



California Corporate & Securities Law

More On Privity And Section 25500

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In this May 10, 2011 [post](#), I wrote that U.S. District Court Judge Jeffrey S. White had ruled that privity is required under Section 25500. *Louisiana Pacific Corp. v. Money Mkt. 1 Institutional Inv. Dealer*, Fed. Sec. L. Rep. (CCH) P96,262 (March 28, 2011). I noted, however, that the leading treatise on California's securities laws had stated the opposite. Harold Marsh Jr. & Robert H.Volk, *Practice Under the California Securities Laws* § 14.05[5].[\[1\]](#)

In the case that I wrote about yesterday, *In re Nuveen Funds/City of Alameda* 2011 U.S. Dist. LEXIS 52135 (N.D. Cal. May 16, 2011), Judge Susan Illston held that privity is not a requirement under Section 25500. In support, Judge Illston cites *California Amplifier Inc. v. RLI Ins. Co.*, 94 Cal. App. 4th 102, 109 (2001).

[\[1\]](#) I am a practice consultant for *Practice Under the California Securities Laws*. However, my compensation is not based on sales of the book.

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