

# MAINE STATE LEGISLATURE

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# SEVENTY-SECOND LEGISLATURE

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HOUSE.

No. 340

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## STATE OF MAINE.

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IN THE YEAR OF OUR LORD ONE THOUSAND NINE  
HUNDRED AND FIVE.

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A GENERAL ACT relating to negotiable instruments. (Being  
an act to establish a law uniform with the laws of other states  
on that subject).

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*Be it enacted by the Senate and House of Representatives in  
Legislature assembled, as follows:*

### TITLE I.

#### NEGOTIABLE INSTRUMENTS IN GENERAL.

#### ARTICLE I.

##### FORM AND INTERPRETATION.

Section 1. An instrument to be negotiable must conform  
2 to the following requirements:—

- 3 1. It must be in writing and signed by the maker or  
4 drawer;
- 5 2. Must contain an unconditional promise or order to  
6 pay a sum certain in money;

- 7 3. Must be payable on demand, or at a fixed or deter-  
 8 minable future time ;  
 9 4. Must be payable to order or to bearer ; and,  
 10 5. Where the instrument is addressed to a drawee, he  
 11 must be named or otherwise indicated therein with  
 12 reasonable certainty.

Sect. 2: The sum payable is a sum certain within the mean-  
 2 ing of this act, although it is to be paid :—

- 3 1. With interest ; or  
 4 2. By stated instalments ; or  
 5 3. By stated instalments, with a provision that upon  
 6 default in payment of any instalment or of interest,  
 7 the whole shall become due ; or  
 8 4. With exchange, whether at a fixed rate or at the cur-  
 9 rent rate ; or  
 10 5. With costs of collection or an attorney's fee, in case  
 11 payment shall not be made at maturity.

Sect. 3. An unqualified order or promise to pay is uncon-  
 2 ditional within the meaning of this act, though coupled  
 3 with :—

- 4 1. An indication of a particular fund out of which reim-  
 5 bursements is to be made, or a particular account to  
 6 be debited with the amount ; or  
 7 2. A statement of the transaction which gives rise to the  
 8 instrument.

9 But an order or promise to pay out of a particular fund is  
 10 not unconditional.

Sect. 4. An instrument is payable at a determinable future  
 2 time, within the meaning of this act, which is expressed to  
 3 be payable :—

- 4 1. At a fixed period after date or sight ; or  
 5 2. On or before a fixed or determinable future time speci-  
 6 fied therein ; or

7 3. On or at a fixed period after the occurrence of a speci-  
 8 fied event, which is certain to happen, though the  
 9 time of happening be uncertain.  
 10 An instrument payable upon a contingency is not nego-  
 11 tiable, and the happening of the event does not cure  
 12 the defect.

Sect. 5. An instrument which contains an order or promise  
 2 to do any act in addition to the payment of money is not  
 3 negotiable. But the negotiable character of an instrument  
 4 otherwise negotiable is not affected by a provision which:—  
 5 1. Authorizes the sale of collateral securities in case the  
 6 instrument be not paid at maturity; or  
 7 2. Authorizes a confession of judgment if the instrument  
 8 be not paid at maturity; or  
 9 3. Waives the benefit of any law intended for the advan-  
 10 tage or protection of the obligor; or  
 11 4. Gives the holder an election to require something to  
 12 be done in lieu of payment of money.

13 But nothing in this section shall validate any provision or  
 14 stipulation otherwise illegal.

Sect. 6. The validity and negotiable character of an instru-  
 2 ment are not affected by the fact that:—  
 3 1. It is not dated; or  
 4 2. Does not specify the value given, or that any value has  
 5 been given therefor; or  
 6 3. Does not specify the place where it is drawn or the  
 7 place where it is payable; or  
 8 4. Bears a seal; or  
 9 5. Designates a particular kind of current money in which  
 10 payment is to be made.

11 But nothing in this section shall alter or repeal any statute  
 12 requiring in certain cases the nature of the consid-  
 13 eration to be stated in the instrument.

Sect. 7. An instrument is payable on demand:—

- 2 1. Where it is expressed to be payable on demand, or at
- 3 sight, or on presentation; or
- 4 2. In which no time for payment is expressed.
- 5 Where an instrument is issued, accepted, or indorsed when
- 6 overdue, it is, as regards the person so issuing,
- 7 accepting, or indorsing it, payable on demand.

Sect. 8. The instrument is payable to order where it is  
2 drawn payable to the order of a specified person or to him  
3 or his order. It may be drawn payable to the order of:—

- 4 1. A payee who is not maker, drawer, or drawee; or
- 5 2. The drawer or maker; or
- 6 3. The drawee; or
- 7 4. Two or more payees jointly; or
- 8 5. One or some of several payees; or
- 9 6. The holder of an office for the time being.
- 10 Where the instrument is payable to order the payee must
- 11 be named or otherwise indicated therein with rea-
- 12 sonable certainty.

Sect. 9. The instrument is payable to bearer:—

- 2 1. When it is expressed to be so payable; or
- 3 2. When it is payable to a person named therein or
- 4 bearer; or
- 5 3. When it is payable to the order of a fictitious or non-
- 6 existing person, and such fact was known to the
- 7 person making it so payable; or
- 8 4. When the name of the payee does not purport to be
- 9 the name of any person; or
- 10 5. When the only or last indorsement is an indorsement
- 11 in blank.

Sect. 10. The instrument need not follow the language of  
2 this act, but any terms are sufficient which clearly indicate  
3 an intention to conform to the requirements hereof.

Sect. 11. Where the instrument or an acceptance or any  
2 endorsement thereon is dated, such date is deemed *prima*  
3 *facie* to be the true date of the making, drawing, acceptance,  
4 or indorsement as the case may be.

Sect. 12. The instrument is not invalid for the reason only  
2 that it is ante-dated or post-dated, provided this is not done  
3 for an illegal or fraudulent purpose. The person to whom  
4 an instrument so dated is delivered acquires the title thereto  
5 as of the date of delivery.

Sect. 13. Where an instrument expressed to be payable at  
2 a fixed period after date is issued undated, or where the  
3 acceptance of an instrument payable at a fixed period after  
4 sight is undated, any holder may insert therein the true date  
5 of issue or acceptance, and the instrument shall be payable  
6 accordingly. The insertion of a wrong date does not avoid  
7 the instrument in the hands of a subsequent holder in due  
8 course; but as to him, the date so inserted is to be regarded  
9 as the true date.

Sect. 14. Where the instrument is wanting in any material  
2 particular, the person in possession thereof has a *prima facie*  
3 authority to complete it by filling up the blanks therein. And  
4 a signature on a blank paper delivered by the person making  
5 the signature in order that the paper may be converted into  
6 a negotiable instrument, operates as a *prima facie* authority  
7 to fill it up as such for any amount. In order, however, that  
8 any such instrument when completed may be enforced against  
9 any person who became a party thereto prior to its comple-  
10 tion, it must be filled up strictly in accordance with the  
11 authority given and within a reasonable time. But if any  
12 such instrument, after completion, is negotiated to a holder  
13 in due course, it is valid and effectual for all purposes in his  
14 hands, and he may enforce it as if it had been filled up strictly  
15 in accordance with the authority given and within a reason-  
16 able time.

Sect. 15. Where an incomplete instrument has not been  
2 delivered it will not, if completed and negotiated, without  
3 authority, be a valid contract in the hands of any holder, as  
4 against any person whose signature was placed thereon  
5 before delivery.

