

ATTORNEY GENERAL OF THE STATE OF NEW YORK
INVESTOR PROTECTION BUREAU

In the Matter of

**Investigation by LETITIA JAMES,
Attorney General of the State of New York, of**

AOD # 26-015

XPONENTIAL FITNESS, INC.,
XPONENTIAL FITNESS, LLC,
AKT FRANCHISE SPV, LLC,
BFT FRANCHISE SPV, LLC,
CLUB PILATES FRANCHISE SPV, LLC,
CYCLEBAR FRANCHISING SPV, LLC,
PB FRANCHISING SPV, LLC,
RUMBLE FRANCHISE SPV, LLC,
STRETCH LAB FRANCHISE SPV, LLC,
YOGA SIX FRANCHISE SPV, LLC,

Respondents.

**ASSURANCE OF DISCONTINUANCE
PURSUANT TO EXECUTIVE LAW § 63(15)**

The Office of the Attorney General of the State of New York (“OAG”), pursuant to Article 33 of the New York General Business Law, N.Y. Gen. Bus. Law §§ 680 et seq. (“Franchise Sales Act”), and Executive Law § 63(12), conducted an investigation into Xponential Fitness, Inc. (“Xponential”), together with its affiliates identified in the caption (collectively, “Respondents”), concerning their compliance with the New York Franchise Sales Act in connection with the offer and sale of franchises in or from New York.

This Assurance of Discontinuance (“Assurance”) contains the findings of OAG, and the relief agreed to by OAG and Respondents. OAG and Respondents shall be referred to collectively herein as the “Parties.”

OAG's FINDINGS

1. Xponential is a publicly traded Delaware corporation with a principal place of business located at 17877 Von Karman Ave, Suite 100, Irvine, CA, 92614. Xponential is the parent company of affiliated franchisor entities through which fitness studio franchises were offered and sold in or from New York.

2. Respondents include the franchisor entities through which Xponential offered and sold franchises during the period between January 1, 2020, and December 31, 2024 (“Relevant Period”)¹ including AKT Franchise SPV, LLC; BFT Franchise SPV, LLC; Club Pilates Franchise SPV, LLC; CycleBar Franchising SPV, LLC; PB Franchising SPV, LLC; Rumble Franchise SPV, LLC; Stretch Lab Franchise SPV, LLC; and Yoga Six Franchise SPV, LLC (“Covered Franchise Brands”).

3. During the Relevant Period, Respondents filed thirty-three (33) Franchise Disclosure Documents (“FDD”) for the Covered Franchise Brands with OAG in connection with the offer and sale of franchises in or from New York pursuant to the Franchise Sales Act, and its implementing regulations set forth at 13 NYCRR Part 200 (the “Regulations”). Respondents also provided those FDDs to prospective franchisees to assist in promoting and marketing their brands.

4. Respondents misrepresented to prospective franchisees that studios could be expected to open within approximately six months of signing the Franchise Agreement. For example, the 2023 FDD for Club Pilates states that “[t]he typical length of time between the signing of the Franchise Agreement and the time you open your Studio is approximately three (3)

¹A Tolling Agreement was executed on December 10, 2025. Pursuant to the Tolling Agreement, the applicable limitations period is tolled from December 9, 2025, through and including January 1, 2027.

to six (6) months,” and the 2023 FDD for CycleBar states that “[t]he typical length of time between the signing of the Franchise Agreement and the time you open your Studio is approximately six (6) months.”

5. OAG’s analysis of Xponential’s franchise opening data for franchises offered and sold in or from New York during the Relevant Period determined that actual opening times materially exceeded the timeframes represented in the FDDs. On average, New York franchise studios took approximately 7.3 months longer to open than the six-month period represented, or approximately 13.3 months from the date of execution of the franchise agreement.

6. Seventy (70) franchise licensees in New York were identified as having experienced opening delays materially exceeding the six-month timeframe represented in the FDDs (the “Eligible Franchisees”).

7. Separately, and in addition, Respondents represented that an additional twenty-five (25) franchise licenses, issued in connection with executed franchise and/or area development agreements for Covered Franchise Brands in New York during the Relevant Period, did not open a studio (the “Non-Opening Franchisees”).

8. The expected timeframe for opening a franchised business is material to prospective franchisees because it affects capital planning, financing obligations, and the timing of when operations may begin and revenue may be generated.

9. Xponential’s public securities filings during the Relevant Period, including annual reports filed with the U.S. Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 (“Securities Filings”), report average times to open for franchise studios that were materially longer than, and therefore directly contradict the

“approximately six-month” timeframe represented in the FDDs. Accordingly, Xponential’s 2022 Form 10-K represents that “on average it took approximately 12.2 months from signing the franchise agreement to open a studio.” (2022 Form 10-K at 29.); Xponential’s 2023 Form 10-K represents “of the franchisees that entered into the system in 2021 or later and opened their first studio in 2022, on average it took approximately 10.5 months from signing the franchise agreement to open a studio.” (2023 Form 10-K at 26.); Xponential’s 2024 Form 10-K represents “of the franchisees that entered into the system in 2021 or later and opened their first studio in 2023 on average it took approximately 15.0 months from signing the franchise agreement to open a studio.” (2024 Form 10-K at 26.); Xponential’s most recent 2025 Form 10-K represents that “As of December 31, 2025, we estimate that approximately 30% of our licenses contractually obligated to open in the North American Region are over 12 months behind the applicable development schedule...” (2025 Form 10-K at 14.).

