

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.