Sect. 16. Every contract on a negotiable instrument is  
2 incomplete and revocable until delivery of the instrument for  
3 the purpose of giving effect thereto. As between immediate  
4 parties, and as regards a remote party other than a holder in  
5 due course, the delivery, in order to be effectual, must be  
6 made either by or under the authority of the party making,  
7 drawing, accepting or indorsing, as the case may be; and in  
8 such case the delivery may be shown to have been conditional,  
9 or for a special purpose only, and not for the purpose of  
10 transferring the property in the instrument. But where the  
11 instrument is in the hands of a holder in due course, a valid  
12 delivery thereof by all parties prior to him so as to make them  
13 liable to him is conclusively presumed. And where the instru-  
14 ment is no longer in the possession of a party whose signature  
15 appears thereon, a valid and intentional delivery by him is  
16 presumed until the contrary is proved.

Sect. 17. Where the language of the instrument is ambig-  
2 uous, or there are omissions therein, the following rules of  
3 construction apply:—

- 4 1. Where the sum payable is expressed in words and also  
5 in figures and there is a discrepancy between the two,  
6 the sum denoted by the words is the sum payable;  
7 but if the words are ambiguous or uncertain, refer-  
8 ences may be had to the figures to fix the amount;
- 9 2. Where the instrument provides for the payment of  
10 interest, without specifying the date from which  
11 interest is to run, the interest runs from the date of  
12 the instrument, and if the instrument is undated,  
13 from the issue thereof;

- 14 3. Where the instrument is not dated, it will be consid-  
15 ered to be dated as of the time it was issued ;
- 16 4. Where there is a conflict between the written and  
17 printed provisions of the instrument, the written pro-  
18 visions prevail ;
- 19 5. Where the instrument is so ambiguous that there is  
20 doubt whether it is a bill or note, the holder may  
21 treat it as either at his election ;
- 22 6. Where a signature is so placed upon the instrument  
23 that it is not clear in what capacity the person mak-  
24 ing the same intended to sign, he is to be deemed an  
25 indorser ;
- 26 7. Where an instrument containing the words "I promise  
27 to pay" is signed by two or more persons, they are  
28 deemed to be jointly and severally liable thereon.

Sect. 18. No person is liable on the instrument whose sig-  
2 nature does not appear thereon, except as herein otherwise  
3 expressly provided. But one who signs in a trade or assumed  
4 name will be liable to the same extent as if he had signed in  
5 his own name.

Sect. 19. The signature of any party may be made by a  
2 duly authorized agent. No particular form of appointment  
3 is necessary for this purpose ; and the authority of the agent  
4 may be established as in other cases of agency.

Sect. 20. Where the instrument contains or a person adds  
2 to his signature words indicating that he signs for or on  
3 behalf of a principal, or in a representative capacity, he is  
4 not liable on the instrument if he was duly authorized ; but  
5 the mere addition of words describing him as an agent, or  
6 as filling a representative character, without disclosing his  
7 principal, does not exempt him from personal liability.

Sect. 21. A signature by "procurator" operates as notice  
2 that the agent has but a limited authority to sign, and the



3 principal is bound only in case the agent in so signing acted  
4 within the actual limits of his authority.

Sect. 22. The indorsement or assignment of the instrument  
2 by a corporation or by an infant passes the property therein,  
3 notwithstanding that from want of capacity the corporation  
4 or infant may incur no liability thereon.

Sect. 23. Where a signature is forged or made without the  
2 authority of the person whose signature it purports to be, it  
3 is wholly inoperative, and no right to retain the instrument,  
4 or to give a discharge therefor, or to enforce payment thereof  
5 against any party thereto, can be acquired through or under  
6 such signature, unless the party, against whom it is sought  
7 to enforce such right, is precluded from setting up the forg-  
8 ery or want of authority.

## ARTICLE II.

### CONSIDERATION.

Sect. 24. Every negotiable instrument is deemed *prima*  
2 *facie* to have been issued for a valuable consideration; and  
3 every person whose signature appears thereon to have become  
4 a party thereto for value.

Sect. 25. Value is any consideration sufficient to support  
2 a simple contract. An antecedent or pre-existing debt con-  
3 stitutes value; and is deemed such whether the instrument is  
4 payable on demand or at a future time.

Sect. 26. Where value has at any time been given for the  
2 instrument, the holder is deemed a holder for value in respect  
3 to all parties who became such prior to that time.

Sect. 27. Where the holder has a lien on the instrument,  
2 arising either from contract or by implication of law, he is  
3 deemed a holder for value to the extent of his lien.

Sect. 28. Absence or failure of consideration is matter of  
2 defence as against any person not a holder in due course; and

3 partial failure of consideration is a defence *pro tanto*, whether  
4 the failure is an ascertained and liquidated amount or other-  
5 wise.

Sect. 29. An accommodation party is one who has signed  
2 the instrument as maker, drawer, acceptor, or indorser, with-  
3 out receiving value therefor, and for the purpose of lending  
4 his name to some other person. Such a person is liable on  
5 the instrument to a holder for value, notwithstanding such  
6 holder at the time of taking the instrument knew him to be  
7 only an accommodation party.

### ARTICLE III.

#### NEGOTIATION.

Sect. 30. An instrument is negotiated when it is trans-  
2 ferred from one person to another in such manner as to con-  
3 stitute the transferee the holder thereof. If payable to bearer  
4 it is negotiated by delivery; if payable to order it is negoti-  
5 ated by the indorsement of the holder completed by delivery.

Sect. 31. The indorsement must be written on the instru-  
2 ment itself or upon a paper attached thereto. The signature  
3 of the indorser, without additional words, is a sufficient  
4 indorsement.

Sect. 32. The indorsement must be the indorsement of the  
2 entire instrument. An indorsement, which purports to trans-  
3 fer to the indorsee a part only of the amount payable, or  
4 which purports to transfer the instrument to two or more  
5 indorsees severally, does not operate as a negotiation of the  
6 instrument. But where the instrument has been paid in part,  
7 it may be indorsed as to the residue.

Sect. 33. An indorsement may be either special or in blank;  
2 and it may also be either restrictive or qualified, or con-  
3 ditional.

Sect. 34. A special indorsement specifies the person to  
2 whom, or to whose order, the instrument is to be payable;  
3 and the indorsement of such indorsee is necessary to the fur-  
4 ther negotiation of the instrument. An indorsement in blank  
5 specifies no indorsee, and an instrument so indorsed is pay-  
6 able to bearer, and may be negotiated by delivery.

Sect. 35. The holder may convert a blank indorsement into  
2 a special indorsement by writing over the signature of the  
3 indorser in blank any contract consistent with the character  
4 of the indorsement.

Sect. 36. An indorsement is restrictive, which either,—

- 2 1. Prohibits the further negotiation of the instrument; or
- 3 2. Constitutes the indorsee the agent of the indorser; or
- 4 3. Vests the title in the indorsee in trust for or to the use  
5 of some other person.

6 But the mere absence of words implying power to negoti-  
7 ate does not make an indorsement restrictive.

Sect. 37. A restrictive indorsement confers upon the  
2 indorsee the right,—

- 3 1. To receive payment of the instrument;
- 4 2. To bring any action thereon that the indorser could  
5 bring;
- 6 3. To transfer his rights as such indorsee, where the form  
7 of the indorsement authorizes him to do so.

8 But all subsequent indorsees acquire only the title of the  
9 first indorsee under the restrictive indorsement.

Sect. 38. A qualified indorsement constitutes the indorser  
2 a mere assignor of the title to the instrument. It may be  
3 made by adding to the indorser's signature the words "with-  
4 out recourse" or any words of similar import. Such an  
5 indorsement does not impair the negotiable character of the  
6 instrument.

