

TITLE 5: UNIFORM COMMERCIAL CODE
DIVISION 3: COMMERCIAL PAPER

§ 3207. Negotiation Effective Although It May Be Rescinded.

(1) Negotiation is effective to transfer the instrument although the negotiation is:

- (a) Made by an infant, a corporation exceeding its powers, or any other person without capacity; or
- (b) Obtained by fraud, duress or mistake of any kind; or
- (c) Part of an illegal transaction; or
- (d) Made in breach of duty.

(2) Except as against a subsequent holder in due course such negotiation is in an appropriate case subject to rescission, the declaration of a constructive trust or any other remedy permitted by law.

Source: PL 3-56, § 1 (§ 3207).