

File No. 13699 Continued.

City Register's Office that the Stock referred to was purchased by the executor.

This has not only been the uniform practice and a condition precedent to transfer in cases of this kind as previously directed by this Office, but it is, in my judgment, absolutely necessary on the part of the City for its protection.

The laws of the State of the corporation govern with reference to transfers of stock. Cook on Stock and Stockholders, Vol. 1, sec. 12, pp. 59, 60 and 61.

"No executor or administrator shall sell any of the property of his decedent without an order of the Orphans' Court granting his letters being first had and obtained authorizing such sale, and any sale made without an order of Court previously had, as aforesaid, shall be void and no title shall pass thereby to the purchaser."

Code 1904, Art. 93, sec. 281.

Judge Taney in Lowry's case, (Taney 310), says:

"The corporation is the custodian of the stock, clothed with powers to protect all persons interested from unauthorized transfers, and it is the duty of the corporation to exercise diligence in the discharge of its trust to see that unauthorized transfers are not made."

Lowry's case has generally been adopted and followed, not only in this State but elsewhere.

In Stewart v. Fire Ins. Co., 53 Md. 564-576, the Court said:

"The fact that Simms and Tyson in making those transfers professed to act as executors of Johnson, the deceased stockholder, gave the company, or its officers to whom superintendence of the transfers of its stock was committed, actual notice that Johnson left a will, which was open to inspection, upon the public records, and made the company chargeable to the same extent as if such officers had actually read it and thereby made themselves acquainted with its contents."

In Marbury v. Ehlen, 72 Md. 206, the Court said:

"According to the determination of Lowry v. Bank so unequivocally adopted and pronounced in Stewart v. Ins. Co., 53 Md. 575-6, the City's officers were notified of the will \*\*\*\*\*and by referring to the same, which was of record, they would have learned by what authority and for what purpose the assignment was made to John F. Ehlen as trustee, and would have learned that he could not assign that stock, as he did, without an order of Court, without committing a breach of trust, and if they failed to make the proper inquiry and examination it was their own fault and they must bear the consequences of their negligence and must be treated as having full knowledge of the circumstances of the case."

In both of these cases above last referred to it will be noted that the stock in question stood in the name of the deceased and was not purchased by the executor.

In the case of Albert v. Bank, 2 Md. 159, which involved the transfer by an executor who, as such, had purchased the stock in ques-