Sect. 39. Where an indorsement is conditional, a party  
2 required to pay the instrument may disregard the condition,

3 and make payment to the indorsee or his transferee, whether  
4 the condition has been fulfilled or not. But any person to  
5 whom an instrument so indorsed is negotiated, will hold the  
6 same, or the proceeds thereof, subject to the rights of the  
7 person indorsing conditionally.

Sect. 40. Where an instrument, payable to bearer, is  
2 indorsed specially, it may nevertheless be further negotiated  
3 by delivery; but the person indorsing specially is liable as  
4 indorser to only such holders as make title through his  
5 indorsement.

Sect. 41. Where an instrument is payable to the order of  
2 two or more payees or indorsees who are not partners, all  
3 must indorse, unless the one indorsing has authority to  
4 indorse for the others.

Sect. 42. Where an instrument is drawn or indorsed to a  
2 person as "Cashier" or other fiscal officer of a bank or cor-  
3 poration, it is deemed *prima facie* to be payable to the bank  
4 or corporation of which he is such officer; and may be nego-  
5 tiated by either the indorsement of the bank or corporation,  
6 or the indorsement of the officer.

Sect. 43. Where the name of a payee or indorsee is  
2 wrongly designated or misspelled, he may indorse the instru-  
3 ment as therein described, adding, if he think fit, his proper  
4 signature.

Sect. 44. Where any person is under obligation to indorse  
2 in a representative capacity, he may indorse in such terms  
3 as to negative personal liability.

Sect. 45. Except where an indorsement bears date after  
2 the maturity of the instrument, every negotiation is deemed  
3 *prima facie* to have been effected before the instrument was  
4 overdue.

Sect. 46. Except where the contrary appears, every  
2 indorsement is presumed *prima facie* to have been made at  
3 the place where the instrument is dated.

Sect. 47. An instrument negotiable in its origin continues  
2 to be negotiable until it has been restrictively indorsed or  
3 discharged by payment or otherwise.

Sect. 48. The holder may at any time strike out any  
2 indorsement which is not necessary to his title. The indorser  
3 whose indorsement is struck out, and all indorsers subsequent  
4 to him, are thereby relieved from liability on the instrument.

Sect. 49. Where the holder of an instrument payable to his  
2 order transfers it for value without indorsing it, the transfer  
3 vests in the transferee such title as the transferer had therein,  
4 and the transferee acquires, in addition, the right to have the  
5 indorsement of the transferer. But for the purpose of deter-  
6 mining whether the transferee is a holder in due course, the  
7 negotiation takes effect as of the time when the indorsement  
8 is actually made.

Sect. 50. Where an instrument is negotiated back to a prior  
2 party, such party may, subject to the provisions of this act,  
3 reissue and further negotiate the same. But he is not entitled  
4 to enforce payment thereof against any intervening party to  
5 whom he was personally liable.

## ARTICLE IV.

### RIGHTS OF THE HOLDER.

Sect. 51. The holder of a negotiable instrument may sue  
2 thereon in his own name; and payment to him in due course  
3 discharges the instrument.

Sect. 52. A holder in due course is a holder who has taken  
2 the instrument under the following conditions:—

- 3 1. That it is complete and regular upon its face;
- 4 2. That he became the holder of it before it was overdue,  
5 and without notice that it had been previously dis-  
6 honored, if such was the fact;
- 7 3. That he took it in good faith and for value;

8 4. That at the time it was negotiated to him he had no  
9 notice of any infirmity in the instrument or defect  
10 in the title of the person negotiating it.

Sect. 53. Where an instrument payable on demand is nego-  
2 tiated an unreasonable length of time after its issue, the  
3 holder is not deemed a holder in due course.

Sect. 54. Where the transferee receives notice of any  
2 infirmity in the instrument or defect in the title of the person  
3 negotiating the same before he has paid the full amount  
4 agreed to be paid therefor, he will be deemed a holder in due  
5 course only to the extent of the amount theretofore paid by  
6 him.

Sect. 55. The title of a person who negotiates an instru-  
2 ment is defective within the meaning of this act when he  
3 obtained the instrument, or any signature thereto, by fraud,  
4 duress, or force and fear, or other unlawful means, or for  
5 an illegal consideration, or when he negotiates it in breach  
6 of faith, or under such circumstances as amount to a fraud.

Sect. 56. To constitute notice of an infirmity in the instru-  
2 ment or defect in the title of the person negotiating the same,  
3 the person to whom it is negotiated must have had actual  
4 knowledge of the infirmity or defect, or knowledge of such  
5 facts that his action in taking the instrument amounted to bad  
6 faith.

Sect. 57. A holder in due course holds the instrument free  
2 from any defect of title of prior parties, and free from  
3 defences available to prior parties among themselves, and  
4 may enforce payment of the instrument for the full amount  
5 thereof against all parties liable thereon.

Sect. 58. In the hands of any holder other than a holder in  
2 due course, a negotiable instrument is subject to the same  
3 defences as if it were non-negotiable. But a holder who  
4 derives his title through a holder in due course, and who is  
5 not himself a party to any fraud or illegality affecting the

6 instrument, has all the rights of such former holder in respect  
7 of all parties prior to the latter.

Sect. 59. Every holder is deemed *prima facie* to be a holder  
2 in due course; but when it is shown that the title of any per-  
3 son who has negotiated the instrument was defective, the  
4 burden is on the holder to prove that he or some person  
5 under whom he claims acquired the title as holder in due  
6 course. But the last-mentioned rule does not apply in favor  
7 of a party who became bound on the instrument prior to the  
8 acquisition of such defective title.

## ARTICLE V.

### LIABILITIES OF PARTIES.

Sect. 60. The maker of a negotiable instrument by making  
2 it engages that he will pay it according to its tenor, and  
3 admits the existence of the payee and his then capacity to  
4 endorse.

Sect. 61. The drawer by drawing the instrument admits  
2 the existence of the payee and his then capacity to indorse;  
3 and engages that on due presentment the instrument will be  
4 accepted or paid, or both, according to its tenor, and that if  
5 it be dishonored, and the necessary proceedings on dishonor  
6 be duly taken, he will pay the amount thereof to the holder,  
7 or to any subsequent indorser who may be compelled to pay  
8 it. But the drawer may insert in the instrument an express  
9 stipulation negating or limiting his own liability to the  
10 holder.

Sect. 62. The acceptor by accepting the instrument engages  
2 that he will pay it according to the tenor of his acceptance;  
3 and admits,—

- 4 1. The existence of the drawer, the genuineness of his  
5 signature, and his capacity and authority to draw  
6 the instrument; and

7 2. The existence of the payee and his then capacity to  
8 indorse.

Sect. 63. A person placing his signature upon an instru-  
2 ment otherwise than as maker, drawer or acceptor is deemed  
3 to be an indorser, unless he clearly indicates by appropriate  
4 words his intention to be bound in some other capacity.

Sect. 64. Where a person, not otherwise a party to an  
2 instrument, places thereon his signature in blank before deliv-  
3 ery, he is liable as indorser in accordance with the following  
4 rules:—

- 5 1. If the instrument is payable to the order of a third  
6 person, he is liable to the payee and to all subse-  
7 quent parties.
- 8 2. If the instrument is payable to the order of the maker  
9 or drawer, or is payable to bearer, he is liable to all  
10 parties subsequent to the maker or drawer.
- 11 3. If he signs for the accommodation of the payee, he is  
12 liable to all parties subsequent to the payee.

