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Attorneys for Plaintiff  
FEDERAL TRADE COMMISSION

**IN THE UNITED STATES DISTRICT COURT  
DISTRICT OF UTAH, CENTRAL DIVISION**

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<p>FEDERAL TRADE COMMISSION, Plaintiff, v. RESERVATION COUNTER, LLC, a limited liability company, TRAVELPASS GROUP, LLC, a limited liability company, and PARTNER FUSION, INC., a corporation, Defendants.</p>	<p>Case No. 2:17-cv-01304-RJS COMPLAINT FOR PERMANENT INJUNCTION AND OTHER EQUITABLE RELIEF</p>
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Plaintiff, the Federal Trade Commission (“FTC” or “Commission”), for its Complaint  
alleges:

1. The FTC brings this action under Section 13(b) of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 53(b), to obtain permanent injunctive relief, rescission or reformation of contracts, restitution, the refund of monies paid, disgorgement of ill-gotten monies, and other equitable relief for Defendants’ acts or practices in violation of Section 5 of the FTC Act, 15 U.S.C. § 45(a), in connection with Defendants’ deceptive advertising, marketing, distribution, or sale of hotel room reservations to consumers throughout the United States.

### **JURISDICTION AND VENUE**

2. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331, 1337(a), and 1345, and 15 U.S.C. §§ 45(a) and 53(b).

3. Venue is proper in this district under 28 U.S.C. § 1391(b)(1), (b)(2), (c)(1), and (c)(2), and 15 U.S.C. § 53(b).

### **PLAINTIFF**

4. The FTC is an independent agency of the United States Government created by statute. 15 U.S.C. §§ 41-58. The FTC enforces Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), which prohibits unfair or deceptive acts or practices in or affecting commerce.

5. The FTC is authorized to initiate federal district court proceedings, by its own attorneys, to enjoin violations of the FTC Act and to secure such equitable relief as may be appropriate in each case, including rescission or reformation of contracts, restitution, the refund of monies paid, and the disgorgement of ill-gotten monies. 15 U.S.C. §§ 53(b) and 56(a)(2)(A).

**DEFENDANTS**

6. **Defendant Reservation Counter, LLC** (“Reservation Counter”) is a Utah limited liability company with its principal place of business at 2961 West Maple Loop Drive #300, Lehi, Utah 84043. Reservation Counter also does or has done business under the trade names and/or service marks Travel Pass, Reservation Desk, Reservation Deals, Travel Pass Group, and Choose a Room. Until March 2016, Reservation Counter was a wholly-owned subsidiary of Defendant Partner Fusion, Inc. Since March 2016, Reservation Counter has been a wholly-owned subsidiary of Defendant TravelPASS Group, LLC. At times material to this Complaint, acting alone or in concert with others, Reservation Counter has advertised, marketed, promoted, offered for sale, or sold hotel reservations to consumers throughout the United States. Reservation Counter transacts or has transacted business in this district.

7. **Defendant TravelPASS Group, LLC** (“TravelPASS”) is a Utah corporation with its principal place of business located at 2961 West Maple Loop Drive, #300, Lehi, Utah 84043. Since it was created in March 2016, TravelPASS has been the parent corporation of Defendant Reservation Counter, LLC, and it owns all of the issued and outstanding membership interests of Reservation Counter. At times material to this Complaint, acting alone or in concert with others, TravelPASS has advertised, marketed, promoted, offered for sale, or sold hotel reservations to consumers throughout the United States. TravelPASS transacts and has transacted business in this district and throughout the United States.

8. **Defendant Partner Fusion, Inc.** (“Partner Fusion”) is a Utah corporation with its principal place of business located at 2961 West Maple Loop Drive, #300, Lehi, Utah 84043. Until March 2016, Partner Fusion was the parent corporation of Defendant Reservation Counter,

LLC, and owned all of the issued and outstanding membership interests of Reservation Counter, LLC. Defendant Reservation Counter functions as the vehicle through which Defendant Partner Fusion conducts its core business. Partner Fusion transacts and has transacted business in this district and throughout the United States. At times material to this Complaint, acting alone or in concert with others, Partner Fusion has advertised, marketed, promoted, offered for sale, or sold hotel reservations to consumers throughout the United States. Partner Fusion transacts or has transacted business in this district.

