

554.7501 Form of negotiation and requirements of "due negotiation".

1. A negotiable document of title running to the order of a named person is negotiated by that person's endorsement and delivery. After that person's endorsement in blank or to bearer any person can negotiate it by delivery alone.
2. *a.* A negotiable document of title is also negotiated by delivery alone when by its original terms it runs to bearer.
b. When a document running to the order of a named person is delivered to the named person the effect is the same as if the document had been negotiated.
3. Negotiation of a negotiable document of title after it has been endorsed to a specified person requires endorsement by the special endorsee as well as delivery.
4. A negotiable document of title is "duly negotiated" when it is negotiated in the manner stated in this section to a holder who purchases it in good faith without notice of any defense against or claim to it on the part of any person and for value, unless it is established that the negotiation is not in the regular course of business or financing or involves receiving the document in settlement or payment of a money obligation.
5. Endorsement of a nonnegotiable document neither makes it negotiable nor adds to the transferee's rights.
6. The naming in a negotiable bill of a person to be notified of the arrival of the goods does not limit the negotiability of the bill nor constitute notice to a purchaser thereof of any interest of such person in the goods.

[S13, § 3138-a37, -a38, -a39, -a40, -a47, -b27, -b28, -b29, -b30, -b37; C24, 27, 31, 35, 39, § **82728275, 8282, 96979700, 9707, 99579961, 9967**; C46, 50, 54, 58, 62, § 487.28487.31, 487.38, 542.37542.40, 542.47, 554.29554.32, 554.39; C66, 71, 73, 75, 77, 79, 81, § 554.7501]