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For Release

FTC Secures Settlement Against Xponential Fitness for Franchise Rule Violations

Fitness franchisor to pay \$17 million for allegedly misrepresenting key information in franchise disclosures including time to open and operate studios

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The Federal Trade Commission has [secured a settlement against Xponential Fitness](#) for Franchise Rule violations and related deceptive practices, including \$17 million that will be returned to franchisees, which is the largest amount ever to go back to consumers in a franchise case.

The FTC alleges that Xponential Fitness, which sells franchises for popular fitness studios brands such as Club Pilates, Pure Barre, YogaSix, StretchLab, and BFT, misrepresented key information about the costs, risks, time to open and operate studios, and essential details about the company's operations, leaving many franchisees and prospective franchisees in the dark about their investment.

"Americans invest their life savings into franchises with high hopes of launching a financially prosperous business," said Christopher Mufarrige, Director of the FTC's Bureau of Consumer Protection. "Xponential's failure to provide prospective franchisees with legally mandated information denied American workers and potential employers the ability to evaluate the costs and risks involved. The Trump-Vance FTC will continue to bring actions to stop deceptive practices that harm American workers."

[In its complaint](#), the FTC alleges that Xponential:

- **Misrepresented the time to open franchises:** Xponential falsely claimed that franchisees typically get their franchise studios up and running, with buildout complete, within six months of signing the franchise agreement. In reality, franchisees have typically taken more than a year after the signing of the franchise agreement to open their studios, if they opened at all, a fact Xponential knew well. As a result, Xponential franchisees have paid substantial franchise license fees, and incurred unexpected and substantial costs, due to the delayed opening of studios.
- **Failed to disclose key details about executives including material litigations, legal actions, and bankruptcy:** Xponential failed to disclose to prospective franchisees that former CEO Anthony Geisler was involved in the sale or operation of franchises—and that he was involved in litigation that Xponential was legally required to disclose under the Franchise Rule. Specifically, the company failed to disclose that Geisler has been repeatedly sued for fraud. The fitness brand also neglected to tell franchisees about the bankruptcy of the former President of Franchise Development, which is required by the Franchise Rule.
- **Misreported the names and contact information of franchisees whose studios ceased operation in the past year:** Xponential omitted the names of franchisees who had a studio that ceased to do business or was terminated, cancelled, or not renewed during the previous year, as required by the Franchise Rule. Where the fitness brand disclosed the names of those franchisees, in several instances, they disclosed outdated contact information. As a result, prospective franchisees were unable to fully assess studio turnover rates and obtain information from prior purchasers; and
- **Failed to provide accurate, complete, and timely Franchise Disclosure Documents (FDDs) to franchisees:** Xponential failed to provide timely FDDs to prospective franchisees at least 14 days before they signed franchise agreements, as required by the Franchise Rule. Failure to provide accurate and timely FDDs left franchisees without a full opportunity to meaningfully review crucial information about Xponential's offerings and the risks involved before paying the substantial initial franchisee fee, averaging \$45,000 per studio, and entering into a 10-year franchise agreement.

The [proposed order against Xponential](#) :

- Imposes a monetary judgment of \$17 million, the most consumer redress in the agency's history for an alleged Franchise Rule violation, which will be used to provide redress to franchisees;
- Prohibits Xponential from making misrepresentations to prospective franchisees in the promotion, sale, or offering for sale of any franchise, including the alleged misrepresentations and deceptive omissions referenced in the complaint; and

- Requires Xponential to comply with the Franchise Rule, including by providing complete, accurate, and timely franchise disclosure documents to prospective franchisees.

Today's action aligns with the [FTC's Joint Labor Task Force](#) launched by Chairman Andrew N. Ferguson in February 2025. The Commission created the cross-agency Labor Task Force to root out and prosecute deceptive, unfair, and anticompetitive labor-market practices that harm American workers. Noting that the FTC's dual consumer-protection and competition mandate makes the agency uniquely well-suited to address these worker harms, Chairman Ferguson's Labor Task Force harnesses expertise from the agency's Bureau of Consumer Protection, Bureau of Competition, Bureau of Economics, and Office of Policy Planning. Today's settlement is another product of those efforts.

The Commission vote authorizing the staff to file the complaint and stipulated final order was 2-0. [FTC Chairman Andrew N. Ferguson issued a separate statement](#). The FTC filed the complaint and final order in the U.S. District Court for Central District of California.

NOTE: The Commission files a complaint when it has "reason to believe" that the named defendants are violating or are about to violate the law and it appears to the Commission that a proceeding is in the public interest. Stipulated final orders have the force of law when approved and signed by the District Court judge.

FTC's lead attorneys on this matter are Anne LeJeune, Tammy Chung, Jason Moon in the FTC's Bureau of Consumer Protection.

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