Sect. 65. Every person negotiating an instrument by deliv-  
2 ery or by a qualified indorsement, warrants,—

- 3 1. That the instrument is genuine and in all respects what  
4 it purports to be;
- 5 2. That he has a good title to it;
- 6 3. That all prior parties had capacity to contract;
- 7 4. That he has no knowledge of any fact which would  
8 impair the validity of the instrument or render it  
9 valueless.

10 But when the negotiation is by delivery only, the warranty  
11 extends in favor of no holder other than the immedi-  
12 ate transferee.

13 The provisions of subdivision three of this section do not  
14 apply to persons negotiating public or corporate  
15 securities, other than bills and notes.



Sect. 66. Every indorser who indorses without qualification, warrants to all subsequent holders in due course:—

- 3 1. The matters and things mentioned in subdivisions one,  
4 two and three of the next preceding section; and
- 5 2. That the instrument is at the time of his indorsement  
6 valid and subsisting.

7 And, in addition he engages that on due presentment, it  
8 shall be accepted or paid, or both, as the case may  
9 be, according to its tenor, and that if it be dishon-  
10 ored, and the necessary proceedings on dishonor be  
11 duly taken, he will pay the amount thereof to the  
12 holder, or to any subsequent indorser who may be  
13 compelled to pay it.

Sect. 67. Where a person places his indorsement on an  
2 instrument negotiable by delivery he incurs all the liabilities  
3 of an indorser.

Sect. 68. As respects one another, indorsers are liable  
2 *prima facie* in the order in which they endorse; but evidence  
3 is admissible to show that as between or among themselves  
4 they have agreed otherwise. Joint payees or joint indorsees  
5 who indorse are deemed to indorse jointly and severally.

Sect. 69. Where a broker or other agent negotiates an  
2 instrument without indorsement, he incurs all the liabilities  
3 prescribed by section sixty-five of this act, unless he discloses  
4 the name of his principal, and the fact that he is acting only  
5 as agent.

## ARTICLE VI.

### PRESENTMENT FOR PAYMENT.

Sect. 70. Presentment for payment is not necessary in  
2 order to charge the person primarily liable on the instrument;  
3 but if the instrument is, by its terms, payable at a special  
4 place, and he is able and willing to pay it there at maturity,  
5 such ability and willingness are equivalent to a tender of pay-  
6 ment upon his part. But except as herein otherwise pro-

7 vided, presentment for payment is necessary in order to  
8 charge the drawer and indorsers.

Sect. 71. Where the instrument is not payable on demand,  
2 presentment must be made on the day it falls due. Where  
3 it is payable on demand, presentment must be made within  
4 a reasonable time after its issue, except that in the case of a  
5 bill of exchange, presentment for payment will be sufficient if  
6 made within a reasonable time after the last negotiation  
7 thereof.

Sect. 72. Presentment for payment, to be sufficient, must  
2 be made:—

- 3 1. By the holder, or by some person authorized to receive  
4 payment on his behalf ;
- 5 2. At a reasonable hour on a business day ;
- 6 3. At a proper place as herein defined ;
- 7 4. To the person primarily liable on the instrument, or if  
8 he is absent or inaccessible, to any person found at  
9 the place where the presentment is made.

Sect. 73. Presentment for payment is made at the proper  
2 place:—

- 3 1. Where a place of payment is specified in the instru-  
4 ment and it is there presented ;
- 5 2. Where no place of payment is specified, but the address  
6 of the person to make payment is given in the instru-  
7 ment and it is there presented ;
- 8 3. Where no place of payment is specified and no address  
9 is given and the instrument is presented at the usual  
10 place of business or residence of the person to make  
11 payment ;
- 12 4. In any other case if presented to the person to make  
13 payment wherever he can be found, or if presented  
14 at his last known place of business or residence.

Sect. 74. The instrument must be exhibited to the person  
2 from whom payment is demanded, and when it is paid must  
3 be delivered up to the party paying it.

Sect. 75. Where the instrument is payable at a bank, presentment for payment must be made during banking hours, unless the person to make payment has no funds there to meet it at any time during the day, in which case presentment at any hour before the bank is closed on that day is sufficient.

Sect. 76. Where the person primarily liable on the instrument is dead, and no place of payment is specified, presentment for payment must be made to his personal representative if such there be, and if, with the exercise of reasonable diligence, he can be found.

Sect. 77. Where the persons primarily liable on the instrument are liable as partners, and no place of payment is specified, presentment for payment may be made to any one of them, even though there has been a dissolution of the firm.

Sect. 78. Where there are several persons, not partners, primarily liable on the instrument, and no place of payment is specified, presentment must be made to them all.

Sect. 79. Presentment for payment is not required in order to charge the drawer where he has no right to expect or require that the drawee or acceptor will pay the instrument.

Sect. 80. Presentment for payment is not required in order to charge an indorser where the instrument was made or accepted for his accommodation and he has no reason to expect that the instrument will be paid if presented.

Sect. 81. Delay in making presentment for payment is excused when the delay is caused by circumstances beyond the control of the holder, and not imputable to his default, misconduct or negligence. When the cause of delay ceases to operate, presentment must be made with reasonable diligence.

Sect. 82. Presentment for payment is dispensed with:—

- I. Where after the exercise of reasonable diligence presentment as required by this act cannot be made;

4 2. Where the drawee is a fictitious person ;

5 3. By waiver of presentment, express or implied.

Sect. 83. The instrument is dishonored by non-payment  
2 when,—

3 1. It is duly presented for payment and payment is  
4 refused or cannot be obtained ; or

5 2. Presentment is excused and the instrument is overdue  
6 and unpaid.

Sect. 84. Subject to the provisions of this act, when the  
2 instrument is dishonored by non-payment, an immediate  
3 right of recourse to all parties secondarily liable thereon  
4 accrues to the holder.

Sect. 85. Every negotiable instrument is payable at the  
2 time fixed therein without grace. When the day of maturity  
3 falls upon Sunday, or a holiday, the instrument is payable  
4 on the next succeeding business day. Instruments falling  
5 due on Saturday are to be presented for payment on the next  
6 succeeding business day, except that instruments payable on  
7 demand may, at the option of the holder, be presented for  
8 payment before twelve o'clock noon on Saturday when that  
9 entire day is not a holiday.

Sect. 86. Where the instrument is payable at a fixed period  
2 after date, after sight, or after the happening of a specified  
3 event, the time of payment is determined by excluding the  
4 day from which the time is to begin to run, and by including  
5 the date of payment.

Sect. 87. Where the instrument is made payable at a bank  
2 it is equivalent to an order to the bank to pay the same for  
3 the account of the principal debtor thereon.

Sect. 88. Payment is made in due course when it is made at  
2 or after the maturity of the instrument to the holder thereof  
3 in good faith and without notice that his title is defective.

## ARTICLE VII.

## NOTICE OF DISHONOR.

Sect. 89. Except as herein otherwise provided, when a  
2 negotiable instrument has been dishonored by non-acceptance  
3 or non-payment, notice of dishonor must be given to the  
4 drawer and to each endorser, and any drawer or indorser to  
5 whom such notice is not given is discharged.

Sect. 90. The notice may be given by or on behalf of the  
2 holder, or by or on behalf of any party to the instrument  
3 who might be compelled to pay it to the holder, and who,  
4 upon taking it up would have a right to reimbursement from  
5 the party to whom the notice is given.

Sect. 91. Notice of dishonor may be given by an agent  
2 either in his own name or in the name of any party entitled  
3 to give notice, whether that party be his principal or not.

Sect. 92. Where notice is given by or on behalf of the  
2 holder, it enures for the benefit of all subsequent holders and  
3 all prior parties who have a right of resource against the  
4 party to whom it is given.

