Again, in *Oliver* v. *Bank of England* (1902), 1 Ch. 610, affirmed by the House of Lords sub nom. *Starkey* v. *Bank of England* (1903), A.C. 114, a stockbroker applied to the Bank of England for a power of attorney for the sale of consols, believing himself to be instructed by the stockholder, and bonâ fide induced the bank to transfer the consols to a purchaser upon a power of attorney to which the stockholder's signature was forged. *Held*, that the broker must be taken to have given an implied warranty that he had authority, and that he was therefore liable to indemnify the bank against the claim of the stockholder for restitution. It was argued in this case that the rule in *Collen* v. *Wright* did not extend to cases where the agent did not know he had no authority and had not the means of finding out, but this was rejected, and it was also laid down that the rule is in no way affected by *Derry* v. *Peek*, 14 App. Cas. 337, and applies not only to contracts but also to any business transaction into which a third party is induced to enter by a representation that the person with whom he is doing business has the authority of some other person.

In *Sheffield Corporation* v. *Barclay* (1905), A.C. 392, a banker in good faith sent to a corporation a transfer of corporation stock which subsequently proved to be a forgery. It was held by the House of Lords that both parties having acted bonâ fide and without negligence, the banker was bound to indemnify the corporation against their liability to the person whose name had been forged, upon the ground that there was an implied contract that the transfer was genuine. This was considered by Lord Davey to be the result of the decision in *Oliver* v. *Bank of England* (1902), 1 Ch. 610.

Then we get the case of *Yonge* v. *Toynbee*, decided last year, and reported (1910), 1 K.B. 215, which we thought would be regarded as the high-water mark in the extension of the doctrine. Before the commencement of the action in question, the defendant had instructed a firm of solicitors to act for him, and had subsequently become of unsound mind. After the issue of the writ the solicitors, not knowing that the defendant had be-