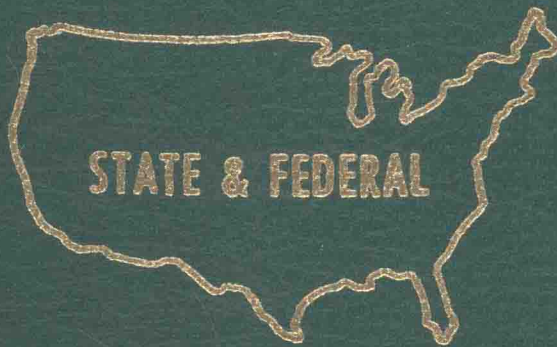


AMERICAN JURISPRUDENCE 2d



BILLS AND NOTES §§1-1018

AMERICAN JURISPRUDENCE

SECOND EDITION

A MODERN COMPREHENSIVE TEXT STATEMENT
OF AMERICAN LAW

STATE AND FEDERAL

COMPLETELY REVISED AND REWRITTEN
IN THE LIGHT OF MODERN AUTHORITIES AND DEVELOPMENTS
BY THE EDITORIAL STAFF OF THE PUBLISHERS

VOLUME 11

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TABLE OF STATUTES CITED

This table shows, by reference to title and section, where provisions of the United States Code and the Uniform Laws are cited in this volume.

UNITED STATES CODE

<i>Title and section</i>	<i>Am Jur 2d BILLS AND NOTES §§</i>
Uniform Commercial Code	
12 USC	
§ 264(s)	209
§ 592	209

UNIFORM COMMERCIAL CODE

<i>Title and section</i>	<i>Am Jur 2d BILLS AND NOTES §§</i>
Uniform Commercial Code	
1-101	42
1-102	51
1-102(1)	51
1-102(2)	43
1-102(3)	44
1-102(4)	44
1-103	45, 382
1-104	51
1-105	100
1-106(1)	51
1-107	382, 927, 934, 948-950
1-108	51
1-201	48, 49
1-201(3) ..	888, 933, 939
1-201(5)	106, 360
1-201(14)	275, 368
1-201(19)	426
1-201(20)	371
1-201(24)	153
1-201(25)	426, 429, 895
1-201(26)	895
1-201(27)	478, 895
1-201(28)	478
1-201(35)	550
1-201(38)	895
1-201(39)	210
1-201(43)	649, 709

<i>Title and section</i>	<i>Am Jur 2d BILLS AND NOTES §§</i>
Uniform Commercial Code	
1-201(44)	334
1-201(46)	57
1-203	424
1-204	888
1-205	39, 63
1-208	186
2-301	405
3-101	42
3-102	48, 139
3-102(1)(a)	269
3-102(1)(b)	114, 139
3-102(1)(c)	139, 140
3-102(1)(d) ...	525, 589, 609
3-102(1)(e)	48
3-103	8, 47, 48
3-103(1)	47
3-103(2)	47
3-104	6, 8, 54-56, 58, 63, 105, 106, 155, 192
3-104(1)	55, 56
3-104(1)(a)	209
3-104(1)(b) ...	138, 152, 156, 191
3-104(1)(c)	166, 169
3-104(2)	8, 13, 56
3-104(2)(a)	14
3-104(2)(b)	14, 16

<i>Title and section</i>	<i>Am Jur 2d BILLS AND NOTES §§</i>
Uniform Commercial Code	
3-104(2)(d)	21
3-104(3)	13, 21, 56
3-105	54, 72
3-105(1)(a)	141
3-105(1)(b)	147
3-105(1)(c)	147
3-105(1)(d)	147
3-105(1)(e)	147
3-105(1)(f)	151
3-105(1)(g)	151
3-105(1)(h)	151
3-105(2)(a)	147, 151
3-105(2)(b)	151
3-106	159, 160
3-106(1)(a)	159, 161
3-106(1)(b)	161
3-106(1)(c)	160, 162
3-106(1)(d)	165
3-106(1)(e)	163
3-106(2)	163
3-107	152-154
3-107(1)	153, 977
3-107(2)	154, 976
3-108	59, 167, 486
3-109	88, 166, 169, 171, 176-178, 186
3-109(1)(a)	170
3-109(1)(b)	170
3-109(1)(c)	186

