

What might be the law in a case where there was no certificate of ownership to the seller, or enquiry as above, but mere registry of the supposed owner who sells and transfers, is by no means so clear. In Hart's case, hereafter mentioned, Lord Bramwell seemed to consider registry of a seller as owner as equivalent to a certificate of ownership in him so far as the matter of loss to his vendee might be in question on claim by such vendee against the corporation for indemnity.

*Hart v. Frontino* and the *Bahia* cases, below show the safety of a purchaser who buys and pays on the faith of a certificate of ownership to his vendor, or of information from a duly authorized official of the corporation that the vendor is owner. Hart's case, *Hart v. Frontino*, L.R. 5, Ex. 111., was one in which (to put it shortly) the plaintiff had bought and paid for shares and received a duly executed transfer and a certificate to his vendor, but neither he nor the seller was then registered as owner. The seller was afterwards registered and compelled to pay a call on the shares, whereon the plaintiff purchaser had himself registered as transferee and got a certificate of ownership, and then repaid the seller the calls. The title of the seller was bad. The court held the corporation liable to the plaintiff purchaser for the value of the shares. The judgment was based on the ground of the plaintiff having repaid the call on the faith of having been entered by the corporation as owner, and of his having been given a certificate of ownership. Mr. Baron Bramwell seemed to consider registry as important as a certificate on the question of loss, but he based his judgment on the ground above.

In *re Bahia and San Francisco Railway Company*, L.R. 3, Q.B. 584, the registered owner left her share certificate with her broker, who forged a transfer from her, and left it with the secretary for registry. The secretary wrote to the owner notifying her that a transfer had been left, but, receiving no reply, he registered the transfer and placed the names of the transferees on the books and gave them a certificate of ownership. The transferees sold the shares, and the purchasers became registered as owners, and paid on the faith of the registry of their vendors as owners and of the certificate to them. It was held that those certificates to the vendors amounted to a statement by the corporation that they were entitled, and that a purchaser from them having acted on that certificate, the corporation could not deny his claim, and he was entitled to damages for loss of the shares which were ordered to be restored on the registry books in the name of the original owner. The court in giving judgment based it entirely on the giving the certificate and the acting on faith of it; the court did not rely on the registry, and their not doing so appeared to Lord Bramwell as singular.

It will be observed that whilst, as above stated, a purchaser is safe as to indemnity by the corporation when buying on the faith of its certificate, or if the answer to his enquiry is that his vendor is registered owner, since then he can say that he bought on the faith of such statement, and so is within the principle on which the *Hart* and *Bahia* cases were decided, yet his position is still undecided when, without any such certificate or enquiry, he becomes registered transferee from, and pays to, one having no title, though registered as owner, and after payment obtains a certificate of ownership. In such case he cannot say he