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**In Shape Health Clubs Settles District Attorneys' Civil Prosecution for \$23 Million
in Restitution and a \$3 Million Penalty**

District Attorney Jeffrey S. Rosell announced today that In Shape Health Clubs has agreed to a settlement valued at more than \$26 million dollars to end legal action against it for unfair business practices, false advertising and deceptive membership promotions that occurred from 2010 to 2015 as the company grew from 40 to 70 health clubs. The settlement was filed in Monterey County Superior Court by a joint District Attorney task force including Santa Cruz, Kern and Monterey counties. In Shape will provide thousands of its past and current members with different forms of restitution valued at over \$23 million and will pay a \$3 million penalty. Additionally, In Shape will be bound by a 5-year injunction to prevent future unfair practices.

The investigation began in 2014 in response to consumer complaints about membership promotions, unauthorized billings, cancellation practices and collection actions. For consumers affected by the alleged illegal practices between March 2010 and August 2015, In Shape agreed to pay various forms of restitution, including forgiving over \$22 million in member debt in collections, paying close to \$1.5 million to members who suffered ascertainable financial harm from cancellation refusals and unauthorized charges, and making payments to a fund to prevent future abuses. In shape will also reverse any negative reports to credit rating bureaus, and will allow any member who signed a contract before February 2016 to immediately cancel their membership without penalty.

Without acknowledging liability, In Shape and its legal counsel worked cooperatively with the District Attorneys to cease problematic practices, identify members affected by those practices and to create legally compliant contracts and practices. DA Rosell said, "This settlement will ensure that In Shape's current and past customers in Santa Cruz County are justly compensated, and that any future customers are treated fairly and legally. Our office will continue to work tirelessly to protect consumers in this county from deceptive business practices."