**§3-1404. Impostors; fictitious payees**

**(1).**  If an impostor by use of the mails or otherwise induces the issuer of an instrument to issue the instrument to the impostor, or to a person acting in concert with the impostor, by impersonating the payee of the instrument or a person authorized to act for the payee, an indorsement of the instrument by any person in the name of the payee is effective as the indorsement of the payee in favor of a person who in good faith pays the instrument or takes it for value or for collection.

[PL 1993, c. 293, Pt. A, §2 (NEW).]

**(2).**  If a person whose intent determines to whom an instrument is payable pursuant to section 3‑1110, subsection (1) or (2) does not intend the person identified as payee to have any interest in the instrument or the person identified as payee of an instrument is a fictitious person, the following rules apply until the instrument is negotiated by special indorsement.

(a). Any person in possession of the instrument is its holder. [PL 1993, c. 293, Pt. A, §2 (NEW).]

(b). An indorsement by any person in the name of the payee stated in the instrument is effective as the indorsement of the payee in favor of a person who, in good faith, pays the instrument or takes it for value or for collection. [PL 1993, c. 293, Pt. A, §2 (NEW).]

[RR 2021, c. 2, Pt. A, §17 (COR).]

**(3).**  Under subsection (1) or (2), an indorsement is made in the name of a payee if:

(a). It is made in a name substantially similar to that of the payee; or [PL 1993, c. 293, Pt. A, §2 (NEW).]

(b). The instrument, whether or not indorsed, is deposited in a depositary bank to an account in a name substantially similar to that of the payee. [PL 1993, c. 293, Pt. A, §2 (NEW).]

[PL 1993, c. 293, Pt. A, §2 (NEW).]

**(4).**  With respect to an instrument to which subsection (1) or (2) applies, if a person paying the instrument or taking it for value or for collection fails to exercise ordinary care in paying or taking the instrument and that failure substantially contributes to loss resulting from payment of the instrument, the person bearing the loss may recover from the person failing to exercise ordinary care to the extent the failure to exercise ordinary care contributed to the loss.

[PL 1993, c. 293, Pt. A, §2 (NEW).]

SECTION HISTORY

PL 1993, c. 293, §A2 (NEW). RR 2021, c. 2, Pt. A, §17 (COR).

The State of Maine claims a copyright in its codified statutes. If you intend to republish this material, we require that you include the following disclaimer in your publication:

*All copyrights and other rights to statutory text are reserved by the State of Maine. The text included in this publication reflects changes made through the Second Regular Session of the 131st Legislature and is current through October 15, 2024
 . The text is subject to change without notice. It is a version that has not been officially certified by the Secretary of State. Refer to the Maine Revised Statutes Annotated and supplements for certified text.*

The Office of the Revisor of Statutes also requests that you send us one copy of any statutory publication you may produce. Our goal is not to restrict publishing activity, but to keep track of who is publishing what, to identify any needless duplication and to preserve the State's copyright rights.

PLEASE NOTE: The Revisor's Office cannot perform research for or provide legal advice or interpretation of Maine law to the public. If you need legal assistance, please contact a qualified attorney.