UNIFORM COMMERCIAL CODE—Continued

<i>Title and section</i>	<i>Am Jur 2d BILLS AND NOTES §§</i>	<i>Title and section</i>	<i>Am Jur 2d BILLS AND NOTES §§</i>	<i>Title and section</i>	<i>Am Jur 2d BILLS AND NOTES §§</i>
Uniform Commercial Code		Uniform Commercial Code		Uniform Commercial Code	
3-109(1)(d)	178	3-118(e)	587, 589, 593, 601, 629	3-302(1)(c)	424, 486, 495
3-109(2)	173	3-118(f)	306, 939	3-302(2)	418
3-110	117, 124, 125, 127, 322	3-119	1, 54, 62, 70- 72, 147, 460	3-302(3)	414
3-110(1)	107, 113	3-119(1)	70, 460	3-302(4)	376
3-110(1)(a)	118	3-119(2)	72	3-303	215, 241, 334, 337, 339, 347, 348
3-110(1)(b)	116	3-120	111	3-303(a)	337, 347, 428, 498
3-110(1)(c)	116	3-121	111	3-303(b)	337
3-110(1)(d)	117	3-122(1)(b)	286	3-303(c)	338, 347
3-110(1)(e)	127	3-201	337, 373, 421, 422, 649	3-304	424, 426, 430, 451, 456, 468, 476, 486
3-110(1)(f)	125	3-201(1) ..	369, 373, 421	3-304(1)(a)	397, 451
3-110(1)(g)	125, 328	3-201(2)	376	3-304(1)(b)	426
3-110(2)	105, 107	3-201(3) ..	371, 375, 405	3-304(2) ..	419, 468, 938
3-110(3)	107	3-202	314, 320, 323, 325, 351, 353, 360	3-304(3)(a)	495
3-111	86	3-202(1) ...	315-317, 367	3-304(3)(b)	495
3-111(a)	106	3-202(2) ..	328, 351, 353	3-304(3)(c)	495
3-111(b)	106	3-202(3)	320	3-304(4)	426
3-111(c)	124	3-202(4)	358	3-304(4)(a)	451
3-112	55, 148, 197, 199, 203, 204	3-203	352	3-304(4)(b)	454, 455, 460
3-112(1)	192	3-204	360	3-304(4)(c)	458
3-112(1)(a)	89, 90	3-204(1)	361	3-304(4)(d)	476
3-112(1)(b)	201, 204	3-204(2)	360	3-304(4)(e)	468
3-112(1)(c)	159, 203	3-204(3)	395	3-304(4)(f)	495
3-112(1)(d)	199	3-205	362, 368	3-304(5)	435
3-112(1)(e)	197	3-205(c)	362	3-304(6)	428
3-112(1)(f)	195	3-205(d)	362	3-305	255, 263, 264, 275, 279, 333, 398, 421, 652, 666, 676, 679, 690, 693, 695, 715, 716
3-112(1)(g)	59, 206	3-206	5, 368, 408, 468	3-305(1)	652
3-112(2)	90, 192	3-206(1)	5	3-305(2)	652, 666
3-113	213, 238	3-206(2)	408	3-305(2)(a)	716
3-114	88	3-206(3)	408	3-305(2)(b) ...	672, 715, 717, 719, 720, 725
3-114(1)	88, 208	3-206(4)	408	3-305(2)(c)	693
3-114(2)	285-287	3-207	333, 367, 371, 722	3-305(2)(d)	670
3-115	73, 75, 76, 79, 81, 87, 88, 666	3-207(1)	333	3-305(2)(e)	670
3-115(1)	73	3-207(2)	333	3-306	270, 275, 279, 333, 372, 421, 486, 653, 656, 724
3-115(2)	78, 666	3-208	319, 393, 529	3-306(a)	653
3-116	117, 321, 324, 901	3-301	328, 370, 371, 901, 964		
3-117	115, 330, 468, 902	3-302	337, 339, 376, 397, 403, 418, 419, 426, 486		
3-117(a)	115	3-302(1)	397, 428		
3-117(b) ..	115, 330, 902	3-302(1)(a)	498		
3-117(c)	115	3-302(1)(b)	424		
3-118	63, 601, 629, 939				
3-118(a)	23				
3-118(b)	65				
3-118(c)	158				

