

PRINCIPAL AND AGENT—EXCESS OF AUTHORITY OF AGENT—LIABILITY OF PRINCIPAL.  
—AUTHORITY TO PLEDGE DEED FOR A PARTICULAR SUM—FORGED DEED—REDEMPTION.

*Brocklesby v. Temperance Building Society*, (1893) 3 Ch. 130, was an action for redemption which turned upon the question as to how far the plaintiff was liable for the act of his agent, who had exceeded his authority. The agent in question was the plaintiff's son, who had been entrusted by the plaintiff with certain title deeds which he was authorized to pledge with a certain bank for the purpose of raising a loan of £2250. The son pledged the deeds with another bank than that named for a much larger sum than £2250. Part of the sum thus raised he applied for his father's use or paid to him, and the rest he kept for his own use. Subsequently he induced the defendants to advance a still larger sum, out of which he paid the bank the sum previously procured, and kept the rest for his own use. The son, to secure this advance by the defendants, deposited the title deeds with them, and also a conveyance of the property covered thereby, purporting to be made by the plaintiff, but which was, in fact, a forgery. The defendants had no notice of the fraud of the son, who subsequently absconded. The plaintiff claimed the right to redeem the title deeds on payment of £2250 which he had authorized to be borrowed; but the Court of Appeal (Lindley, Lopes, and Smith, L.JJ.) agreed with Wright, J., that the plaintiff, having placed the deeds in his son's hands, could not redeem them without paying the whole sum which the defendants had advanced upon the security of the deeds, notwithstanding that the son had exceeded his authority in raising more money than he was instructed to raise, and had effected his purpose by forgery. The principle upon which the Court of Appeal proceeded may be gathered from the following passage from the judgment of Lindley, L.J.: "A legal agent, in order that he may raise money on them, cannot, in equity, at all events, recover them from a person who has *bond fide* advanced money on them, without notice of anything wrong, except upon the terms of paying what that person has advanced on the security of the deeds handed over to him."