9. Defendants Reservation Counter, TravelPASS, and Partner Fusion have operated as a common enterprise while engaging in the deceptive acts and practices alleged below. These defendants have conducted the business practices described below as interrelated companies that have common control, officers, business functions, employees, and office locations. Each of these defendants is jointly and severally liable for the acts and practices alleged below.

#### **COMMERCE**

10. At all times material to this Complaint, Defendants have maintained a substantial course of trade in or affecting commerce, as commerce is defined in Section 4 of the FTC Act, 15 U.S.C. § 44.

#### **DEFENDANTS' BUSINESS PRACTICES**

11. Defendants sell hotel room reservations, or bookings, to consumers. They obtain hotel room inventory primarily through affiliate network programs sponsored by first-tier online travel agencies (“OTA”), such as Expedia, Priceline, and Orbitz, but they advertise and market the available hotel rooms through their own advertisements, websites, and call centers.

12. Defendants advertise through online search engine marketing, using search

engines such as Google, Yahoo, and Bing. A substantial majority of Defendants' search engine advertisements are designed around a specific hotel brand name and a specific city. About 95 percent of Defendants' bookings are made through search engine marketing.

13. When a consumer clicks on a link in one of Defendants' search engine ads, the consumer is directed to websites owned and controlled by Defendants, including ReservationCounter.com, ReservationDesk.com, and Reservation-Desk.com.

14. By following the link provided in Defendants' advertisements, consumers can book hotel rooms online, using desktop, laptop, notebook, and tablet computers, and smartphone mobile devices.

15. Consumers also can book hotel rooms by calling the telephone number listed in Defendants' advertisements and websites. Consumers using smartphone mobile devices can "click-to-call" a sales agent merely by clicking a link in the search results ad. Defendants have handled sales calls (and customer service calls) through their own call centers, located in several countries in Central America, since July 2012.

16. The phone number listed in Defendants' search engine advertising acts as a customer identifier that allows the sales agent to access the caller's online session. Thus, at the time the agent answers the call, the agent knows the specific hotel searched or last visited by the consumer.

17. At the time of booking, Defendants send the reservation and payment information, through Internet transmission, to the applicable OTA, which processes the payment and transmits the reservation information to the booked hotel.

18. Defendants charge consumers for the amount paid to the hotel as well as amounts

they and the OTA retain as fees for their services. Consumers also are charged a “tax recovery fee” to cover the anticipated taxes for the hotel room reservation.

19. During most or all times material to this Complaint, Defendants processed most hotel bookings using a business model in which the customer prepays the cost of the hotel room immediately at the time of the booking and not after the customer arrives at the hotel. In contrast, for guests booking rooms directly with a hotel, many hotels frequently require credit card or other payment information at the time the reservation is made in order to hold the reservation, but do not actually charge the consumer for payment of the hotel room, plus applicable fees and taxes, until after the consumer has arrived at the hotel.

20. Defendants’ hotel reservation advertising and marketing practices, as discussed below, create the impression that consumers are booking hotel rooms directly through the advertised hotel, and thus, that reservations made through Defendants are subject to the same terms and policies as those applicable to consumers who book hotel rooms directly with the hotel. However, consumers who are members of the advertised hotel’s loyalty or reward program are not eligible to receive reward points or other program benefits when they book hotel rooms through Defendants, and the available hotel policies, such as payment or cancellation policies, are not necessarily the same as those for consumers who book their reservations directly through the hotel. Also, some special rates may not be available to consumers who book hotel rooms through Defendants, such as rates for weddings, conferences, or other special events where the hotel offers a discount rate for a specific block of rooms.

21. Defendants state that they are one of the largest online hotel reservation agents in the United States, with annual sales exceeding \$350 million.

### Defendants' Hotel Reservation Advertisements

22. The following is an example of a search engine advertisement that Defendants placed during the relevant period. A consumer who typed the phrase "Hilton Birmingham Alabama" into a Yahoo search engine box would see the following search results:

The screenshot shows a Yahoo search engine results page for the query "hilton birmingham alabama". The search bar at the top contains the text "hilton birmingham alabama" and a search button. Below the search bar, there are several search results, including:

- Hilton Birmingham Alabama - Hilton.ReservationCounter.com**: A result from Hilton.ReservationCounter.com with a description of the hotel and a "Book for Tonight" button.
- Hilton Birmingham AI - 8 Perimeter Park South, Birmingham.**: A result from Reservation-Desk.com with a description of the hotel and a "Book Now" button.
- Hilton Birmingham | HiltonBirminghamHotel.ReSaver.com**: A result from ReSaver.com with a description of the hotel and a "Book Now" button.
- Hilton Hotel Birmingham - 8 Perimeter Park S, Birmingham, AL.**: A result from Hilton-Birmingham.choosearoom.com with a description of the hotel and a "Book Your Stay Now" button.
- Hilton Birmingham**: A result from dealbase.com/Hilton-Birmingham with a description of the hotel and a "New Deals" button.
- Hotels Near Uab**: A result from www.Priceline.com/Uab-Hotels with a description of the hotel and a "Book Now" button.
- Hilton Birmingham**: A result from hotel-reservation.huno.com with a description of the hotel and a "Book 24/7" button.
- Travelocity Hotels**: A result from Travelocity.com/Birmingham-Hotels with a description of the hotel and a "Book Now" button.
- Located: Hilton Birmingham**: A result from InstantCheckmate.com with a description of the hotel and a "Book Now" button.
- Birmingham Hilton | tripbase.com**: A result from tripbase.com with a description of the hotel and a "Book Now" button.

23. The first and second listed results are paid advertisements for hotel reservation websites owned and operated by Defendants. Each advertisement conveys the impression that clicking on the advertisement will take consumers to websites owned and operated by or directly

for the advertised Hilton hotel located in the Birmingham, Alabama area.

24. The Hilton hotel name appears prominently in the headline of each advertisement in large bold lettering:

“Hilton Birmingham Alabama – Hilton.ReservationCounter.com”

Hilton Birmingham Al – 8 Perimeter Park South, Birmingham

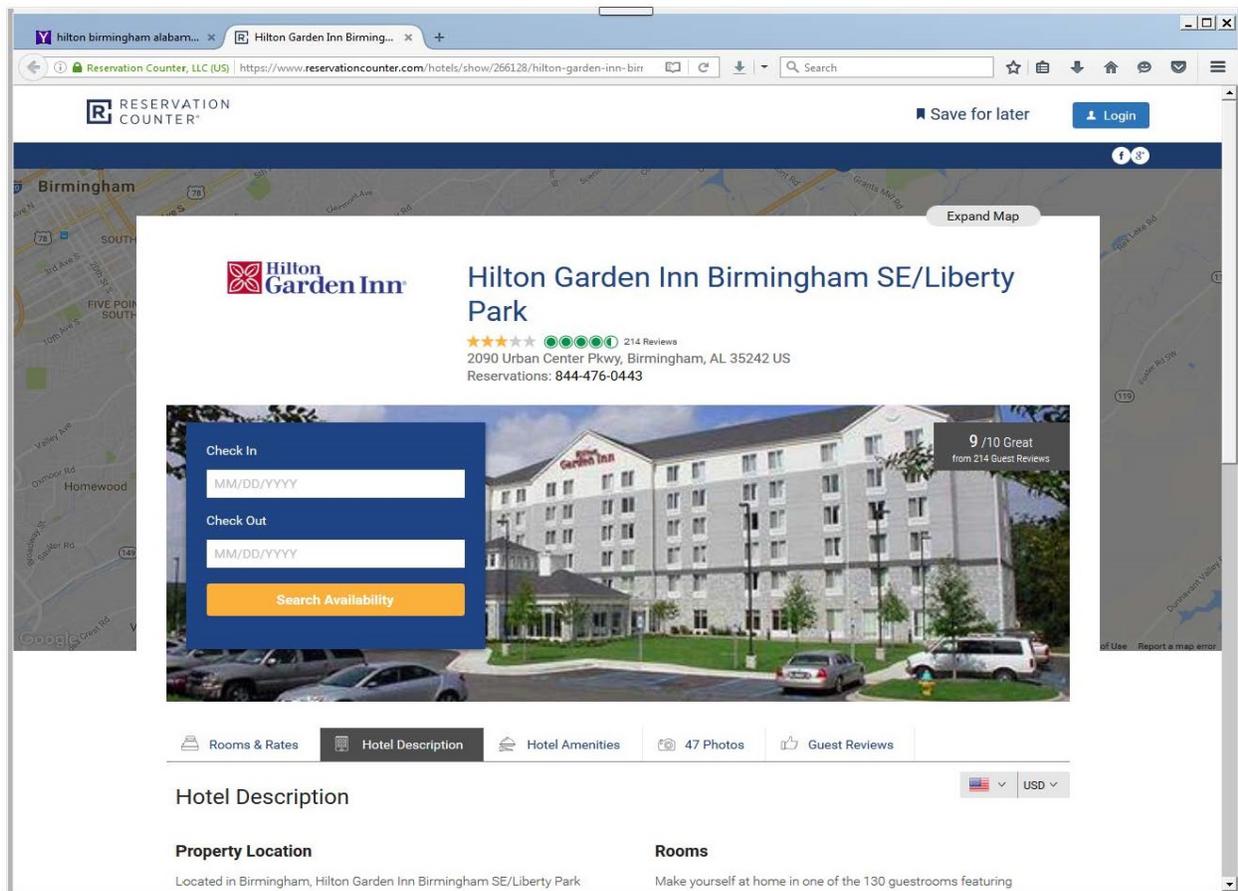
The hotel address and links to information about the advertised hotel, such as amenities, map and directions, and photos, are included in each advertisement.