UNIFORM COMMERCIAL CODE—Continued

<i>Title and section</i>	<i>Am Jur 2d BILLS AND NOTES §§</i>	<i>Title and section</i>	<i>Am Jur 2d BILLS AND NOTES §§</i>	<i>Title and section</i>	<i>Am Jur 2d BILLS AND NOTES §§</i>
Uniform Commercial Code		Uniform Commercial Code		Uniform Commercial Code	
3-306(b)	653	3-413(3) ..	586, 589, 597	3-501(1)	883
3-306(c)	657, 666	3-414	334, 351, 607, 611, 617, 618, 628, 629	3-501(1)(a)	883
3-306(d)	656, 722			3-501(1)(b)	883
3-307	333	3-414(1)	349, 363, 599, 607, 618, 620, 628	3-501(2)(a)	884
3-401	210, 212, 556			3-501(2)(b)	884
3-401(1)	209	3-414(2)	629	3-501(3)	885
3-401(2)	209, 210	3-415	120, 121, 237, 240, 364, 522, 530, 536, 539-541, 549, 628, 931	3-501(4)	886
3-402	212, 358			3-502	763, 887
3-403	328, 466, 550, 555, 556, 558- 560, 562, 575	3-415(1)	121	3-502(1)(a)	887
3-403(2)	550	3-415(2)	240, 241, 458, 536	3-502(1)(b)	887
3-403(2)(a)	560	3-415(3)	931	3-502(2)	887
3-403(2)(b) ...	554, 558, 562, 566, 575	3-415(4)	459	3-503	291, 764
3-403(3)	558	3-415(5)	546-548	3-503(1)	888
3-404	704, 709, 710, 712-714	3-416	534	3-503(1)(a)	888
3-404(1)	709	3-416(1)	534	3-503(1)(b)	888
3-404(2)	709, 713	3-416(2)	534	3-503(1)(c)	888
3-405	106, 137, 331, 725	3-416(3)	534	3-503(1)(d)	888
3-405(1)(a)	331	3-416(4)	534	3-503(1)(e)	888
3-405(1)(b)	331	3-416(5)	534	3-503(2)(a)	888
3-405(1)(c)	331	3-416(6)	120	3-503(2)(b)	888
3-405(2)	331	3-417	617, 646, 649, 650, 998, 999, 1004-1008, 1012-1014	3-503(3)	889
3-405(2)(a)	652			3-503(4)	889
3-405(2)(b)	652	3-417(1)	649	3-504	890, 891
3-406	78, 386, 710	3-417(1)(a)	649	3-504(1)	890
3-407	666	3-417(1)(b) ...	649, 1004	3-504(2)(a)	890
3-407(1)(b)	78	3-417(1)(c)	649	3-504(2)(b)	890
3-407(2)(a)	78	3-417(2)	646	3-504(2)(c)	890
3-407(2)(b)	78	3-417(2)(a)	646	3-504(3)(a)	890
3-407(3)	78	3-417(2)(b)	646	3-504(3)(b)	890
3-408	215, 316, 229, 237, 238, 242, 334, 337, 657	3-417(2)(c)	646	3-504(4)	890
3-409	104, 593	3-417(2)(d)	646	3-504(5)	890
3-409(1)	104, 501	3-417(2)(e)	646	3-505	890, 891
3-409(2)	593	3-417(3)	646	3-505(1)(a)	891
3-410	506, 507, 510	3-417(4)	646	3-505(b)	891
3-410(1) ..	500, 503, 510	3-418	649, 650, 704, 997, 999, 1004-1008, 1010, 1013, 1017, 1018	3-505(c)	891
3-410(2)	504	3-419	101, 510	3-505(d)	891
3-410(3)	504, 510	3-501	167, 187, 743, 744, 753, 789, 790, 883- 887, 897	3-505(2)	891
3-412	515, 517, 520			3-506	892
3-412(1)	520			3-506(1)	892
3-412(2)	518			3-507(1)(a)	893
3-412(3)	520			3-507(1)(b)	893
3-413	589, 597, 1005			3-507(2)	893
3-413(1)	586, 593			3-507(3)	893
3-413(2)	589			3-507(4)	894
				3-508(1)	895
				3-508(2)	895
				3-508(3)	895
				3-508(4)	895
				3-508(5)	895
				3-508(6)	896
				3-508(7)	896

