1	2.1 Planet Fitness has 26 stores in Washington. All of these stores are owned and
2	operated by franchisees.
3	2.2 For at least the past five years, Planet Fitness has included, within Section 9.8 of
4	its franchise agreements, the following language:
5	You may not recruit or hire any person who is an employee of ours or of any
6	PLANET FITNESS business operated by us, our Affiliates or another franchisee of ours without obtaining the employer's consent, which consent may be withheld for
7 8	any reason. Likewise, we may not recruit or hire any person who is an employee of yours or your affiliates without obtaining the employer's consent, which consent may be withheld for any reason.
9	2.3 For at least the past five years, Planet Fitness has included, within Section
10	16.6(2) of its franchise agreements, the following language:
11	You therefore covenant that during the Term of this Agreement (except as
12	otherwise approved in writing by us), you, your Owners, and you and their Immediate Families shall not, either directly, indirectly or through, on behalf of, or
13	in conjunction with any person or legal entity:
14	***
15	(2) Recruit, employ or seek to employ any person who is at that time, or has
16	been within the past six (6) months, employed by us or one of our affiliates, or otherwise directly or indirectly induce such person to leave his or her employment;
17	2.4 The Attorney General asserts that the above-quoted language in the foregoing
18	provisions constitute a contract, combination, or conspiracy in restraint of trade in violation of
19	the Consumer Protection Act, RCW 19.86.030.
20	2.5 Planet Fitness expressly denies that Sections 9.8 and 16.6(2) of its franchise
21	agreements constitute a contract, combination, or conspiracy in restraint of trade in violation of
22	the Consumer Protection Act, RCW 19.86.030, or any other law, and expressly denies that it
23	has engaged in conduct that constitutes a contract, combination, or conspiracy in restraint of
24	trade. Planet Fitness further asserts that, it has not been the official corporate policy or practice
25	of Planet Fitness to actively enforce the above-quoted language from Sections 9.8 or 16.6(2) of
26	
	¹ Prior to 2018, this provision was included within Section 16.5(2).

1	its franchise agreements for at least the past five years, on information and belief Planet Fitness
2	has not enforced those provisions during that period, and the Attorney General does not claim
3	that Planet Fitness has ever enforced those provisions against any franchisee or individual.
4	Planet Fitness nevertheless enters into this AOD to avoid protracted and expensive litigation.
5	Pursuant to RCW 19.86.100, neither this AOD nor its terms shall be construed as an admission
6	of law, fact, liability, misconduct, or wrongdoing on the part of Planet Fitness.
7	III. ASSURANCE OF DISCONTINUANCE
8	3.1 Subject to paragraph 2.5 above, Planet Fitness agrees:
9	3.1.1. It has removed the above-quoted language from Sections 9.8 and 16.6(2)
10	from its future franchise agreements;
11	3.1.2. It will not enforce the above-quoted language from Sections 9.8 and
12	16.6(2) in all existing franchise agreements, and will not seek to intervene or take a position as
13	to the legality of the above-quoted language from Sections 9.8 and 16.6(2) in any litigation in
14	which a franchisee may try to enforce those provisions;
15	3.1.3. It will notify all of its franchisees in the United States of the entry of this
16	AOD and provide them a copy;
17	3.1.4. It will notify the Attorney General's Office if it learns of any effort by a
18	Washington franchisee to enforce the above-quoted language from Sections 9.8 or 16.6(2) of
19	any existing franchise agreements.
20	3.2 Planet Fitness will request that all franchisees in the State of Washington agree
21	to amend their existing franchise agreements to remove the above-quoted language from
22	Sections 9.8 and 16.6(2), and will seek to have such amendments executed within 60 days of
23	entry of this AOD. If any Washington franchise owner is unwilling to amend its franchise
24	agreement, prior to the 60-day deadline, Planet Fitness shall provide the name and address of
25	the resisting franchisee and the name and address of the franchisee's registered agent to the
26	Office of the Attorney General.
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- 3.3 Planet Fitness is under no obligation to offer its franchisees any consideration monetary or otherwise in order to induce them to sign the proposed amendment or take any adverse action against such franchisees if they refuse to do so. A decision by a franchisee not to amend is franchise agreement shall not constitute a breach by Planet Fitness of its obligations under this AOD or a failure by Planet Fitness to comply with this AOD.
- 3.4 As they come up for either renewal or renegotiation during the ordinary course of business, Planet Fitness will amend all of its existing franchise agreements on a nationwide basis to remove the above-quoted language from Sections 9.8 and 16.6(2).
- 3.5 Within 30 days of the conclusion of the time period referenced in Paragraph 3.2, Planet Fitness will submit a declaration to the Attorney General's Office signed under penalty of perjury stating that Paragraph 3.2 of this agreement has been satisfied.

IV. ADDITIONAL PROVISIONS

- 4.1 This AOD is binding on, and applies to Planet Fitness, including each of its respective directors, officers, managers, agents acting within the scope of their agency, and employees as well as its successor, assigns and controlled subsidiaries through which Planet Fitness may now or hereafter act with respect to the conduct alleged in this AOD.
- 4.2 This is a voluntary agreement and it shall not be construed as an admission of law, fact, liability, misconduct, or wrongdoing on the part of Planet Fitness. By entering into this AOD, Planet Fitness neither agrees nor concedes that the claims, allegations and/or causes of action which have or could have been asserted by the Attorney General have merit and Planet Fitness expressly denies any such claims, allegations, and/or causes of action. However, proof of failure to comply with this AOD shall be *prima facie* evidence of a violation of RCW 19.86.030, thereby placing upon the violator the burden of defending against imposition by the Court of injunctions, restitution, costs and reasonable attorney's fees, and civil penalties of up to \$2,000.00 per violation.

1	Presented by:
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3	Attorney General
4	
5	ERIC S. NEWMAN, WSBA #31521 Assistant Attorney General
6	Chief Litigation Counsel
İ	Antitrust Division Attorneys for State of Washington
7	Office of the Attorney General
8	800 Fifth Avenue, Suite 2000 Seattle, WA 98104
9	
10	Agreed to and approved for entry by: PLANET FITNESS FRANCHISING LLC
11	Carl (hard)
12	Joseph Hamell, WSBA #29423 PLANET FITNESS FRANCHISING LLC
13	MONTGOMERY PURDUE By: Chris Rondia U
14	BLANKENSHIP & AUSTIN PLLC 701 Fifth Avenue, Suite 5500
15	Seattle, WA 98104
16	and
17	Dan Deane
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19	Manchester, NH 03101
20	Attorneys for Planet Fitness Franchising LLC
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