

# Current Efforts In Consumer Protection In the Business-Investment Area

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In recent years, we have seen a plethora of efforts at laws and regulations aimed at the protection of consumers. Phrases such as "truth in lending" and "truth in advertising" have become common in the jargon of present day legislative efforts. *Caveat emptor* has been revised in an effort to protect what has been typically described as the poor or unsophisticated buyer in today's complicated commercial world.

California has many laws which can be generally included in the description contained in the above paragraph. California has laws regulating transactions in retail installment credit,<sup>1</sup> the sale of automobiles,<sup>2</sup> and unfair trade practices.<sup>3</sup> There are laws regulating the nature of advertising in virtually every licensed business and profession,<sup>4</sup> in the sale of insurance,<sup>5</sup> real estate,<sup>6</sup> and corporate se-

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Note, the opinions expressed herein are strictly those of the author, and do not necessarily represent the views of the Attorney General's office.

1. CAL. CIV. CODE § 1812 *et seq.* [West Supp. 1970].
2. CAL. CIV. CODE § 2984 [West Supp. 1970].
3. CAL. BUS. & PROF. CODE § 1700 *et seq.* [West Supp. 1969].
4. See index to CAL. BUS. & PROF. CODE [West 1969].
5. CAL. INS. CODE § 703.5 [West Supp. 1970].
6. CAL. BUS. & PROF. CODE § 10140.6 [West Supp. 1970].

curities.<sup>7</sup> Using the broad powers contained in the Business and Professions Code,<sup>8</sup> sections 17500-17536, the California Attorney General has for years exercised a strong influence in the prevention and punishment of false and misleading advertising in the commercial world. Under section 17500, actions have been successfully prosecuted to punish false and misleading advertising in the sale of automobiles, in the sale of encyclopedias, in the sale of swimming pools, in the sale of land in real estate subdivisions, and virtually every other area involving the sale of goods or services. The use of section 17500 has received national attention and resulted in laudatory comments being made about the California Attorney General's office and its protection of the California public by preventing false advertising and unfair trade practices.<sup>9</sup>

This article is directed to efforts made in the last year and a half to protect the consumer in the investment area. Sophistication of the consumer bears a direct relationship to the nature of the transaction in which he is involved. Many persons, particularly in times of inflation, when savings accounts and other recognized forms of personal accumulation do not give a reasonable rate of return on the investment, look to areas of investment which can result in greater interest income or capital gain. Likewise, those who have had sufficient funds to invest in real estate, or to buy a home, may be faced with poor financial circumstances due to tight money. This economic situation has led to more sophisticated types of fraud, and consequently, to efforts to prevent this more sophisticated type of fraud.

Three major areas have received the attention of the California Attorney General's office in recent months. One, involving the regulation of commodities and investment advice regarding commodities, has already resulted in new legislation which became effective on January 2, 1970—the Commodity Advisers Act.<sup>10</sup> Two other areas are the current subject of legislation. The Legislature recently passed the Franchise Investment Law which will become division 5 of the Corporations Code.<sup>11</sup> The Franchise Investment

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7. CAL. CORP. CODE § 25002 [West Supp. 1970].

8. CAL. BUS. & PROF. CODE §§ 17500-17536 [West 1964].

9. W. MAGNUSON & J. CARPER, *THE DARK SIDE OF THE MARKETPLACE* 70-71 (1968).

10. CAL. CORP. CODE § 29500 *et seq.* [West Supp. 1970].

11. The Franchise Bill introduced by Senator Bradley (S.B. No. 647) was

Law was drafted by the Attorney General's office in cooperation with the California Corporations Commissioner and received the endorsement of those offices as well as the Governor's office. A bill was also pending before the 1970 Legislature to regulate an activity known as "rent skimming." Following is a brief discussion of the problems to which each of these three areas of legislation are directed and a discussion of the manner in which the legislation seeks to remedy the problem.

