

296-02595-2023

CAUSE NO. _____

THE STATE OF TEXAS,	§	IN THE DISTRICT COURT
Plaintiff,	§	
	§	
v.	§	
	§	_____ JUDICIAL DISTRICT
HILTON DOMESTIC OPERATING	§	
COMPANY, INC. d/b/a HILTON DOPCO INC.,	§	
Defendant.	§	COLLIN COUNTY, TEXAS

PLAINTIFF'S ORIGINAL PETITION

NOW COMES Plaintiff, THE STATE OF TEXAS (“State”), acting by and through the Attorney General KEN PAXTON and on behalf of the public interest, complaining of Defendant HILTON DOMESTIC OPERATING COMPANY, INC. d/b/a HILTON DOPCO INC. (together, “Hilton”). The State alleges that Hilton engaged in false, misleading, and deceptive acts and practices in violation of § 17.46 (a) and (b) of the Texas Deceptive Trade Practices Act—Tex. Bus. & Com. Code Ch. 17 (DTPA). In support hereof, the State will respectfully show the Court the following:

I. NATURE OF THE STATE’S CASE

Consumers are often surprised by mandatory hotel fees that are belatedly added to their daily room rate. Hotels sometimes refer to these hidden mandatory costs as facilities, service, residence, incidental, destination, or resort fees. For years Hilton has used mandatory fees to dupe unsuspecting Texans by not including mandatory fees in the advertised room rate. Hilton further compounds the deception by changing the room rate during checkout and often charging mandatory fees twice—first as a “fee” and then as a “tax.” This lack of transparency is designed to thwart comparison shopping; consequently, it places hotels that do not charge mandatory fees

at a competitive disadvantage. And, while these fees and billing practices may appear nominal to individual consumers, in the aggregate they amount to millions of dollars in fraudulent charges.

A. DISCOVERY CONTROL PLAN

1. The discovery in this case is intended to be conducted under Level 3 pursuant to Texas Rule of Civil Procedure 190.4.

2. The damages sought in this case are within the jurisdictional limits of this court. This lawsuit is not subject to the restrictions of expedited discovery under Texas Rules of Civil Procedure 47 and 169 because the relief sought by the State includes a monetary amount over \$1,000,000 and, also includes a request for non-monetary relief in the form of injunctive relief.

B. DEFENDANT

3. Hilton Domestic Operating Company, Inc. d/b/a Hilton Dopco Inc. is a Delaware for-profit corporation headquartered in McLean, Virginia, that does business nationwide, including in Texas. It may be served through its registered agent, Corporation Service Company d/b/a CSC – Lawyers Incorporating Service Company, located at 211 E. 7th Street, Suite 620, Austin, TX 78701-3218.

C. JURISDICTION

4. This enforcement action is brought by the Attorney General of Texas, Ken Paxton, through the Office of the Attorney General and its consumer protection enforcement authority under the DTPA in the name of Texas and in the public interest, pursuant to the authority granted to him by § 17.47 of the DTPA upon the ground that Hilton has engaged in false, deceptive, and misleading acts and practices in the course of trade and commerce as defined in, and declared unlawful by, § 17.46 of the DTPA.

5. In enforcement suits filed pursuant to § 17.47 of the DTPA, the Attorney General is authorized to seek civil penalties, redress for consumers, and injunctive relief.

D. VENUE

6. Venue of this suit lies in Collin County, Texas, pursuant to § 17.47(b) of the DTPA because transactions made part of this suit occurred in Collin County, Texas.

E. PUBLIC INTEREST

7. The State has reason to believe that Hilton is engaging in, has engaged in, or is about to engage in the unlawful acts or practices set forth below; that Hilton has, by means of these unlawful acts and practices, caused damage to and/or acquired money or property from persons; and that Hilton adversely affected the lawful conduct of trade and commerce, thereby directly or indirectly affecting the people of this state. Therefore, the Consumer Protection Division of the Office of the Attorney General of the State of Texas believes and is of the opinion that these proceedings are in the public interest.

F. TRADE AND COMMERCE

8. Hilton has, at all times described below, engaged in conduct that constitutes “trade” and “commerce” as those terms are defined by § 17.45(6) of the DTPA.

G. NOTICE BEFORE SUIT

9. The Consumer Protection Division informed Hilton in general of the alleged unlawful conduct described below, at least seven (7) days before filing suit, as may be required by § 17.47(a) of the DTPA.

H. ACTS OF AGENTS

10. Whenever in this petition it is alleged that Hilton did any act, it is meant that Hilton performed or participated in the act, or that the officers, agents, or employees of Hilton performed or participated in the act on behalf of and under its authority.

II. FACTUAL ALLEGATIONS

A. Introduction

11. Hilton is a Delaware corporation headquartered in Virginia that owns, manages, and franchises hotels throughout the United States, including in Texas. It advertises and offers hotel lodging to Texas consumers under numerous trade names such as Hilton, DoubleTree, Embassy Suites, Homewood Suites, Hilton Garden Inn, and Hampton Inn through a variety of platforms, including a telephone reservation system, a corporate website, and third-party online travel agencies (“OTA”) such as Priceline.com and The Expedia Group, Inc.¹ Hilton provides OTAs with its pricing information to display on their websites.

12. Hilton is violating Texas law by marketing hotel daily room rates at prices that are not available as advertised. Hilton, specifically, violates the DTPA by changing the final room rate during checkout, not including the mandatory fees in the quoted price, and billing consumers twice for the same mandatory charges (as a “fee” and then as a “tax”).²

¹ 1-800-HILTONS; www.hilton.com; www.priceline.com; and www.expedia.com (last visited March 2, 2023).

² See David Adam Friedman, *Regulating Drip Pricing*, 31 STAN. L. & POL’Y REV. 51, 101 (2020) (stating that sellers have constructed scenarios through which they conceal the entire price of an offering until it would become irrational for a buyer to discontinue a transaction. Buyers begin transactions expecting to attain specific results, and if confronted with extra steps required to attain that result, they may consider an exit. However, buyers subsequently realize that that they cannot leave—without incurring incremental search costs); see also *id.* at 53 (explaining that “[s]erious deception concerns emerge where sellers advertise a price for an offering, but buyers cannot attain the offering after starting the transaction without paying a secondary charge. The [Federal Trade Commission] informally defines “drip pricing” as a “technique in which firms advertise only part of a product’s price and reveal other charges later as the customer goes through the buying process. The additional charges can be mandatory charges . . . or fees for optional upgrades and add-ons.”).

