

(a) (1) A person is civilly liable to the person buying a security from him if he:

(i) Offers or sells the security in violation of [ §§ 11-304(b), 11-401, or 11-501 ] § 11-304(B), § 11-401, OR § 11-501 of this title, or of any rule or order under § 11-205 of this title which requires the affirmative approval of sales literature before it is used; or

(ii) Offers or sells the security by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading, the buyer not knowing of the untruth or omission, and if he does not sustain the burden of proof that he did not know, and in the exercise of reasonable care could not have known, of the untruth or omission.

(2) A person is civilly liable to the person selling a security to him if he:

(i) Offers to purchase or purchases the security in violation of [ §§ 11-902, 11-903, 11-904, or 11-905 ] § 11-902, § 11-903, § 11-904, OR § 11-905 of this title; or

(ii) Offers to purchase or purchases the security by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading, the seller not knowing of the untruth or omission, and if he does not sustain the burden of proof that he did not know, and in the exercise of reasonable care could not have known, of the untruth or omission.

DRAFTER'S NOTE:

Error: Stylistic errors in § 11-703(a)(1)(i) and (2)(i) of the Corporations and Associations Article.

Occurred: Stylistic error in subsection (a)(1)(i) occurred in Ch. 311, Acts of 1975; stylistic error in subsection (a)(2)(i) occurred in Ch. 615, Acts of 1976.

(i) The rights and remedies provided by this title are in addition to any other rights or remedies that may exist at law or in equity, but this title does not create any cause of action not specified in this section or § 11-410 [or § 11-906] of this title.

DRAFTER'S NOTE:

Error: Obsolete cross-reference in § 11-703(i) of the