

(b) *the issuer may honor drafts or demands for payment drawn under the credit until it receives a notification of the assignment signed by the beneficiary which reasonably identifies the credit involved in the assignment and contains a request to pay the assignee; and*

(c) *after what reasonably appears to be such a notification has been received the issuer may without dishonor refuse to accept or pay even to a person otherwise entitled to honor until the letter of credit or advice of credit is exhibited to the issuer.*

(3) *Except where the beneficiary has effectively assigned his right to draw or his right to proceeds, nothing in this section limits his right to transfer or negotiate drafts or demands drawn under the credit.*

5—117. *Insolvency of Bank Holding Funds for Documentary Credit.*

(1) *Where an issuer or an advising or confirming bank, or a bank which has for a customer procured issuance of a credit by another bank becomes insolvent before final payment under the credit and the credit is one to which this Sub-title is made applicable by paragraphs (a) or (b) of Section 5—102 (1) on scope, the receipt or allocation of funds or collateral to secure or meet obligations under the credit shall have the following results:*

(a) *to the extent of any funds or collateral turned over after or before the insolvency as indemnity against or specifically for the purpose of payment of drafts or demands for payment drawn under the designated credit, the drafts or demands are entitled to payment in preference over depositors or other general creditors of the issuer or bank; and*

(b) *on expiration of the credit or surrender of the beneficiary's rights under it unused any person who has given such funds or collateral is similarly entitled to return thereof; and*

(c) *a charge to a general or current account with a bank if specifically consented to for the purpose of indemnity against or payment of drafts or demands for payment drawn under the designated credit falls under the same rules as if the funds had been drawn out in cash and then turned over with specific instructions.*

(2) *After honor or reimbursement under this section the customer or other person for whose account the insolvent bank has acted is entitled to receive the documents involved.*

Sub-title 6

Bulk Transfers

6—101. *Short Title.*

This Sub-title shall be known and may be cited as Uniform Commercial Code—Bulk Transfers.

6—102. *“Bulk Transfer”; Transfers of Equipment; Enterprises Subject to This Sub-title; Bulk Transfers Subject to this Sub-title.*

(1) *A “bulk transfer” is any transfer in bulk and not in the ordinary course of the transferor's business of a major part of the*