

BANKER—CHEQUE—CONVERSION—CROSSED CHEQUE PAID INTO CUSTOMER'S ACCOUNT—FORGED INDORSEMENT—CREDIT GIVEN TO CUSTOMER FOR AMOUNT OF CHEQUE BEFORE PAYMENT—CROSSING CHEQUES—BILLS OF EXCHANGE ACT, 1882 (45 & 46 VICT., c. 61) s. 82—(50 VICT., c. 33 (D) s. 81).

Capital and Counties Bank v. Gordon (1903) A.C. 240, is a case previously known as *Gordon v. London City and Midland Bank* (1902) 1 K.B. 261 (noted ante, vol. 38, p. 292.) The plaintiff in the action claimed to recover from the defendant banks the proceeds of cheques of the plaintiff which had been deposited with the banks by the plaintiff's servant in his own name, having thereon forged indorsements of the plaintiff's name. The bankers had credited the amounts of the cheques to Jones, the depositor, and had then crossed the cheques and presented them for collection and received payment thereof. The House of Lords (Lords Macnaghten, Shand, Davey, Robertson, and Lindley) have now affirmed the decision of the Court of Appeal to the effect that a bank is not entitled to the benefit of s. 82 (s. 81 of the Canadian Act) unless they collect the cheque as agents for a customer, and where they collect it as being themselves the holders, the section affords no protection; and that the protection of that section only applies to cheques crossed before they are received by the banker, but not to cheques crossed by the bankers themselves. Their Lordships, however, held that a draft drawn by one branch of a bank on another branch of the same bank payable to order on demand is not a cheque, but is within s. 19 of the English Stamp Act of 1853, which protects bankers from liability for payment of such drafts on forged indorsements.

MORTGAGE—CLOG ON REDEMPTION—STIPULATION THAT MORTGAGEE SHALL BE APPOINTED BROKER OF THIRD PARTY.

Bradley v. Carritt (1903) A.C. 253. In this case we are not at all surprised to find that the House of Lords have reversed the decision of the Court of Appeal (1901) 2 K.B. 550 (noted ante, vol. 37, p. 778), but we are surprised to find that there was any difference among their Lordships as to the law. It may be remembered that the case turns upon the validity of a stipulation in a mortgage of shares of a limited company whereby the mortgagor agreed that he would always thereafter use his best endeavors to secure that the mortgagee should be appointed the company's broker. The mortgage debt having been paid off,