25. The second line of each advertisement – “ReservationCounter.com/Hilton” and “Reservation-Desk.com/Hilton” – is the “display URL.” In the above examples, Defendants added the venue-specific detail “Hilton” to the display URL. Although these display URLs include reference to Defendants’ URL, the ad conveys the impression that the reference to “Reservation Counter” or “Reservation-Desk” refers to the centralized booking center operated by or for the Hilton hotel chain.

#### **Defendants’ Online Hotel Reservation Practices**

26. The display URL provides a hyperlink to websites owned and operated by Defendants. A consumer who clicked on the display URL for the first advertisement (ReservationCounter.com/Hilton) would be directed to a landing page for Defendants’ ReservationCounter.com website. The specific pages, or microsite, where the consumer is directed, are dedicated specifically and exclusively to the advertised property – a Hilton hotel

located in Birmingham, Alabama. The top of the landing page appears as follows:



27. The most physically prominent feature on the landing page is the name of the hotel in large, bold print – “Hilton Garden Inn Birmingham SE/Liberty Park” – along with the Hilton Garden Inn logo and a large visual image of the hotel. Immediately beneath the name of the hotel is the hotel address, and text stating: “Reservations: 844-476-0443.” The listed telephone number is a toll-free inbound telephone number managed and controlled by Defendants. The placement and appearance of the listed telephone number conveys the impression that consumers who call that number will contact the advertised Hilton hotel or an entity acting directly for that hotel.

28. On the left side of the landing page, a consumer can enter check-in and check-out dates in order to search for hotel room reservation availability. Availability is determined by the inventory of hotel rooms made available to Defendants, and not necessarily the availability of all rooms available for booking at the advertised Hilton hotel.

