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SUPERIOR COURT  
WEST DISTRICT  
SANTA MONICA

Attorneys for Plaintiff  
PEOPLE OF THE STATE OF CALIFORNIA

SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF LOS ANGELES

PEOPLE OF THE STATE OF CALIFORNIA,  
  
Plaintiff,  
  
v.  
  
BEACHBODY, LLC,  
  
Defendant.

Case No. 88029222

FINAL JUDGMENT AND INJUNCTION  
PURSUANT TO STIPULATION

Plaintiff the People of the State Of California (“the People” or “Plaintiff”), appearing through its attorneys, Lane Dilg, Santa Monica City Attorney by Adam Radinsky and Eda Suh, Deputy City Attorneys, and having filed its complaint herein;

Defendant Beachbody, LLC (“Beachbody” or “Defendant”), appearing through its attorneys Cozen O’Connor by Milton A. Marquis, Esq. and having accepted service of the complaint;

Plaintiff and Defendant having negotiated and agreed to a settlement including stipulating to the entry of this Final Judgment and Injunction Pursuant to Stipulation (“Judgment”) prior to the taking of any proof and without trial or adjudication of any issue of fact or law, and without any admission of liability or wrongdoing regarding any issue, of fact, law or otherwise; and

1 The Court having considered the pleadings and good cause appearing,  
2 IT IS HEREBY ORDERED, ADJUDGED AND DECREED that Plaintiff have Judgment  
3 against Defendant as follows:  
4

5 JURISDICTION AND VENUE  
6

7 1. This action is brought under the laws of the State of California. This Court has  
8 jurisdiction of the subject matter and the parties. Venue is appropriate in this Court.  
9

10 APPLICABILITY

11 2. The provisions of this Judgment are applicable to Beachbody and its officers,  
12 employees, directors, agents, successors, and assigns acting within the course and scope of their  
13 agency or employment and in concert with Beachbody. Nothing in the Complaint in this action, the  
14 accompanying Stipulation, this Judgment, the negotiations leading up to these filings, or any action  
15 taken to carry them out shall be construed as an admission of fault or liability by Defendant or by  
16 any entity, individual, or organization involved in the settlement of this action.  
17

18 DEFINITIONS

- 19 3. For purposes of this Judgment, the following definitions apply:
- 20 a. "AUTOMATIC RENEWAL" means a plan or arrangement in which a paid  
21 subscription or purchasing agreement is automatically renewed at the end of a  
22 definite term for a subsequent term.
  - 23 b. "CLEAR AND CONSPICUOUS" means in larger type than the surrounding text,  
24 or in contrasting type, font, or color to the surrounding text of the same size, or set  
25 off from the surrounding text of the same size by symbols or other marks, in a  
26 manner that clearly calls attention to the language. In the case of an audio  
27

1 disclosure, it means in a volume and cadence sufficient to be readily audible and  
2 understandable.

- 3 c. "CONTINUOUS SERVICE" means a plan or arrangement in which a  
4 subscription or purchasing agreement continues until the consumer cancels the  
5 service.

6  
7 MONETARY RELIEF

8 4. Pursuant to Business and Professions Code sections 17206 and 17536, Beachbody  
9 shall pay to the People the total sum of \$3,579,000. This sum shall be paid as follows:

- 10 a. A check for \$1,289,500 payable to the Los Angeles County District Attorney's  
11 Office for civil penalties and investigative costs;
- 12 b. A check for \$1,289,500 payable to the Santa Monica City Attorney's Office for  
13 civil penalties and investigative costs;
- 14 c. A check for \$500,000 payable to Action For Healthy Kids as *cy pres* restitution;
- 15 d. A check for \$250,000 payable to the United States Healthful Food Council  
16 (EatReal.org) as *cy pres* restitution;
- 17 e. A check for \$250,000 payable to ChangeLab Solutions as *cy pres* restitution;
- 18 f. All payments due under this paragraph shall be delivered within 30 days of the  
19 effective date of this Judgment. Payments under paragraphs 4(a) and 4(b) above  
20 will be sent directly to Adam Radinsky, Chief Deputy, Consumer Protection  
21 Division, Santa Monica City Attorney's Office, 1685 Main St., Room 310, Santa  
22 Monica, CA 90401. Payments under Sections 4(c), 4(d), and 4(e) above will be  
23 sent by Defendant directly to each of the *cy pres* recipients with a copy of the  
24 completed payment to be sent to Adam Radinsky as detailed in this paragraph.

