

GENERAL INFORMATION

RELATIONS BETWEEN A BANK AND ITS CUSTOMERS

OPENING AN ACCOUNT.

The identification and reference, however, being satisfactory the prospective customer is given a pass book or account book, writes his signature in a book kept for that purpose, is made known to the receiving and paying tellers, makes his first deposit and is then a full fledged customer and depositor of the bank.

[illegible]

COLLECTIONS.

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STATEMENTS AND BALANCES.

NEGOTIABLE PAPER.

A written order or promise may be perfectly valid as a contract; but it will not be negotiable unless certain requisites are complied with. The following requisites are indispensable: It must be written; must be signed; it must be absolute, not depending upon any contingency; it must be to pay money in a certain amount or in an amount capable of being certain by computation; the time of payment must be certain or such as will become certain when no 't' as is expressed, the law implies that payment is due immediately; lastly, the order or promise must be accompanied by words of negotiability—that is payable to a certain payee's order or to bearer.

Demand of payment for a note must be made at the place where it is payable, and the holder must not pay outside that locality, be he the endorser, otherwise, in a majority of the States, all endorsers are discharged. The demand must be made at the place designated in the note, but it will be considered as made if the note is not dated with a time and is *prima facie* evidence of the time of making. When a note falls due at a certain time, it is not necessary that the demand should be made at a certain time, but it is a condition that the demand should be made at a certain time, and it is a condition that the demand should be made at a certain time, and it is a condition that the demand should be made at a certain time.

BILLS OF EXCHANGE

A "bill of exchange" is an open letter or order whereby one person requests another to pay to a third party (or order) nearly a certain fixed sum of money. They are of two kinds, the inland and foreign bills, the names of which imply the difference between them. The three parties to the bill are called the Drawer, Drawee and Payee. The bill must be presented to the Drawee, and he agrees to obey the order he "accepts" the bill by writing the word "accept" and a signature across the bill below it—and thus becomes the "Acceptor." The instrument is usually made negotiable and the payee can transfer it to others by endorsement, which method of transfer may go indefinitely.

CHICAGO, ILL., June 1, 1894.

Sixty days after sight pay to John Sims, or order, Six Hundred Dollars,
and charge same to my account.

To HENRY HOLT & Co.
Boston, Mass.

JOHN DOZ.

[illegible]

At sight (or so many days after sight as the case may be) pay to the order of ——— Bank One Thousand Dollars and charge to my account.

[illegible]

Every check, draft, bill of exchange, note or other negotiable instrument which is made payable to a certain "payee or order" must bear the endorsement of the party named, to pass the title, and even in cases when they are made payable to "bearer" it is generally customary for the party to whom a transfer is made to require the person from whom he secures it to place his endorsement thereon.

passes the title to the instrument, and, from that time on, it becomes payable to bearer, and the title passes with delivery, until some subsequent holder sees fit to limit it by making it payable to some other payee, or places some other qualification or condition in the endorsement. When a negotiable instrument bearing a "blank endorsement," has once been placed in circulation, any subsequent holder of it has the right to limit or restrict its negotiability, by making it his own endorsement, or, by writing over the endorsement of the original party, words making it payable to himself or some other party, "or order." This point has been decided by the supreme courts of several of the States.

The endorsement may be restricted or qualified in a number of ways:

other certain payee or order. To do this, the endorser writes on the back of the instrument, the directions, as: "Pay to John Sims, or order," and places his signature below it. This does not limit his liability as an endorser, but the title to the instrument must thereafter pass through John Sims, and must bear his endorsement before it will be cashed.