

## HoJo and Wyndham Agree to Pay \$1.5 Million for Improper Phone Recording Allegations

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Hotel chains Howard Johnson International, Inc. and Wyndham Hotel Group LLC recently settled a class action for \$1.5 million over allegations that the companies recorded phone calls in violation of California's Invasion of Privacy Act. The California Privacy Act, Cal. Penal Code § 632(a), prohibits recording parties' confidential communication through a telephone without the consent of **all** parties.

The class action complaint alleged that the hotel chains had surreptitiously recorded consumers' telephone conversations from July 2006 until the present. In particular, the named plaintiff alleged that he had no notice that his call concerning a reservation was being recorded by the hotel chain. The proposed settlement provides the named plaintiff with \$10,000 and additional class members payment of no more than \$5,000.

**Tip: This case is a reminder that in states that require consent from all parties to a call, companies should ensure that they have appropriate mechanisms in place prior to recording customer calls.**

1 Min Read

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