

STATE OF NEW YORK
DEPARTMENT OF STATE

In the Matter of a Proceeding Pursuant to Section 399-z
of the General Business Law and
Regulations promulgated thereunder,

AGREED SETTLEMENT
File #1 DNC 11

-by-

Hilton Grand Vacations Company, LLC

Respondent.

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1. The New York State Department of State (“Department”) is an executive agency of the State of New York charged with the regulation of the “Do Not Call” law and the enforcement of Section 399-z of the General Business Law and the regulations promulgated thereunder.
 2. An enforcement action and proceeding against Hilton Grand Vacations Company, LLC (“Hilton”) was initiated based upon complaints received by the Department alleging violations of the Do Not Call Registry, in violation of General Business Law § 399-z and 21 New York Codes, Rules and Regulations (NYCRR) Parts 4602 and 4603.
 3. The Department alleges that Hilton has apparently violated New York General Business Law § 399-z and 21 NYCRR Parts 4602 and 4603 by making no less than three hundred and thirty-four (334) unsolicited telemarketing sales calls to one hundred and thirty three (133) consumers whose telephone numbers were validly registered on the Do Not Call Registry.
 4. The Department’s staff conducted an investigation (which originated with the Department’s predecessor agency, the New York State Consumer Protection Board), which investigation resulted in commencement of the above-captioned administrative proceeding and this Agreed Settlement resolves all issues covered by the investigation.
 5. Hilton has been advised of its right to be represented by an attorney and is represented by Sherman Kahn, Attorney at Law, of Mauriel Kapouytian Woods, LLP with an office located at 15 W. 26th Street, Suite 302, New York, New York 10010.
 6. By executing this Agreed Settlement, Hilton affirmatively waives its right to a hearing in the manner provided by law, consents to the issuance and entry of this Agreed Settlement and the parties agree to be bound by the terms, provisions and conditions contained herein as a settlement of the Department’s allegations against Hilton.
 7. Hilton enters into this agreement in order to resolve a disputed matter. Hilton represents that all violations alleged in the Department’s Notice of Apparent Liability, regarding a pattern of business practices which allegedly violated the relevant sections of the General Business Law have been or will be rectified, in accordance with the terms set forth herein:

To resolve the Department's allegations that Hilton made no less than three hundred and thirty-four (334) unsolicited telemarketing sales calls to one hundred and thirty three (133) consumers whose telephone numbers were validly registered on the National Do Not Call Registry, in violation of the New York General Business Law Section 399-z and 21 NYCRR Parts 4602 and 4603, Hilton agrees to a settlement payment in the amount of **\$250,500.00**.

NOW, in consideration of the above premises, it is **ORDERED**:

1. That Hilton shall return the fully executed and notarized Agreed Settlement such that same is received by the Department on or before March 9, 2016. The mailing address to send the Agreed Settlement is: NYS Department of State, Division of the Licensing Services, Attn: David Mossberg, Esq., 123 William St., 20th Fl., New York, NY 10038.
2. That Hilton shall pay a fine in the amount of **\$250,500.00 (Two Hundred Fifty Thousand Five Hundred Dollars)**, with the payment being within sixty days of full execution of this Agreed Settlement by all parties. That said payment must be in the **form of a cashier's check or a money order**, payable to NYS Department of State.
3. The Department and Hilton agree that Hilton may continue to make unsolicited telemarketing sales calls to consumers under the following conditions:
 - a. to consumers whose telephone numbers are not validly registered on the National Do Not Call Registry, provided such consumers have not specifically directed Hilton and/or any of its affiliates to refrain from contacting them;
 - b. to consumers whose telephone numbers are validly registered on the National Do Not Call Registry, but who are also "Hilton HHonors" members, provided such members have not specifically directed Hilton and/or any of its affiliates to refrain from contacting them;
 - c. to consumers whose telephone numbers are validly registered on the National Do Not Call Registry but who have an established business relationship with Hilton directly, provided such consumers have not specifically directed Hilton and/or any of its affiliates to refrain from contacting them;
 - d. to consumers whose telephone numbers are validly registered on the National Do Not Call Registry, but who have an established business relationship with Hilton by reason of having stayed at a place of lodging at a Hilton Worldwide portfolio of brands property, for purposes of promoting a product or service substantially related to those products or services upon which Hilton or its affiliates' prior established business relationship was based, provided: 1) that such calls are not otherwise prohibited by the New York General Business Law and/or any other applicable statute or regulation; and 2) provided such consumers have not specifically directed Hilton and/or any of its affiliates to refrain from contacting them and/or;
 - e. that such calls are not otherwise prohibited by any applicable law.

