

5. Where the drawer has countermanded payment.

134. Notice of dishonor is not required to be given to an indorser in either of the following cases :

1. Where the drawee is a fictitious person or a person not having capacity to contract, and the indorser was aware of the fact at the time he indorsed the instrument ;

2. Where the indorser is the person to whom the instrument is presented for payment ;

3. Where the instrument was made or accepted for his accommodation.

135. Where due notice of dishonor by non-acceptance has been given, notice of a subsequent dishonor by non-payment is not necessary, unless in the meantime the instrument has been accepted.

136. An omission to give notice of dishonor by non-acceptance does not prejudice the rights of a holder in due course subsequent to the omission.

137. Where any negotiable instrument has been dishonored it may be protested for non-acceptance or non-payment, as the case may be ; but protest is not required, except in the case of foreign bills of exchange.

CHAPTER IX—Discharge of Negotiable Instruments.

138. A negotiable instrument is discharged :

1. By payment in due course by or on behalf of the principal debtor :

2. By payment in due course by the party accommodated, where the instrument is made or accepted for accommodation ;

3. By the intentional cancellation thereof by the holder ;

4. By any other act which will discharge a simple contract for the payment of money ;

5. When the principal debtor becomes the holder of the instrument at or after maturity in his own right.

139. A person secondarily liable on the instrument is discharged :