#### A. *Commodity Investment Advice*

A person has money to invest in the stock market. He considers this an excellent hedge against inflation. He reads that investment in commodity markets offer even a greater chance for capital appreciation than common stocks. He knows little about the stock market and even less about investing in commodities. Why not go to one of the firms which has been advertising itself as expert in commodity investments? He goes to a firm which has promoted its expertise on investment in silver bullion. The firm claims to have a contract with a Swiss bank by which the Swiss bank will lend to the customer margin at the rate of four-to-one for investment in silver. The customer signs a contract with the advising firm, consenting to a commission of one per cent of his total investment in silver (including margin), plus a commission of 10 per cent per quarter on the paper appreciation in his silver investment, if any. The silver market goes up and up and the 10 per cent commissions are paid on a quarterly basis. Then, the market falls. The Swiss bank calls its margin. Accounts are sold out to cover the margin. The investor and his hundreds of counterparts lose a total of \$3 million in California alone. Naturally, the investor files a complaint with the Corporations Commissioner. After all, does not the Corporations Commissioner license securities brokers; are there not regulations covering the qualification and licensing of security dealers? Is there not a regulation concerning the financial stability of firms in the security business; are there not regulations covering record keeping of security transactions? Yes, there are laws regulating all of the above and much more in the area of securities. But prior to the Commodity Advisers Act,<sup>12</sup> there was not one single piece of state regulation governing investment advice in the area of

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signed by Governor Reagan on September 18, 1970 and will become effective January 1, 1971.

[*Ed. note.* Because the law will be effective or very close to it when this volume is published, references to the sections of the new law are given as if the law were in effect.]

12. CAL. CORP. CODE § 29500 *et seq.* [West Supp. 1970].

commodities. Persons with no education or expertise in commodity investments could set themselves up in business and without any licensing or bonding requirements, education requirements, financial responsibility requirements, or bookkeeping requirements engage in the business of an investment adviser in the area of commodities. Shocking though it may seem, for years there has been a lacuna in the area of state regulation of commodity investment. It took a horrendous example of a scandal in the area of silver investment to result in the passage of the Commodity Advisers Act.

The Commodity Advisers Law is patterned after the investment adviser sections of the Corporate Securities Law.<sup>13</sup> It establishes a procedure for licensing and examining those who propose to give advice in the area of commodity investments. It regulates advertising and business practices with the idea of preventing fraud on the investor or the manipulation of commodity markets.<sup>14</sup> It requires the keeping of accurate books and records and the filing of reports and examinations with the Commissioner of Corporations.<sup>15</sup> Doing business without a license or engaging in any prohibited practice while a licensee can result in injunctive or revocation proceedings, or in the prosecution of the act as a felony. Willful violation of any section of the Commodity Advisers Law or any violation of a rule or order of the commissioner is made a felony by section 29570 of the Corporations Code.

A "commodity" is defined by section 29502 of the code as "anything movable that is bought and sold upon the basis of the public market quotations of prices made on any board of trade or exchange upon which commodities are dealt in, or on the basis of futures contracts." Thus, the law applies to investment advice involving pork bellies, coffee, orange juice, silver, and all similar items. Even silver coins would come within the act since within the last year as other sources of silver have become more scarce, organized groups of traders have set up exchanges over which bags of silver coins are sold on the basis of quotations or on the basis of futures contracts.<sup>16</sup>

As a result of the Commodity Advisers Law, those who have

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13. CAL. CORP. CODE § 25000 *et. seq.* [West Supp. 1970].

14. CAL. CORP. CODE § 29526 [West Supp. 1970].

15. CAL. CORP. CODE § 29535 [West Supp. 1970].

16. See Los Angeles Times, Apr. 2, 1970, § 3, at 20, col. 6 (home ed.).

saved enough to dabble in such an investment can feel reasonably assured that their transactions will be regulated and that they will be protected in a manner similar to the regulation and protection in the corporate securities area.

### *B. Rent Skimming*

We shall define a "rent skimmer" as a person who offers to buy the fee title of owners of residences after a notice of default has been filed by a lending institution. The rent skimmer then rents the property for the period between the filing of the notice of default and foreclosure and retains the rent.

In the last year, probably due to economic conditions, there has been an increase in the number of filing of notices of defaults on real property loans. The number of complaints in this area has significantly increased in the last year. The pattern has been that, usually, by the time a notice of default is filed and the owner has failed in attempts to sell his property in a declining real estate market, he is looking for any out which will give him some cash. The rent skimmer usually offers about a hundred dollars to obtain a quitclaim deed or assignment of the title from the defaulting owner. The owner gets out either with the belief or having been told by the rent skimmer that the rent skimmer's taking over the property relieves him from his obligation under his trust deed. Although there is generally an assignment of rent provision contained in the trust deed, the general rule in California appears to be that the lender may not obtain the rent on such property unless it obtains a new assignment of rent from either the trustor or a successor to the trustor or it has a receiver appointed.<sup>17</sup> Since the foreclosure period is only three to four months, most real property lenders do not find it worthwhile to seek the appointment of a receiver to collect the rent which will be obtained by the rent skimmer during that period.

