

An. Code, 1924, sec. 37. 1912, sec. 37. 1910, ch. 336, sec. 37 (p. 41).

37. A mortgagee or pledgee, or other holder of a bill for security, who in good faith demands or receives payment of the debt for which such bill is security, whether from a party to a draft drawn for such debt or from any other person, shall not be deemed by so doing to represent or to warrant the genuineness of such bill or the quantity or quality of the goods therein described.

Bank held pledgee. Consignee may negative implied warranties otherwise following endorsement. This section applied. *Johnson v. Western Md. Ry. Co.*, 151 Md. 427.

Cited but not construed in *McLane v. State*, 156 Md. 145.

An. Code, 1924, sec. 38. 1912, sec. 38. 1910, ch. 336, sec. 38 (p. 41).

38. The validity of the negotiation of a bill is not impaired by the fact that such negotiation was a breach of duty on the part of the person making the negotiation, or by the fact that the owner of the bill was deprived of the possession of the same by fraud, accident, mistake, duress or conversion, if the person to whom the bill was negotiated, or a person to whom the bill was subsequently negotiated, gave value therefor, in good faith, without notice of the breach of duty, or fraud, accident, mistake, duress or conversion.

Where a party took bills of lading in payment of an antecedent debt, he became a *bona fide* purchaser for value under sec. 1 of this article as it stood prior to the uniform bills of lading act. *Tiedman v. Knox*, 53 Md. 616. (See sec. 53.)

As to what amounted to notice under sec. 1 of this article, as it stood prior to the adoption of the uniform bills of lading act, see *Dold, etc., Co., v. Ober*, 71 Md. 163.

See notes to art. 14A, sec. 47.

An. Code, 1924, sec. 39. 1912, sec. 39. 1910, ch. 336, sec. 39 (p. 42).

39. Where a person, having sold, mortgaged or pledged goods which are in a carrier's possession and for which a negotiable bill has been issued, or, having sold, mortgaged or pledged the negotiable bill representing such goods, continues in possession of the negotiable bill, the subsequent negotiation thereof by that person under any sale, pledge or other disposition thereof to any person receiving the same in good faith, for value and without notice of the previous sale, shall have the same effect as if the first purchaser of the goods or bill had expressly authorized the subsequent negotiation.

This section referred to in construing art. 83, sec. 25—see notes thereto. *Stem v. Crawford*, 133 Md. 588.

See art. 83, sec. 33.

An. Code, 1924, sec. 40. 1912, sec. 40. 1910, ch. 336, sec. 40 (p. 42).

40. Where goods are shipped by the consignor in accordance with a contract or order for their purchase, the form in which the bill is taken by the consignor shall indicate the transfer or retention of the property or right to the possession of the goods, as follows:

(a) Where by the bill the goods are deliverable to the buyer or to his agent, or to the order of the buyer or of his agent, the consignor thereby transfers the property in the goods to the buyer.

(b) Where by the bill the goods are deliverable to the seller or to his agent, or to the order of the seller or of his agent, the seller thereby reserves the property in the goods. But if, except for the form of the bill, the property would have passed to the buyer on shipment of the goods, the seller's property in the goods shall be deemed to be only for the purpose of securing performance by the buyer of his obligation under the contract.