13. Hilton's lack of transparency in advertising thwarts consumers comparison shopping, misleads consumers about the true room rate, places hotels that do not engage in similarly deceptive practices at a competitive disadvantage, and in some cases, fails to provide the goods, services, or vouchers purportedly covered by the fee.

HILTON DOES NOT INCLUDE MANDATORY FEES IN THE QUOTED ROOM RATE

14. The initial price displayed online for room rates at Hilton properties that charge mandatory fees does not include the fees as a component of the room charges; consequently, consumers who use the "sort by price" function on OTA and Hilton websites do not receive a true price list of room rates because the mandatory fees are not included in the advertised pricing.

15. Hilton's practice of not including mandatory fees in the quoted room rate causes consumers to mistakenly believe that the cost of a room at a Hilton property is more affordable than its competitors when that may not be the case.

16. Take, for example, Hilton Anatole, in Dallas, Texas. A room at Hilton Anatole for May 12, 2023, is advertised at a rate of \$193. Critically, however, Hilton does not disclose that there is a mandatory fee in the quoted rate.

Where to? (Required)
 Dallas, Texas, US

12 MAY FRI 13 MAY SAT 1 Room, 1 Guest Special Rates Update X

Sort by Distance Select Currency (1) Use Points Filter by: Hotel Brands All Filters (1) Reset Resort X

Suggested Filters
 Pet-Friendly (7) Outdoor pool (2)

Showing 2 hotels

Hilton Anatole
 Hotel Details >
 2.00 miles
 Rating: 4.0 out of 5.0
 Based on 4677 Reviews

\$193
 HONORS DISCOUNT NON-REFUNDABLE
[View Rates](#)

Hilton Dallas/Rockwall Lakefront
 Hotel Details >
 19.97 miles
 Rating: 4.5 out of 5.0
 Based on 1543 Reviews

\$186
 HONORS DISCOUNT NON-REFUNDABLE
[View Rates](#)

< Page 1 of 1 >

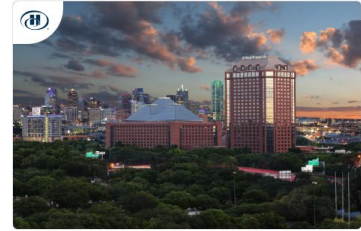
17. Consumers who click on the advertised \$193 “View Rate” tab are taken to the next page where Hilton advises that there is a mandatory fee of \$27.26 in the fine print. The mandatory fee purports to cover Wi-Fi, health club access, 15% off spa services, breakfast for kids 9 and under, two in-room bottled waters, and an unspecified amount billed as a “Texas Recovery Fee.” Importantly, Hilton repeats the quoted rate of \$193 without including the mandatory fee in the quoted room rate.

Step 1 of 3

Select a Room

Your stay with Hilton Hotels & Resorts includes

Non-smoking rooms On-site restaurant Indoor pool Outdoor pool Fitness center Pet-friendly rooms Business center



Hilton Anatole

2201 North Stemmons Freeway, Dallas, Texas 75207

USA

[Hotel details >](#)

Room Filters

Special Rates



Connecting Rooms



Accessible Rooms



Use Points & Money

Daily Mandatory Charge will be added to the room rate and includes: WiFi; pool recreation; health club access including fitness classes & courts; 15% off spa services; breakfast for kids 9 and under; 2 in-room bottled waters daily. Charge also includes Texas Recovery Fee.

14 rooms found. We're showing the average price per night.

Select Currency

USD - US Dollar



Atrium - 1 King Bed

Book From \$193

Plus \$27.26 USD mandatory charge per night, plus tax



Jadewaters Tower - 1 King Bed

Book From \$219

Plus \$27.26 USD mandatory charge per night, plus tax



Atrium - 2 Queen Beds

Book From \$219

Plus \$27.26 USD mandatory charge per night, plus tax

18. Consumers selecting the “Book from \$193” link are taken to the booking screen where they are again quoted the \$193 rate, at the bottom, without the \$27.26 mandatory daily fee included.

Step 2 of 3

Select a Rate

Special Rates

Use Points & Money

Prices shown are average per night.

Select Currency ⓘ

USD - US Dollar

Daily Mandatory Charge will be added to the room rate and includes: WiFi; pool recreation; health club access including fitness classes & courts; 15% off spa services; breakfast for kids 9 and under; 2 in-room bottled waters daily. Charge also includes Texas Recovery Fee.

Flexible Rate

Change or cancel up to 2 days before arrival. Room only.

\$219 ⓘ

Book

Honors Discount

\$219

\$214 ⓘ

Book

Plus \$27.26 USD mandatory charge per night, plus tax

Semi-Flex

Change or cancel up to 6 days before arrival. Room only.

\$205 ⓘ

Book

Honors Discount

\$205

\$201 ⓘ

Book

Plus \$27.26 USD mandatory charge per night, plus tax

Non-refundable

No cancellations. Pay now.

\$197 ⓘ

Book

Honors Discount

\$197

\$193 ⓘ

Book

Plus \$27.26 USD mandatory charge per night, plus tax



Hilton Anatole

2201 North Stemmons Freeway Dallas, Texas 75207

USA ⓘ

Hotel details >

Atrium - 1 King Bed
Change Room

Select a Rate

Payment and Guest Details

19. Consumers selecting the “Book” link for the \$193 advertised price are taken to the billing page, whereupon Hilton changes the quoted room rate from \$193 to \$193.16. The mandatory fee of \$27.26 adds 14.1244% to the advertised price of \$193.

Step 3 of 3

Payment and Guest Details

Total for stay

\$258.46

Show price details

Total room charge	\$193.16
Total fees	\$27.26
Total taxes	\$38.04

ⓘ This members-only rate is non-refundable and requires you to pay up front. Join Hilton Honors (for free!) on this page, [sign in](#), or [choose a different rate](#).

All fields are required unless marked optional.

