

**Negotiable Instruments – Holder in Due Course**

1. a. Identify and explain the requirements for becoming a holder in due course.  
Read and be prepared to orally brief and discuss *Turman v. Ward's Home Improvement, Inc.*  
b. Why was Pomerantz not a holder in due course?  
c. Why is it significant for Pomerantz to be a holder in due course?  
d. Answer the question posed at the end of the case:  
(1) Critical Thinking Question: Does the UCC over-emphasize formality in its requirements for transferring a negotiable instrument? Explain.
2. a. What do we mean by the holder in due course must give value? What is value?  
b. Answer end of the Chapter Question 2.
3. a. May a payee be a holder in due course?  
Read and be prepared to orally brief and discuss *Triffin v. Cigna Insurance Co.*  
b. How could plaintiff acquire rights in the note if he knew it had been dishonored?  
c. What does the shelter rule have to do with this case? What is its purpose?  
d. Answer the question posed at the end of the case:  
(1) Critical Thinking Question: Do you agree with the shelter rule? Explain.  
e. Answer end of the Chapter Questions 3 and 8.
4. a. Identify, define, and explain the real defenses.  
b. Define and explain personal defenses.  
Read and be prepared to orally brief and discuss *Federal Deposit Insurance Corporation v. Meyer.*  
c. When is the illegality defense available under the UCC?  
d. How does a void contract differ from one that is voidable?  
e. When does a threat become duress?  
f. Answer the question posed at the end of the case:  
(1) Critical Thinking Question: What other defenses, if any, should be real defenses.  
g. Answer end of the Chapter Questions 1, 4–6, and 9.
5. a. Are there any limitations upon the rights of a holder in due course?  
b. What is the FTC Rule?  
c. Answer end of the Chapter Question 7.