TABLE OF STATUTES

UNIFORM COMMERCIAL CODE—Continued

<i>Title and section</i>	<i>Am Jur 2d BILLS AND NOTES §§</i>	<i>Title and section</i>	<i>Am Jur 2d BILLS AND NOTES §§</i>	<i>Title and section</i>	<i>Am Jur 2d BILLS AND NOTES §§</i>
Uniform Commercial Code		Uniform Commercial Code		Uniform Commercial Code	
3-508(8)	895	3-601(3)(a)	912	3-801(2)	378, 505, 602, 644
3-509	789, 797, 897-899	3-601(3)(b)	912	3-801(3)	505, 925
3-509(1)	897	3-602	654, 670, 901, 952, 961	3-801(4)	901, 925
3-509(2)	897	3-603	506, 531, 963-965, 973	3-804	371
3-509(3)	897	3-603(1)	963, 964	3-805	1, 7, 47, 108, 377, 634, 883-885, 901
3-509(4)	898	3-603(2)	970	4-104	889
3-509(5)	898	3-604	743	4-104(h)	893, 895
3-511	845, 883, 899, 900	3-604(1)	938	4-201(2)	408
3-511(1)	899	3-604(3)	938	4-207	646, 649
3-511(2)(a)	900	3-605	952	4-208	339
3-511(2)(b)	23, 899	3-605(1)	949, 950	4-209	337, 339
3-511(2)(c)	899	3-605(1)(a)	934	4-212	895
3-511(3)(a)	899	3-605(1)(b)	948, 950	4-301	893
3-511(3)(b)	899	3-605(2)	935, 952	5-112	892
3-511(4)	899	3-606	931, 939	7-104	8, 11, 47
3-511(5)	900	3-606(1)	939	8-101	8, 47
3-511(6)	900	3-606(1)(a)	939	8-102(b)	47
3-601	525, 901, 904, 912, 930, 933, 961, 963	3-606(1)(b)	939	8-308(1)	351
3-601(1)	929	3-606(2)	939	9-207	939
3-601(1)(a)	933	3-701	60, 705	9-318(1)	377
3-601(1)(i)	933	3-701(1)	60	10-101	46
3-601(2)	933	3-701(3)	594	10-102	46
3-601(3)	526, 912, 952, 963	3-801(1)	59, 378	10-103	46

UNIFORM FIDUCIARIES ACT

Uniform Fiduciaries Act	Uniform Fiduciaries Act	Uniform Fiduciaries Act
1	6	8
4	41, 465, 467, 468	9
5	41	10
41, 467, 473		41

UNIFORM NEGOTIABLE INSTRUMENTS ACT

Uniform Negotiable Instruments Act	Uniform Negotiable Instruments Act	Uniform Negotiable Instruments Act
1	2(4)	5(2)
41, 54, 56	165	199
1(1)	2(5)	5(4)
209	163	148, 197
1(2)	3	6
138, 152, 156	141, 149	90
1(3)	3(1)	6(1)
166, 169	149	87
1(4)	3(2)	6(2)
105	145	90
1(5)	4	6(3)
114	171	89
2	4(1)(2)	6(4)
48, 159	170	213
2(1)	4(3)	6(5)
161	171	152
2(2)	5	7
159	192, 197	167
2(3)	5(1)	8
159	204	107, 113

