
Kearney v. Salomon Smith Barney, Inc.

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On July 13, 2006, in *Kearney v. Salomon Smith Barney, Inc.*, the Supreme Court of California held that “California law should apply in determining whether the alleged secret recording of telephone conversations [between an out-of-state party and a California party] . . . constitutes an unlawful invasion of privacy.” As a result, phone calls between clients in California and a brokerage firm office based in Georgia could not be recorded without the consent of both parties, regardless of the origin of the call. Although the decision analyzes choice-of-law issues, its holding has practical implications for when companies need to disclose the recording of phone calls to California and, potentially, other jurisdictions. This decision is of significance for any business that routinely records or monitors telephone calls.

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