If the rent skimmer has made a false representation to the defaulting owner that the proceeds of any rent obtained by the rent skimmer will be used to help cure the defaulting owner's default, and this is not true, appropriate prosecution lies under existing laws for embezzlement or false pretenses. This is because the defaulting owner usually has some equity in the land which he is losing by the rent skimmer's action, or because the rent which the rent skimmer collects represents value lost to the defaulting owner either in terms

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17. Title Guarantee & Trust Co. v. Monson, 11 Cal. 2d 621, 81 P.2d 944 (1938).

of his ability to rent for the same period of time as the rent skimmer, or in the loss of the use of his home for that period of time. If, however, no false pretense has been made and the rent skimmer merely pays a sum for the acquiring of a quitclaim deed or an assignment of title, and then proceeds to rent for the three or four months' period before foreclosure can be effected, the result is that both the defaulting owner and the real estate lender are out the value of the rent, and under existing law, neither has any right to collect that rent from the rent skimmer.

Some curative legislation appears necessary. Legislation is necessary because it is economically unfeasible for a savings and loan association or other lender to effect its rights to assignment of rent under a trust deed on a case-by-case basis. The expense of a receivership or of a collection action is prohibitive because the rent rarely amounts to more than a few hundred dollars in each case. Multiplied by the number of occurrences, however, the loss to savings and loan associations and other lenders can be great. Legislation appears necessary to protect the defaulting owner who, our experience has shown, believes that in assigning the property to a rent skimmer, or giving a quitclaim deed, he is relieved of his obligations under his trust deed. Legislation would appear to be necessary to protect the person who rents the property from the rent skimmer, for after a period of three or four months, he will usually find himself subject to an unlawful detainer action, and unless he makes new arrangements with the lending institution, will find himself evicted. Not only does this represent upheaval and inconvenience to the renter but it also may represent economic loss to him if he has spent any money in the painting or refurnishing of the home which he has rented.

Assembly Bill 2091, which did not pass during the 1970 session, but which will be reintroduced in 1971 in revised form, would have created Civil Code sections 2951 and 2951.5. If enacted, Assembly Bill 2091 would have read as follows:

SECTION 1. Section 2951 is added to the Civil Code, to read:  
2951. A person shall be deemed to be a trustee for the beneficiary of a trust deed, a mortgagee, or the assignee of an assignment of rent of any sum collected as rent if he has actual or constructive notice at the time of acquiring an interest in a parcel of real property that (a) the property is subject to an assignment of rent or a security instrument containing an assignment of rent provision in

case of default, and (b) a notice of default or notice of intention to foreclose has been filed or published concerning the property.

SEC. 2. Section 2951.5 is added to the Civil Code, to read:

2951.5. Any person who acquires an interest in a parcel of real property at a time when he has actual or constructive notice that the property is subject to an assignment of rent or a security instrument containing an assignment of rent provision in case of default, and that a notice of default or notice of intention to foreclose has been filed or published concerning the property shall comply with each of the following applicable provisions:

(a) Within five days of acquiring an interest in such property, he shall give written notice to the beneficiary of each trust deed and mortgagee of each mortgage containing an assignment of rent, and to the assignee of an assignment of rent, if the trust deed, mortgage, or assignment is recorded, of the street address or legal description of the property, the name and address of the person acquiring the property, the name of the person from whom the interest in the property was acquired and the date on which such interest was acquired.

(b) Within five days of collection, he shall make payment of any sum collected as rent to either the beneficiary of a trust deed containing an assignment of rent, the mortgagee of a mortgage containing an assignment of rent, or the assignee of an assignment of rent. Where more than one assignment of rent or security instrument containing an assignment of rent is recorded against the property, payment shall be made to the holder of the instrument first recorded.

SEC. 3. Section 506.5 is added to the Penal Code, to read:

506.5. In addition to any other criminal action or any civil action which may be brought to recover rents collected in the capacity of trustee as provided in Section 2951 of the Civil Code, any person who collects any rent in such capacity of trustee and who wilfully fails to transmit the rent collected to the beneficiary of the trust deed, mortgagee, or assignee, within five days of its collection as provided for in subdivision (b) of Section 2951.5 of the Civil Code, shall be guilty of a misdemeanor, and upon conviction, shall be subject to a fine of not less than one thousand dollars (\$1,000) or more than five thousand dollars (\$5,000), or by imprisonment of up to one year in the county jail, or both such fine and imprisonment.

