

IF A CHECK OR OTHER BILL OF EXCHANGE IS DRAWN BY A FIDUCIARY OR IN THE NAME OF HIS PRINCIPAL BY A FIDUCIARY EMPOWERED TO DRAW THE INSTRUMENT IN THE NAME OF HIS PRINCIPAL, PAYABLE TO THE FIDUCIARY PERSONALLY, OR PAYABLE TO A THIRD PERSON AND BY HIM TRANSFERRED TO THE FIDUCIARY, AND IS THEREAFTER TRANSFERRED BY THE FIDUCIARY, WHETHER IN PAYMENT OF A PERSONAL DEBT OF THE FIDUCIARY OR OTHERWISE, THE TRANSFEREE IS NOT BOUND TO INQUIRE WHETHER THE FIDUCIARY IS COMMITTING A BREACH OF HIS OBLIGATION AS FIDUCIARY IN TRANSFERRING THE INSTRUMENT, AND IS NOT CHARGEABLE WITH NOTICE THAT THE FIDUCIARY IS COMMITTING A BREACH OF HIS OBLIGATION AS FIDUCIARY UNLESS HE TAKES THE INSTRUMENT WITH ACTUAL KNOWLEDGE OF THE BREACH OR WITH KNOWLEDGE OF THE FACTS THAT HIS ACTION IN TAKING THE INSTRUMENT AMOUNTS TO BAD FAITH.

15-206. DEPOSIT IN NAME OF FIDUCIARY AS SUCH.

IF A DEPOSIT IS MADE IN A BANK TO THE CREDIT OF A FIDUCIARY, THE BANK IS AUTHORIZED TO PAY THE AMOUNT OF THE DEPOSIT OR ANY PART OF IT UPON THE CHECK OF THE FIDUCIARY, SIGNED WITH THE NAME IN WHICH THE DEPOSIT IS ENTERED, WITHOUT BEING LIABLE TO THE PRINCIPAL, UNLESS THE BANK PAYS THE CHECK WITH ACTUAL KNOWLEDGE THAT THE FIDUCIARY IS COMMITTING A BREACH OF HIS OBLIGATION AS FIDUCIARY IN DRAWING THE CHECK OR WITH KNOWLEDGE OF THE FACTS THAT ITS ACTION IN PAYING THE CHECK AMOUNTS TO BAD FAITH. IF, HOWEVER, THE CHECK IS PAYABLE TO THE DRAWEE BANK AND IS DELIVERED TO IT IN PAYMENT OF OR AS SECURITY FOR A PERSONAL DEBT OF THE FIDUCIARY TO IT, THE BANK IS LIABLE TO THE PRINCIPAL IF THE FIDUCIARY IN FACT COMMITS A BREACH OF HIS OBLIGATION AS FIDUCIARY IN DRAWING OR DELIVERING THE CHECK.

15-207. DEPOSIT IN NAME OF PRINCIPAL.

IF A CHECK IS DRAWN UPON THE ACCOUNT OF HIS PRINCIPAL IN A BANK BY A FIDUCIARY WHO IS EMPOWERED TO DRAW CHECKS UPON THE ACCOUNT OF THE PRINCIPAL, THE BANK IS AUTHORIZED TO PAY THE CHECK WITHOUT BEING LIABLE TO THE PRINCIPAL, UNLESS THE BANK PAYS THE CHECK WITH ACTUAL KNOWLEDGE THAT THE FIDUCIARY IS COMMITTING A BREACH OF HIS OBLIGATION AS FIDUCIARY IN DRAWING THE CHECK, OR WITH KNOWLEDGE OF THE FACTS THAT ITS ACTION IN PAYING THE CHECK AMOUNTS TO BAD FAITH. IF, HOWEVER, THE CHECK IS PAYABLE TO THE DRAWEE BANK AND IS DELIVERED TO IT IN PAYMENT OF OR AS SECURITY FOR A PERSONAL DEBT OF THE FIDUCIARY TO IT, THE BANK IS LIABLE TO THE PRINCIPAL IF THE FIDUCIARY IN FACT COMMITS A BREACH OF HIS OBLIGATION AS FIDUCIARY IN DRAWING OR DELIVERING THE CHECK.

15-208. DEPOSIT IN PERSONAL ACCOUNT OF FIDUCIARY.