25 5. The parties have stipulated and the Court finds that it would be impractical and  
26 impossible to identify or to provide direct restitution to consumers who may have relied on the  
27 marketing statements challenged in this case. Thus Defendant shall pay restitution under the doctrine  
28



1 of *cy pres* pursuant to Business and Professions Code sections 17203 and 17535 as described above  
2 in this paragraph.

3 6. The Parties shall bear their own attorneys' fees and costs, except as provided in  
4 paragraph 4.

5  
6 INJUNCTION

7 7. Pursuant to Business and Professions Code sections 17203 and 17535, Beachbody  
8 and its officers, employees, directors, agents, successors, and assigns acting within the course and  
9 scope of their agency or employment and in concert with Beachbody are permanently enjoined and  
10 restrained from engaging in any of the following acts or practices:

11 General

12 a. Making any material false or misleading representations intended to promote  
13 sales on its website, advertising, or any other form of marketing.

14 Automatic Renewal: Disclosure

15 b. Making an AUTOMATIC RENEWAL or CONTINUOUS SERVICE offer to  
16 a consumer in California without presenting the offer terms in a CLEAR AND  
17 CONSPICUOUS manner before the consumer's payment information is  
18 obtained and in visual proximity (or in the case of an offer conveyed by voice,  
19 in temporal proximity) to the request for consent to the offer. These terms  
20 shall include:

- 21 1) that the subscription or purchasing agreement will continue until the  
22 consumer cancels;
- 23 2) a description of the cancellation policy that applies to the offer and how to  
24 cancel;
- 25 3) the recurring charges that will be charged to the consumer as part of the  
26 automatic renewal plan;
- 27 4) the length of the automatic renewal term or that the service is continuous,

1 unless the length of the term is chosen by the consumer; and

2 5) the minimum purchase obligation, if any.

3 Automatic Renewal: Affirmative Consent

4 c. Charging a California consumer's credit or debit card or account with a third  
5 party for an AUTOMATIC RENEWAL or CONTINUOUS SERVICE  
6 without first obtaining the consumer's affirmative consent to the terms of the  
7 automatic renewal or continuous service described above in paragraph 7(b).  
8 Once the initial consent is obtained, separate consents for each renewal shall  
9 not be required. For online and written orders this consent shall include the  
10 following:

- 11 1) The consent is obtained by an express act by the consumer through a  
12 check-box, signature, express consent button, or other substantially similar  
13 mechanism that consumers must select to give their consent. This  
14 mechanism cannot relate to consent for anything other than the  
15 AUTOMATIC RENEWAL or CONTINUOUS SERVICE terms.
- 16 2) Immediately adjacent to the consent mechanism referred to in sub-  
17 paragraph 7(c)(1), the terms described in paragraph 7(b) shall be  
18 disclosed. This disclosure shall contain no additional information and  
19 shall be CLEAR AND CONSPICUOUS.

20 Automatic Renewal: Acknowledgement

21 d. With any AUTOMATIC RENEWAL or CONTINUOUS SERVICE offer to a  
22 consumer in California, failing to provide at least one post-payment  
23 acknowledgment of the transaction. All such acknowledgements must comply  
24 with the following:

- 25 1) It CLEARLY AND CONSPICUOUSLY states the offer terms,  
26 cancellation policy, and information regarding how to cancel in a manner  
27 that is capable of being retained by the consumer; and

1 2) It must be sent to the consumer via either (i) email or equivalent electronic  
2 communication or (ii) U.S. mail or other postal or delivery carrier (such as  
3 FedEx, UPS, or DHL) within ten business days of the transaction. The  
4 subject line for electronic communications must clearly indicate that it is a  
5 confirmation of the transaction.

6 e. For all renewal periods of six months or more, between two and thirty days  
7 before the renewal date failing to send a written notice to the consumer via  
8 either (i) email or equivalent electronic communication or (ii) U.S. mail or  
9 other postal or delivery carrier (such as FedEx, UPS, or DHL), advising the  
10 consumer of the upcoming AUTOMATIC RENEWAL and including a  
11 method for contacting customer service for cancelling the automatic renewal.

