



Member Alert

Dear Members,

Everyone has a website, so everyone needs to know about these new lawsuits.

While this 'scam' has been going on for the past year, many hotels across California have most recently been hit with demand letters from Vivek Shah (and other plaintiffs' attorneys) threatening a lawsuit over a breach of privacy from routine website activity. Vivek and other attorneys are exploiting a 1967 wiretapping law.

We're talking about ambulance chasers manipulating an obscure law — written decades before websites even existed. Some reports indicate a single attorney in Arizona is mass-producing these complaints and selling them to California law firms. It has become an assembly line of legal extortion.

We call it "ADA Abuse 2.0." And CHLA is fighting to stop it.

Big News Today

The Assembly Privacy and Consumer Protection Committee just voted to advance [Senate Bill 690 \(Caballero\)](#) — legislation that would help pull the plug on these lawsuits. CHLA has been at the forefront of this fight: testifying in support, mobilizing grassroots action, and recruiting aligned businesses and other lodging associations to join the cause.

What Is This Law They're Using Against You?

In 1967, California passed the [California Invasion of Privacy Act \(CIPA\)](#) to prohibit wiretapping. Over time, the law was expanded to include "pen registers" — a technical term for cookies, analytics tracking and other tools. A small group of unscrupulous attorneys spotted an opportunity and started arguing that standard website tools — the kind virtually every business website uses — qualify as illegal "pen registers." Each alleged violation carries a minimum \$5,000 penalty, making it easy to threaten massive payouts even when no real harm occurred.

The California Assembly Privacy Committee itself described the situation plainly:
"These cases are very easy to assert, leading to serial filings by a handful of unscrupulous plaintiffs' attorneys claiming technical violations for ordinary website activity. The result has been a mess for courts, a weapon against businesses...swift legislative action appears necessary."

What SB 690 Would Do

- **Eliminates the ability to sue** over pen register claims under CIPA
- **Applies retroactively** to cases filed on or after January 1, 2025 — meaning it could shut down existing cases already in the pipeline
- **Protects hotels from frivolous litigation** targeting routine, everyday website operations

The bill now moves to the Assembly Appropriations Committee where CHLA will keep pushing. The opposition – plaintiff attorneys – are formidable and well-funded – and will continue to fight against this bill.

Bottom Line

This legislation could save the hotel industry millions and stop bad-faith lawsuits targeting your property. We are watching this closely, advocating aggressively, and will keep you informed every step of the way.

Thank you for your continued support – that support makes this fight possible.

CHLA Advocacy Team

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