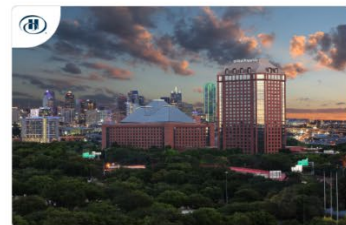
Payment

Card number

Month

Year

Security Code



Hilton Anatole

2201 North Stemmons Freeway Dallas, Texas 75207

USA ⓘ

Hotel details >

Atrium - 1 King Bed
Change Room

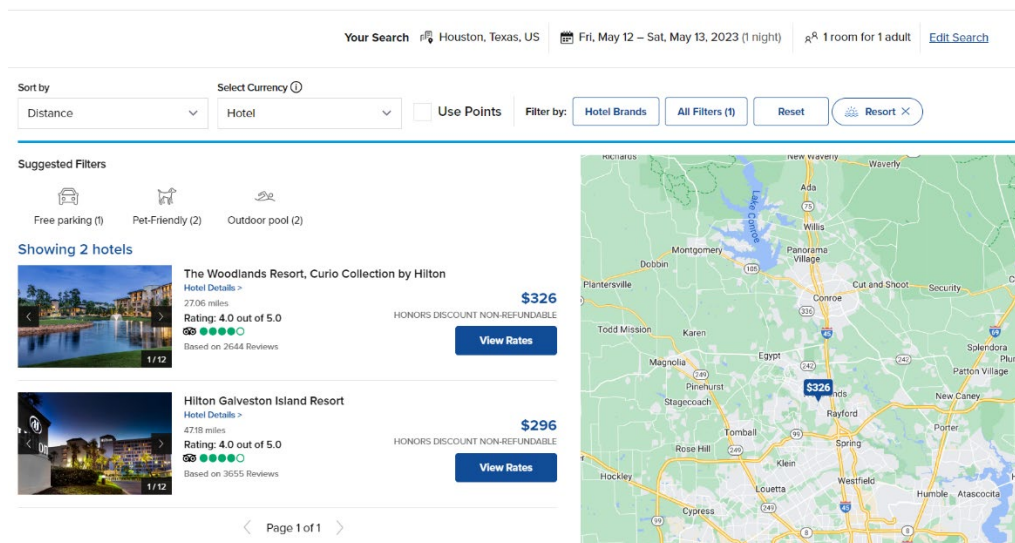
Honors Discount Non-refundable
Change Rate

Payment and Guest Details

20. Nowhere in the booking process did Hilton quote the consumer a room rate of \$220.26, which includes the mandatory daily fee.

21. Hotel Anatole has approximately 1,606 guest rooms. The \$27.26 mandatory fee and 16 cents added to the advertised price, extrapolated over the course of a year for every room amounts to **\$16,073,329.80** in fraudulent charges.

22. Hilton engages in similar practices at other Texas locations. Hilton quotes a room rate of \$326 at the Woodlands Resort, Curio Collection by Hilton, in The Woodlands, TX, for May 12, 2023. Critically, however, Hilton does not disclose that there is a mandatory fee in the quoted rate.



23. Consumers who click on the advertised \$326 “View Rate” tab are taken to the next page where the least expensive room is actually \$318, and a \$35 daily mandatory fee for all rooms is disclosed, but not included in the advertised room rate. The daily mandatory fee purportedly includes “Guest internet access; lazy river and waterpark access; golf practice and private tennis

facilities access; golf bag storage; daily activities for kids; two bottled waters daily.”

Your Stay Fri, May 12 – Sat, May 13, 2023 (1 night) 1 room for 1 adult [Edit Stay](#)

Step 1 of 3




Select a Room

Your stay with Curio Collection by Hilton includes
✓ Free parking ✓ Free WiFi ✓ Non-smoking rooms ✓ On-site restaurant ✓ Outdoor pool ✓ Fitness center ✓ Pet-friendly rooms
✓ Business center

[Room Filters](#) [Special Rates](#) [Connecting Rooms](#) [Accessible Rooms](#) [Use Points & Money](#)

Daily Resort Charge will be added to the room rate and includes: Guest internet access; lazy river and waterpark access; golf practice and private tennis facilities access; golf bag storage; daily activities for kids; two bottled waters daily.

16 rooms found. We're showing the average price per night. Select Currency USD - US Dollar

 <p>1 King Bed</p> <p>Book From \$318</p> <p><small>Plus \$35.00 USD resort charge per night, plus tax</small></p>	 <p>1 King Balcony Patio</p> <p>Book From \$326</p> <p><small>Plus \$35.00 USD resort charge per night, plus tax</small></p>	 <p>1 King Bed Golf or Pool View</p> <p>Book From \$326</p> <p><small>Plus \$35.00 USD resort charge per night, plus tax</small></p>
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24. Consumers selecting the “Book from \$326” rate are taken to another screen that discloses the \$35 daily mandatory fee, but fails to include it in the quoted room rate.

Step 2 of 3

Select a Rate

Special Rates Use Points & Money


Prices shown are average per night.

Select Currency  USD - US Dollar 

Daily Resort Charge will be added to the room rate and includes: Guest internet access; lazy river and waterpark access; golf practice and private tennis facilities access; golf bag storage; daily activities for kids; two bottled waters daily.

Flexible Rate


Change or cancel up to 3 days before arrival. Room only.

\$392 

[Book](#)

Honors Discount

\$392

\$364 

[Book](#)

Plus **\$35.00 USD** resort charge per night, plus tax


Free Bonus Points

Change or cancel up to 3 days before arrival. Free bonus points. Celebrate our hotel opening or renovation 1000 free Honors points.

Standard Rate
Not available

Honors Discount

\$364


\$364 

[Book](#)

Plus **\$35.00 USD** resort charge per night, plus tax

Semi-Flex

Change or cancel up to 7 days before arrival. Room only.

\$368 

[Book](#)

Honors Discount

\$368

\$361 

[Book](#)

Plus **\$35.00 USD** resort charge per night, plus tax

Non-refundable

No cancellations. Pay now.

\$333 

[Book](#)

Honors Discount

\$333


\$326 

[Book](#)

Plus **\$35.00 USD** resort charge per night, plus tax



The Woodlands Resort, Curio Collection by Hilton

2301 N Millbend Dr, The Woodlands, Texas 77380
USA 

[Hotel details >](#)

1 King Balcony Patio

[Change Room](#)

Select a Rate

Payment and Guest Details

25. Consumers selecting the “Book” link for the \$326 advertised price are taken to the billing page, whereupon Hilton changes the quoted room rate from \$326 to \$326.54. The mandatory fee of \$35 adds approximately 10.7362% to the advertised price of \$326.

Step 3 of 3

Payment and Guest Details

Total for stay

\$415.77

[Show price details](#)

Total room charge	\$326.54
Total fees	\$35.00
Total taxes	\$54.23

 This members-only rate is non-refundable and requires you to pay up front. Join Hilton Honors (for free!) on this page, [sign in](#), or [choose a different rate](#).

