

pany, under sec. 121 of the Companies Act, R.S.O. 1914 ch. 178, to register 1,500 shares in the name of the plaintiff.

The appeal was heard by MEREDITH, C.J.O., MACLAREN, MAGEE, HODGINS, and FERGUSON, J.J.A.

W. Laidlaw, K.C., for the appellants.

P. White, K.C., for the defendant company, respondent.

The judgment of the Court was read by HODGINS, J.A., who said that the trial Judge had held that the appellants were not the owners of the shares; that they were illegally issued; and that the appellants, having had notice of this, did not come into Court with clean hands.

After an examination of the evidence, the learned Justice of Appeal said that the shares were paid-up, and that there was no irregularity or illegality that he could see affecting their issue.

The judgment in appeal, however, rested also upon the ground that the appellants had no *locus standi*, that they were not the owners of the shares, and that only the real owner could be registered. The judgment upon the issue declared that the appellants were not entitled to the transfer of these shares from the name of Gooderham to the name of the appellants.

The evidence disclosed that, one Bilsky having asked the appellants, as brokers, to sell Shamrock stock, they did in September, 1916, sell for him 1,500 shares. These were unidentified. The appellants were paid for them, and then paid Bilsky, who handed them the certificates for the shares now in question, endorsed by one Gooderham (in whose favour they were issued) in blank. The appellants entered their name on them as transferees, and then applied for registration. This was refused, and the appellants borrowed stock, made delivery to the purchaser, and said that they were the holders of the certificates and desired registration. No one disputed their title save the respondent company.

Under sec. 54 of the Companies Act, every shareholder is entitled to a certificate, which, by sub-sec. (2), is *prima facie* evidence of his title to the shares mentioned in it.

Reference to *Smith v. Rogers* (1899), 30 O.R. 256, 259; *Castleman v. Waghorn* (1908), 41 S.C.R. 88, 97.

The respondent company had no right to refuse the transfer in the circumstances here: *Re Dominion Oil Co.* (1903), 2 O.W.R. 826; *Re Panton and Cramp Steel Co.* (1904), 9 O.L.R. 3; *Re Good and Jacob Y. Shantz Son & Co. Limited* (1910), 21 O.L.R. 153.

No by-laws of the company affecting the matter were alleged