Sect. 93. Where notice is given by or on behalf of a party  
2 entitled to give notice, it enures for the benefit of the holder  
3 and all parties subsequent to the party to whom notice is  
4 given.

Sect. 94. Where the instrument has been dishonored in the  
2 hands of an agent, he may either himself give notice to the  
3 parties liable thereon, or he may give notice to his principal.  
4 If he give notice to his principal, he must do so within the  
5 same time as if he were the holder, and the principal upon  
6 the receipt of such notice has himself the same time for  
7 giving notice as if the agent had been an independent holder.

Sect. 95. A written notice need not be signed, and an  
2 insufficient written notice may be supplemented and validated  
3 by verbal communication. A misdescription of the instru-

4 ment does not vitiate the notice unless the party to whom the  
5 notice is given is in fact misled thereby.

Sect. 96. The notice may be in writing or merely oral and  
2 may be given in any terms which sufficiently identify the  
3 instrument, and indicate that it has been dishonored by non-  
4 acceptance or non-payment. It may in all cases be given by  
5 delivering it personally or through the mails.

Sect. 97. Notice of dishonor may be given either to the  
2 party himself or to his agent in that behalf.

Sect. 98. When any party is dead, and his death is known  
2 to the party giving notice, the notice must be given to a per-  
3 sonal representative, if there be one, and if with reasonable  
4 diligence he can be found. If there be no personal repre-  
5 sentative, notice may be sent to the last residence or last place  
6 of business of the deceased.

Sect. 99. Where the parties to be notified are partners,  
2 notice to any one partner is notice to the firm even though  
3 there has been a dissolution.

Sect. 100. Notice to joint parties who are not partners  
2 must be given to each of them, unless one of them has  
3 authority to receive such notice for the others.

Sect. 101. Where a party has been adjudged a bankrupt  
2 or an insolvent, or has made an assignment for the benefit  
3 of creditors, notice may be given either to the party himself  
4 or to his trustee or assignee.

Sect. 102. Notice may be given as soon as the instrument  
2 is dishonored; and unless delay is excused as hereinafter pro-  
3 vided, must be given within the times fixed by this act.

Sect. 103. Where the person giving and the person to  
2 receive notice reside in the same place, notice must be given  
3 within the following times:—

4 1. If given at the place of business of the person to  
5 receive notice, it must be given before the close of  
6 business hours on the day following.

7 2. If given at his residence, it must be given before the  
8 usual hours of rest on the day following.

9 3. If sent by mail, it must be deposited in the post-office  
10 in time to reach him in usual course on the day fol-  
11 lowing.

Sect. 104. Where the person giving and the person to  
2 receive notice reside in different places, the notice must be  
3 given within the following times:—

4 1. If sent by mail, it must be deposited in the post-office  
5 in time to go by mail the day following the day of  
6 dishonor, or if there be no mail at a convenient hour  
7 on that day, by the next mail thereafter.

8 2. If given otherwise than through the post-office, then  
9 within the time that notice would have been received  
10 in due course of mail, if it had been deposited in the  
11 post-office within the time specified in the last sub-  
12 division.

Sect. 105. Where notice of dishonor is duly addressed and  
2 deposited in the post-office, the sender is deemed to have  
3 given due notice, notwithstanding any miscarriage in the  
4 mails.

Sect. 106. Notice is deemed to have been deposited in the  
2 post-office when deposited in any branch post-office or in any  
3 letter box under the control of the post-office department.

Sect. 107. Where a party receives notice of dishonor, he  
2 has, after the receipt of such notice, the same time for giving  
3 notice to antecedent parties that the holder has after the dis-  
4 honor.

Sect. 108. Where a party has added an address to his sig-  
2 nature, notice of dishonor must be sent to that address; but  
3 if he has not given such address, then the notice must be sent  
4 as follows:—

5 1. Either to the post-office nearest to his place of resi-  
6 dence, or to the post-office where he is accustomed  
7 to receive his letters; or

- 8 2. If he live in one place, and have his place of business  
 9 in another, notice may be sent to either place; or  
 10 3. If he is sojourning in another place, notice may be  
 11 sent to the place where he is so sojourning.  
 12 But where the notice is actually received by the party  
 13 within the time specified in this act, it will be suffi-  
 14 cient, though not sent in accordance with the  
 15 requirements of this section.

Sect. 109. Notice of dishonor may be waived, either before  
 2 the time of giving notice has arrived, or after the omission  
 3 to give due notice, and the waiver may be express or implied.

Sect. 110. Where the waiver is embodied in the instrument  
 2 itself, it is binding upon all parties; but where it is written  
 3 above the signature of an indorser, it binds him only.

Sect. 111. A waiver of protest, whether in the case of a  
 2 foreign bill of exchange or other negotiable instrument, is  
 3 deemed to be a waiver not only of a formal protest, but also  
 4 of presentment and notice of dishonor.

Sect. 112. Notice of dishonor is dispensed with when, after  
 2 the exercise of reasonable diligence, it cannot be given to or  
 3 does not reach the parties sought to be charged.

Sect. 113. Delay in giving notice of dishonor is excused  
 2 when the delay is caused by circumstances beyond the control  
 3 of the holder, and not imputable to his default, misconduct  
 4 or negligence. When the cause of delay ceases to operate,  
 5 notice must be given with reasonable diligence.

Sect. 114. Notice of dishonor is not required to be given  
 2 to the drawer in either of the following cases:—

- 3 1. Where the drawer and drawee are the same person;
- 4 2. When the drawee is a fictitious person or a person not  
 5 having capacity to contract;
- 6 3. When the drawer is the person to whom the instru-  
 7 ment is presented for payment;



- 8 4. Where the drawer has no right to expect or require  
9 that the drawee or acceptor will honor the instru-  
10 ment ;
- 11 5. Where the drawer has countermanded payment.

Sect. 115. Notice of dishonor is not required to be given  
2 to an indorser in either of the following cases:—

- 3 1. Where the drawee is a fictitious person or a person not  
4 having capacity to contract, and the indorser was aware of  
5 the fact at the time he indorsed the instrument ;
- 6 2. Where the indorser is the person to whom the instru-  
7 ment is presented for payment ;
- 8 3. Where the instrument was made or accepted for his  
9 accommodation.

Sect. 116. Where due notice of dishonor by non-acceptance  
2 has been given notice of a subsequent dishonor by non-pay-  
3 ment is not necessary, unless in the meantime the instrument  
4 has been accepted.

Sect. 117. An omission to give notice of dishonor by non-  
2 acceptance does not prejudice the rights of a holder in due  
3 course subsequent to the omission.

Sect. 118. Where any negotiable instrument has been dis-  
2 honored it may be protested for non-acceptance or non-pay-  
3 ment, as the case may be ; but protest is not required except  
4 in the case of foreign bills of exchange.

## ARTICLE VIII.

### DISCHARGE OF NEGOTIABLE INSTRUMENTS.

Sect. 119. A negotiable instrument is discharged:—

- 2 1. By payment in due course by or on behalf of the prin-  
3 cipal debtor ;
- 4 2. By payment in due course by the party accommodated,  
5 where the instrument is made or accepted for accom-  
6 modation ;
- 7 3. By the intentional cancellation thereof by the holder ;

- 8 4. By any other act which will discharge a simple con-  
 9 tract for the payment of money ;
- 10 5. When the principal debtor becomes the holder of the  
 11 instrument at or after maturity in his own right.

