§3-1202. Negotiation subject to rescission

(1). Negotiation is effective even if obtained:

(a). From an infant, a corporation exceeding its powers or a person without capacity; [PL 1993, c. 293, Pt. A, §2 (NEW).]

(b). By fraud, duress or mistake; or [PL 1993, c. 293, Pt. A, §2 (NEW).]

(c). In breach of duty or as part of an illegal transaction. [PL 1993, c. 293, Pt. A, §2 (NEW).]
[PL 1993, c. 293, Pt. A, §2 (NEW).]

(2). To the extent permitted by other law, negotiation may be rescinded or may be subject to other remedies, but those remedies may not be asserted against a subsequent holder in due course or a person paying the instrument in good faith and without knowledge of facts that are a basis for rescission or other remedy.
[PL 1993, c. 293, Pt. A, §2 (NEW).]

SECTION HISTORY

PL 1993, c. 293, §A2 (NEW).

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