UNIFORM NEGOTIABLE INSTRUMENTS ACT—Continued

Uniform Negotiable Instruments Act	Uniform Negotiable Instruments Act	Uniform Negotiable Instruments Act
8(1) 116	39 368, 410, 966, 983	66(2) 611
8(2) 118	40 361, 625	67 523, 599
8(3) 116	41 321	68 355, 601, 629, 877
8(4) 117	42 115, 330	69 645
8(5) 117	43 352	70 738, 741– 745, 937
8(6) 125	44 328, 351, 708	71 752, 753, 761
9 106, 366	47 5, 481	72(1) 782
9(3) 128, 133	48 393, 527, 934	72(2) 755
9(4) 124	49 209, 367, 373, 375, 405	72(3) 769, 773
9(5) 360	50 319, 527	72(4) 781, 786
10 58	51 370, 963, 964	73 775
12 208, 449	52 315, 397, 411, 418, 428, 460, 465	73(1) 769
13 87	52(1) 445	73(2) 773
14 73, 74, 76, 77, 79, 418, 446, 663	52(2) 481, 491	73(3) 773
15 663	52(3) 424, 498	73(4) 773
16 270, 275, 279, 284, 367, 368, 500, 663	52(4) 403, 416, 418, 424	74 738, 778, 779, 971
17 63	53 315, 397, 488	75 756
17(1) 158	54 315, 428, 498	76 778, 788
17(3) 87	55 263, 264, 315, 425, 671, 689, 690, 696, 698, 718, 725	77 787
17(4) 65	56 315, 425, 431, 445, 465, 467, 472	78 787
17(5) 23	57 263, 264, 315, 398, 652, 690, 716	79 814, 815
17(6) 354, 355, 522, 523	58 315, 421, 481, 527, 653	80 746
17(7) 587	59 315	81 757
17(8) 70	60 586, 684	82 814
18 209, 555, 559	61 589, 684	82(1) 816
19 328	62 593, 597, 684, 998, 1005	82(2) 823
20 550–552, 555, 557, 558, 562, 571, 574, 708	63 351, 355, 522, 523, 943	82(3) 831, 836
21 466	64 355, 364, 522, 523, 531, 626, 628, 943	84 605, 739
22 332, 538, 716	64(3) 364	85 285, 290, 292, 293, 308
23 704, 710	65 612, 645	86 291
25 216, 227, 334, 336	65(1) 612	87 111, 509, 742, 743
26 239, 241, 348	65(2) 612	88 964
27 335	65(3) 612	89 805, 806, 851
28 237, 657	65(4) 612, 645	90 870
29 121, 458, 536, 538, 943	66 349, 359, 607, 611, 625	91 872
30 315–317, 328, 367, 418	66(1) 611	92 871
31 351, 353		93 871
32 315, 320, 325		94 853, 872
33 359, 360		95 860–862
34 360, 361, 533		96 860, 865–867
35 395		97 875
36 362		98 878, 880
37 407, 983		99 876
37(3) 407		100 877
38 363, 365		101 881
		102 846, 847, 848
		103 848
		104 848
		105 867, 868

