

Negotiable Instruments: Transfer

Transfer and Negotiation

- Bearer Paper
 - Transfer of Possession Only

Transfer and Negotiation

- Order Paper
 - Transfer of possession
 - Indorsement
 - Blank
 - Special
 - Restrictive
 - Qualified

Fictitious Payee Rule

- An indorsement by any person in the name of a named payee is effective if an agent or employee of the maker or drawer has supplied her with the name of the payee for fraudulent purposes
- Employer should have a system to prevent fraud

Imposter Rule

- If imposter induces maker or drawer to sign instrument, maker or drawer takes the loss because they should have required identification
