

MR. LASH—It is the legal title that is involved. The endorsement gives a mere equitable right. The law cannot decide between them except on the principle that where rights conflict, the legal title must prevail.

A MEMBER—Is it impossible to devise something by which this difficulty about certificates can be got over?

MR. LASH—Quite possible, if the Company were willing to pass a by-law voiding transfers unless the certificates were produced. Then, unless some form were gone through to account for its not being surrendered, the transfer would not be complete without the return of the certificate. But when neither the charter nor the by-law of the Company has placed that safeguard, then the courts have held that the Company can waive that.

A MEMBER—I would like to ask Mr. Lash whether if a judgment creditor of a registered holder of shares attached them in the hands of the Company the attachment would hold against a transfer endorsed on the certificate.

MR. LASH—Not where the English rules of law prevail. The sheriff can seize and sell only the actual existing interest of the defendant, not what he appears to own but what he does own. He appears on the books of the Company to own these shares, but, as a matter of fact, he has transferred them by an equitable assignment to somebody else, and, therefore, he appears as trustee in the books of the Company. The sheriff may seize and sell them, but as a matter of fact, anyone buying shares under an Ontario execution takes his chance about the title. If it turn out that the debtor had previously transferred them, then the purchaser would only acquire any right the debtor might have to redeem those shares.

A MEMBER—Supposing a case where a transfer of shares was floating around for a year, the Company pays dividends on them to the ostensible holder, and a claimant notifies them he owns those shares and claims the dividends?

MR. LASH—If the Company has been notified, those dividends were not properly paid, but if not it is a question only between the ostensible holder and the transferee.

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It was moved by MR. D. COULSON and seconded by MR. REID, and resolved, that the thanks of the Association be given to Mr. Lash for his able paper, and that he be requested to permit the paper to be published in the JOURNAL of the Association.

The meeting then adjourned.