

IN RE: * **IN THE CONSUMER**
ROYAL CARIBBEAN CRUISES, LTD. * **PROTECTION DIVISION**
* **OF THE OFFICE OF**
* **THE ATTORNEY GENERAL**
* **OF MARYLAND**
* * * * *

ASSURANCE OF DISCONTINUANCE

The Consumer Protection Division of the Office of the Attorney General of Maryland (the “Division”) is entering into this Assurance of Discontinuance (the “Assurance”) with Royal Caribbean Cruises, Ltd. (the “Respondent” and “RCCL”). The Division and the Respondent agree as follows:

PARTIES

1. The Division is responsible for the enforcement of Maryland consumer protection laws, including the Maryland Consumer Protection Act, Md. Code Ann., Com. Law, §§ 13-101 to 13-501 (2013 Repl. Vol. and 2021 Supp.) (the “Consumer Protection Act”).
2. Respondent RCCL is a corporation organized and existing under the laws of Liberia with its principal place of business at 1050 Caribbean Way, Miami, Florida 33132.
3. Not a party to this Assurance, Capital Jazz, Inc. (“Capital Jazz”) is a corporation organized and existing under the laws of Maryland with its principal place of business at 5907 Clifton Oaks Dr., Clarksville, Maryland 21029.

DEFINITIONS

4. “Effective Date” means the date upon which the last of all parties and counsel listed as signatories on the Assurance have executed it.
5. “SuperCruises” shall refer to the jazz performances and accompanying cruise ship

passage that Capital Jazz sold to consumers and that were scheduled to commence on January 16, 2021, and January 14, 2022.

THE DIVISION'S ALLEGATIONS

6. Respondent entered into a Purchase and Resale Agreement with Capital Jazz to sell tickets to the SuperCruises. Pursuant to that contract, Capital Jazz sold tickets to consumers to the SuperCruises.

7. The January 16, 2021, SuperCruise was cancelled due to the COVID-19 pandemic, and RCCL and Capital Jazz entered into a "lift and shift" agreement to postpone the cruise to January 14, 2022. Capital Jazz offered passengers a choice of cruise tickets or refunds. As a result of the COVID-19 pandemic and the rise of the Omicron variant, the January 2022 SuperCruise was also cancelled. Although Capital Jazz has issued refunds to some of the SuperCruise passengers, some of the passengers from both the 2021 and 2022 SuperCruises are still owed refunds.

8. Under federal maritime law, Respondent was financially responsible to consumers in the event that the SuperCruises did not occur. Although Respondent could have transferred this liability to Capital Jazz for the SuperCruises, it did not do so.

9. In spite of its legal financial responsibility, Respondent represented to consumers who purchased tickets for the SuperCruises in its contracts and in phone calls that it was not responsible for refunds and did not inform consumers of the steps they could take to get refunds.

10. When consumers contacted Respondent directly, Respondent did not honor refund requests, accept any responsibility for refunds, and instead steered consumers back to Capital Jazz.

11. The Division contends the Respondent's practice of not paying refunds to consumers for the cancelled SuperCruises are unfair and deceptive trade practices that violate the Consumer Protection Act.

12. The Division contends that refunds that remain owed to consumers who purchased tickets for the SuperCruises total nearly \$1.3 million.

RESPONDENTS' DENIALS

13. Respondent denies the Division's allegations set forth above.

14. Respondent asserts that, at all times relevant to the Division's inquiry, it complied with all applicable laws in Maryland. Respondent denies that its conduct violated any provision of the Consumer Protection Act.

15. Respondent asserts that it never received any payments from passengers from the SuperCruises and that Capital Jazz contractually agreed to be responsible for all refunds to passengers scheduled to travel on the SuperCruises.

16. Respondent further asserts that Capital Jazz's responsibility to issue refunds to consumers scheduled to sail on the SuperCruises was (a) communicated to consumers by Capital Jazz, clearly and conspicuously, prior to consumers making a purchase from Capital Jazz, (b) was communicated and acknowledged by consumers through Respondent's Re-Sale Cruise Ticket Contracts, which were applicable to SuperCruises, and (c) disclosed on Respondent's website.

17. Respondent also asserts that at the material times, federal maritime law only required Respondent to post a bond with the Federal Maritime Commission ("FMC") and ensure such bond is available for any claims against the bond itself – and Respondent complied with that obligation.

