. 18 (24)

R. 31 (5-6)

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R. 18 (24) to R. 19 (10)

15.—Humphrys then told Burrowes that he wished to make an offer of $5,500 for the properties and asked that Mrs. Hubbard should come to see him. On the 30th January 1919 Mrs. Hubbard accompanied by her niece Mrs. Valladares and Burrowes came to his chambers. In reply to a question by Mrs. Hubbard he told her that King's last and final offer was $5,000 and that his offer was $500 in excess. He also told her that some people in America might want to acquire the properties and that therefore he might or might not make a profit on the transaction because the Company might change their minds when they knew someone else was after them. He also said that the option must be for three months and that he would give $25 for it. Mrs. Hubbard then asked what about the pending actions and said that transport would be opposed. Humphrys replied that he thought that he could arrange this but if not no transport could be passed till the actions were concluded. Burrowes then said that if so Mrs. Hubbard would be out of her money for a long time and it would not be earning interest. Humphrys agreed and said that if he exercised the option he would pay 6 per cent. on the $5,500 and also that he would endeavour to get the money paid into Court to prevent further lawsuits. Burrowes said that the offer of interest was fair and Mrs. Valladares then told Mrs. Hubbard that she had better sell. Mrs. Hubbard said that she thought so and asked Burrowes what he thought. He said "the lands are yours and if you are satisfied I am satisfied." Mrs. Hubbard then asked what papers Humphrys would require her to sign and he said that he would send her a written option next day. Nothing else passed at that interview. Humphrys did not tell Mrs. Hubbard how he came to make the offer or mention Emory or his request to get an option for him or that Joseph King had requested Humphrys to inform him if she decided to sell nor did he suggest that she should take independent advice. He expected to make a profit out of the transaction.

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R. 58 (23-24)

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R. 31 (2-33)

R. 42 (24-25)

16.—On the 31st January Humphrys sent to Mrs. Hubbard the option which is set out in the Record. It was signed by Mrs. Hubbard and Burrowes. The sum of $5,500 was omitted from it but added on the next day and the alteration initialled.

R. 19 (16-19)
R. 158 (F 1)

17.—On the 1st February Humphrys saw Emory and showed him the option. About two or three days afterwards he told Arthur King that Mrs. Hubbard had given him the option and on the 5th February he received from Joseph King a letter of that date relating to the option which is set out in the Record. Next day Humphrys met Joseph King who said that the Company wanted the properties and would compete with other competitors and that a matter of $1,000 here or there was nothing to the Company. Humphrys did not inform Mrs. Hubbard of this conversation.

R. 19 (20-26)
R. 160 (F 3)
R. 20 (6-12)

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18.—Some time before the 12th February Emory told Humphrys that he had visited the properties and on the evening of the 12th he telephoned to Humphrys that he was leaving for the United States on the next day and after some discussion as to the value of the properties told him that he was prepared to take an option on Humphrys' option for $11,000. On the 13th Arthur King called on Humphrys at the latter's request and was told by him of Emory's offer and that the latter was leaving on that day. After some discussion Arthur King said that he would make a firm offer of $11,200 and would also pay up to $127 for transport expenses and this was accepted by Humphrys. At this time Arthur King was in control of the Company and was prepared to compete with anyone for the properties up to $20,000. The Company considered it important to exclude Emory and his friends.

R. 20 (15-39)
R. 20 (40) to R. 21 (16)
R. 49 (36-39)
R. 34 (42) to R. 35 (3)

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19.—Immediately after seeing Arthur King Humphrys told Emory what had happened. The latter suggested that under the circumstances Humphrys ought to give him part of the profits. Humphrys agreed and it was arranged that Emory should write to him on the subject before he left. Later on the same day Emory handed to him a letter of that date and he sent to Emory (having previously read to him a draft thereof) another letter of that date. Emory replied by a letter dated the 16th February. The effect of this correspondence was that Humphrys agreed to give him $2,700 out of his profits.

R. 21 (15-36)
R. 160-163 (F. 5, F 6, F. 7)

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20.—On the 14th February Humphrys received from Arthur King a letter dated on the 13th confirming the verbal arrangement between them on that day which was therein stated to be that King on behalf of the Company had purchased the properties from Humphrys for $11,200 of which $500 was to be paid at once and the balance on passing the transport the Company also paying transport expenses up to $127. Such letter added that Humphrys should pass transport in favour of the Company without delay and give the Company immediate possession. A cheque for $500 in favour of Humphrys was enclosed. On the 19th February Humphrys wrote to Arthur King acknowledging his letter of the 13th and confirming its terms except as to giving immediate possession.

R. 162 (F. 11)

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R. 165 (F. 12)