12 Automatic Renewal: Cancellation

13 f. Failing to provide at least two easy and simple mechanisms for consumers to  
14 stop any recurring charge for a good or service. Such mechanisms must not be  
15 difficult, costly, or unreasonably time-consuming; and they must be at least as  
16 easy and simple as the mechanism the consumer used to initiate the recurring  
17 charge. These mechanisms must include:

18 1) An online cancellation method that is clearly marked; and

19 2) A toll-free telephone cancellation method that:

20 i. is disclosed clearly and conspicuously on applicable  
21 websites, in response to any direct customer  
22 communications with Defendant relating to the recurring  
23 charge and the underlying good or service, and either on  
24 applicable product labels or billing descriptors for the  
25 recurring charge;

26 ii. is available at least during normal business hours, including  
27 the same business hours that the Defendant's other  
28



1 telephone lines are open; and

2 iii. does not require unreasonable hold times.

3 3) If in the future Beachbody stops using toll-free telephone service to  
4 conduct retail business, the telephonic method of cancellation may  
5 be discontinued.

6 4) All cancellations must be effective upon request by the consumer,  
7 provided that Defendant may require reasonable confirmation by  
8 the consumer of the cancellation.

9 g. Failing to honor a cancellation or refund request that complies with any policy  
10 to make refunds or allow cancellations.

11 Claim Substantiation

12 h. Making or disseminating any material representation about the effects,  
13 efficacy, or other similar claims about Defendant's dietary supplement, food,  
14 drug, or cosmetic products (such as specific claims regarding balancing  
15 hormones, removal of toxins, slowing down the aging process, reducing  
16 inflammation, or preventing mental decline), unless such representation is  
17 truthful and not materially false or misleading, and Defendant has in its  
18 possession and relies upon COMPETENT AND RELIABLE SCIENTIFIC  
19 EVIDENCE that, when considered in light of the entire body of relevant and  
20 reliable scientific evidence, substantiates the representation. For purposes of  
21 this Judgment, the term "COMPETENT AND RELIABLE SCIENTIFIC  
22 EVIDENCE" means tests, analyses, research, studies, or other evidence based  
23 on the expertise of professionals in the relevant area, that have been conducted  
24 and evaluated in an objective manner by qualified persons using procedures  
25 generally accepted in the profession to yield accurate and reliable results.

26 1) Any studies relied upon to substantiate any marketing claim made about  
27 the overall product (rather than claims about specific ingredients,

1 vitamins, nutrients, or other elements contained in the product) must  
2 include the comparable formulation and dosage as contained in the  
3 advertised product, unless (1) any material differences are clearly and  
4 conspicuously disclosed in the claim; or (2) it is generally accepted by  
5 experts in the relevant field that any such material differences in  
6 formulation or dosage between the advertised product and products used  
7 in the studies do not impact the validity of the claim.

8 2) Nothing in this Judgment prevents Defendant from making claims that are  
9 specifically permitted under federal law or regulations.

10 Sales Flow and Online Practices

- 11 i. Using a web page or other online sales flow for the purchase of goods or  
12 services that is materially misleading.
- 13 j. Using an online button or hyperlink for obtaining consumers' payments that is  
14 misleading or not clearly named to indicate that payment is being taken.
- 15 k. Obtaining payment for goods or services without first giving the consumer a  
16 chance to review a summary of the pending order and the opportunity to make  
17 changes to the order (such as during the shopping flow, through a separate  
18 mechanism prior to the completion of the order, or other similar means).
- 19 l. Completing and processing the order other than through express affirmative  
20 language (e.g., a "place order" or "process order" button) in compliance with  
21 paragraph j.

22  
23 COMPLIANCE

24 8. For the purpose of securing compliance with the terms of this Judgment, Defendant  
25 shall within 30 days after entry of Judgment provide each of its then-current officers, directors, and  
26 executive committee members with a copy of this Judgment.





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14. Nothing in this Judgment shall be construed as relieving Defendant of its obligations to comply, or as prohibiting Defendant from complying, with all applicable local, state and federal laws, regulations or rules; nor shall any of the provisions of this Judgment be deemed permission to engage in any acts or practices prohibited by such laws, regulations or rules.

15. Pursuant to Business and Professions Code section 17203 and the Court's inherent authority, the Court shall retain jurisdiction for the purpose of enforcing this Judgment and enabling any party to this Judgment to apply to the Court for such further orders and directions as necessary and appropriate to construe, carry out, enforce, interpret, or modify this Judgment, or to redress violations of this Judgment.

16. This Judgment shall be binding immediately upon its signing by the Court and its filing, without a Notice of Entry of Final Judgment.

17. The parties agree that the clerk may enter this Judgment immediately.

Dated: \_\_\_\_\_

\_\_\_\_\_  
JUDGE OF THE SUPERIOR COURT