

**MARYLAND**

**NOTICE OF DISHONORED CHECK**

[DATE]

[NAME OF ISSUER]

[STREET ADDRESS]

[CITY AND STATE]

You are notified that a check numbered \_\_\_\_\_ and dated \_\_\_\_\_, drawn on the bank \_\_\_\_\_ in the amount of \$ \_\_\_\_\_ has been returned unpaid with the notation the payment has been refused because of insufficient funds.

Within 30 days from the mailing of this notice, you must pay to [XYZ COPORATION] the full amount of the check and a collection fee of \$35.00, the total amount due being \$\_\_\_\_\_. If payment of the above amount is not made within 30 days of the mailing of this notice, you will be liable under §15-802 of the Commercial Law Article, in addition to the amount of the check or instrument and collection fee of \$35.00, for an amount up to two times the amount of the check or instrument, but not more than \$1,000. In addition, you may be prosecuted under the Maryland Criminal Code (Article 27, §§§§ 140 through 144) and subject to the following penalties:

- (1) If the property or services has a value of \$500 or more, a fine not exceeding \$1,000 or imprisonment not exceeding 15 years, or both;
- (2) If the property or services has a value of less than \$500, a fine not exceeding \$100 or imprisonment not exceeding 18 months, or both.

It shall be a complete defense to any action brought by any holder under §15-802 of the Commercial Law Article that, within 30 days from the mailing of the Notice of Dishonored Check, the maker or drawer has paid XYZ CORPORATION the full amount of the check and collection costs of not more than \$35. XYZ CORPORATION may not recover any damages if the holder has demanded of, and received from, the maker or drawer collection costs exceeding \$35.

It shall be a complete defense to any action brought by any holder under §15-802 of the Commercial Law Article that the dishonor of the check or other instrument was due to a justifiable stop payment order or to the attachment of the account.

In any action under §15-802 of the Commercial Law Article brought by XYZ Corporation, the action is subject to all valid defenses that may be raised under Title 3 of the Commercial Law Article.

Sincerely,

[YOUR NAME]

[YOUR TITLE]

[XYZ COPORTTION]

[ADDRESS]

[YOUR PHONE NUMBER]

[YOUREMAIL@YOURCOMPANY.COM]