

**OFFICE OF THE ATTORNEY GENERAL
STATE OF FLORIDA
DEPARTMENT OF LEGAL AFFAIRS**

IN THE MATTER OF:

Case No. L13-3-1010

**HSNi, LLC
d/b/a HOME SHOPPING NETWORK,**

HSN.

ASSURANCE OF VOLUNTARY COMPLIANCE

Pursuant to the provisions of Chapter 501, Part II, Florida Statutes, the Florida Deceptive and Unfair Trade Practices Act, the OFFICE OF THE ATTORNEY GENERAL, STATE OF FLORIDA, DEPARTMENT OF LEGAL AFFAIRS, the "Attorney General," caused an investigation to be made into the acts and practices of **HSNi, LLC., d/b/a HOME SHOPPING NETWORK**, hereinafter referred to as "HSN."

The Attorney General acknowledges that HSN has cooperated with the Attorney General in its investigation, and this Assurance of Voluntary Compliance (hereinafter "AVC") represents a compromise and settlement of the matters investigated by the Attorney General, as set forth below.

IT IS AGREED that this AVC does not constitute a finding of law or fact, or any evidence supporting any such finding of law or fact by any court or agency that HSN has engaged in any act or practice declared unlawful by any laws, rules, or regulations of the State of Florida, or as might apply, or be applied in State of Florida. HSN denies any liability or violation of law, and enter into this AVC without any admission of liability. The parties intend

that this AVC shall not be used as evidence against HSN in any action or proceeding other than in an action or proceedings brought by the Attorney General to enforce its terms.

The Attorney General, by and through the undersigned Director, Consumer Protection Division, being in agreement, does, in this matter, accept this AVC in immediate termination of its investigation, pursuant to Section 501.207(6), Florida Statutes, and by virtue of the authority vested in the Attorney General by said statute. The Attorney General and HSN hereby agree as follows:

I. STIPULATED FACTS

1.0 HSNi, LLC, d/b/a Home Shopping Network (hereinafter “HSN”), is a limited liability company formed under the laws of the State of Delaware and has a principal place of business at 1 HSN Drive, St. Petersburg, Florida.

1.1 HSN is an interactive multi-channel retailer, which offers products through television, online, via mobile, catalogs, and brick-and-mortar stores throughout Florida.

1.2 The Attorney General conducted an investigation of HSN for unfair and deceptive practices, pursuant to Chapter 501, Part II, Florida Statutes, Florida Deceptive and Unfair Trade Practices Act, relating to the HSN’s claims of “German Steel” and “Made in Germany” related to certain knives or knife sets (“Matters Investigated”).

1.3 HSN has since stopped sales of the products at issue, and has continued to refine its quality control procedures to examine product claims of prospective suppliers.

1.4 HSN desires to resolve the issues raised during the course of this investigation by way of this AVC, without any administrative or judicial adjudication.

II. DEFINITIONS

2.1 “Represent” means to state, or to imply through statements, questions, conduct, graphics, symbols, lettering, formats, devices, language, documents, messages, or through any other manner or means by which meaning might be conveyed. For purposes of this AVC, this definition applies to other forms of the word “Represent,” including without limitation “Representation.”

2.2 A “material” representation or practice is one that is important to consumers, and which is likely to affect a consumer’s choice of or conduct regarding a product.

III. COMPLIANCE

3.1 HSN and its representatives, agents, employees, or any other person who acts under, by, through, or on behalf of HSN, directly or indirectly, or through any corporate or other device (except for vendors and other third parties providing services to HSN, and over which HSN has no control), shall comply with the Florida Deceptive and Unfair Trade Practices Act, Chapter 501, Part II, Florida Statutes, Section 817.41, Florida Statutes, Title 15, Federal Trade Commission Act, Title 15, United States Code, Section 45, Unfair Methods of Competition, and Title 15, United States Code, Section 52, Dissemination of False Advertisements.

3.2 In connection with HSN’s advertising, marketing, promotion, offering for sale or sale of any knives or knife sets, HSN shall not misrepresent, expressly or by implication, any material term, condition or fact, including, but not limited to:

A. expressly or implicitly implying that the steel used in its knives or knife sets, “German Steel,” unless the steel is, in fact, made in Germany; and

B. expressly or implicitly implying its knives or knife sets are “Made in Germany,” unless knives or knife sets are, in fact, made within Germany.

