3. That he took it in good faith and for value.

4. That at the time it was negotiated to him he had no notice of any infirmity in the instrument or defect in the title of the person negotiating it.

Where the plaintiff takes a note with knowledge of the insolvency of the corporation which made it, and that it was issued by the company in part payment for its own capital stock (which the law prohibits it from buying), he is not a holder in due course. Burke *v.* Smith, 111 Md. 627.

A check held to be complete and regular on its face, and that the endorsee took it without knowledge of such facts as made his taking it amount to bad faith—see section 75. Weant *v.* Southern Trust Co., 112 Md. 471.

1904, art. 13, sec. 72. 1898, ch. 119

72. Where an instrument payable on demand is negotiated an unreasonable length of time after its issue, the holder is not deemed a holder in due course.

Ibid. sec. 73. 1898, ch. 119.

73. Where the transferee receives notice of any infirmity in the instrument or defect in the title of the person negotiating the same before he has paid the full amount agreed to be paid therefor, he will be deemed a holder in due course only to the extent of the amount theretofore paid by him.

Ibid. sec. 74. 1898, ch. 119.

74. The title of a person who negotiates an instrument is defective within the meaning of this act, when he obtained the instrument, or any signature thereto, 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 amounts to a fraud.

Where the plaintiff takes a note with knowledge of the insolvency of the corporation which made it, and that it was issued by the company in part payment for its own capital stock (which the law prohibits it from buying), he is not a holder in due course. Burke *v.* Smith, 111 Md. 627.

See notes to sec. 78.

Ibid. sec. 75. 1898, ch. 119.

75. To constitute notice of an infirmity in the instrument or defect in the title of the person negotiating the same, the person to whom it is negotiated must have had actual knowledge of the infirmity or defect, or knowledge of such facts that his action in taking the instrument amounted to bad faith.

In a suit by the endorsee against the maker, pleas setting up fraud and breach of faith in the negotiation of a note, are bad unless they allege that the plaintiff took the note with a knowledge of the fraud or breach of faith. Black *v.* Bank of Westminster, 96 Md. 416.

This section applied. Instructions held contradictory. Valley Savings Bank *v.* Mercer, 97 Md. 479. See also, Weant *v.* Southern Trust Co., 112 Md. 471. Cover *v.* Myers, 75 Md. 418.

See notes to sec. 71.

Ibid. sec. 76. 1898, ch. 119.

76. A holder in due course holds the instrument free from any defect of title of prior parties, and free from defenses available to prior