All fields are required unless marked optional.

Payment


Card number

Month

Year

Security Code



The Woodlands Resort, Curio Collection by Hilton
2301 N Millbend Dr. The Woodlands, Texas 77380
USA 
[Hotel details >](#)

1 King Balcony Patio
[Change Room](#)

Honors Discount Non-refundable
[Change Rate](#)

Payment and Guest Details

26. Nowhere in the booking process did Hilton advertise that the actual room rate is \$361.54 with the daily mandatory fee included.

27. The Woodlands Resorts has approximately 402 guest rooms. The \$35 mandatory fee and 54 cents added to the advertised price, extrapolated over the course of a year for every room amounts to **\$5,214,784.20** in fraudulent charges.

28. At C. Baldwin, Curio Collection by Hilton, in Houston, TX, the advertised room rate for May 12, 2023, is \$200; however, this rate does not include the mandatory \$22.65 daily mandatory fee. The mandatory fee of \$22.65 adds approximately 11.325% to the advertised price of \$200.

Step 1 of 3

Select a Room

Your stay with Curio Collection by Hilton includes

✓ Non-smoking rooms ✓ On-site restaurant ✓ Fitness center ✓ Pet-friendly rooms ✓ Business center

[Room Filters](#) [Special Rates](#)  Connecting Rooms Accessible Rooms Use Points & Money



C. Baldwin, Curio Collection by Hilton
400 Dallas Street Houston, Texas 77002-4777 USA 
[Hotel details >](#)

Daily Mandatory Charge will be added to the room rate and includes: Premium guest internet; daily \$20 food and beverage credit for use in hotel restaurants and lobby bar; one-hour bike rental for two. Charge also includes Texas Recovery Fee.

10 rooms found. We're showing the average price per night.

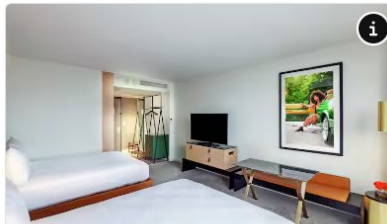
Select Currency  USD - US Dollar 



1 King Bed Room

Book From \$200

Plus \$22.65 USD mandatory charge per night, plus tax



2 Queen Beds Room

Book From \$210

Plus \$22.65 USD mandatory charge per night, plus tax



1 King Bed High Floor Room

Book From \$219

Plus \$22.65 USD mandatory charge per night, plus tax

29. Hilton claims that the daily mandatory fee is for premium internet access, a \$20 food and beverage credit at the hotel restaurant and lobby bar, a one-hour bike rental for two, and the “Texas Recovery Fee.”

30. Consumers are never given a quoted advertised price of \$222.65, which includes the daily mandatory fee, during the booking process.

Step 2 of 3

Select a Rate

Special Rates Use Points & Money

Prices shown are average per night.

Select Currency USD - US Dollar

Daily Mandatory Charge will be added to the room rate and includes: Premium guest internet; daily \$20 food and beverage credit for use in hotel restaurants and lobby bar; one-hour bike rental for two. Charge also includes Texas Recovery Fee.

Flexible Rate

Change or cancel up to 1 day before arrival. Room only.

\$218

Book

Honors Discount

~~\$218~~

\$202

Book

Plus \$22.65 USD mandatory charge per night, plus tax

Semi-Flex

Change or cancel up to 5 days before arrival. Room only.

\$204

Book

Honors Discount

~~\$204~~

\$200

Book

Plus \$22.65 USD mandatory charge per night, plus tax



C. Baldwin, Curio Collection by Hilton
400 Dallas Street Houston, Texas 77002-4777 USA
[Hotel details >](#)

- 1 King Bed Room
[Change Room](#)
- Select a Rate**
- Payment and Guest Details

31. And, as with the prior examples, during checkout Hilton changes the advertised price, in this case from \$200 to \$200.82.

Step 3 of 3

Payment and Guest Details

Total for stay

\$261.46

[Show price details](#)

Total room charge	\$200.82
Total fees	\$22.65
Total taxes	\$37.99

This is a members-only rate. Join Hilton Honors (for free!) on this page, [sign in](#), or [choose a different rate](#).

All fields are required unless marked optional.

Payment

Card number

Month

Year



C. Baldwin, Curio Collection by Hilton
400 Dallas Street Houston, Texas 77002-4777 USA
[Hotel details >](#)

- 1 King Bed Room
[Change Room](#)
- Honors Discount Semi-Flex
[Change Rate](#)
- Payment and Guest Details**

32. The C. Baldwin Hotel has approximately 354 guest rooms. The \$22.65 mandatory fee and 82 cents added to the advertised price, extrapolated over the course of a year for every

room amounts to **\$3,032,558.70** in fraudulent charges.

33. Consumers who book multiple rooms are required to pay multiple mandatory fees, even if their use of the included amenities does not increase correspondingly.

34. In all of these cases, Hilton charges disabled consumers the same mandatory fees, even if they are unable to use included amenities.

35. Hilton charges consumers mandatory fees even if the included amenities are unavailable or closed.

36. Hilton, upon information and belief, charged consumers mandatory fees for amenities that were unavailable during the COVID-19 pandemic.

37. Hilton's misrepresentations of its room rates are a practice labeled by the F.T.C. as "bait advertising."³

38. Hilton relies on consumers either not noticing or becoming too fatigued in the search process to cancel the transaction. Despite eventually disclosing the fees, eventual disclosure does not cure the deception in the initial advertised price.⁴

39. Hilton employs the same or similar practices at its hotels across the state of Texas.

DOUBLE BILLING CONSUMERS

40. Hilton, in addition to adding mandatory fees, frequently bills consumer twice for the same charge, first as a "fee" and then as a "tax."

41. The advertised room rate for a room at the Homewood Suites by Hilton Dallas Downtown, on May 12, 2023, is \$144.

³ "No advertisement containing an offer to sell a product should be published when the offer is not a bona fide effort to sell the advertised product." 16 C.F.R. § 238.1.


⁴ "Even though the true facts are subsequently made known to the buyer, the law is violated if the first contact or interview is secured by deception." 16 C.F.R. § 238.2.