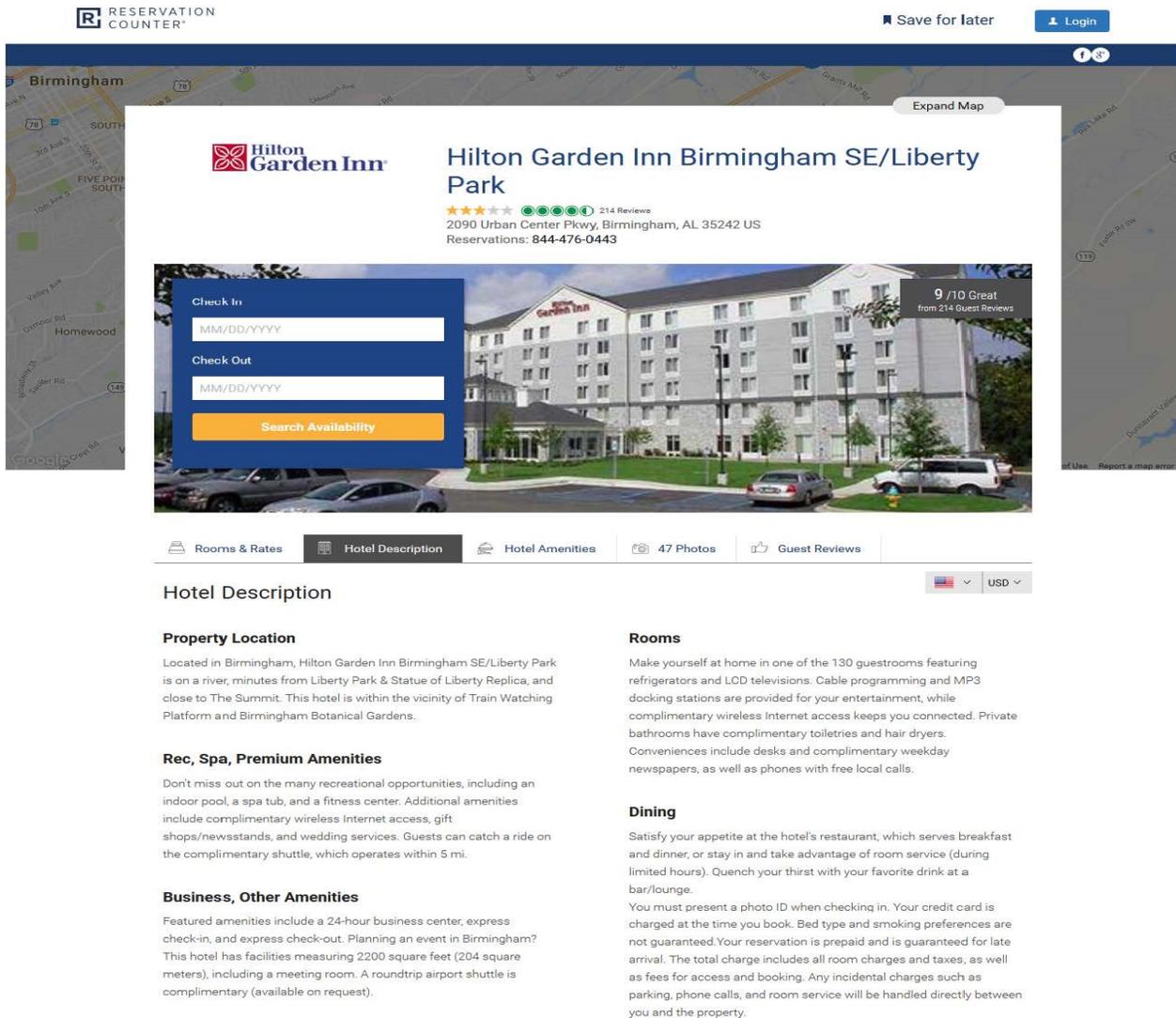
29. Below the large image of the hotel, a consumer can click on links to parts of the microsite providing information about rooms and rates, a description of the hotel, photographs of the hotel, and customer reviews.

30. The Hilton Garden Inn microsite does not include any specific disclosure informing consumers that the site is not owned and operated by the advertised Hilton or an entity acting directly for that hotel, but by an independent, third-party hotel reservation travel agency.

31. In the upper left in the header for the Hilton Garden Inn microsite is text stating: “RESERVATION COUNTER” and the logo for Defendant Reservation Counter. The name and logo are in a less prominent location on the landing page and appear in smaller and less conspicuous letters than the name and logo for the Hilton Garden Inn hotel. Given its size, placement, language, and other factors, the “Reservation Counter” text is insufficient to dispel the net impression conveyed by Defendants’ search engine advertisements, and the more prominent venue elements on the landing page itself, that this website is an official site operated by the advertised Hilton hotel or an entity acting directly for that hotel.

32. In numerous instances, Defendants also fail to disclose adequately that consumers who book hotel rooms through their websites will be charged immediately upon making the hotel reservation for the cost of the hotel room, as well as applicable tax recovery fees and service fees charged by Defendants and the applicable OTA.

33. A consumer who clicked on the “Hotel Description” button on the landing page for the Hilton Garden Inn microsite shown in paragraph 26, above, would see the following:



34. The Hotel Description page includes the following five headings: Property Location; Rec, Spa, Premium Amenities; Business, Other Amenities; Rooms; and Dining. Each heading is in bold print that is substantially larger than the text appearing below the heading.

35. Two paragraphs appear below the heading entitled “Dining.” The second

sentence of the second paragraph under the Dining heading states: “Your credit card is charged at the time you book.” Given its placement, size, and other factors, this statement does not adequately inform consumers that if they book a hotel room through Defendants’ website, they will be required to prepay the cost of the hotel room, plus applicable fees and taxes, immediately upon booking the room and regardless of the date of the reservation.

