

owner may estop himself by conduct and representation from questioning the title of a transferee, who honestly takes from a dishonest holder:" *Williams v. Colonial Bank*, 38 Chy.D. 399.

In a late case, *Barton v. North Stafford Railway Company*, 38 Chy.D. 458, stock in the Company stood registered in the names of two who were co-executors and trustees; one forged the name of the other to transfers, signed himself, sold the stock, received and misappropriated the proceeds of sale. The transfers were registered by the Company. Afterwards a new co-trustee was appointed in the place of the forger. The claim of the plaintiffs was that the defendants should reinstate them in like stock to that sold. It was held that the transfers as between the plaintiffs and the Company were nullities; that the Company should register the old and new trustees as joint owners; and that though one co-executor might make a valid transfer of a chattel, yet that rule did not apply in this case, which was governed by the Companies' Clauses Act (England). The rights or liabilities of the purchasers of the stock were not determined but reserved for future consideration, though made parties to the suit.

The result of the cases as to the above is that the real owner is not deprived of his stock by transfer on a forgery, and can compel its replacement or an equivalent in value, unless he has been, as above alluded to, so negligent as to have facilitated the forgery, or by his conduct and representations have estopped himself, as between himself and the corporation, from denying its validity; that the purchaser as from him is to suffer the loss, though registered as transferee; and if the owner, instead of proceeding against the purchaser and the corporation to be reinstated as to the stock, obtain equivalent in value as damages from the corporation, the purchaser must indemnify it. The corporation may, however, be guilty of such negligence as to preclude it from claim to indemnity; or, if the transfer be decreed to be cancelled and the true owner reinstated, to suffice to render the corporation liable in damages for their value to the purchaser; see *Ashby v. Blackwell*, *supra*; and the remarks above of Cotton, L.J., thereon; and those of Blackburn, L.J., given below in *Societe v. Walker*.

Next, take the case of such a purchaser under a forged transfer or power, or of one having from some other cause no title, but registered as owner and producing a certificate of ownership from the corporation, selling to a *sub-purchaser* who becomes registered as owner. In this case it seems the corporation must bear the loss: certainly where by the terms of its charter the certificate is made *prima facie* evidence of ownership—and must indemnify the sub-purchaser, and reinstate the name of the original true owner on the registry as owner, or possibly, indemnify the owner and leave the shares to the sub-purchaser. And it would seem that this would equally be so though there were no certificate to the seller, if the purchaser before transfer were perfected and before payment of the purchase money should on enquiry be informed by a duly authorized officer of the corporation that the seller was owner, such officer being also then told that unless the answer were in the affirmative the transfer would not be carried out; the nature of the transaction should also be mentioned; per Lush, J., in the *Bahia* case hereafter referred to (p. 593), and see below *Cook v. Canadian Bank*, per Blake, V.C., 20 Chy. 1.