Sort by Select Currency Use Points Filter by:

Suggested Filters


- Free breakfast (32)
- Free parking (33)
- Pet-Friendly (47)
- Outdoor pool (32)

Showing 1 - 20 of 55 hotels




Homewood Suites by Hilton® Dallas Downtown, TX
Hotel Details >
0.00 miles
Rating: 4.5 out of 5.0
Based on 1251 Reviews

\$144
HONORS DISCOUNT NON-REFUNDABLE



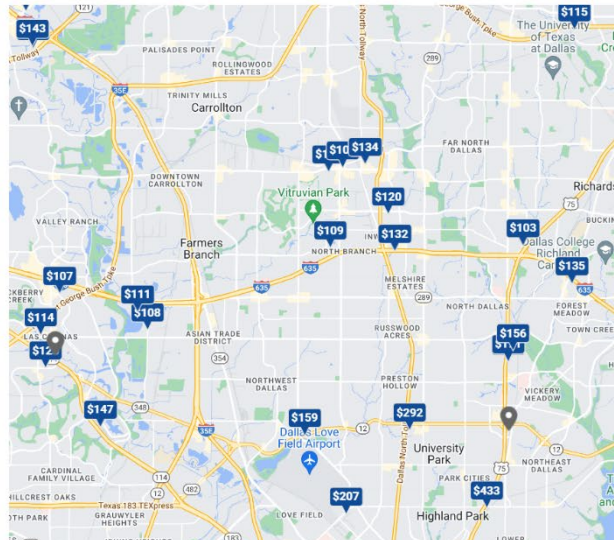
Hilton Garden Inn Downtown Dallas
Hotel Details >
0.23 miles
Rating: 4.0 out of 5.0
Based on 790 Reviews

\$174
HONORS DISCOUNT NON-REFUNDABLE



Hampton Inn & Suites Dallas Downtown
Hotel Details >
0.38 miles
Rating: 4.5 out of 5.0
Based on 839 Reviews

\$145
HONORS DISCOUNT NON-REFUNDABLE



42. Consumers clicking on the “View Rates” tab learn that there is a mandatory daily charge of 2.53%, which purports to include the 2% Dallas Tourism Public Improvement District Fee (DTPID).⁵

⁵ The Texas Comptroller of Public Accounts has issued a letter explaining to hoteliers that the proper method of collecting funds for TPID is to clearly separate this fee from taxes and governmental fees, which Hilton frequently fails to do. Private Letter Ruling No. 2019115092757. (Mar. 13, 2020) <https://star.comptroller.texas.gov/view/202003037L>.

Step 1 of 3

Select a Room


Your stay with Homewood Suites by Hilton includes

✓ Free hot breakfast ✓ Free WiFi ✓ Non-smoking rooms ✓ Indoor pool ✓ Fitness center ✓ Pet-friendly rooms ✓ Business center





Homewood Suites by Hilton® Dallas Downtown, TX

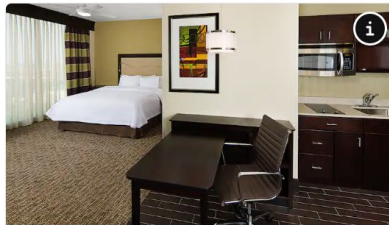
1025 Elm Street Dallas, Texas 75202 USA 
[Hotel details >](#)

[Room Filters](#) [Special Rates](#)  Connecting Rooms Accessible Rooms Use Points & Money

Daily Mandatory Charge will be added to the room rate and includes: Tourism Public Improvement District Fee and Texas Recovery Fee.

6 rooms found. We're showing the average price per night.

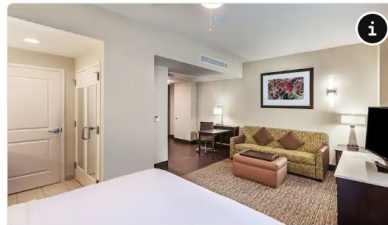
Select Currency  USD - US Dollar 



1 King Bed Studio Suite Nonsmoking

Book From \$144

Plus 2.53% mandatory charge per stay, plus tax



1 King Bed Corner Studio Suite Nonsmoking

Book From \$169

Plus 2.53% mandatory charge per stay, plus tax



2 Queen Beds Studio Suite Nonsmoking

Book From \$194

Plus 2.53% mandatory charge per stay, plus tax

43. Yet, when consumers go to checkout, they are charged the 2% DTPID fee in the daily mandatory fee 2.53%, and then charged the same 2% fee again as a “tax.” The room rate is also changed from \$144 to \$144.11.

Step 3 of 3

Payment and Guest Details

Total for stay

\$173.04

[Hide price details](#)

Price in USD

1 King Bed Studio Suite Nonsmoking	
Honors Discount Non-refundable	
12 May 2023	\$144.11
Total room charge	\$144.11
Mandatory Charge: 2.53 % per room, per stay	
Total fees	\$3.64
9.00 % per room, per night	
6.12 % per room, per night	
2.00 % per room, per night	
Total taxes	\$25.29
Total for stay: \$173.04	



Homewood Suites by Hilton® Dallas Downtown, TX
 1025 Elm Street Dallas, Texas 75202 USA 
[Hotel details >](#)

- 1 King Bed Studio Suite Nonsmoking
Change Room
- Honors Discount Non-refundable
Change Rate
- Payment and Guest Details**

 This members-only rate is non-refundable and requires you to pay up front. Join Hilton Honors (for free) on this page, [sign in](#), or [choose a different rate](#).

All fields are required unless marked optional.

 **Payment**

44. The 11 cents added to the advertised price, along with the second 2% charge amounts to \$3.07, an amount so nominal that consumers likely do not notice. However, upon information and believe, Homewood Suites by Hilton Dallas Downtown has approximately 130 guest rooms, so extrapolating over the course of a year for every room a nominal charge for individual consumers, in the aggregate, is **\$145,671.50** in fraudulent charges.

45. Similarly, the advertised room rate for a room at the Hampton Inn & Suites Dallas Downtown, on May 12, 2023, is \$145. Consumers are told that there is a daily mandatory fee of 2.65% that includes the DTPID Fee and “Texas Recovery Fee.”

