

of the three cheques pleaded by defendant as payment made to it and the said three cheques were never received by it, having been sent by defendant to its warehouse at Coteau Station, instead of to its office in Chicago, the place where they should have been sent, according to the custom between plaintiff and defendant; and the said cheques were received by plaintiff's employee one Doucher;

"Considering that the proceeds of the said cheques were appropriated by the said Doucher, who had no authority from plaintiff to receive the same or to endorse the name of plaintiff thereon, or to negotiate the same, and thereof the said Doucher was acting beyond the actual limits of his authority from plaintiff;

"Seeing section 151 of the Bill of Exchange (1): Act;

"Considering that signature by procuration operates as a notice that agent only has a limited authority to sign, and that the defendant in sub-warranty in receiving the said cheque so endorsed by the said Doucher as agent of plaintiff was bound to inquire as to the extent of the said Doucher's authority and did not do so; (1)

"Considering that any signature which purports to be put on by delegated authority is in effect a signature by procuration; (2)

"Considering that the cheques in question were payable to plaintiff's order and it has not been proved, either that the said Doucher had express authority to endorse them or that the plaintiff had such knowledge of a practice by the said Doucher of endorsing cheques to its order, as would

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(1) R. S. [1909], art. 51.

(1) Bryant v. Quebec Bank, 1893 A. C. 170.

(2) Grant's Law of Banking, 6th Ed. p. 293.