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Expedia ordered to pay \$184 million in lawsuit over hotel taxes, fee

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A King County Superior Court judge has ordered Bellevue-based Expedia to pay \$184 million in a 4-year-old class-action lawsuit against the Internet travel agency.

The lawsuit, filed by Seattle law firm Hagens Berman Sobol Shapiro on behalf of Expedia customers, accused the company of paying hotel taxes based on a room's lower wholesale price but collecting based on its higher retail price.

Also, it accused Expedia of bundling an additional service-fee charge with taxes into a single line item on a hotel bill, making the taxes appear higher than their actual amounts.

Superior Court Judge Monica Benton ruled that Expedia should return \$184 million in service fees to customers who booked a hotel stay from mid-February 2003 to mid-December 2006.

Expedia said in a regulatory filing today that it will appeal the decision.

"Expedia.com charged its customers a service fee for certain transactions during the period described above, which was fully disclosed to each customer before a booking was completed, and we are confident that we have fulfilled all applicable obligations to our customers," the company said in a statement. "Because we believe that the court's decision is inconsistent with both the facts and the law, we will vigorously pursue our rights on appeal."

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