

TITLE 5: UNIFORM COMMERCIAL CODE
DIVISION 3: COMMERCIAL PAPER

§ 3406. Negligence Contributing to Alteration or Unauthorized Signature.

Any person who by his negligence substantially contributes to a material alteration of the instrument or to the making of an unauthorized signature is precluded from asserting the alteration or lack of authority against a holder in due course or against a drawee or other payor who pays the instrument in good faith and in accordance with the reasonable commercial standards of the drawee's or payor's business.

Source: PL 3-56, § 1 (§ 3406).