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[Oct. 3.

CLARKE v. BAILLIE.

Broker—Stock carried on margin—Right to pledge.

A broker who carries stock on margin for a customer has a right to pledge it for his own purposes to the extent of the amount he has advanced.

If the broker pledges such stock as security for an amount greater than his advances he is not guilty of a conversion provided that on demand of his customer he delivers to the latter the number of shares ordered and which he has been carrying for him. Anglin, J., dissenting.

Per Anglin, J.:—The broker must at all times be in a position to hand over the stock to his customer, and if, when he pledges it, he is not in that position, he is guilty of conversion.

Judgment of the Court of Appeal (20 O.L.R. 611), affirming that of the Divisional Court (10 O.L.R. 545), affirmed. Appeal dismissed with costs.

Nesbitt, K.C., and Wood, for appellant. Hellmuth, K.C., and Long, for respondent.

Province of Nova Scotia.**SUPREME COURT.**

Meagher, J.]

[Nov. 20.

GRAHAM v. BIGELOW.

Sale.—Contract for goods of specified quality—False and fraudulent marking—Firing damages—Market intended.

Plaintiff purchased from defendant a large quantity of apples of specified grades and quality defendant being aware that the apples were intended for shipment to England for sale there during the holiday season. Plaintiff became aware shortly after the delivery of the apples that they were not of the quality contracted for and indicated by the marks upon the barrels and proceeded to have them repacked. Owing to the delay caused by the re-packing and the additional handling to the fruit incident thereto the fruit did not reach the market for which it was intended until after the end of the season, when the price had materially fallen.