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When a signature on a bill is forged, no rights ~~can~~ ^{must any party} ~~retain the bill can be exercised~~ ^{there is} under that signature by a person who acquired it or became a party to it. Provided that ^{the bill} ~~the bill~~ payable to order or demand is drawn on a bank and such bank pays the bill in good faith ~~that he is deemed to have~~ ^{he is deemed to have} paid it in due course although ~~the bill~~ ^{the bill} ~~is forged~~ ^{is forged} or any subsequent indorsement ~~is~~ ^{has been} forged.

~~Illustration.~~ ^{Illustration.} ~~A bill is payable to the order of~~ ^{A bill is payable to the order of} A. B having ~~the bill~~ ^{the bill} ~~indorses it to~~ ^{indorses it to} C by means of a false signature. ~~C has no right against~~ ^{C has no right against} A and C indorses the bill with his own genuine signature to D. ~~D and C would have been holders in good faith~~ ^{D and C would have been holders in good faith} ~~However they acquire no right to under the signature of~~ ^{However they acquire no right to under the signature of} B, ~~that is to say~~ ^{that is to say} C acquires no title to the bill and cannot claim ~~payment~~ ^{payment} or receive ~~from any party~~ ^{from any party}. ~~For payment or bill of exchange to the order of A~~ ^{For payment or bill of exchange to the order of A} ~~the Bank~~ ^{the Bank} ~~is paid by the Bank; payment is made to the Bank~~ ^{is paid by the Bank; payment is made to the Bank} ~~that the account of N (drawer) even though there~~ ^{that the account of N (drawer) even though there} ~~is a false indorsement.~~ ^{is a false indorsement.}