Sect. 120. A person secondarily liable on the instrument  
 2 is discharged:—

- 3 1 By any act which discharges the instrument ;
- 4 2. By the intentional cancellation of his signature by the  
 5 holder ;
- 6 3. By the discharge of a prior party ;
- 7 4. By a valid tender of payment made by a prior party ;
- 8 5. By a release of the principal debtor, unless the holder's  
 9 right of recourse against the party secondarily liable  
 10 is expressly reserved ;
- 11 6. By any agreement binding upon the holder to extend  
 12 the time of payment, or to postpone the holder's  
 13 right to enforce the instrument, unless made with  
 14 the assent of the party secondarily liable, or unless  
 15 the right of recourse against such party is expressly  
 16 reserved.

Sect. 121. Where the instrument is paid by a party second-  
 2 arily liable thereon, it is not discharged ; but the party so  
 3 paying it is remitted to his former rights as regards all prior  
 4 parties, and he may strike out his own and all subsequent  
 5 indorsements, and again negotiate the instrument, except:—

- 6 1. Where it is payable to the order of a third person, and  
 7 has been paid by the drawer ; and
- 8 2. Where it was made or accepted for accommodation,  
 9 and has been paid by the party accommodated.

Sect. 122. The holder may expressly renounce his rights  
 2 against any party to the instrument, before, at or after its  
 3 maturity. An absolute and unconditional renunciation of his  
 4 rights against the principal debtor made at or after the matur-  
 5 ity of the instrument discharges the instrument. But a

6 renunciation does not affect the rights of a holder in due  
7 course without notice. A renunciation must be in  
8 writing, unless the instrument is delivered up to the person  
9 primarily liable thereon.

Sect. 123. A cancellation made unintentionally, or under  
2 a mistake, or without the authority of the holder, is inopera-  
3 tive; but where an instrument or any signature thereon  
4 appears to have been cancelled the burden of proof lies on  
5 the party who alleges that the cancellation was made unin-  
6 tentionally, or under a mistake or without authority.

Sect. 124. Where a negotiable instrument is materially  
2 altered without the assent of all parties liable thereon, it is  
3 avoided, except as against a party who has himself made,  
4 authorized or assented to the alteration, and subsequent  
5 indorsers.

But when an instrument has been materially altered and is  
7 in the hands of a holder in due course, not a party to the  
8 alteration, he may enforce payment thereof according to its  
9 original tenor.

Sect. 125. Any alteration which changes,—

- 2 1. The date;
- 3 2. The sum payable, either for principal or interest;
- 4 3. The time or place of payment;
- 5 4. The number or the relations of the parties;
- 6 5. The medium or currency in which payment is to be  
7 made;

8 Or which adds a place of payment where no place of pay-  
9 ment is specified, or any other change or addition  
10 which alters the effect of the instrument in any  
11 respect, is a material alteration.

## TITLE II.

## BILLS OF EXCHANGE.

## ARTICLE I.

## FORM AND INTERPRETATION.

Sect. 126. A bill of exchange is an unconditional order in  
2 writing addressed by one person to another, signed by the  
3 person giving it, requiring the person to whom it is addressed  
4 to pay on demand or at a fixed or determinable future time  
5 a sum certain in money to order or to bearer.

Sect. 127. A bill of itself does not operate as an assign-  
2 ment of the funds in the hands of the drawee available for  
3 the payment thereof, and the drawee is not liable on the bill  
4 unless and until he accepts the same.

Sect. 128. A bill may be addressed to two or more drawees  
2 jointly, whether they are partners or not; but not to two or  
3 more drawees in the alternative or in succession.

Sect. 129. An inland bill of exchange is a bill which is, or  
2 on its face purports to be, both drawn and payable within this  
3 State. Any other bill is a foreign bill. Unless the contrary  
4 appears on the face of the bill, the holder may treat it as an  
5 inland bill.

Sect. 130. Where in a bill drawer and drawee are the same  
2 person, or where the drawee is a fictitious person, or a person  
3 not having capacity to contract, the holder may treat the  
4 instrument, at his option, either as a bill of exchange or a  
5 promissory note.

Sect. 131. The drawer of a bill and any indorser may  
2 insert thereon the name of a person to whom the holder may  
3 resort in case of need, that is to say in case the bill is dis-  
4 honored by non-acceptance or non-payment. Such person  
5 is called the referee in case of need. It is in the opinion of the  
6 holder to resort to the referee in case of need or not as he  
7 may see fit.

## ARTICLE II.

## ACCEPTANCE.

Sect. 132. The acceptance of a bill is the signification by  
2 the drawee of his assent to the order of the drawer. The  
3 acceptance must be in writing and signed by the drawee. It  
4 must not express that the drawee will perform his promise  
5 by any other means than the payment of money.

Sect. 133. The holder of a bill presenting the same for  
2 acceptance may require that the acceptance be written on the  
3 bill and, if such request is refused, may treat the bill as dis-  
4 honored.

Sect. 134. Where an acceptance is written on a paper other  
2 than the bill itself, it does not bind the acceptor except in  
3 favor of a person to whom it is shown and who, on the faith  
4 thereof, receives the bill for value.

Sect. 135. An unconditional promise in writing to accept  
2 a bill before it is drawn is deemed an actual acceptance in  
3 favor of every person who, upon the faith thereof, receives  
4 the bill for value.

Sect. 136. The drawee is allowed twenty-four hours after  
2 presentment in which to decide whether or not he will accept  
3 the bill; but the acceptance if given dates as of the day of  
4 presentation.

Sect. 137. Where a drawee to whom a bill is delivered for  
2 acceptance destroys the same, or refuses within twenty-four  
3 hours after such delivery, or within such other period as the  
4 holder may allow, to return the bill accepted or non-accepted  
5 to the holder, he will be deemed to have accepted the same.

Sect. 138. A bill may be accepted before it has been signed  
2 by the drawer, or while otherwise incomplete, or when it is  
3 overdue, or after it has been dishonored by a previous refusal  
4 to accept, or by non-payment. But when a bill payable after  
5 sight is dishonored by non-acceptance and the drawee sub-

6 sequently accepts it, the holder, in the absence of any different  
7 agreement, is entitled to have the bill accepted as of the date  
8 of the first presentment.

Sect. 139. An acceptance is either general or qualified. A  
2 general acceptance assents without qualification to the order  
3 of the drawer. A qualified acceptance in express terms  
4 varies the effect of the bill as drawn.

Sect. 140. An acceptance to pay at a particular place is a  
2 general acceptance, unless it expressly states that the bill is  
3 to be paid there only and not elsewhere.

Sect. 141. An acceptance is qualified, which is:—

- 2 1. Conditional, that is to say, which makes payment by  
3 the acceptor dependent on the fulfilment of a con-  
4 dition therein stated;
- 5 2. Partial, that is to say, an acceptance to pay part only  
6 of the amount for which the bill is drawn;
- 7 3. Local, that is to say, an acceptance to pay only at a  
8 particular place;
- 9 4. Qualified as to time;
- 10 5. The acceptance of some one or more of the drawees,  
11 but not of all.

Sect. 142. The holder may refuse to take a qualified  
2 acceptance, and if he does not obtain an unqualified accept-  
3 ance, he may treat the bill as dishonored by non-acceptance.  
4 Where a qualified acceptance is taken, the drawer and  
5 indorsers are discharged from liability on the bill, unless they  
6 have expressly or impliedly authorized the holder to take a  
7 qualified acceptance, or subsequently assent thereto. When  
8 the drawer or an indorser receives notice of a qualified  
9 acceptance, he must, within a reasonable time, express his  
10 dissent to the holder, or he will be deemed to have assented  
11 thereto.

