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Partnerships

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check was improper, and the bank was required to credit the amount back to the drawer, the bank, in effect, paid defendant from its own funds, not plaintiff's. Consequently, plaintiff's funds were intact, and he suffered no loss.

WARRANTIES OF QUALIFIED INDORSER: FORGERY

Ohio Revised Code section 1307.67(A)² provides that a person negotiating an instrument by a qualified indorsement warrants that the instrument is genuine and in all respects what it purports to be. In *United States Finance Company v. Ohio Home Service, Incorporated*,³ the court held correctly that defendant, who indorsed the note to plaintiff without recourse (a qualified indorsement), was liable for breach of the warranty of genuineness inasmuch as the person who made the note forged the name of another person as maker.

At the end of the opinion the court remarked that an indorsement without recourse does not relieve the defendant of his obligation as an indorser under the negotiable instruments law. Actually, such an indorsement does relieve the indorser of his indorser's obligation,⁴ and he is liable only for breach of warranty. The difference is well brought out in *First Discount Corporation v. Sutton*,⁵ where the court pointed out that the qualified indorser is not liable for the amount of the note, as the unqualified indorser is, but is liable only for the loss suffered by plaintiff because of the breach of warranty. This distinction must have been known to the lawyers for the plaintiff in the *Ohio Home Service* case, for their action was based accordingly, and they did not ask for the face amount of the note, but rather for the amount paid out by plaintiff.

FLETCHER R. ANDREWS

PARTNERSHIPS

Because of the lack of significant opinions rendered on Partnerships during the period covered by this survey, Mr. Hugh Ross has not submitted an article this year.

THE EDITORS

1. 163 N.E.2d 913 (Ohio Ct. App. 1960).
2. UNIFORM NEGOTIABLE INSTRUMENTS LAW § 65 (1).
3. 165 N.E.2d 652 (Ohio Ct. App. 1960).
4. OHIO REV. CODE § 1301.40; UNIFORM NEGOTIABLE INSTRUMENTS LAW § 38; BRITTON, BILLS AND NOTES § 246 (1943).
5. 96 Ohio App. 256, 121 N.E.2d 657 (1954).