18. Respondent further asserts that its indemnity obligations to consumers arise only in the event consumers who were unable to sail on the SuperCruises made a legal claim against Capital Jazz and Capital Jazz was held liable to the consumer(s) for such a claim and Capital Jazz failed or is unable to satisfy such obligation.

19. Respondent agrees to the terms of this Assurance without trial of any issue of fact

or law, for the purpose of resolving its dispute with the Division regarding the above allegations. Nothing in this Assurance shall constitute an admission of liability or evidence against any party.

CEASE AND DESIST PROVISIONS

20. The cease-and-desist provisions of this Assurance shall apply to Respondent and its officers, employees, agents, successors, assignees, affiliates, merged or acquired entities, parent or controlling entities, wholly owned subsidiaries, and all other persons acting in concert or in participation with Respondent.

21. The Respondent shall not make any oral or written statements or other representations of any kind that have the capacity, tendency, or effect of deceiving or misleading consumers in connection with the offer and sale of any SuperCruises.

22. The Respondent shall not fail to state any material fact, the omission of which would deceive or tend to deceive consumers in connection with the offer and sale of any SuperCruises.

23. The Respondent shall not misrepresent its ability or willingness to provide refunds to consumers who have purchased cruise tickets from a third-party reseller in contractual privity with Respondent.

24. No later than forty-five (45) days after the Effective Date of this Assurance, Respondent shall modify its Re-Sale Cruise Ticket Contracts and website to inform consumers of their ability to obtain a refund, including under the applicable Federal Maritime Commission regulations.

RESTITUTION

A. The Restitution Payment

25. The Respondent is jointly and severally liable with Capital Jazz for the payment of restitution equal to the amounts paid by consumers for the SuperCruises that have not already been

refunded to consumers.

26. Respondent shall pay restitution to the Division in an amount equal to all amounts consumers paid for tickets to the SuperCruises, less any amounts that Capital Jazz has refunded to consumers (the “Restitution Amount”).

27. The Division shall use the Restitution Amount to pay consumers the amounts they paid for SuperCruise tickets that have not already been refunded to them. The Division shall distribute restitution to consumers consistent with the claims procedure set forth below.

B. Claims Administration Process

28. The Respondent shall administer a claims procedure, the purpose of which shall be to locate consumers entitled to receive refunds pursuant to paragraph 27 and to pay the refund amounts to consumers.

29. Within fifteen (15) days from the Effective Date, the Respondent shall deposit the Restitution Amount into an escrow bank account that shall be established exclusively for the purpose of distributing restitution pursuant to the claims procedure outlined herein (the “Restitution Account”). The financial institution in which the Restitution Account is established shall be a Maryland-chartered or nationally chartered bank located in Maryland. The Respondent shall provide monthly statements issued by the bank in which the Restitution Account is maintained that reflect the balance of the account and all deposits and withdrawals made during the reporting period contained in the statement.

30. The Respondent shall be responsible for all of the costs of the claims procedure.

31. Within fifteen (15) days of the date that this Assurance is executed by all parties, the Respondent shall provide the Division with a list of all consumers who paid any money to Capital Jazz for SuperCruise tickets to the extent it possesses the data (the “Consumer List”). For

each consumer whose name is contained on the Consumer List, the Respondent shall provide the following information, in the form of an electronic spreadsheet with each item in a separate field:

- a. the consumer's first name;
- b. the consumer's last name;
- c. the consumer's address;
- d. the consumer's telephone number;
- e. the consumer's email address;
- f. the date(s) the consumer purchased tickets for SuperCruises ;
- g. the amount of the ticket payment paid by the consumer;
- h. the amount, date, and form of each refund already issued to the consumer by Capital Jazz;
- i. the date each refund check was cashed or electronic payment was accepted; and
- j. for any consumer who is still owed a refund, the amount of the refund.

32. The Respondent shall not use the information contained in the Consumer List for any purpose other than to effectuate the terms of this Assurance.

33. Within thirty (30) days from the Effective date, the Respondent shall mail checks to each consumer on the Consumer List that is owed a refund ("Restitution Checks"). With each Restitution Check mailed pursuant to this paragraph, the Respondent shall send the consumer the Restitution Notice Letter attached hereto as Exhibit A using envelopes provided by the Division.

34. In the event there are multiple consumers who are co-obligors and/or guarantors for a SuperCruises ticket, any such Restitution Check shall be made out jointly to each such co-obligor and/or guarantor and shall be mailed to the address of the first obligor listed in the Consumer List.

