

The California Corporations Code of 1968 Section 25501.5 (as set forth below) provides investors with the ability to seek relief where the investor purchased a security through a person who is required to be a licensed broker but is not so registered.

California Corporation Code § 25501.5. Action for rescission or damages

(a)(1) A person who purchases a security from or sells a security to a broker-dealer that is required to be licensed and has not, at the time of the sale or purchase, applied for and secured from the commissioner a certificate under Part 3 (commencing with [Section 25200](#)), that is in effect at the time of the sale or purchase authorizing that broker-dealer to act in that capacity, may bring an action for rescission of the sale or purchase or, if the plaintiff or the defendant no longer owns the security, for damages.

(2) Upon rescission and tender of the security, a purchaser may recover the consideration paid for the security plus interest at the legal rate, less the amount of any income received on the security.

(3) Upon rescission and tender of the consideration paid for the security plus interest at the legal rate, a seller may recover the security plus the amount of any income received by the defendant on the security.

(4) Damages recoverable under this section by a purchaser shall be an amount equal to the difference between the following:

(A) The price at which the security was bought plus interest at the legal rate from the date of purchase.

(B) The value of the security at the time it was disposed of by the plaintiff plus the amount of any income received on the security by the plaintiff.

(5) Damages recoverable under this section by a seller shall be an amount equal to the difference between the following:

(A) The value of the security at the time of the filing of the complaint plus the amount of any income received by the defendant on the security.

(B) The price at which the security was sold plus interest at the legal rate from the date of sale.

(6) A tender of a security or of consideration paid for a security plus interest pursuant to this section may be made at any time before entry of judgment.

(b) The court, in its discretion, may award reasonable attorney's fees and costs to a prevailing plaintiff under this section.