36. A consumer who clicks on the “Rooms and Rates” button on the landing page for the Hilton Garden Inn microsite shown in paragraph 25, above, is directed to a page providing information about the types of rooms available at the hotel for the dates specified.

37. A consumer choosing to book a room online can do so by clicking a box entitled, “Reserve Room.” A consumer clicking on the “Reserve Room” box is directed to the following “Secure Checkout” page:

**RESERVATION COUNTER** Login

### Secure Checkout

**Room Preferences**

Room 1 Guest:

Email Address:

Phone Number:

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**Billing Information**

Country:

Billing Address:

Zip/Postal Code:

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**Payment Information**

Cardholder First Name:

Cardholder Last Name:

Credit Card Number:

Expiration Date:

Security Code:  [What is this ?](#)

Credit Card Type:

**Hilton Garden Inn**

**Birmingham SE/Liberty Park**

2090 Urban Center Pkwy, Birmingham, AL, 35242, US  
Phone Number: 844-476-0443

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**Arrival:** Friday, October 7, 2016  
**Departure:** Sunday, October 9, 2016

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**Rooms and Guests:**  
1 Room, 2 Adults, 0 Children

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**Cancellation Policy**  
Free Cancellation until 2016-10-03

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**Room and Rate Per Night:**  
1 King Bed - Accessible Room - Free Wifi  
Room 1: \$ 321.78  
Taxes and Fees \$ 70.30

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**Total: \$ 392.08**

Total includes tax recovery charges and service fees

**Book Now**

Your information is protected and SSL encrypted secure. By continuing with your booking, you agree you have read and accept our terms and conditions, privacy policy and hotel policies including Hotel Cancellation Policy. Your credit card will be charged for the full payment upon submitting your reservation request.

Call 844-476-0443 for booking assistance.  
Our friendly agents are available 24 hours a day, 7 days a week.

38. The Secure Checkout page includes a fillable form allowing consumers to book a hotel room online by providing information concerning room preferences, billing information, and payment information. A box to the right of the fillable form provides information about the selected reservation, and a statement of charges. Immediately below the fillable form is a conspicuous orange box entitled: “Book Now.” Once a consumer clicks on the “Book Now” box, the reservation and payment information provided by the consumer is immediately transmitted by Defendants to the applicable OTA, and the hotel reservation process is complete and, in most instances, payment is immediately processed. A consumer who wishes to change or cancel the reservation must go through Defendants’ Customer Service process and seek a refund for the completed reservation and then rebook a new reservation. A consumer is entitled to a refund only if the reservation is a refundable booking and is made during the applicable cancellation window.

39. Below the “Book Now” box is text stating the following: “Your information is protected and SSL encrypted secure. By continuing with your booking, you agree you have read and accept our terms and conditions, privacy policy and hotel policies including Hotel Cancellation Policy. Your credit card will be charged for the full payment upon submitting your reservation request.”

40. Given its placement after the “Book Now” box, its language, size, context, and other factors, this text does not adequately inform consumers prior to the time they purchase the hotel reservation that if they book a hotel room through Defendants’ website, they will be required to prepay the cost of the reserved hotel room, plus applicable fees and taxes,

immediately upon booking the room and not after arriving at the hotel.

### **Defendants' Call Center Hotel Reservations Practices**

41. Consumers can also book hotel reservations by calling or clicking to call the telephone number listed in Defendants' search engine advertisements, such as that identified in Paragraph 22, above, or by calling the telephone number listed on Defendants' Internet hotel microsite webpages, such as the landing page identified in Paragraph 26, above.

42. Consumers who call the listed telephone number speak with sales agents at call centers operated under Defendants' direction and control, and Defendants provide training and training materials, including scripts and other materials, that instruct sales agents on methods to use to effectuate hotel reservation sales and how to respond to consumer questions during the sales process.

43. Defendants' search engine advertisements and webpage materials create the impression that by calling the listed telephone numbers, consumers will speak with a representative at the hotel advertised in the Defendants' search ads or on the webpage, or someone acting directly for that hotel. Defendants' training materials and instructions to the sales agents are insufficient to dispel this misimpression, and sales agents fail to dispel this impression when they speak with consumers.

44. Defendants do not train or otherwise direct sales agents to answer calls from incoming consumers by disclosing that the consumer has reached an independent, third-party hotel reservation travel agency that is not affiliated with the hotel. The sales agents do not disclose this information when initially answering these calls.