TABLE OF STATUTES

UNIFORM NEGOTIABLE INSTRUMENTS ACT—Continued

Uniform Negotiable Instruments Act	Uniform Negotiable Instruments Act	Uniform Negotiable Instruments Act
107 850	121(2) 912	152 790
108 856	122 907, 948, 950, 952	153 789, 798, 799
109 814, 831– 833, 836	123 901, 906	154 797
110 835	124 74	155 793, 794
111 814, 831, 845	125 74	156 796
112 814, 816	126 13	157 791
113 847, 855	127 104, 501	158 792
114 814	128 114	159 793, 795, 814, 831
114(1) 815	129 20, 790	160 800
114(2) 823	130 23	161–170 506
114(3) 815	131 200	171–177 506
114(4) 815	132 500	178 59
114(5) 828	133 507	179 378
115 814	134 508	180 602
115(1) 823	135 511	181 505, 734
115(2) 815	136 736	182 925
115(3) 500, 809	137 509	183 925
116 801	138 504	184 21
117 801	139 515	185 16, 489, 1005
118 790	140 518	186 761, 763
119 120, 901, 903	141 517	188 928
119(1) 912, 963	141(3) 518	191 48, 57, 106, 125, 216, 269, 275, 334, 349, 367, 368, 371, 418, 500, 756, 835, 983
119(2) 912, 963	142 520	192 525
119(3) 905	143 730	193 49, 288, 289, 488–490, 732, 754, 764
119(4) 908, 930	144 732	194 49
119(5) 910, 912	145 732, 734, 735	195 46
120 120, 609, 903, 928	145(1) 735	196 45, 263, 1005
120(1) 912, 932	145(2) 735	197 46, 263
120(2) 934	145(3) 735	198 46
120(3) 912, 935	146 732	
120(4) 937	147 732, 757	
120(5) 940	148 731	
120(6) 942–944	149(1) 737	
121 393, 526, 527, 531, 965	149(2) 737	
121(1) 912	150 737	
	151 737	

CONTENTS OF THIS VOLUME

TABLE OF PARALLEL REFERENCES (In Volume 12)	
TABLE OF STATUTES CITED	vii
BILLS AND NOTES (§§ 1-1018)	1
INDEX (In Volume 12)	

For complete list of titles in AM JUR 2d and table of
abbreviations used see AM JUR 2d DESK BOOK

AMERICAN JURISPRUDENCE

SECOND EDITION

Volume 11

BILLS AND NOTES

Scope of Topic: This article is a general treatment of those particular contracts denominated bills and notes for the payment of money, whether negotiable or nonnegotiable, and of negotiable instruments, from inception to discharge, the rights and obligations of various parties to such instruments, and actions thereon. It covers the provisions of the Uniform Negotiable Instruments Act and their construction and application, and the same in regard to the provisions of the Uniform Commercial Code affecting commercial paper. Aside from necessary incidental discussion or reference to other instruments, focus of the article is on instruments, ordinarily serving a commercial purpose, which are used as a substitute for money, to the exclusion of instruments representing an investment, security, or goods, and upon the negotiability and nonnegotiability of money instruments and the incidents thereof or rights and obligations of and among parties to such instruments.

Treated elsewhere: While bills and notes constitute property (§ 101, *infra*), this article excludes treatment of their nature as property for specific purposes, such as property for which corporate stock may be issued (see **CORPORATIONS**) or property within the embezzlement statutes (see **EMBEZZLEMENT**); and treatment of incidents of property in bills and notes, such as taxation (see **GIFT TAXES**; **INCOME TAXES**; **INHERITANCE, ESTATE, AND SUCCESSION TAXES**; **INTERNAL REVENUE**; **STAMP TAXES**; **TAXATION**), gifts (see **GIFTS**) and bequests (see **WILLS**), attachment and garnishment (see 6 Am Jur 2d, **ATTACHMENT AND GARNISHMENT**), pledge (see **PLEDGE AND COLLATERAL SECURITY**), conversion (see **CONVERSION**), and replevin (see **REPLEVIN**) of, and liens (see 7 Am Jur 2d, **ATTORNEYS AT LAW** § 273; 10 Am Jur 2d, **BANKS** §§ 660 et seq.; **LANDLORD AND TENANT**) and executions (see **EXECUTIONS**) on, bills and notes; bills or notes as assets of decedents' estates (see **EXECUTORS AND ADMINISTRATORS**; **LANDLORD AND TENANT**); a bill or note as the subject of larceny (see **LARCENY**); and criminal liability for false pretenses in obtaining a bill or note (see **FALSE PRETENSES**).