Step 1 of 3

Select a Room

Your stay with Hampton by Hilton includes

✓ Free hot breakfast ✓ Free WiFi ✓ Non-smoking rooms ✓ Indoor pool ✓ Fitness center ✓ Pet-friendly rooms ✓ Business center

Room Filters Special Rates Connecting Rooms Accessible Rooms Use Points & Money

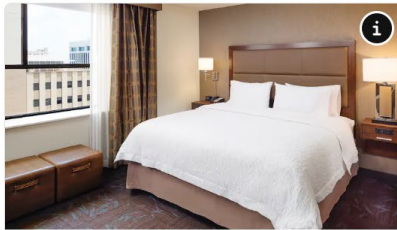


Hampton Inn & Suites Dallas Downtown
1700 Commerce Street, Dallas, Texas 75201 USA [Hotel details >](#)

Daily Mandatory Charge will be added to the room rate and includes: Tourism Public Improvement District Fee and Texas Recovery Fee.

9 rooms found. We're showing the average price per night.

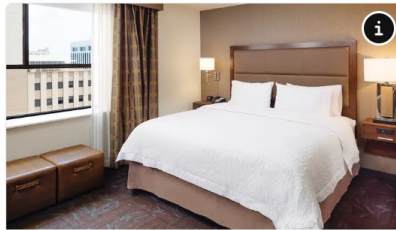
Select Currency



1 King W/microw/fridge Nonsmoking

Book From \$145

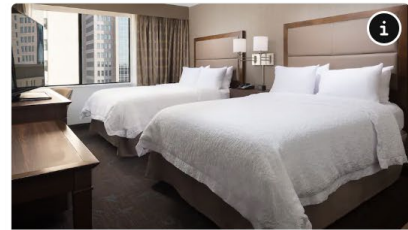
Plus 2.65% mandatory charge per stay, plus tax



1 King Junior Studio Suite Nonsmoking

Book From \$149

Plus 2.65% mandatory charge per stay, plus tax



2 Queen W/microw/fridge Nonsmoking

Book From \$154

Plus 2.65% mandatory charge per stay, plus tax

46. Hilton, during checkout, adds 46 cents to the room rate and charges the consumers the daily mandatory fee of 2.65% **twice**.

Your Stay Fri, May 12 – Sat, May 13, 2023 (1 night) 1 room for 1 adult [Edit Stay](#)

Step 3 of 3

Payment and Guest Details

Total for stay

\$176.11

[Hide price details](#)

Price in \$USD

1 King W/microw/fridge Nonsmoking	
Honors Discount Non-refundable	
12 May 2023	\$145.46
Total room charge	\$145.46
Mandatory Charge: 2.65 % per room, per stay	
Total fees	\$3.85
9.18 % per room, per night	
6.12 % per room, per night	
2.00 % per room, per night	
0.65 % per room, per night	
Total taxes	\$26.80

Total for stay: \$176.11

This members-only rate is non-refundable and requires you to pay up front. Join Hilton Honors (for free!) on this page, [sign in](#), or [choose a different rate](#).

All fields are required unless marked optional.

Payment



Hampton Inn & Suites Dallas Downtown
1700 Commerce Street, Dallas, Texas 75201 USA [Hotel details >](#)

- 1 King W/microw/fridge Nonsmoking
[Change Room](#)
- Honors Discount Non-refundable
[Change Rate](#)
- Payment and Guest Details**

47. In this example, the 46 cents added to the advertised rate and the second 2.65% “tax” amount to \$4.42. This rate is so nominal the average consumer will not notice, but in the aggregate, extrapolated out over the course of a year for all 176 guest rooms, amounts to \$283,940.80 in fraudulent charges.

48. At the Hampton Inn & Suites San Antonio Riverwalk, in San Antonio, Texas, a room for May 12, 2023, is advertised at a rate of \$157. Consumers are told there is a daily mandatory fee of 1.25% that includes the San Antonio Tourism Public Improvement District (“SATPID”) Fee.

Your Stay Fri, May 12 – Sat, May 13, 2023 (1 night) 1 room for 1 adult [Edit Stay](#)

Step 1 of 3
Update Your Room

Your stay with Hampton by Hilton includes
✓ Free hot breakfast ✓ Free WiFi ✓ Non-smoking rooms ✓ Outdoor pool ✓ Fitness center ✓ Pet-friendly rooms ✓ Business center

Room Filters Special Rates Connecting Rooms Accessible Rooms Use Points & Money



Daily Mandatory Charge will be added to the room rate and includes: San Antonio TPID Fee.

4 rooms found. We're showing the average price per night. Select Currency USD - US Dollar

 2 Queen Room with Mini Fridge Book From \$157 Plus 1.25% mandatory charge per stay, plus tax	 2 Queens W/fridge Riverview Book From \$157 Plus 1.25% mandatory charge per stay, plus tax	 1 King Microw/fridge/wet Bar Studio Suite Ns Book From \$157 Plus 1.25% mandatory charge per stay, plus tax
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49. Yet, consumers booking a stay are charged the 1.25% mandatory fee, which purportedly includes the SATPID, only to then be taxed an additional 1.37%, which upon information and belief includes the SATPID. Additionally, Hilton added 79 cents to the advertised


price of \$157 during checkout.


Your Stay  Fri, May 12 – Sat, May 13, 2023 (1 night)  1 room for 1 adult [Edit Stay](#)

Step 3 of 3


Payment and Guest Details

Total for stay	\$188.71
Hide price details	Price in \$USD
2 Queen Room with Mini Fridge	
Honors Discount Non-refundable	\$157.79
12 May 2023	
Total room charge	\$157.79
Mandatory Charge: 1.25 % per room, per stay	
Total fees	\$1.97
9.00 % per room, per night	
6.00 % per room, per night	
1.75 % per room, per night	
1.37 % per room, per night	
Total taxes	\$28.95
Total for stay: \$188.71	




Hampton Inn & Suites San Antonio Riverwalk
118 Soledad Street San Antonio, Texas 78205 USA 
[Hotel details >](#)

- 2 Queen Room with Mini Fridge
Change Room
- Honors Discount Non-refundable
Change Rate
- Payment and Guest Details**

 This members-only rate is non-refundable and requires you to pay up front. Join Hilton Honors (for free!) on this page, [sign in](#), or [choose a different rate](#).

All fields are required unless marked optional.

 **Payment**

50. In this example, the 79 cents added to the advertised rate and the 1.37% “tax” the amounts to \$2.98, which in the aggregate, extrapolated out over the course of a year for all 122 guest rooms, amounts to **\$132,699.40** in fraudulent charges.