35. The Respondent shall not issue a Form 1099-MISC tax report to any consumers

who receive a payment pursuant to this Assurance.

36. Consumers shall have one hundred twenty (120) days from the date of issuance of the Restitution Check to present such Restitution Check for payment.

37. If any Restitution Notice letter or Restitution Check mailed pursuant to paragraph 35 are returned as undeliverable, the Respondent shall resend the Restitution Notice letter and/or Restitution Check to any different address that is identified for the consumer through a Global Address Verification Service (such as the United States Postal Service's National Change of Address Database or Melissa, Inc.) and agreed to by the Division, or to any address that is provided to the Respondent by the Division. If no address is available for a consumer through a Global Address Verification Service or supplied by the Division, or the consumer does not cash the restitution check that was mailed pursuant to this paragraph, then this unpaid restitution amount shall be paid to the Division as set forth below.

38. Three hundred (300) days from the Effective Date, the Respondent shall provide the Division with a revised Consumer List setting forth the information required in the Consumer List and including an additional field stating whether the restitution payment made to the consumer was accepted or is still due and owing (the "Revised Consumer List"). The Revised Consumer List shall be submitted to the Division in the same format required for the Consumer List under paragraph 31.

39. At the same time the Respondent is required to remit the Revised Consumer List to the Division, the Respondent shall turn over any funds that were not paid to consumers, and remain in the Restitution Account, to the Division by remitting the funds to the Office of the Maryland Comptroller along with a paper and electronic spreadsheet containing the names, mailing addresses, telephone numbers, email addresses, and unpaid restitution amounts owed to the

individual consumer(s) with an explanation that the funds that are being remitted are due and owed to each consumer pursuant to this Assurance and are being remitted to the Office of the Comptroller to be held in the name of each consumer as an unclaimed fund.

40. Respondent shall preserve all data and documents that it possesses related to all consumers who paid any money for the SuperCruises. The data and documents shall include, but not be limited to information identifying the names, addresses and contact information of all consumers who purchased tickets to the SuperCruises and copies of all checks, credit card receipts, and statements reflecting their payments. The Respondent shall, upon the Division's request, make such data and documents available to the Division for inspection within a reasonable time from the request, which shall not exceed thirty (30) days.

41. The Respondent and the Division may agree to extend or revise any deadline contained herein when circumstances warrant such a revision.

PAYMENT TO THE DIVISION

42. Within thirty (30) days of the Effective Date, the Respondent shall also pay the Division One Hundred Thousand Dollars (\$100,000).

NOTICE

43. When notice is required under this Assurance, notice shall be provided in writing.

Notice to the Division shall be directed to:

Philip Ziperman
Consumer Protection Division
Office of the Attorney General
200 St. Paul Place, 16th Floor
Baltimore, MD 21202
(410)-576-7057
pziperman@oag.state.md.us

and

Chief
Consumer Protection Division
Office of the Attorney General
200 St. Paul Place, 16th Floor
Baltimore, MD 21202
consumer@oag.state.md.us

Notice to Respondent shall be directed to:

David M. Levine, Esq.
Sanchez Fischer Levine, LLP
1200 Brickell Avenue, Ste. 750
Miami, Florida 33131
(305) 925-9947
dlevine@sfl-law.com

Any party may change its designated notice recipients by written notice to the other parties.

DISPUTES

44. The Chief of the Division, or his designee, shall resolve any disputes concerning this Assurance and enter any supplemental orders needed to effectuate its purpose.

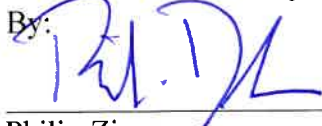
ENFORCEMENT

45. The Respondent understands that this Assurance is enforceable by the Consumer Protection Division pursuant to the Consumer Protection Act and that any violation of this Assurance is a violation of the Consumer Protection Act.

46. The Respondent agrees that any violations of this Assurance or future violations of the Consumer Protection Act similar to those in the Division's Allegations shall constitute a subsequent violation of the Consumer Protection Act for purposes of Consumer Protection Act §13-410 and shall be subject to the penalty provisions for subsequent violations contained therein.

**Consumer Protection Division
Office of the Attorney General**

By:



Philip Ziperman
Deputy Chief

Date: ~~March~~ April 2, 2024

Royal Caribbean Cruises, Ltd.

By:



Michael Goldner
Senior Vice President of Revenue
Management

Date: March 22, 2024