The above type of legislation will have the effect of prohibiting the undesirable actions of a rent skimmer since it will in effect require any money collected by the rent skimmer to be used for the paying off of the defaulting owner's trust deed. This will protect the savings and loan association or other lender involved, and it will, to the extent that the rent reduces the outstanding amount of the defaulting owner's obligation, protect the defaulting owner.

The attempt to resolve the rent skimming problem has received the support of the California Savings & Loan League, the California Real Estate Association, the Attorney General's office, and other persons interested in this type of financial transaction. While specific remedial language could not be agreed upon at this session, the

next session should be more productive. As it stands now, there is no regulation of rent skimming activity, since rent skimmers, who take title in their own name, do not have to be licensed as real estate brokers.<sup>18</sup>

### C. *Franchises*

One can appreciate the growing problems presented by the increase in franchised businesses by simply turning to any issue of *The Wall Street Journal* or other financial publication and seeing the number of and different types and varieties of franchises which are being offered. Franchises have been continuously pictured as a means of an individual getting back to the old system of capitalism—hard work yielding profit. All too frequently the programs presented by franchised businesses are ill-conceived and undercapitalized or in many instances just plain fraudulent. One of the biggest problem areas faced by the Attorney General's office is in the franchise area. This is because, in many cases, a franchised business will stay in operation for a couple of years and then go bankrupt, leaving the franchisees high and dry. Unless it can be shown that the principals involved in the bankrupt franchisor have engaged in similar practices on other occasions it is virtually impossible to prove any fraud. Many woeful tales of loss of life savings have led to the passage of an omnibus franchise regulation bill in the 1970 session of the California State Legislature.

Prior to the Attorney General's opinion No. 66-284,<sup>19</sup> there was no regulation of the sale of franchises in the state of California. That Attorney General's opinion found that a sale of a franchise constituted a corporate security where the franchisee participated only nominally in the franchised business, in exchange for a share of the profits, or where the franchisee participated actively in the franchised business and where the franchisor agrees to provide certain goods and services to the franchisee, but where the franchisor intends to secure a substantial portion of the initial capital that is needed to provide such goods and services from the fees paid by the franchisee or franchisees, *i.e.*, where the franchisor raised risk capital from the sale being made to the franchisee involved.

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18. CAL. BUS. & PROF. CODE § 10133 [West 1964].

19. 49 OP. CAL. ATT'Y GEN. 124 (1967).

The number of complaints being made to law enforcement agencies involving franchise operations increased many fold during the period 1968 to 1970. As a result of these complaints, a resolution of the State Senate in the 1969 session called for an investigation into franchise operations. Many witnesses were heard over several days of testimony, and as a result of this investigation, the Franchise Investment Law of 1970 was drafted for submission to the Legislature. The problem to which the Franchise Investment Law is directed is set out in section 31001 of the Corporations Code:

The Legislature hereby finds and declares that the widespread sale of franchises is a relatively new form of business which has created numerous problems both from an investment and a business point of view in the State of California. Prior to the enactment of this division, the sale of franchises was regulated only to the limited extent to which the Corporate Securities Law of 1968 applied to such transactions. California franchisees have suffered substantial losses where the franchisor or his representative has not provided full and complete information regarding the franchisor-franchisee relationship, the details of the contract between franchisor and franchisee, and the prior business experience of the franchisor.

It is the intent of this law to provide each prospective franchisee with the information necessary to make an intelligent decision regarding franchises being offered. Further, it is the intent of this law to prohibit the sale of franchises where such sale would lead to fraud or a likelihood that the franchisor's promises would not be fulfilled, and to protect the franchisor by providing a better understanding of the relationship between the franchisor and franchisee with regard to their business relationship.

Under the new law, section 31005 defines a franchise as:

"Franchise" means a contract or agreement, either expressed or implied, whether oral or written, between two or more persons by which:

(a) A franchisee is granted the right to engage in the business of offering, selling or distributing goods or services under a marketing plan or system prescribed in substantial part by a franchisor; and

(b) The operation of the franchisee's business pursuant to such plan or system is substantially associated with the franchisor's trademark, service mark, trade name, logotype, advertising or other commercial symbol designating the franchisor or its affiliate; and

(c) The franchisee is required to pay, directly or indirectly, a franchise fee.

