# TITLE 5 UNIFORM COMMERCIAL CODE

**LIST OF SECTIONS AFFECTED (WITH DATES)**
**SEPT. 1, 2007 – DEC. 31, 2010**
standard type: amended section; **bold** type: new or reenacted section;
~~strikeout~~ type: repealed section; underlined type: renumbered section; *italics* type: corrected section

| Title | § | PL/LL & Section # | Eff'v Date |
|---|---|---|---|

# DIVISION 1 GENERAL PROVISIONS

## CHAPTER 1. SHORT TITLE, CONSTRUCTION, APPLICATION AND SUBJECT MATTER OF THE ACT.

### § 1101. Short Title.

**Case Annotations:** *Triple J Saipan, Inc. v. Sanchez*, 2007 MP 23, 7 N.M.I.500 (2007).

**UNIFORM COMMERCIAL CODE**

**Holder in Due Course**
Under the Uniform Commercial Code of the Northern Mariana Islands, 5 CMC § 1101, *et seq.,* appellee may recover the value of checks he received if he is a holder in due course. A holder in due course is one who takes the instrument for value, in good faith, and without notice that it is overdue, has been dishonored, or of any defense against or claim to it on the part of any person. 5 CMC § 1101, *et seq.*; 5 CMC § 3302(1). *Yang Jae Oh v. Angel Ent., Inc.*, 2000 MP 6 ¶ 12, 6 N.M.I. 92, 95 (2000).

– **Transfer of Security**
Under the Uniform Commercial Code of the Northern Mariana Islands, 5 CMC § 1101, *et seq.,* transfer of a certificated security is effectuated by indorsement and delivery. 5 CMC § 1101, *et seq*. *In re Estate of Yong Kyun Kim*, 2001 MP 22 ¶ 11, 6 N.M.I. 343, 345 (2001).

## CHAPTER 2. GENERAL DEFINITIONS AND PRINCIPLES OF INTERPRETATION.

### § 1201. General Definitions.

**Case Annotations:** *In re Estate of Yong Kyun Kim,* 2001 MP 22, 6 N.M.I. 343 (2001); *Yang Jae Oh v. Angel Ent., Inc*., 2000 MP 6, 6 N.M.I. 92 (2000).

# DIVISION 2 SALES

## CHAPTER 3. GENERAL OBLIGATION AND CONSTRUCTION OF CONTRACT.

### § 2314. Implied Warranty: Merchantability; Usage of Trade.

**Case Annotations:** *Triple J Saipan, Inc. v. Agulto*, 2002 MP 11, 6 N.M.I. 419 (2002).

### § 2316. Exclusion or Modification of Warranties.

**Case Annotations:** *Triple J Saipan, Inc. v. Agulto*, 2002 MP 11, 6 N.M.I. 419 (2002).

# DIVISION 3 COMMERCIAL PAPER

## CHAPTER 1. SHORT TITLE, FORM AND INTERPRETATION.

### § 3101. Short Title.

**Case Annotations:** *Yang Jae Oh v. Angel Ent., Inc*., 2000 MP 6, 6 N.M.I. 92 (2000).

### § 3104. Form of Negotiable Instruments; "Draft"; "Check"; "Certificate of Deposit"; "Note."

**Case Annotations:** *Yang Jae Oh v. Angel Ent., Inc*., 2000 MP 6, 6 N.M.I. 92 (2000).

## CHAPTER 3. RIGHTS OF A HOLDER.

### § 3302. Holder in Due Course.

**Case Annotations:**

**UNIFORM COMMERCIAL CODE**

**Holder in Due Course**
Under the Uniform Commercial Code of the Northern Mariana Islands, 5 CMC § 1101, *et seq.,* appellee may recover the value of checks he received if he is a holder in due course. A holder in due course is one who takes the instrument for value, in good faith, and without notice that it is overdue, has been dishonored, or of any defense against or claim to it on the part of any person. 5 CMC § 1101, *et seq.*; 5 CMC § 3302(1). *Yang Jae Oh v. Angel Ent., Inc.*, 2000 MP 6 ¶ 12, 6 N.M.I. 92, 95 (2000).

### § 3303. Taking for Value.

**Case Annotations:**

**UNIFORM COMMERCIAL CODE**

**Holder in Due Course**
A holder takes for value when he takes a check in payment of an antecedent debt. 5 CMC § 3303(b). *Yang Jae Oh v. Angel Ent., Inc.*, 2000 MP 6 ¶ 14, 6 N.M.I. 92, 95 (2000).

### § 3304. Notice to Purchaser.

**Case Annotations:** *Yang Jae Oh v. Angel Ent., Inc.*, 2000 MP 6, 6 N.M.I. 92 (2000).

### § 3306. Rights of One Not Holder in Due Course.

**Case Annotations:** *Yang Jae Oh v. Angel Ent., Inc.*, 2000 MP 6, 6 N.M.I. 92 (2000).

## CHAPTER 4. LIABILITY OF PARTIES.

### § 3404. Unauthorized Signatures.

**Case Annotations:** *Yang Jae Oh v. Angel Ent., Inc.*, 2000 MP 6, 6 N.M.I. 92 (2000).

# DIVISION 4 BANK DEPOSITS AND COLLECTIONS

## CHAPTER 1. GENERAL PROVISIONS AND DEFINITIONS.

### § 4103. Variation by Agreement; Measure of Damages; Certain Action Constituting Ordinary Care.

**Case Annotations:** *Demapan v. Bank of Guam*, 2006 MP 16, 7 N.M.I. 331 (2006).

# DIVISION 8 INVESTMENT SECURITIES

## CHAPTER 1. SHORT TITLE AND GENERAL MATTERS.

### § 8102. Definitions and Index of Definitions.

**Case Annotations:** *In re Estate of Yong Kyun Kim*, 2001 MP 22, 6 N.M.I. 343 (2001).

### § 8105. Certificate Securities Negotiable; Statements and Instructions Not Negotiable; Presumptions.

**Case Annotations:** *In re Estate of Yong Kyun Kim*, 2001 MP 22, 6 N.M.I. 343 (2001).

# DIVISION 9 SECURED TRANSACTIONS; SALES OF ACCOUNTS AND CHATTEL PAPER

# CHAPTER 5. DEFAULT.

## § 9504. Secured Party's Right to Dispose of Collateral After Default; Effect of Disposition.

**Case Annotations:**

**REMEDIES**

**Equitable Remedies, Generally**
In the Commonwealth, deficiency judgments are denied where a creditor fails to provide reasonable notice of the resale of collateral. The absolute bar rule is easily administered, and provides incentive for creditors to comply with the notice requirements of 5 CMC § 9504(3). The absolute bar rule still applies to notice situations. *Triple J Saipan, Inc. v. Sanchez*, 2007 MP 23 ¶ 24, 7 N.M.I. 500, 505 (2007).

## § 9507. Secured Party's Liability for Failure to Comply With This Chapter.

**Case Annotations:**

**CONTRACTS**

**Creditors**

– **Generally**
5 CMC § 9507(1) is not a debtor's exclusive remedy for a creditor's failure to comply with the Code's requirements of commercial reasonableness and notice. Section 9507(1) is supplemental to remedies otherwise accorded to the debtor because the Code's drafters must have been aware of the existing remedies available to the injured debtor under prevailing commercial law. The absence of language making its provisions explicitly exclusive implies that it was not intended to supersede supplemental remedies under general principles of law and equity. *Triple J Saipan, Inc. v. Sanchez*, 2007 MP 23 ¶ 19, 7 N.M.I. 500, 505 (2007).