51. Hilton employs the same or similar practices at its hotels across the state of Texas.

III. DTPA VIOLATIONS

52. Hilton, as alleged above, has in the course of trade or commerce engaged in false, misleading, and deceptive acts and practices declared unlawful, in § 17.46(a) and (b) of the DTPA as follows:

- a. Engaging in false, misleading, or deceptive acts or practices in the conduct of trade or commerce in violation of DTPA § 17.46 (a);
- b. Representing that goods or services have sponsorship, approval, characteristics, ingredients, uses benefits, or quantities that they do not have in violation of DTPA

§ 17.46 (b)(5);

- c. Advertising goods or services with intent not to sell them as advertised in violation of DTPA § 17.46 (b)(9);
- d. Representing that an agreement confers or involves rights, remedies, or obligations which it does not have in violation of DTPA § 17.46 (b)(12); and
- e. Failing to disclose information concerning services which was known at the time of the transaction if such failure to disclose information was intended to induce the consumer into a transaction into which the consumer would not have entered had the information been disclosed, in violation of DTPA § 17.46(b)(24).

IV. TRIAL BY JURY

53. The State herein requests a jury trial and tenders the jury fee to the Collin County District Clerk's office pursuant to Tex. R. Civ. P. 216 and Tex. Gov't Code § 51.604.

V. WRIT TO ISSUE WITHOUT BOND

54. The State requests that the Clerk of the Court issue such Writs of Injunction pursuant to any Injunction or Temporary Restraining Order issued by this Court in conformity with the law, and that same be issued and be effective without the execution and filing of a bond, as the State is exempt from such bonds under Tex. Bus. & Com. Code §17.47(b).

VI. PRAYER

55. The State prays that Hilton be cited according to law to appear and answer herein and that upon final hearing a permanent injunction be issued, restraining and enjoining Hilton, its officers, agents, servants, employees, and attorneys, and those persons in active concert or participation with Hilton who receive actual notice of the injunction by personal service or otherwise from the following acts and practices:

- a. Advertising prices for hotel rooms that are false or misleading;
- b. Advertising goods or services with intent not to sell them as advertised by

advertising a room rate that separately lists any line items that comprise the price that a consumer will be asked to pay for lodging without providing the total price, exclusive of government taxes, as the largest and most prominently displayed price in type and size on the same page as any other price advertisement;

- c. Making false or misleading statements of fact concerning the reasons for, existence of, or amount of price reductions by advertising sale prices of hotel rooms that do not include mandatory fees charged by the hotel;
- d. Advertising the price of a hotel room to consumers through an online price sorting function that sorts by a price other than the total cost of the room;
- e. Failing to disclose any mandatory fee separate from taxes or other government-imposed fees when listing line items that comprise any price that a consumer will be asked to pay for lodging;
- f. Failing to clearly and conspicuously disclose any mandatory fee charged before a consumer completes the process of booking a room; and
- g. Failing to disclose the total price a consumer must pay per night for a hotel room, including any mandatory fee payable to the hotel, in the initial advertised price of that hotel room.

56. The State further prays that this Court will:

- a. Order Hilton to pay civil penalties not to exceed \$10,000 per violation of the DTPA to the State of Texas;
- b. Grant a judgment against Hilton and order Hilton to restore all money or other property acquired by means of unlawful acts or practices;
- c. Order the disgorgement of Hilton' assets, as provided by law;
- d. Order Hilton to pay pre-judgment and post-judgment interest on all awards of restitution or civil penalties, as provided by law; and
- e. Grant a judgment against Hilton and order Hilton to pay the State's attorneys' fees and costs of Court as provided by the laws of the State of Texas, including but not limited to, Tex. Gov't Code § 402.006(c).

57. The State further respectfully prays for all other relief to which the State may be justly entitled.

Dated May 22, 2023.

Ken Paxton
Attorney General of Texas

Brent Webster
First Assistant Attorney General

Grant Dorfman
Deputy First Assistant Attorney General

Shawn Cowles
Deputy Attorney General for Civil Litigation

Office of the Attorney General
General Litigation Division
P.O. Box 12548, Capitol Station
Austin, Texas 78711-2548
(512) 475-4196

Respectfully submitted.

Christopher D. Hilton
Chief, General Litigation Division

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Attorneys for the State of Texas

CIVIL CASE INFORMATION SHEET

CAUSE NUMBER (FOR CLERK USE ONLY): _____ COURT (FOR CLERK USE ONLY): _____

STYLED State of Texas v. Hilton Domestic Operating Company, Inc, d/b/a Hilton Dopco, Inc

(e.g., John Smith v. All American Insurance Co; In re Mary Ann Jones; In the Matter of the Estate of George Jackson)

A civil case information sheet must be completed and submitted when an original petition or application is filed to initiate a new civil, family law, probate, or mental health case or when a post-judgment petition for modification or motion for enforcement is filed in a family law case. The information should be the best available at the time of filing.

1. Contact information for person completing case information sheet:	Names of parties in case:	Person or entity completing sheet is:
Name: _____ Email: _____ _Johnathan Stone_____ _johnathan.stone@oag.texas.gov Address: _____ Telephone: _____ _P.O. Box 12548, Capitol Staion_____ _(512) 475-4196 _____ City/State/Zip: _____ Fax: _____ Austin, TX 78711-2548_____ _(512) 320-0667 _____ Signature: _____ State Bar No: _____ _____ _24106709_____	Plaintiff(s)/Petitioner(s): ___State of Texas_____ _____ Defendant(s)/Respondent(s): Hilton Domestic Operating Company,_____ _Inc d/b/a Hilton Dopco, Inc_____ _____ [Attach additional page as necessary to list all parties]	<input checked="" type="checkbox"/> Attorney for Plaintiff/Petitioner <input type="checkbox"/> Pro Se Plaintiff/Petitioner <input type="checkbox"/> Title IV-D Agency <input type="checkbox"/> Other: _____ Additional Parties in Child Support Case: Custodial Parent: _____ Non-Custodial Parent: _____ Presumed Father: _____