Section 31011 defines a franchise fee as:

Franchise fee means any fee or charge that a franchisee or sub-franchisor is required to pay or agrees to pay for the right to enter into a business under a franchise agreement, including, but not limited to, any such payment for such goods and services.

However, the following shall not be considered the payment of a franchise fee:

(a) The purchase or agreement to purchase goods at a bona fide wholesale price.

(b) The payment of a reasonable service charge to the issuer of a credit card by an establishment accepting or honoring such credit card.

(c) Amounts paid to a trading stamp company licensed under Chapter 3 (commencing with Section 17750) of Part 3 of Division 7 of the Business and Professions Code by a person issuing trading stamps in connection with the retail sale of merchandise or service.

It is the intent of these sections not to regulate the relationship between bona fide wholesalers and retailers, but to regulate the traditional type of franchise arrangements.

The new franchise bill regulates the advertising, offer, and sale of franchises. The extent of the disclosure which must be made to a prospective franchisee or subfranchisor is shown by the wide scope of the matters covered in section 31111 of the new law.<sup>20</sup> Sec-

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20. Section 31111 states:

The application for registration of an offer shall be filed with the commissioner and shall contain the following:

(a) The name of the franchisor, the name under which the franchisor is doing or intends to do business, and the name of any parent or affiliated company that will engage in business transactions with franchisees.

(b) The franchisor's principal business address and the name and address of its agent in the State of California authorized to receive process.

(c) The business form of the franchisor, whether corporate, partnership, or otherwise.

(d) Such information concerning the identity and business experience of persons affiliated with the franchisor, as the commissioner may by rule prescribe.

(e) A statement whether any person identified in the application for registration:

(1) Has been convicted of a felony, or pleaded nolo contendere to a felony charge, or held liable in a civil action by final judgment if such felony or civil action involved fraud, embezzlement, fraudulent conversion or misappropriation of property; or

(2) Is subject to any currently effective order of the Securities and Exchange Commission or the securities administrator of any state denying registration to or revoking or suspending the registration of such person as a securities broker or dealer or investment advisor or is subject to any currently effective order of any national securities association or national securities exchange (as defined in the Securities and Exchange Act of 1934) suspending or expelling such person from membership in such association or exchange; or

(3) Is subject to any currently effective order or ruling of the Federal Trade Commission; or

(4) Is subject to any currently effective injunctive or restrictive order relating to business activity as a result of an action brought by any public agency or department, including, without limitation, actions affecting a license as a real estate broker or salesman.

Such statement shall set forth the court, date of conviction or judgment, any penalty imposed or damages assessed, or the date, nature and issuer of such order.

(f) The length of time the franchisor: (1) has conducted a

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business of the type to be operated by the franchisees, (2) has granted franchises for such business, and (3) has granted franchises in other lines of business.

(g) A recent financial statement of the franchisor, together with a statement of any material changes in the financial condition of the franchisor from the date thereof. The commissioner may by rule or order prescribe (1) the form and content of financial statements required under this law, (2) the circumstances under which consolidated financial statements shall be filed, and (3) the circumstances under which financial statements shall be audited by independent certified public accountants or public accountants.

(h) A copy of the typical franchise contract or agreement proposed for use or in use in this state.

(i) A statement of the franchise fee charged, the proposed application of the proceeds of such fee by the franchisor and the formula by which the amount of the fee is determined if the fee is not the same in all cases.

(j) A statement describing any payments or fees other than franchise fees that the franchisee or subfranchisor is required to pay to the franchisor, including royalties and payments or fees which the franchisor collects in whole or in part on behalf of a third party or parties.

(k) A statement of the conditions under which the franchise agreement may be terminated or renewal refused, or repurchased at the option of the franchisor.

(l) A statement as to whether, by the terms of the franchise agreement or by other device or practice, the franchisee or subfranchisor is required to purchase from the franchisor or his designee services, supplies, products, fixtures or other goods relating to the establishment or operation of the franchise business, together with a description thereof.

(m) A statement as to whether, by the terms of the franchise agreement or other device or practice, the franchisee is limited in the goods and services offered by him to his customers.

