336.3-202 MS 1990 [Repealed, 1992 c 565 s 114]

336.3-202 NEGOTIATION SUBJECT TO RESCISSION.

- (a) Negotiation is effective even if obtained (i) from an infant, a corporation exceeding its powers, or a person without capacity, (ii) by fraud, duress, or mistake, or (iii) in breach of duty or as part of an illegal transaction.
- (b) To the extent permitted by other law, negotiation may be rescinded or may be subject to other remedies, but those remedies may not be asserted against a subsequent holder in due course or a person paying the instrument in good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.

History: 1992 c 565 s 23

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