

VALUE AND WITHOUT NOTICE OF FORGERY OR MATERIAL FRAUD AFTER THE OBLIGATION WAS INCURRED BY THE ISSUER OR NOMINATED PERSON; AND

(2) THE ISSUER, ACTING IN GOOD FAITH, MAY HONOR OR DISHONOR THE PRESENTATION IN ANY OTHER CASE.

(B) IF AN APPLICANT CLAIMS THAT A REQUIRED DOCUMENT IS FORGED OR MATERIALLY FRAUDULENT OR THAT HONOR OF THE PRESENTATION WOULD FACILITATE A MATERIAL FRAUD BY THE BENEFICIARY ON THE ISSUER OR APPLICANT, A COURT OF COMPETENT JURISDICTION MAY TEMPORARILY OR PERMANENTLY ENJOIN THE ISSUER FROM HONORING A PRESENTATION OR GRANT SIMILAR RELIEF AGAINST THE ISSUER OR OTHER PERSONS ONLY IF THE COURT FINDS THAT:

(1) THE RELIEF IS NOT PROHIBITED UNDER THE LAW APPLICABLE TO AN ACCEPTED DRAFT OR DEFERRED OBLIGATION INCURRED BY THE ISSUER;

(2) A BENEFICIARY, ISSUER, OR NOMINATED PERSON WHO MAY BE ADVERSELY AFFECTED IS ADEQUATELY PROTECTED AGAINST LOSS THAT IT MAY SUFFER BECAUSE THE RELIEF IS GRANTED;

(3) ALL OF THE CONDITIONS TO ENTITLE A PERSON TO THE RELIEF UNDER THE LAW OF THIS STATE HAVE BEEN MET; AND

(4) ON THE BASIS OF THE INFORMATION SUBMITTED TO THE COURT, THE APPLICANT IS MORE LIKELY THAN NOT TO SUCCEED UNDER ITS CLAIM OF FORGERY OR MATERIAL FRAUD AND THE PERSON DEMANDING HONOR DOES NOT QUALIFY FOR PROTECTION UNDER SUBSECTION (A)(1) OF THIS SECTION.

5-110. WARRANTIES.

(A) IF ITS PRESENTATION IS HONORED, THE BENEFICIARY WARRANTS:

(1) TO THE ISSUER, ANY OTHER PERSON TO WHOM PRESENTATION IS MADE, AND THE APPLICANT THAT THERE IS NO FRAUD OR FORGERY OF THE KIND DESCRIBED IN § 5-109(A) OF THIS TITLE; AND

(2) TO THE APPLICANT THAT THE DRAWING DOES NOT VIOLATE ANY AGREEMENT BETWEEN THE APPLICANT AND BENEFICIARY OR ANY OTHER AGREEMENT INTENDED BY THEM TO BE AUGMENTED BY THE LETTER OF CREDIT.

(B) THE WARRANTIES IN SUBSECTION (A) OF THIS SECTION ARE IN ADDITION TO WARRANTIES ARISING UNDER TITLES 3, 4, 7, AND 8 OF THIS ARTICLE BECAUSE OF THE PRESENTATION OR TRANSFER OF DOCUMENTS COVERED BY ANY OF THOSE TITLES.

5-111. REMEDIES.

(A) IF AN ISSUER WRONGFULLY DISHONORS OR REPUDIATES ITS OBLIGATION TO PAY MONEY UNDER A LETTER OF CREDIT BEFORE PRESENTATION, THE BENEFICIARY, SUCCESSOR, OR NOMINATED PERSON PRESENTING ON ITS OWN BEHALF MAY RECOVER FROM THE ISSUER THE AMOUNT THAT IS THE SUBJECT OF THE DISHONOR OR REPUDIATION. IF THE ISSUER'S OBLIGATION UNDER THE