3.3 To the extent that in the sale of cutlery products, the origin of the product is featured in advertising or sales presentations or the cutlery product bears a notation of origin, HSN shall obtain reasonable assurances from the vendor which confirm the accuracy of statements of origin and shall assure that the approved specifications for the product match the product labeling. HSN shall take reasonable steps to assure that claims made on air are consistent with the approved specifications.

3.4 HSN shall make the substantive terms of compliance and conditions of this AVC known to all officers, directors, managers, employees, agents, representatives, successors, and assigns engaged in the approval for sale and actual sale of cutlery products by HSN. The terms of this AVC shall apply only to the Matters Investigated.

3.5 The effective date of this AVC is the date on which the AVC is fully executed by the parties.

3.6 Unless this AVC has been violated by HSN, the terms of this AVC shall automatically expire five (5) years after the effective date.

IV. RESTITUTION

4.1 HSN refunded TWELVE THOUSAND SIX HUNDRED THIRTY-FOUR and 00/100 DOLLARS (\$12,634.00) to Floridians relating to the cutlery at issue, and agrees to honor future refund requests relating to the knives or knife sets at issue in this investigation.

V. MONETARY RELIEF

5.I The parties agree that HSN will make a charitable donation in the total amount of FORTY THOUSAND and 00/100 DOLLARS (\$40,000) distributed as follows:

i. TWENTY THOUSAND DOLLARS and 00/100 DOLLARS (\$20,000) check made payable to: "Florida FFA Association, Inc.";

ii. TEN THOUSAND DOLLARS and 00/100 DOLLARS (\$10,000) check made payable to: "Eagle Fund of The Andrews Research and Education Institute Foundation"; and

iii. TEN THOUSAND DOLLARS and 00/100 DOLLARS (\$10,000) check made payable to: "Promise Inc."

5.2 The aforementioned charitable donation checks will be sent with the fully executed AVC, and delivered to Robert Follis, Assistant Attorney General, Office of Attorney General, Consumer Protection Division, Concourse Center IV, 3507 E. Frontage Rd., Suite 325, Tampa, Florida, 33607.

5.3 The parties further agree that HSN will pay to the Attorney General, the total sum of TWENTY THOUSAND and 00/100 DOLLARS (\$20,000), as costs and fees to the Department of Legal Affairs' Revolving Trust Fund. Payment will be made by cashier's check or other certified funds payable to "The Department of Legal Affairs' Revolving Trust Fund" at the time this AVC is executed. Payment shall be delivered to Robert Follis, Assistant Attorney General, 3507 East Frontage Road, Suite 325, Tampa, Florida, 33607. All payments shall be deposited in the Department of Legal Affairs' Revolving Trust Fund, in accordance with Section 501.2101(1), Florida Statutes.

5.4 Time is of the essence in the performance of all terms and conditions of this AVC, and interest computed at the statutory rate of four and three-quarter percent (4.75%) per annum, pursuant to Section 55.03, Florida Statutes, will immediately begin to accrue on any unpaid

balance due and owing, and will be rendered immediately and payable by HSN jointly and severally, upon demand by the Attorney General.

VI. ACCEPTANCE

6.1 This AVC shall become effective upon its acceptance by the Director, Consumer Protection Division, who may refuse to accept it at her discretion. The payment of any monies by the HSN to the Attorney General, pursuant to Section V. above, does not constitute acceptance by the Attorney General of the terms of this AVC without the express written approval of the Director, Consumer Protection Division, and, unless otherwise agreed, any such payments shall immediately be returned to HSN, in the event that the Director, Consumer Protection Division disapproves all or a portion of this AVC.

VII. OTHER PROVISIONS

7.1 No change in any form of doing business or organizational identity shall be made by HSN as a method of avoiding the terms of this AVC.

7.2 Nothing in this AVC shall be construed to permit or authorize any violation of the laws of the State of Florida or federal or local laws, regulations, ordinances, and codes, nor shall anything in this AVC be deemed to be construed to relieve or exempt HSN of their duty to comply with the laws of the State of Florida and all federal or local laws, regulations, ordinances, and codes.

7.3 Nothing in this AVC shall be construed as a waiver or release of any private rights, causes of action, or remedies of any person against the HSN, with respect to the acts and practices covered by this AVC.

