

****NEWS RELEASE****

FITNESS EVOLUTION CLUBS SETTLE CASE FOR UNFAIR BUSINESS PRACTICES AND FALSE ADVERTISING

FOR IMMEDIATE RELEASE

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CONTACT: James Burlison, Deputy District Attorney (831) 647-7713 and
John Hubanks (831) 755-5128

Monterey District Attorney Dean D. Flippo announced today that the Monterey, Fresno, Merced, San Joaquin, Santa Clara, Santa Cruz, Stanislaus and Tulare County DA's offices have settled an unfair business practices and false advertising case filed in Santa Cruz County Superior Court against Fitness Evolution gyms. The terms of the settlement provide that Fitness Evolution shall pay almost \$1.8 million dollars in penalties, restitution and costs. The action filed against Fitness Evolution alleged that it engaged in deceptive membership promotions and other illegal business practices to finance its expansion of gyms over the last four years. The stipulated judgment obligates Fitness Evolution to provide thousands of its past and current members with the right to cancel their contracts with the gyms and forgive past due consumer collections valued at approximately \$11 million. Additionally, Fitness Evolution agreed to be bound by a 5-year injunction to prevent future unfair practices.

The District Attorneys opened an investigation in 2015 in response to consumer complaints about membership promotions, unauthorized billings, cancellation practices and collection actions. A civil action was filed in Santa Cruz County in July of 2016 and the DA's have settled and obtained judgments against several Fitness Evolution entities operating the gyms in California. A separate judgment was entered against the personal training entities. The civil complaint alleges that Fitness Evolution violated California's Health Studio Act, False Advertising Law, and other consumer protection laws.

Without admitting wrongdoing, Fitness Evolution and its legal counsel worked cooperatively with the District Attorneys to cease problematic past practices, to identify members affected by those practices, and to create legally compliant contracts and cancellation practices. The Monterey County DA's office brings actions such as this to protect the rights of consumers