45. At times material to this Complaint, Defendants instructed sales agents to answer consumer sales calls by introducing themselves through statements such as the following:

“Thank you for calling the Reservation Sales and Support Center.”

“Thank you for calling Reservation Counter. How may I help you?”

“Thank you for calling Reservation Desk. How may I help you?”

46. These and similar statements enhance the net impression that consumers have reached a reservation center at the advertised hotel or a reservation center affiliated with or acting directly for that hotel.

47. At times material to this Complaint, Defendants have edited, reviewed, and approved sales scripts directing call center personnel on how to conduct sales calls and to obtain successful sales of hotel room reservations. Until May 2015, some training materials directed agents to ask callers the following questions during sales calls:

“Have you stayed with us before?” [characterizing this as the “key transitional question” that sales agents should ask callers];

“Our beds are amazing and our guests always rave about them”;

“If you’re traveling on business and flying out early, we really are the perfect location for you then”; and

“Are there questions I can answer for you about our location or the hotel itself?”

These training materials enhanced the net impression that the caller had reached the reservation center for the advertised hotel itself or an entity affiliated with and acting directly for that hotel and not an independent, third-party hotel reservation travel agency.

48. In May 2015, Defendants disseminated instructions to sales agents telling them to refrain from using the types of statements referenced in Paragraph 47, above, and similar

statements that might create the impression that the sales agent was employed by or affiliated with the advertised hotel. By itself, this instruction was insufficient to dispel the overall net impression created by Defendants' search engine advertisements or webpage materials.

49. Defendants' training materials do not direct sales agents to disclose without prompting during the sales discussion that the caller has not reached the advertised hotel or an entity acting directly for that hotel, but an independent, third-party hotel reservation travel agency that is not affiliated with the hotel. In numerous instances, sales agents, therefore, do not disclose this information during sales calls with consumers.

50. Sales agents disclose that the caller is not speaking directly with the advertised hotel only if prompted by a consumer specifically asking whether he or she had contacted the hotel directly. In a substantial majority of cases, consumers never ask whether they have reached the hotel directly, and therefore, the sales agent never discloses that the consumer did not call the advertised hotel, but an independent, third-party hotel reservation travel agency.

51. At times material to this Complaint, Defendants' training materials have included instructions and scripts for sales agents to use in responding to consumers who ask directly whether they reached the hotel. Some of these materials direct sales agents to respond to that question using representations such as the following:

"I'm not directly at the property, but we handle reservations for this hotel";

"You called [Reservation Counter or Reservation Desk]. We make reservations for this hotel";

"No. You called [Reservation Counter or Reservation Desk]. We make reservations for this hotel"; and

"We are the central reservations center and can book your hotel."

Defendants' training materials otherwise instruct sales agents that they should not affirmatively misrepresent that they are employed by or acting directly for the advertised hotel itself.

52. Defendants' instructions on how to respond to a consumer's question as to whether he or she called the hotel directly are insufficient to dispel the net misimpression that the caller has reached the reservation center at the advertised hotel or acting on behalf of that hotel. Among other factors, Defendants' training materials require some disclosure in only the small minority of instances where the consumer affirmatively asks the sales agent whether he or she has called the hotel. In addition, the training material language regarding how to respond to the question is vague and ambiguous.

53. As a result, sales agents provide any disclosure only in a minority of calls. In addition, in numerous instances, even when consumers ask whether they have reached the hotel directly, agents have failed to provide a clear and unambiguous response that the caller was not speaking directly with the advertised hotel.

54. Defendants' scripts and training materials direct the sales agents to close the sales process by requesting the caller's credit card or other payment information. These training materials do not instruct sales agents to specifically, and without prompting, inform the caller, prior to completing the reservation process, that the consumer will be required to prepay the cost of the hotel room, plus applicable service fees and taxes, at the time the reservation is booked rather than after arriving at the hotel. In numerous instances, sales agents did not adequately disclose, prior to completing the booking process, that the consumer was prepaying the cost of the hotel room, plus applicable service fees and taxes, at the time the reservation was booked rather than after arriving at the hotel.

**DEFENDANTS' VIOLATIONS OF THE FTC ACT**

55. Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), prohibits “unfair or deceptive acts or practices in or affecting commerce.”

56. Misrepresentations or omissions of material fact constitute deceptive acts or practices prohibited by Section 5(a) of the FTC Act.