2. Indicate case type, or identify the most important issue in the case (select only 1):			
Civil		Family Law	
Contract	Injury or Damage	Real Property	Marriage Relationship
Debt/Contract <input checked="" type="checkbox"/> Consumer/DTPA <input type="checkbox"/> Debt/Contract <input type="checkbox"/> Fraud/Misrepresentation <input type="checkbox"/> Other Debt/Contract: _____ Foreclosure <input type="checkbox"/> Home Equity—Expedited <input type="checkbox"/> Other Foreclosure <input type="checkbox"/> Franchise <input type="checkbox"/> Insurance <input type="checkbox"/> Landlord/Tenant <input type="checkbox"/> Non-Competition <input type="checkbox"/> Partnership <input type="checkbox"/> Other Contract: _____	<input type="checkbox"/> Assault/Battery <input type="checkbox"/> Construction <input type="checkbox"/> Defamation Malpractice <input type="checkbox"/> Accounting <input type="checkbox"/> Legal <input type="checkbox"/> Medical <input type="checkbox"/> Other Professional Liability: _____ <input type="checkbox"/> Motor Vehicle Accident <input type="checkbox"/> Premises Product Liability <input type="checkbox"/> Asbestos/Silica <input type="checkbox"/> Other Product Liability List Product: _____ <input type="checkbox"/> Other Injury or Damage: _____	<input type="checkbox"/> Eminent Domain/Condemnation <input type="checkbox"/> Partition <input type="checkbox"/> Quiet Title <input type="checkbox"/> Trespass to Try Title <input type="checkbox"/> Other Property: _____ Related to Criminal Matters <input type="checkbox"/> Expunction <input type="checkbox"/> Judgment Nisi <input type="checkbox"/> Non-Disclosure <input type="checkbox"/> Seizure/Forfeiture <input type="checkbox"/> Writ of Habeas Corpus—Pre-indictment <input type="checkbox"/> Other: _____	<input type="checkbox"/> Annulment <input type="checkbox"/> Declare Marriage Void Divorce <input type="checkbox"/> With Children <input type="checkbox"/> No Children Other Family Law <input type="checkbox"/> Enforce Foreign Judgment <input type="checkbox"/> Habeas Corpus <input type="checkbox"/> Name Change <input type="checkbox"/> Protective Order <input type="checkbox"/> Removal of Disabilities of Minority <input type="checkbox"/> Other: _____
			Post-judgment Actions (non-Title IV-D)
			<input type="checkbox"/> Enforcement <input type="checkbox"/> Modification—Custody <input type="checkbox"/> Modification—Other Title IV-D <input type="checkbox"/> Enforcement/Modification <input type="checkbox"/> Paternity <input type="checkbox"/> Reciprocal (UIFSA) <input type="checkbox"/> Support Order
			Parent-Child Relationship
			<input type="checkbox"/> Adoption/Adoption with Termination <input type="checkbox"/> Child Protection <input type="checkbox"/> Child Support <input type="checkbox"/> Custody or Visitation <input type="checkbox"/> Gestational Parenting <input type="checkbox"/> Grandparent Access <input type="checkbox"/> Parentage/Paternity <input type="checkbox"/> Termination of Parental Rights <input type="checkbox"/> Other Parent-Child: _____
Employment	Other Civil		
<input type="checkbox"/> Discrimination <input type="checkbox"/> Retaliation <input type="checkbox"/> Termination <input type="checkbox"/> Workers' Compensation <input type="checkbox"/> Other Employment: _____	<input type="checkbox"/> Administrative Appeal <input type="checkbox"/> Antitrust/Unfair Competition <input type="checkbox"/> Code Violations <input type="checkbox"/> Foreign Judgment <input type="checkbox"/> Intellectual Property	<input type="checkbox"/> Lawyer Discipline <input type="checkbox"/> Perpetuate Testimony <input type="checkbox"/> Securities/Stock <input type="checkbox"/> Tortious Interference <input type="checkbox"/> Other: _____	
Tax	Probate & Mental Health		
<input type="checkbox"/> Tax Appraisal <input type="checkbox"/> Tax Delinquency <input type="checkbox"/> Other Tax	Probate/Wills/Intestate Administration <input type="checkbox"/> Dependent Administration <input type="checkbox"/> Independent Administration <input type="checkbox"/> Other Estate Proceedings	<input type="checkbox"/> Guardianship—Adult <input type="checkbox"/> Guardianship—Minor <input type="checkbox"/> Mental Health <input type="checkbox"/> Other: _____	

3. Indicate procedure or remedy, if applicable (may select more than 1):		
<input type="checkbox"/> Appeal from Municipal or Justice Court <input type="checkbox"/> Arbitration-related <input type="checkbox"/> Attachment <input type="checkbox"/> Bill of Review <input type="checkbox"/> Certiorari <input type="checkbox"/> Class Action	<input type="checkbox"/> Declaratory Judgment <input type="checkbox"/> Garnishment <input type="checkbox"/> Interpleader <input type="checkbox"/> License <input type="checkbox"/> Mandamus <input type="checkbox"/> Post-judgment	<input type="checkbox"/> Prejudgment Remedy <input type="checkbox"/> Protective Order <input type="checkbox"/> Receiver <input type="checkbox"/> Sequestration <input checked="" type="checkbox"/> Temporary Restraining Order/Injunction <input type="checkbox"/> Turnover

4. Indicate damages sought (do not select if it is a family law case):
<input type="checkbox"/> Less than \$100,000, including damages of any kind, penalties, costs, expenses, pre-judgment interest, and attorney fees <input type="checkbox"/> Less than \$100,000 and non-monetary relief <input type="checkbox"/> Over \$100,000 but not more than \$200,000 <input type="checkbox"/> Over \$200,000 but not more than \$1,000,000 <input checked="" type="checkbox"/> Over \$1,000,000

Automated Certificate of eService

This automated certificate of service was created by the e filing system. The filer served this document via email generated by the e filing system on the date and to the persons listed below. The rules governing certificates of service have not changed. Filers must still provide a certificate of service that complies with all applicable rules.

Rosalinda Luna on behalf of Johnathan Stone
Bar No. 24071779
rosalinda.luna@oag.texas.gov
Envelope ID: 75899640
Filing Code Description: Plaintiff's Original Petition (OCA)
Filing Description:
Status as of 5/23/2023 11:43 AM CST

Associated Case Party: State of Texas

Name	BarNumber	Email	TimestampSubmitted	Status
Johnathan Stone		johnathan.stone@oag.texas.gov	5/23/2023 9:41:17 AM	SENT
Jameson C.Joyce		jameson.joyce@oag.texas.gov	5/23/2023 9:41:17 AM	SENT
Rosalinda Luna		rosalinda.luna@oag.texas.gov	5/23/2023 9:41:17 AM	SENT
Tamra Fisher	24123054	Tamra.Fisher@oag.texas.gov	5/23/2023 9:41:17 AM	SENT