

bought on the faith of any statement by the corporation. As Hildyard's case as above is law, then if mere registry of his vendor as owner be not equivalent to a warranty by the corporation that the vendor is owner; then his position is doubtful.

Till a decision that registry of a vendor is equivalent in its effect to a certificate to him of ownership, it would be prudent in some cases for an intending purchaser on a transfer to him and before payment to require production to him of a certificate of ownership in the vendor, or a statement by some official having authority to bind the corporation that the vendor is owner, the purchaser informing the official of his intended purchase as above mentioned.

The writer does not lose sight of the fact that in many of the English cases, including the Hart and Bahia cases, the shares were numbered, as required by the Joint Stock Companies' Act, and that the certificates were made *prima facie* evidence of title; nor of the fact that a certificate may remain in the hands of a person after a transfer by him, and that such person may attempt to make another sale and transfer, as to which see Waterhouse case above.

Questions as to the loss on defect in title to shares bought may arise not merely on forged transfers, or powers of attorney, but in other cases, as for instance where a vendor who stands on the books as, and transfers designating himself as *trustee*, and has no authority to sell or transfer; or where the purchaser knows, or the facts are such that he had good reason to believe that his vendor was a trustee; or where a *sheriff has seized* shares, and afterwards a purchaser accepts a transfer without any enquiry of the corporation or search by him at the sheriff's office, as in case of purchase of goods or lands; or where, as in the case of bank shares, a *lien* exists in favour of the corporation on their stock for debts due the corporation at the time of proposed transfer. In this latter case an instance is afforded by *Cook v. Royal Canadian Bank*, 20 Chy. 1, the head note of the report of which is as follows:—

"A bank agent, being about to make advances on the security of stock of another bank, applied to the officers to ascertain what claims the bank held against the stock, when he was informed that there was overdue paper to the amount of \$500; (the banks had a lien on their stock for debts of its shareholders). Before completing the arrangement as to transfer of the stock another claim, which was current in one of the agencies of the bank, was returned unpaid; it was held that the bank had a right to a lien on the stock for the additional sum before allowing the transfer to be carried out in their books. The owner of bank stock being about to assign it, procured from one of the agents of the bank a memorandum on the back of a power of attorney to transfer the stock in the words, 'No liability at the Galt office;' it was held that this was not such a representation to the intending transferee as bound the bank; and that the bank were entitled to hold the stock for the amount of a draft which had been discounted at the Galt office and then in the hands of an agency in Montreal." The Vice-Chancellor in his judgment referred to the fact that the bank agent was not informed of the purpose for which the information was asked, and so had no notice of its importance.