This article does not treat of the various uses to which bills and notes are put, the transactions which they accompany, and their relation to such transactions, except as such matters bear on the nature of the instrument and its enforceability as such in the hands of the original obligee or a subsequent holder. Other articles treat of the giving of a bill or note as, or in connection with, an accord and satisfaction (see 1 Am Jur 2d, **ACCORD AND SATIS-**

FACTION); notes given for rent (see LANDLORD AND TENANT), insurance premiums (see INSURANCE), subscriptions (see SUBSCRIPTIONS), the payment of wages (see LABOR AND LABOR RELATIONS), and conditional sales (see CONDITIONAL SALES); whether the giving of a bill or note amounts to payment (see PAYMENT) or constitutes value so as to entitle to protection of a bona fide purchaser of property (see VENDOR AND PURCHASER); the tender of a bill or note in performance of a contract (see CONTRACTS; MONEY; MORTGAGES; PAYMENT; VENDOR AND PURCHASER); liability for fraud in the issuance, procurement, or transfer of bills and notes (see FRAUD AND DECEIT); criminal liability for false pretenses (see FALSE PRETENSES) or larceny (see LARCENY) in the giving of a worthless check or draft; and the return of a bill or note as a condition of the rescission of a contract of purchase (see CONTRACTS; SALES; VENDOR AND PURCHASER) or of the recovery on an original obligation (see PAYMENT).

While closely connected with the area of bills and notes as treated in this article, certain subjects are left for treatment in other articles. These are alteration of instruments by physical change in the terms or language of the writing (see 4 Am Jur 2d, ALTERATION OF INSTRUMENTS), and the powers, rights, duties, and liabilities of banks in relation to instruments for the payment of money, such as withdrawal and payment of checks, deposit of commercial paper, lien, application of deposits, or right of setoff, discounting and collection of commercial paper, and priority on insolvency (see 10 Am Jur 2d, BANKS).

Particular types of instruments, whether negotiable or nonnegotiable, are given specific treatment in other articles, reference to which is made in §§ 12 et seq., *infra*.

★ Table of Parallel References see Vol. 12. ★

I. INTRODUCTORY

- A. DEFINITIONS AND DISTINCTIONS (§§ 1-35)
- B. ORIGIN, HISTORY, AND DEVELOPMENT; CUSTOM AND USAGE (§§ 36-40)
- C. UNIFORM LAWS (§§ 41-51)

II. FORM, PROVISIONS, INTERPRETATION, AND GENERAL OPERATION

- A. INTRODUCTORY (§§ 52-104)
- B. WORDS OF NEGOTIABILITY (§§ 105-108)
- C. PARTIES (§§ 109-137)
- D. ORDER OR PROMISE (§§ 138-151)
- E. MEDIUM OF PAYMENT (§§ 152-155)
- F. AMOUNT TO BE PAID (§§ 156-165)
- G. TIME OF PAYMENT (§§ 166-186)
- H. PLACE OF PAYMENT (§ 187)
- I. RECITAL OF CONSIDERATION (§§ 188, 189)
- J. OTHER PROVISIONS (§§ 190-206)
- K. DATE, SIGNATURE, SEAL, STAMPING (§§ 207-214)

III. CONSIDERATION

- A. IN GENERAL (§ 215)
- B. WHAT CONSTITUTES (§§ 216-236)
- C. ABSENCE AND FAILURE (§§ 237-254)
- D. ILLEGALITY AND CONTRAVENTION OF PUBLIC POLICY (§§ 255-268)

