

the shares to him, and the bank to cancel the transfer." No cases are referred to. In *Thring on Joint Stock Companies* (5 ed. 1889, p. 151), it is said that the purchaser under a forged power, to whom even a certificate of ownership has issued, has no claim to indemnity for loss, as he is to be taken as having acted on the faith of the transfer, not of the certificate. See also *Barton v. London & North-Western Railway Company*, 38 Chy.D. 144, hereafter referred to; *Sloman v. Bank of England*, 14 Sim. 475; *Taylor v. Midland Railway Co.*, 28 Bea. 287; *Midland Railway Co. v. Taylor*, in App., 8 H. L. Ca. 751; *Sims v. Anglo-American Co.*, 5 Q.B.D. *Waterhouse v. London & South-Western Railway Co.*, hereinafter referred to, is a strong case, showing that the loss must fall on the purchaser on the mere fact of his buying under a forged power or transfer, though obtaining registry and certificate to himself.

There are cases wherein the conduct of the owner of stock or other property may be of such a character, by negligence or otherwise, as to preclude him, as against the corporation or others misled by it, from objecting to an unauthorized transfer. Thus where a customer of a bank in drawing a cheque had left sufficient space in it to enable the forger to fill in the words "three hundred and" in the body, and to add the figure 3 before the other figures, and the bank without negligence on its part paid the cheque as altered, it was held to be such negligence of the customer as to disentitle him to recover from the bank; *Young v. Grote*, 4 Bing., 453.

The negligence must be "in or immediately connected with the transfer itself" (per Parke B., in *Governor of Bank of Ireland v. Trustees of Charities*, 5 H. L. Ca. 410), and not remotely connected with the act of transfer. In that case the Trustees (a corporate body) allowed their secretary to have their corporate seal in his possession, he fraudulently affixed it to powers of attorney, and under them sold out stock of the Trustees in their name in the Bank. It was held there was no such negligence as "alone would warrant a jury in finding that the Trustees were disentitled to insist on the transfer being void." See also *Waterhouse v. London & S.W. Ry. Co.*, hereafter referred to; and *Merchants v. Bank of England*, 56 L.T.N.S. 665. *Waterhouse v. London & S.W. Ry. Co.* 41 L.T.N.S. 553, was a case wherein the confidential clerk of C. obtained the key of the box in which was kept the certificate by defendants of C., being owner of shares in their Company, and forged a transfer which was acted on by the Company, who transferred to the defendant and gave him a certificate of ownership; the clerk received the purchase money on the transfer. The defendant sought to bring himself within the case of *Hart v. Frontino*, hereinafter referred to, on the ground that, relying on the certificate being true he was prejudiced in not pursuing a remedy, under the Stock Exchange Rules, against the agent selling broker; he did not rely on any payment of the purchase money on faith of the certificate. The judge found he was not prejudiced by the giving of the certificate, and that C. was not precluded by any negligence on his part from his right to the stock, and the defendants were not liable to the plaintiff, who had to suffer the loss notwithstanding the certificate granted to him. It does not appear that any directions were given as to surrender of the certificate. Again, in the language of Cairns, L.C., "the real