

An. Code, 1924, sec. 43. 1912, sec. 43. 1910, ch. 406, sec. 43 (p. 56).

**43.** Where a negotiable receipt is transferred for value by delivery, and the indorsement of the transferor is essential for negotiation, the transferee acquires a right against the transferor to compel him to endorse the receipt, unless a contrary intention appears. The negotiation shall take effect as of the time when the indorsement is actually made.

See art. 83, sec. 53.

An. Code, 1924, sec. 44. 1912, sec. 44. 1910, ch. 406, sec. 44 (p. 56).

**44.** A person who for value negotiates or transfers a receipt by indorsement or delivery, including one who assigns for value a claim secured by a receipt, unless a contrary intention appears, warrants:

- (a) That the receipt is genuine;
- (b) That he has a legal right to negotiate or transfer it;
- (c) That he has knowledge of no fact which would impair the validity or worth of the receipt, and
- (d) That he has a right to transfer the title to the goods and that the goods are merchantable or fit for a particular purpose whenever such warranties would have been implied, if the contract of the parties had been to transfer without a receipt the goods represented thereby.

As to the warranties of a transferor of corporate stock, see art. 23, sec. 65.  
See art. 83, sec. 54.

An. Code, 1924, sec. 45, 1912, sec. 45. 1910, ch. 406, sec. 45 (p. 56).

**45.** The indorsement of a receipt shall not make the indorser liable for any failure on the part of the warehouseman or previous indorsers of the receipt to fulfill their respective obligations.

See art. 83, sec. 55.

An. Code, 1924, sec. 46. 1912, sec. 46. 1910, ch. 406, sec. 46 (p. 56).

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

An. Code, 1924, sec. 47. 1912, sec. 47. 1910, ch. 406, sec. 47 (p. 56).

**47.** The validity of the negotiation of a receipt 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 receipt was induced by fraud, mistake or duress to entrust the possession or custody of the receipt to such person, if the person to whom the receipt was negotiated, or a person to whom the receipt was subsequently negotiated, paid value therefor, without notice of the breach of duty, or fraud, mistake or duress.

Where the consignee of goods, clothed with *indicia* of title, stores them in a warehouse, takes receipts for them, and assigns the receipt to a *bona fide* purchaser for value, the latter will be protected, although the consignee was not the owner of the goods. *Farmers' Packing Co. v. Brown*, 87 Md. 10. (Based on art. 14, sec. 1, of the Code of 1904.)

If, however, the pledgee takes receipts upon the face of which the consignee is described as "*agent*," such description puts the pledgee on notice that such consignee is not the actual and *bona fide* owner. *Thurber v. Cecil Natl. Bank*, 52 Fed. 513. (Based on art. 14, sec. 1, of the Code of 1904.)

See sec. 58.

See notes to art. 14, sec. 38.