

property in the shares, but a right to have his name entered by the company on the register of shareholders, and thus constitute himself the legal owner of the shares; and as a necessary consequence such holder of the certificate is entitled to retain it against any person claiming title from the registered owner."

So also in *Waterhouse v. Bank of Ireland*, Chatterton, V.C., refers to these opinions of Lords Watson and Herschell, and recognizes them as authorities by which he is bound.

I do not think we are concerned with *Earl of Sheffield v. The London Joint Stock Bank*, because the facts disclosed in that case showed that the banks in dealing with one Mozley, a money-lender, either actually knew, or had reason to believe, that the securities deposited with the banks as security for large running accounts might not belong to Mozley, but to his customers.

There was great misapprehension as to the effect of the decision in that case, and Lord Chancellor Halsbury, who took part in the judgment of the House, explained its effect in *London Joint Stock Bank v. Simmons*, where he says: "The inferences derived from the business carried on by the money-lender in *Lord Sheffield's* case, were peculiar to that case, and have no relation to the course of business which brokers habitually pursue towards their own clients, and for their own clients, when dealing with bankers with whom they deposit securities. The deposit of securities as 'cover' in a broker's business is as well-known a course of dealing as anything can possibly be, and the phrase that they are deposited *en bloc* seems to me to be somewhat fallacious. That they are, in fact, deposited by the broker at one time, and to raise one sum, may be true. It does not follow, and I do not know, that the banker could reasonably be expected to presume that they belonged to different customers, and that the limit of the broker's authority was applied to each individual security by his own client. It would, therefore, to my mind, be as totally different from the facts proved or inferred in *Lord Sheffield's* case as anything could well be.

"I do not think that in that case any countenance was given to the notion that because Mozley, the money-lender, was assumed to be the agent for the owners of the property, that circumstances alone put the bank upon inquiry as to his title to the property with which he dealt. To lay down as a broad proposition that in every case you must inquire whether a known agent has the authority of his principal, would undoubtedly be a startling proposition, and certainly nothing said in *Lord Sheffield's* case could justify so novel an idea."

Rogers and Hubbell were reputable stock brokers. Hubbell possessed the confidence of the plaintiff, otherwise it is not