7.4 Nothing in this AVC precludes the Attorney General from enforcing the provisions of this AVC, or from pursuing any law enforcement action with respect to the acts or

practices of the HSN not covered by this AVC, or any acts or practices of the HSN conducted after the entry of this AVC.

7.5 Nothing in this AVC constitutes the endorsement or approval by the Attorney General, or any employees, or representatives in connection with any of HSN's policies or practices, or their products, or services, or as an endorsement or approval of HSN's past or future policies or practices or their products or services. No express or implied representations shall be made that the Attorney General (or Office of the Attorney General, the State of Florida, Department of Legal Affairs, or referenced in any similar manner), or the former or current Attorney General, or any former or current Attorney General's employee, or any law enforcement or regulatory authority has endorsed or approved HSN's past or future practices.

7.6 This AVC is not, and shall not, in any event, be construed, deemed to be, and/or used as an admission or evidence of the validity of any claim that the Attorney General has or could assert against HSN, or an admission of any alleged wrongdoing or liability by them in any civil, criminal, or administrative court, administrative agency, or other tribunal anywhere in the country. The agreement of HSN to comply with the provisions of this AVC is not an admission that HSN ever engaged in any activity contrary to any law. The parties acknowledge that there has been no finding of fact, law, or liability in favor of or against any party to this AVC, and that the parties enter into this AVC to avoid the expense, inconvenience, and uncertainty of further legal proceedings.

7.7 Nothing in this AVC shall be construed to limit or to restrict the right of the HSN to use this AVC to assert and maintain the defenses of res judicata, collateral estoppel, payment, compromise and settlement, accord and satisfaction, or any other legal or equitable defenses in any legal or administrative action or proceeding. Moreover, by entering into this AVC, and

agreeing to and implementing the terms and conditions provided herein, HSN do not intend to waive, and do not waive, any claims or defenses it may have in any other action or proceeding that has been, or may be, brought by any person, entity, and/or governmental agency arising from, or related to, the matters investigated.

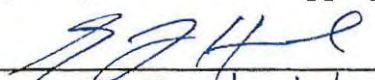
7.8 If any clause, provision, or section of this AVC shall, for any reason, be held illegal, invalid, or unenforceable, such illegality, invalidity, or unenforceability shall not affect any other clause, provision, or section of this AVC, and this AVC shall be construed and enforced as if such illegal, invalid, or unenforceable clause, section, or other provision had not been contained herein.

7.9 This AVC shall be governed by, construed and enforced exclusively in accordance with and subject to the laws of the State of Florida.

IN WITNESS WHEREOF, HSNi, LLC, d/b/a Home Shopping Network, a Florida corporation, has caused this AVC to be executed by its ^{Chief} Legal Officer, as a true act and deed, in the County and State listed below, as of the date affixed thereon.

BY MY SIGNATURE, I hereby affirm that I am acting in my capacity and within my authority as ^{Chief} Legal Officer of **HSNi, LLC, d/b/a Home Shopping Network**, a Florida corporation, and that by my signature, I am binding the corporation to the terms and conditions of this AVC.

HSNi, LLC, d/b/a Home Shopping Network

By: 
Gregory J. Henschel
(printed name)

Its Chief Legal Officer
(title)

STATE OF FLORIDA
COUNTY OF Pinellas

BEFORE ME, an officer, duly authorized to take acknowledgments in the State of Florida, personally appeared Gregory J. Henchel and acknowledged before me that he executed the foregoing instrument for the purposes therein stated, on this 4th day of November, 2014.

Sworn to and subscribed before me this 4th day of November, 2014.

Kellie J. Albesky
NOTARY PUBLIC



Personally known or Produced identification _____ (check one)
Type of Identification Produced: _____

OFFICE OF THE ATTORNEY GENERAL

Dated this 4th day of December, 2014

Robert J. Follis
ROBERT J. FOLLIS
Assistant Attorney General
OFFICE OF THE ATTORNEY GENERAL
3507 E. Frontage Road, Suite 325
Tampa, Florida 33607

ACCEPTED this 4th day of December, 2014.

Victoria Butler for
RICHARD LAWSON
Director, Consumer Protection Division
OFFICE OF THE ATTORNEY GENERAL
The Capitol
Tallahassee, FL 32399-1050