**COUNT I**

**Deceptive Representation That Defendants Are  
the Advertised Hotel**

57. In numerous instances, in connection with the advertising, marketing, promotion, offering for sale, or sale of hotel room reservations, including but not limited to the means set forth in Paragraphs 11 through 54 above, Defendants have represented, directly or indirectly, expressly or by implication, that:

- a. their search engine advertisements for hotel room reservations are official advertisements placed by the advertised hotel;
- b. their hotel reservation websites and call centers are official websites and call centers for the advertised hotel; and
- c. consumers who make hotel reservations through Defendants’ websites and call centers are booking rooms directly with the advertised hotel.

58. In truth and in fact, Defendants’ search engine advertisements for hotel room reservations are not official advertisements placed by the advertised hotel, their hotel reservation websites and call centers are not official websites and call centers for the advertised hotel, and consumers who make hotel reservations through Defendants’ websites and call centers are not booking rooms directly with the advertised hotel. As a result, consumers who are members of

the advertised hotel's loyalty or reward program are not eligible to receive reward points or other program benefits when they book hotel rooms through Defendants, and the available hotel policies, such as payment or cancellation policies, are not necessarily the same as those for consumers who book their reservations directly through the hotel. Also, some special rates may not be available to consumers who book hotel rooms through Defendants, such as rates for weddings, conferences, or other special events where the hotel offers a discount rate for a specific block of rooms

59. Therefore, the representations set forth in Paragraph 57 are false and misleading and constitute deceptive acts or practices in violation of Section 5 of the FTC Act, 15 U.S.C. § 45(a).

## COUNT II

### **Deceptive Failure to Disclose Material Information Regarding Prepayment Charges**

60. In numerous instances, in connection with the advertising, marketing, promotion, offering for sale, or sale of hotel room reservations, Defendants have represented, directly or indirectly, expressly or by implication, that consumers making hotel reservations are booking their hotel rooms directly with the advertised hotel and, therefore, are providing credit card or other payment information to reserve a hotel room.

61. In numerous cases in which Defendants have made the representation set forth in Paragraph 60, Defendants have failed to disclose adequately that when consumers provide their credit card or other payment information, they will be immediately charged for the cost of the hotel room, plus applicable fees and taxes, rather than after arriving at the hotel. This information would be material to consumers in deciding whether or not to purchase hotel room

reservations through Defendants' websites or call centers. For guests booking hotel rooms directly, hotels often require credit card or other payment information at the time the reservation is made in order to hold the reservation, but do not actually charge the consumer for payment of the hotel room, plus applicable fees and taxes, until after the consumer has arrived at the hotel.

62. In light of the representation set forth in Paragraph 60, Defendants' failure to disclose adequately to consumers, prior to the time they book the hotel room reservation, that they will be immediately charged for the cost of the hotel room, plus applicable fees and taxes, constitutes a deceptive act or practice, in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

#### **CONSUMER INJURY**

63. Consumers have suffered and will continue to suffer substantial injury as a result of Defendants' violations of the FTC Act. In addition, Defendants have been unjustly enriched as a result of their unlawful acts or practices. Absent injunctive relief by this Court, Defendants are likely to continue to injure consumers, reap unjust enrichment, and harm the public interest.

#### **THIS COURT'S POWER TO GRANT RELIEF**

64. Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), empowers this Court to grant injunctive and such other relief as the Court may deem appropriate to halt and redress violations of any provision of law enforced by the FTC. This Court, in the exercise of its equitable jurisdiction, may award ancillary relief, including rescission or reformation of contracts, restitution, the refund of monies paid, and the disgorgement of ill-gotten monies, to prevent and remedy any violation of any provision of law enforced by the FTC.

**PRAYER FOR RELIEF**

65. Wherefore, Plaintiff FTC, pursuant to Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), and the Court's own equitable powers, requests that the Court:
- A. Enter a permanent injunction to prevent future violations of the FTC Act by Defendants;
  - B. Award such relief as the Court finds necessary to redress injury to consumers resulting from Defendants' violations of the FTC Act, including, but not limited to, rescission or reformation of contracts, restitution, the refund of monies paid, and the disgorgement of ill-gotten monies; and
  - C. Award Plaintiff the costs of bringing this action, as well as such other and additional relief as the Court may determine to be just and proper.

Respectfully submitted,

DAVID C. SHONKA  
Acting General Counsel

Dated: December 21, 2017

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