## ARTICLE III.

## PRESENTMENT FOR ACCEPTANCE.

Sect. 143. Presentment for acceptance must be made:—

- 2 1. Where the bill is payable after sight, or in any other  
3 case, where presentment for acceptance is necessary  
4 in order to fix the maturity of the instrument; or
  - 5 2. Where the bill expressly stipulates that it shall be pre-  
6 sented for acceptance; or
  - 7 3. Where the bill is drawn payable elsewhere than at the  
8 residence or place of business of the drawee.
- 9 In no other case is presentment for acceptance necessary  
10 in order to render any party to the bill liable.

Sect. 144. Except as herein otherwise provided, the holder  
2 of a bill which is required by the next preceding section to  
3 be presented for acceptance must either present it for accept-  
4 ance or negotiate it within a reasonable time. If he fail to  
5 do so, the drawer and all indorsers are discharged.

Sect. 145. Presentment for acceptance must be made by or  
2 on behalf of the holder at a reasonable hour, on a business  
3 day and before the bill is overdue, to the drawer or some  
4 person authorized to accept or refuse acceptance on his  
5 behalf; and:

- 5 1. Where a bill is addressed to two or more drawees who  
6 are not partners, presentment must be made to them  
7 all, unless one has authority to accept or refuse  
8 acceptance for all, in which case presentment may  
9 be made to him only.
- 10 2. Where the drawee is dead, presentment may be made  
11 to his personal representative;
- 12 3. Where the drawee has been adjudged a bankrupt or  
13 an insolvent or has made an assignment for the  
14 benefit of creditors, presentment may be made to  
15 him or to his trustee or assignee.

Sect. 146. A bill may be presented for acceptance on any  
 2 day on which negotiable instruments may be presented for  
 3 payment under the provisions of sections seventy-two and  
 4 eighty-five of this act. When Saturday is not otherwise a  
 5 holiday, presentment for acceptance may be made before  
 6 twelve o'clock, noon, on that day.

Sect. 147. Where the holder of a bill drawn payable else-  
 2 where than at the place of business or the residence of the  
 3 drawee has not time with the exercise of reasonable diligence  
 4 to present the bill for acceptance before presenting it for pay-  
 5 ment on the day that it falls due, the delay caused by pre-  
 6 senting the bill for acceptance before presenting it for pay-  
 7 ment is excused and does not discharge the drawers and  
 8 indorsers.

Sect 148. Presentment for acceptance is excused and a bill  
 2 may be treated as dishonored by non-acceptance, in either of  
 3 the following cases:—

- 4 1. Where the drawee is dead, or has absconded, or is a  
 5 fictitious person or a person not having capacity to  
 6 contract by bill.
- 7 2. Where, after the exercise of reasonable diligence, pre-  
 8 sentment cannot be made.
- 9 3. Where, although presentment has been irregular,  
 10 acceptance has been refused on some other ground.

Sect. 149. A bill is dishonored by non-acceptance,—

- 2 1. When it is duly presented for acceptance and such an  
 3 acceptance as is prescribed by this act is refused or  
 4 cannot be obtained; or
- 5 2. When presentment for acceptance is excused and the  
 6 bill is not accepted.

Sect. 150. Where a bill is duly presented for acceptance  
 2 and is not accepted within the prescribed time, the person  
 3 presenting it must treat the bill as dishonored by non-accept-



4 ance or he loses the right of recourse against the drawer and  
5 indorsers.

Sect. 151. When a bill is dishonored by non-acceptance,  
2 an immediate right of recourse against the drawers and  
3 indorsers accrues to the holder and no presentment for pay-  
4 ment is necessary.

#### ARTICLE IV.

##### PROTEST.

Sect. 152. Where a foreign bill appearing on its face to be  
2 such is dishonored by non-acceptance, it must be duly pro-  
3 tested for non-acceptance, and where such a bill which has  
4 not previously been dishonored by non-acceptance is dis-  
5 honored by non-payment, it must be duly protested for non-  
6 payment. If it is not so protested, the drawer and indorsers  
7 are discharged. Where a bill does not appear on its face to  
8 be a foreign bill, protest thereof in case of dishonor is  
9 unnecessary.

Sect. 153. The protest must be annexed to the bill, or must  
2 contain a copy thereof, and must be under the hand and seal  
3 of the notary making it, and must specify,—

- 4 1. The time and place of presentment;
- 5 2. The fact that presentment was made and the manner  
6 thereof;
- 7 3. The cause or reason for protesting the bill;
- 8 4. The demand made and the answer given, if any, or the  
9 fact that the drawee or acceptor could not be found.

Sect. 154. Protest may be made by,—

- 2 1. A notary public; or
- 3 2. By any respectable resident of the place where the bill  
4 is dishonored, in the presence of two or more credible  
5 witnesses.

Sect. 155. When a bill is protested, such protest must be  
2 made on the day of its dishonor, unless delay is excused as

3 herein provided. When a bill has been duly noted, the pro-  
4 test may be subsequently extended as of the date of the  
5 noting.

Sect. 156. A bill must be protested at the place where it is  
2 dishonored, except that when a bill drawn payable at the  
3 place of business, or residence of some person other than the  
4 drawee, has been dishonored by non-acceptance, it must be  
5 protested for non-payment at the place where it is expressed  
6 to be payable, and no further presentment for payment to,  
7 or demand on, the drawee is necessary.

Sect. 157. A bill which has been protested for non-accept-  
2 ance may be subsequently protested for non-payment.

Sect. 158. Where the acceptor has been adjudged a bank-  
2 rupt or an insolvent or has made an assignment for the  
3 benefit of creditors, before the bill matures, the holder may  
4 cause the bill to be protested for better security against the  
5 drawer and indorsers.

Sect. 159. Protest is dispensed with by any circumstances  
2 which would dispense with notice of dishonor. Delay in  
3 noting or protesting is excused when delay is cause by cir-  
4 cumstances beyond the control of the holder and not imput-  
5 able to his default, misconduct, or negligence. When the  
6 cause of delay ceases to operate, the bill must be noted or  
7 protested with reasonable diligence.

Sect. 160. Where a bill is lost or destroyed or is wrongly  
2 detained from the person entitled to hold it, protest may be  
3 made on a copy or written particulars thereof.

## ARTICLE V.

### ACCEPTANCE FOR HONOR.

Sect. 161. Where a bill of exchange has been protested for  
2 dishonor by non-acceptance or protested for better security

3 and is not overdue, any person not being a party already  
4 liable thereon may, with the consent of the holder, intervene  
5 and accept the bill *supra* protest for the honor of any party  
6 liable thereon or for the honor of the person for whose  
7 account the bill is drawn. The acceptance for honor may be  
8 for part only of the sum for which the bill is drawn; and  
9 where there has been an acceptance for honor for one party,  
10 there may be a further acceptance by a different person for  
11 the honor of another party.

Sect. 162. An acceptance for honor *supra* protest must be  
2 in writing and indicate that it is an acceptance for honor, and  
3 must be signed by the acceptor for honor.

Sect. 163. Where an acceptance for honor does not  
2 expressly state for whose honor it is made, it is deemed to be  
3 an acceptanc for the honor of the drawer.

Sect. 164. The acceptor for honor is liable to the holder  
2 and to all parties to the bill subsequent to the party for whose  
3 honor he has accepted.

Sect. 165. The acceptor for honor by such acceptance  
2 engages that he will on due presentment pay the bill accord-  
3 ing to the terms of his acceptance, provided it shall not have  
4 been paid by the drawee, and provided also, that it shall have  
5 been duly presented for payment and protested for non-pay-  
6 ment and notice of dishonor given to him.