For the purposes section 3.d above, a product or service substantially related to those products or services upon which Hilton's affiliates' prior established business relationship is formed shall not include solicitations of temporary lodging conditioned upon the consumers' consent to enroll or participate in a presentation regarding the purchase, lease or exchange of securities (i.e., timeshare) and/or other interest unless such solicitation also clearly offers such consumer the option to purchase the same lodging without the condition that the consumer consent to participate in a sales presentation regarding the purchase, lease or exchange or securities (i.e. timeshare) and/or other interest.

The Department and Hilton further agree that for any call subject to Section 3.d above, wherein Hilton initiates a sales telemarketing call by reason of a prior established business relationship resulting from the intended call recipient having stayed at a place of lodging at a Hilton Worldwide portfolio of brands property (as opposed to a direct business relationship with Hilton), Hilton will promptly (i.e., performed at once and without delay) disclose the following once the call is connected: 1) the identity of the caller and the caller's relationship to Hilton; 2) that the purpose of the call is to sell goods or services; and 3) the nature of the goods or services being offered.

The Department and Hilton further agree that Hilton shall have until Sixty (60) days from the Effective Date of this Agreed Settlement to modify its call processes and procedures in accordance with the terms of this Agreed Settlement.

4. That upon execution of this Agreed Settlement by the Secretary of State or his designee, the Complaint in this matter shall be terminated, withdrawn and discontinued with prejudice with respect to Hilton in accordance with the terms hereof.

5. That the Agreed Settlement herein expressly depends upon representations made by Respondent both oral or written, formal or informal which relate to the subject matter of the Agreed Settlement and that such representations have fully, accurately and truthfully disclosed all relevant facts to the Department. If any such representation is determined to be limited, inaccurate or untruthful, the Department shall not be bound by the terms herein and shall initiate and action it deems appropriate in the administrative, civil or criminal prosecution of Hilton.

6. The effective date of this Agreed Settlement shall be the date on which the Secretary of State or his designee signs the same. The Department will provide Hilton or its counsel with a fully executed copy of this Agreed Settlement as soon as practicable after the Secretary of State signed the same.

7. The failure of Hilton to comply fully and in timely fashion with any provisions of this Agreed Settlement shall constitute a default and a failure to perform an obligation under this Agreed Settlement. Such default shall result in an administrative hearing for the purpose of determining whether additional penalties should be imposed due to Hilton's default and failure to perform an obligation under this Agreed Settlement.

8. This Agreed Settlement constitutes the entire agreement of the parties and no provision of the agreement shall be deemed waived or otherwise modified except as is specifically set forth in a

writing executed by the Secretary of State or his designee indicating an intent to modify this Agreed Settlement.

9. Nothing contained in this Agreed Settlement shall be construed as barring, diminishing, adjudicating or in any way affecting (1) any legal, administrative or equitable rights or claims, actions, suites, causes of action or demand whatsoever that the Department may have against anyone other than Hilton, its parents, subsidiaries or affiliates (2) any right of the Department to enforce administratively or at law or in equity, the terms, provisions and conditions of this Agreed Settlement; (3) any right of the Department to bring any future action, either administrative or judicial, for any other violations of the applicable laws, in the implementing regulations or conditions contained in orders if any, issued by the Department.

Dated:

8/1/2016

New York, New York

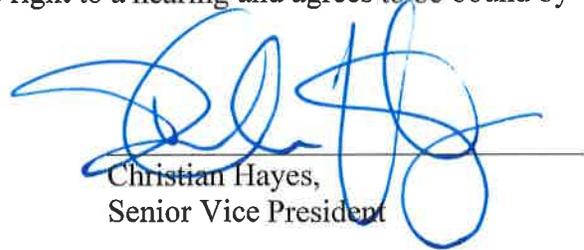
NEW YORK STATE
DEPARTMENT OF STATE

By: 

David Mossberg
Associate Attorney

AGREEMENT OF HILTON GRAND VACATIONS COMPANY, LLC

Christian Hayes, Senior Vice President, on behalf of Hilton Grand Vacations Company, LLC hereby agrees to this Agreed Settlement, waives the right to a hearing and agrees to be bound by the terms and conditions herein.


Christian Hayes,
Senior Vice President

STATE OF FLORIDA)
 ss.:
COUNTY OF)

On this 25 day of February in the year 2016 before me, the undersigned, personally appeared Christian Hayes, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in this capacity and that by his signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.



Notary Public

