In addition to providing a far greater coverage than the Uniform Sales Act, article 2 has several noteworthy features including, among others, the application of stricter rules to a merchant (a professional in business), the recognition of a contract of sale whenever it is clear that the parties have intended to be bound the deemphasizing of the passage-of-title concept in favor of specific provisions covering the rights and duties of buyer and seller, the elimination of the effect of seals with respect to contracts of sale, the providing that amendments to contracts of sale need no consideration, and the permitting of open price agreements.

Article 3

This article would replace the Uniform Negotiable Instruments Act (NIL) as contained in chapters 1 through 10 of title 28 of the District of Columbia Code.

The law pertaining to commercial paper of the short-term type, like checks, drafts, certificates of deposit and promissory notes, has been completely rewritten in modern commercial language, conforming to the remainder of the UCC. Numerous conflicting judicial interpretations, which have developed concerning provisions of NIL over the last 65 years, have been eliminated in the drafting of article 3. The parts of NIL dealing with negotiation of securities have been transferred to article 8 on "Investment Securities."

Interesting features of article 3 are: a cause of action on a demand certificate of deposit accrues on demand thus preventing loss to the depositor by the running of the statute of limitations prior to demand; a forger or unauthorized signer is liable on a negotiable instrument; presentment of a check may be made within thirty days (after date or issue) to charge the drawer and seven days (after endorsement) to charge an endorser; the drawer of a check or draft is released only to the extent that he is injured by failure to give him prompt notice of dishonor; the requirement of protest is eliminated except for checks and drafts drawn or payable outside the United States; presentment and notice of dishonor are simplified; and instruments not negotiable because not payable to order or bearer are covered by article 3 other than the provisions relating to holders in due course.

Article 4

This article, dealing with bank deposits and collections, does not replace any uniform act, and covers a branch of commercial law for which there is virtually no statutory counterpart in the District of Columbia aside from several relatively small sections of the District of Columbia Code.

Article 4, which is of tremendous importance to banks and all customers of banks, codifies in relatively simplified form the law pertaining to the handling of the vast number of collection items which are processed daily by banks and to the relations between a customer and his bank. Article 4 is of course integrated with article 3 dealing with negotiable instruments and article 8 dealing with investment securities.

The sections of article 4 mentioned below are of interest but are not intended to represent full coverage of that article.

Section 4–103 expressly permits the provisions of article 4 to be varied by agreement between a bank and its customer except that no agreement can disclaim a bank's responsibility for its own lack of good faith or failure to exercise ordinary care or can limit the measure of damages for such lack or failure.

Section 4–206 permits banks to make agreements for the transfer of checks and other items among themselves without formal endorsement, thus making it possible for banks to eliminate on checks the often illegible group of overlapping indorsements.

Section 4–213, in prescribing rules for determining the time of final payment by a drawee bank of a check or other item, reconciles conflicting judicial opinions on this often disputed matter in the light of present-day banking practices.

Sections 4–301 and 302 dealing with deferred posting, together with sections 4–106 and 4–107, although more detailed, leave substantially unchanged section 27–714a of the District of Columbia Code dealing with the same subject.

Section 4–402 imposes liability upon a bank for damages proximately caused by the wrongful dishonor of a check or other item, and, when dishonor occurs through mistake, limits liability to actual damage. Section 4–402 would supplant section 28–1009 of the District of Columbia Code which states that no bank shall be liable to a depositor for nonpayment of a check, etc. through mistake without malice unless the depositor shall prove actual damage, limiting liability to the amount of damage proved.

Section 4–403 authorizes a customer to stop payment on a check or other item and would supplant section 28–1011 of the District of Columbia Code. This