

(3) An indorsement is effective for negotiation only when it conveys the entire instrument or any unpaid residue. If it purports to be of less it operates only as a partial assignment.

(4) Words of assignment, condition, waiver, guaranty, limitation or disclaimer of liability and the like accompanying an indorsement do not affect its character as an indorsement.

3-203. Wrong or misspelled name.

Where an instrument is made payable to a person under a misspelled name or one other than his own he may indorse in that name or his own or both; but signature in both names may be required by a person paying or giving value for the instrument.

3-204. Special indorsement; blank indorsement.

(1) A special indorsement specifies the person to whom or to whose order it makes the instrument payable. Any instrument specially indorsed becomes payable to the order of the special indorsee and may be further negotiated only by his indorsement.

(2) An indorsement in blank specifies no particular indorsee and may consist of a mere signature. An instrument payable to order and indorsed in blank becomes payable to bearer and may be negotiated by delivery alone until specially indorsed.

(3) The holder may convert a blank indorsement into a special indorsement by writing over the signature of the indorser in blank any contract consistent with the charter of the indorsement.

3-205. Restrictive indorsement.

An indorsement is restrictive which either

(a) Is conditional; or

(b) Purports to prohibit further transfer of the instrument; or

(c) Includes the words "for collection," "for deposit," "pay any bank," or like terms signifying a purpose of deposit or collection; or

(d) Otherwise states that it is for the benefit or use of the indorser or of another person.

3-206. Effect of restrictive indorsement.