(n) A statement of the terms and conditions of any financing agreements when offered directly or indirectly by the franchisor or his agent or affiliate.

(o) A statement of any past or present practice or of any intent of the franchisor to sell, assign or discount to a third party any note, contract or other obligation of the franchisee or subfranchisor in whole or part.

(p) A copy of any statement of estimated or projected franchisee earnings prepared for presentation to prospective franchisees or subfranchisors, or other persons, together with a statement setting forth the data upon which such estimation or projection is based.

(q) A statement of any compensation or other benefit given or promised to a public figure arising, in whole or in part, from (1) the use of the public figure in the name or symbol of the franchise or (2) the endorsement or recommendation of the franchise by the public figure in advertisements.

(r) A statement of the number of franchises presently operating and proposed to be sold, as may be required by rule of the commissioner.

(s) A statement as to whether franchisees or subfranchisors receive an exclusive area or territory.

(t) Other information related to the application as the commissioner may reasonably require.

(u) Other information as the franchisor may desire to present.

(v) When the person filing the application for registration is a subfranchisor, the application shall also include the same information concerning the subfranchisor as is required from the franchisor pursuant to this section.

need to make an intelligent decision on his investment, including the personal and business background of the company and individuals selling the franchise; a certified financial statement of the franchisor, plus a critically important point of information—a justification for any profit projections made by the franchisor.

Under section 31113, if the commissioner feels it necessary for the protection of the franchisee, he can order that the franchise fees be impounded or escrowed until such time as the franchisee is ready to open for business.

Under section 31123, any change in the information submitted to the commissioner or to the franchisee would have to be reported by means of an application to amend the registration statement.

Section 31150 requires a franchisor to keep and maintain a complete set of books, records, and accounts relating to franchise sales in this state. Thus, the commissioner can effectively examine the franchisor to determine if the business is being operated properly within the law and within the franchise contract. Under section 31300 fraudulent and misleading practices are prohibited and liability is created to the franchisee who may sue for rescission or damages if a franchise is sold without the information required in the registration statement or is sold by means of any willfully untrue statement of a material fact or willful omission to state a material fact. Under sections 31115, 31400 and 31410 violation of any of the provisions of the Franchise Investment Law could lead to revocation of the franchise registration statement, an injunction to prohibit the unlawful practice, or to prosecution for a felony for any willful violation of any provision of the Franchise Investment Law or for willful violation of any rule or order of the commissioner.

The Act will become effective on January 1, 1971. While the Act contains many of the characteristics of a license law, it is for the most part a disclosure-type statute. It is hoped that the provisions of the law will enforce full disclosure, and if full disclosure is required, an essential ingredient of fraudulent practices will be removed. If there is a nondisclosure of a material fact or the misstatement of a material fact, it will *not* be necessary under this law to prove actual fraud against the franchisor. It will be sufficient for civil or penal sanctions to prove merely that the violation of this

law was willful.<sup>21</sup> As such, this law provides a strong enforcement power both civilly and criminally—the net result of which is the protection of the California public.

#### CONCLUSION

The above three statutes are not the only three which have been proposed and drafted as a result of the work of the Investment Fraud and Business Crimes Unit of the Attorney General's office.<sup>22</sup> These three areas, however, have presented the largest problem areas in consumer protection in the financial and investment area in the last several months, as judged by the number of complaints to the Attorney General's office. It is a sign of the times that the area of consumer protection is expanding from those areas primarily directed at retail transactions to those areas directed towards more sophisticated financial transactions. Consumer protection follows the consumer into the areas in which he becomes involved. Unfortunately, the consumer sometimes moves faster than the law, but, hopefully, the law is not far behind.

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21. The definition of the term "willful" is suggested by section 7 of the Penal Code defining "willfully" as "a purpose or willingness to commit the act, or to make the omission referred to. It does not require any intent to violate the law, or to injure another, or to acquire any advantage." CAL. PENAL CODE § 7 [West 1970].

22. See, e.g., CAL. BUS. & PROF. CODE §§ 11000.5, 11000.6, 11018.6, 11018.9, 11024 [West Supp. 1970], effective January 2, 1970, which provide additional consumer protection in the purchase of certain subdivided lands, including a two-day right of rescission without cause. See also, CAL. CIV. CODE §§ 1725-1736 [West Supp. 1970], passed in 1969, which offer protection to those who own single-family houses and contract for the construction of a swimming pool.