

instance, one or more notes offered at an unusually large discount is sufficient notice to the "purchaser to beware," and if cashed without inquiry, say at even 25 per cent. discount, the purchaser could not claim to be "an innocent holder for value."

**105 Defective Title.**—In particular the title of a person who negotiates a bill or note is defective within the meaning of this chapter, when he obtained the note or acceptance, or the acceptance of the bill by fraud, duress, or force and fear, or other unlawful means, or for an illegal consideration; or when he negotiates it in breach of faith, or under such circumstances as amount to fraud.

**106 Place of Payment.**—It is not necessary to the validity of a note to mention in it any place of payment; but it is desirable, for various reasons, that it should be done. The maker would then know where to find it at maturity. Also, if there is an indorser on the note, it is better for the holder if it is made payable at a certain place, as he would have less difficulty in making the legal presentment required in order to hold the indorser. (See Section 175.)

If no place of payment is mentioned in the note it is payable where made and the holder is under no legal obligation to present it for payment at maturity; it is the maker's duty to find his note and pay it, and if he does not do so, the note may be sued the next day, or be allowed to run on and draw interest.

**107 Signatures to Notes.**—A person need not sign his own name to a note with his own hand, but it is sufficient if his signature is written thereon by some other person, by or under his authority. In case of a corporation it is not necessary to attach the seal to a note or bill if the corporate name is used. (For a person who cannot write, see Section 55.)

A trade name, or assumed name, even the initials or a stamp would answer where it is clear that the parties intended to adopt them as their signature.

A note or acceptance drawn or signed with lead pencil would be valid; so would an indorsement in pencil be binding; but no person of ordinary prudence would use a pencil, as it can be too easily erased and changes made.

Signature to note by agent that binds the principal and not the agent:

James Fitzgerald,  
by J. W. Smith,  
Agent.

But to sign,

J. W. Smith,  
Agent for James Fitzgerald,

would bind Smith and not Fitzgerald.

A corporation signature that binds the company and not the officer signing the note:

The Standard Fuel Company, Limited,  
by J. W. Smith,  
Treasurer.

The common error is:

J. W. Smith,  
Treasurer Standard Fuel Co., Ltd.

The last signature would bind Smith personally and not the company.