Sect. 166. Where a bill payable after sight is accepted for  
2 honor, its maturity is calculated from the date of the noting  
3 for non-acceptance and not from the date of the acceptance  
4 for honor.

Sect. 167. Where a dishonored bill has been accepted for  
2 honor *supra* protest or contains a reference in case of need,  
3 it must be protested for non-payment before it is presented  
4 for payment to the acceptor for honor or referee in case of  
5 need.

Sect. 168. Presentment for payment to the acceptor for  
2 honor must be made as follows:—

- 3 1. If it is to be presented in the place where the protest  
4 for non-payment was made, it must be presented not  
5 later than the day following its maturity.
- 6 2. If it is to be presented in some other place than the  
7 place where it was protested, then it must be for-  
8 warded within the time specified in section one hun-  
9 dred and four.

Sect. 169. The provisions of section eighty-one apply  
2 where there is delay in making presentment to the acceptor  
3 for honor or referee in case of need.

Sect. 170. When the bill is dishonored by the acceptor for  
2 honor it must be protested for non-payment by him.

## ARTICLE VI.

### PAYMENT FOR HONOR.

Sect. 171. Where a bill has been protested for non-pay-  
2 ment, any person may intervene and pay it *supra* protest for  
3 the honor of any person liable thereon or for the honor of  
4 the person for whose account it was drawn.

Sect. 172. The payment for honor *supra* protest in order  
2 to operate as such and not as a mere voluntary payment must  
3 be attested by a notarial act of honor which may be appended  
4 to the protest or form an extension to it.

Sect. 173. The notarial act of honor must be founded on a  
2 declaration made by the payer for honor or by his agent in  
3 that behalf declaring his intention to pay the bill for honor  
4 and for whose honor he pays.

Sect. 174. Where two or more persons offer to pay a bill  
2 for the honor of different parties, the person whose payment  
3 will discharge most parties to the bill is to be given the  
4 preference.

Sect. 175. Where a bill has been paid for honor, all parties  
2 subsequent to the party for whose honor it is paid are dis-  
3 charged, but the payer for honor is subrogated for, and suc-  
4 ceeds to, both the rights and duties of the holder as regards  
5 the party for whose honor he pays and all parties liable to  
6 the latter.

Sect. 176. Where the holder of a bill refuses to receive  
2 payment *supra* protest, he loses his right of recourse against  
3 any party who would have been discharged by such payment.

Sect. 177. The payer for honor, on paying to the holder  
2 the amount of the bill and the notarial expenses incidental to  
3 its dishonor, is entitled to receive both the bill itself and the  
4 protest.

## ARTICLE VII.

### BILLS IN A SET.

Sect. 178. Where a bill is drawn in a set, each part of the  
2 set being numbered and containing a reference to the other  
3 parts, the whole of the parts constitute one bill.

Sect. 179. Where two or more parts of a set are negotiated  
2 to different holders in due course, the holder whose title first  
3 accrues is as between such holders the true owner of the bill.  
4 But nothing in this section affects the rights of a person who  
5 in due course accepts or pays the part first presented to him.

Sect. 180. Where the holder of a set indorses two or more  
2 parts to different persons he is liable on every such part, and  
3 every indorser subsequent to him is liable on the part he has  
4 himself indorsed, as if such parts were separate bills.

Sect. 181. The acceptance may be written on any part and  
2 it must be written on one part only. If the drawee accepts  
3 more than one part, and such accepted parts are negotiated  
4 to different holders in due course, he is liable on every such  
5 part as if it were a separate bill.

Sect. 182. When the acceptor of a bill drawn in a set pays  
2 it without requiring the part bearing his acceptance to be  
3 delivered up to him, and that part at maturity is outstanding  
4 in the hands of a holder in due course, he is liable to the  
5 holder thereon.

Sect. 183. Except as herein otherwise provided where any  
2 one part of a bill drawn in a set is discharged by payment or  
3 otherwise the whole bill is discharged.

### TITLE III.

#### PROMISSORY NOTES AND CHECKS.

##### ARTICLE I.

Sect. 184. A negotiable promissory note within the mean-  
2 ing of this act is an unconditional promise in writing made  
3 by one person to another signed by the maker engaging to  
4 pay on demand, or at a fixed or determinable future time, a  
5 sum certain in money to order or to bearer. Where a note  
6 is drawn to the maker's own order, it is not complete until  
7 indorsed by him.

Sect. 185. A check is a bill of exchange drawn on a bank  
2 payable on demand. Except as herein otherwise provided,  
3 the provisions of this act applicable to a bill of exchange pay-  
4 able on demand apply to a check.

Sect. 186. A check must be presented for payment within  
2 a reasonable time after its issue or the drawer will be dis-  
3 charged from liability thereon to the extent of the loss caused  
4 by the delay.

Sect. 187. Where a check is certified by the bank on which  
2 it is drawn, the certification is equivalent to an acceptance.

Sect. 188. Where the holder of a check procures it to be  
2 accepted or certified the drawer and all indorsers are dis-  
3 charged from liability thereon.

Sect. 189. A check of itself does not operate as an assignment of any part of the funds to the credit of the drawer with the bank, and the bank is not liable to the holder, unless, and until it accepts or certifies the check.

## TITLE IV.

### GENERAL PROVISIONS.

#### ARTICLE I.

Sect. 190. This act shall be known as the Negotiable Instruments Law.

Sect. 191. In this act unless the context otherwise requires, —“Acceptance” means an acceptance completed by delivery or notification.

“Action” includes counter-claim and set-off.

“Bank” includes any person or association of persons carrying on the business of banking, whether incorporated or not.

“Bearer” means the person in possession of a bill or note which is payable to bearer.

“Bill” means bill of exchange, and “note” means negotiable promissory note.

“Delivery” means transfer of possession, actual or constructive, from one person to another.

“Holder” means the payee or indorsee of a bill or note, who is in possession of it, or the bearer thereof.

“Indorsement” means an indorsement completed by delivery.

“Instrument” means negotiable instrument.

“Issue” means the first delivery of the instrument, complete in form, to a person who takes it as a holder.

“Person” includes a body of persons, whether incorporated or not.

“Value” means valuable consideration.

“Written” includes printed, and “writing” includes print.

Sect. 192. The person “primarily” liable on an instrument  
2 is the person who by the terms of the instrument is absolutely  
3 required to pay same. All other parties are “secondarily”  
4 liable.

Sect. 193. In determining what is a “reasonable time” or  
2 an “unreasonable time,” regard is to be had to the nature of  
3 the instrument, the usage of trade or business (if any) with  
4 respect to such instruments, and the facts of the particular  
5 case.

Sect. 194. Where the day, or the last day for doing any act  
2 herein required or permitted to be done falls on Sunday or  
3 on a holiday, the act may be done on the next succeeding  
4 secular or business day.

Sect. 195. The provisions of this act do not apply to nego-  
2 tiable instruments made and delivered prior to the passage  
3 hereof.

Sect. 196. In any case not provided for in this act the  
2 rules of the law merchant shall govern.

Sect. 197. Of the laws enumerated in the schedules hereto  
2 annexed that portion specified in the last column is repealed.

Sect. 198. This chapter shall take effect on . . . .

(Mem. This statute has been adopted by fifteen states and  
by Congress for the District of Columbia.)



STATE OF MAINE.

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HOUSE OF REPRESENTATIVES,  
Augusta, March 2, 1905.

Reported by Mr. MERRILL from Committee on Judiciary and ordered  
printed under joint rules.

E. M. THOMPSON, *Clerk.*