- IV. DELIVERY OF INSTRUMENTS; ISSUANCE
 - A. IN GENERAL (§§ 269-274)
 - B. WHAT CONSTITUTES; SUFFICIENCY (§§ 275-284)
 - V. MATURITY OF INSTRUMENT (§§ 285-296)
 - VI. EXTENSIONS, RENEWALS, AND MODIFICATIONS (§§ 297-308)
 - VII. TRANSFER AND NEGOTIATION
 - A. IN GENERAL (§§ 309-327)
 - B. WHO MAY TRANSFER OR NEGOTIATE (§§ 328-333)
 - C. TRANSFER FOR VALUE (§§ 334-348)
 - D. ACTS AND TYPES OF INDORSEMENT (§§ 349-366)
 - E. DELIVERY (§§ 367-369)
 - VIII. STATUS AND RIGHTS OF HOLDER
 - A. IN GENERAL (§§ 370-396)
 - B. HOLDERS IN DUE COURSE (§§ 397-420)
 - C. HOLDING THROUGH HOLDER IN DUE COURSE (§§ 421-423)
 - D. GOOD FAITH AND NOTICE (§§ 424-480)
 - E. TAKING AFTER MATURITY OR WITH NOTICE OF DISHONOR (§§ 481-495)
 - F. HOLDING FOR VALUE (§§ 496-499)
 - IX. ACCEPTANCE OF BILL OF EXCHANGE
 - A. IN GENERAL (§§ 500-503)
 - B. WHAT CONSTITUTES (§§ 507-510)
 - C. PROMISE TO ACCEPT (§§ 511-514)
 - D. GENERAL AND QUALIFIED ACCEPTANCES; VARIANCE (§§ 515-520)
 - X. LIABILITY OF PARTIES
 - A. PARTIES IN GENERAL (§§ 521-529)
 - B. ACCOMMODATION PARTIES; GUARANTORS AND SURETIES (§§ 530-549)
 - C. AGENTS AND REPRESENTATIVES OR THEIR PRINCIPALS (§§ 550-563)
 - D. CORPORATE OFFICERS OR CORPORATION (§§ 564-584)
 - E. PARTICULAR TYPES OF PARTIES (§§ 585-650)
 - F. DEFENSES AND GROUNDS FOR RELIEF (§§ 651-729)
 - XI. PRESENTMENT, NOTICE OF DISHONOR, AND PROTEST
 - A. PRESENTMENT OF BILL FOR ACCEPTANCE (§§ 730-737)
 - B. PRESENTMENT FOR PAYMENT (§§ 738-788)
 - C. PROTEST (§§ 789-800)
 - D. NOTICE OF DISHONOR (§§ 801-881)
 - E. UNDER THE COMMERCIAL CODE (§§ 882-900)
 - XII. DISCHARGE
 - A. IN GENERAL (§§ 901-926)
 - B. DISCHARGE OF PARTIES SECONDARILY LIABLE; DISCHARGE OF PARTICULAR, RATHER THAN ALL, PARTIES (§§ 927-962)
 - C. PAYMENT (§§ 963-1018)
 - XIII. ACTIONS [Vol 12]
-

I. INTRODUCTORY**A. DEFINITIONS AND DISTINCTIONS****1. IN GENERAL**

- § 1. Contracts and bills and notes compared
- § 2. Negotiability
- § 3. — Assignability distinguished
- § 4. — Different instruments as having differences in extent of negotiability
- § 5. — Continuance or termination of negotiability
- § 6. Negotiable instrument
- § 7. Nonnegotiable instrument
- § 8. Commercial paper
- § 9. Accommodation paper
- § 10. Security
- § 11. Document of title

2. PARTICULAR INSTRUMENTS

- § 12. Money
- § 13. Bills of exchange
- § 14. — Drafts
- § 15. — Trade acceptances
- § 16. — Checks
- § 17. — Specific types of checks
- § 18. — Checks and bills distinguished
- § 19. — Checks payable in future
- § 20. — Inland and foreign bills
- § 21. Notes
- § 22. — Bills distinguished
- § 23. — Option to treat as bill or note
- § 24. Certificates of deposit
- § 25. Bonds
- § 26. Warrants of municipality or other public body
- § 27. Stock certificates
- § 28. Interim certificates
- § 29. Receivers' certificates
- § 30. Bills of lading
- § 31. Warehouse receipts
- § 32. Post-office money orders
- § 33. Letters of credit
- § 34. Mortgages; conditional sales contracts; land contracts
- § 35. Miscellaneous

B. ORIGIN, HISTORY, AND DEVELOPMENT; CUSTOM AND USAGE

- § 36. Generally
- § 37. Relation of law merchant to common law
- § 38. Forms of instruments
- § 39. Custom or usage as determinative
- § 40. — Conflict with rules of law

C. UNIFORM LAWS

- § 41. Uniform Negotiable Instruments Act
- § 42. Uniform Commercial Code
- § 43. Purpose of adoption
- § 44. Scope of operation
- § 45. — Relation to law merchant or common law
- § 46. Effective date; retrospective application; repeals