

70A-3-202 Negotiation subject to rescission.

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- (2) To the extent permitted by other law, negotiation may be rescinded or may be subject to other remedies, but those remedies may not be asserted against a subsequent holder in due course or a person paying the instrument in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

Repealed and Re-enacted by Chapter 237, 1993 General Session