LEGAL FINDINGS

10. GBL § 687(1) makes it unlawful for any person to file with OAG any application, notice, statement, prospectus, or report required under the Franchise Sales Act that contains any untrue statement of a material fact or willfully omits to state any material fact which is required to be stated therein.

11. By filing FDDs during the Relevant Period that contained materially inaccurate or misleading representations regarding the expected time to open franchised studios, Respondents engaged in conduct in violation of GBL § 687(1).

12. GBL § 687(2) makes it unlawful for any person, in connection with the offer or sale of a franchise, to employ any device, scheme, or artifice to defraud; to make any untrue statement

of a material fact or omit a material fact necessary to make the statements made not misleading; or to engage in any act, practice, or course of business that operates as a fraud or deceit.

13. By using FDDs containing materially misleading representations regarding time to open in connection with the offer and sale of franchises in New York, Respondents engaged in conduct in violation of GBL § 687(2).

14. GBL § 687(3) makes it unlawful to violate any provision of the Franchise Sales Act or any rule promulgated thereunder.

15. By violating the provisions of GBL § 687(1) and (2), Respondents also violated GBL § 687(3).

16. GBL §§ 689(1) and 692(2) authorize the Attorney General to seek injunctive relief, restitution, and other equitable remedies for violations of the Franchise Sales Act.

17. Executive Law § 63(12) authorizes broad equitable relief, including injunctive relief, restitution and damages, upon a showing of repeated or persistent fraudulent or illegal conduct. Respondents' repeated filing and use of FDDs containing materially misleading time-to-open representations across multiple franchise brands and registration cycles, over multiple years, including approximately thirty-three (33) FDD filings submitted to OAG during the Relevant Period, constitutes repeated and persistent fraudulent or illegal conduct within the meaning of Executive Law § 63(12).

18. Respondents neither admit nor deny OAG's Findings set forth herein.

19. OAG finds the relief and agreements contained in this Assurance appropriate and in the public interest. Therefore, OAG is willing to accept this Assurance pursuant to Executive

Law § 63(15), in lieu of commencing a statutory proceeding for violations of the Franchise Sales Act, and Executive Law § 63(12), arising from the conduct described above.

IT IS HEREBY UNDERSTOOD AND AGREED, by and between the Parties:

RELIEF

20. Monetary Relief:

- a. *Monetary Relief Amount:* Respondents shall provide total monetary relief in the amount of Three Million Nine Hundred Seventy-One Thousand Two Hundred Fifty Dollars (\$3,971,250) (the “Monetary Relief Amount”), consisting of the following:
 - (i) Three Million Dollars (\$3,000,000), representing restitution to Eligible Franchisees, to be distributed pursuant to paragraph 20(c) below, of which Two Million Seven Hundred Thousand Dollars (\$2,700,000) represents restitution and Three Hundred Thousand Dollars (\$300,000) represents a civil penalty, all of which shall be distributed to Eligible Franchisees; and
 - (ii) Nine Hundred Seventy-One Thousand Two Hundred Fifty Dollars (\$971,250), representing the return of franchise and transfer fees paid by Non-Opening Franchisees, to be distributed pursuant to paragraph 20(d) below.
- b. *Establishment of Restitution Account:* Respondents, as Trustee for the benefit of Eligible Franchisees and Non-Opening Franchisees, shall establish and maintain a segregated, interest-bearing account at a federally insured financial institution (the “Restitution Account”) solely for the purpose of administering and distributing restitution payments pursuant to this paragraph. All amounts payable under this paragraph, including amounts payable to Eligible Franchisees and Non-Opening

Franchisees, shall be deposited into and distributed from the Restitution Account unless otherwise directed by OAG. The Restitution Account shall not be commingled with any other funds and shall be used exclusively for distributions required under this Assurance. The funds deposited into the Restitution Account shall be held in an express trust (“Restitution Trust”), for the benefit of Eligible Franchisees and Non-Opening Franchisees and shall not constitute general assets of Respondents. Respondents shall have no equitable, legal, or beneficial interest in the Restitution Account or the funds therein and shall act solely as a custodian, with duties limited to holding and disbursing such funds pending distribution in accordance with the terms of this Assurance. Respondents shall not grant, suffer, or permit any lien, security interest, or other encumbrance on the Restitution Account or any funds therein and shall not enter into or maintain any agreement with the depository institution that permits any right of setoff, banker’s lien, or similar right against the Restitution Account. Respondents shall take no action that would cause the Restitution Account or the funds therein to be treated as general assets of Respondents. In the event of any insolvency, bankruptcy, or similar proceeding involving Respondents, the funds in the Restitution Account shall not be deemed property of Respondents’ estate and shall be held for the exclusive benefit of Eligible Franchisees and Non-Opening Franchisees. It is expressly agreed and understood that Respondents are not entitled to the return of any monies deposited into the Restitution Account. Respondents agree that they shall not assert,

and hereby waive any right to assert, that such funds are property of the estate under 11 U.S.C. § 541 or otherwise available to creditors.

(i) *Deposits into the Restitution Account.* Respondents shall deposit into the Restitution Account the full amount of Three Million Nine Hundred Seventy-One Thousand Two Hundred Fifty Dollars (\$3,971,250), representing all amounts payable under this paragraph, in accordance with the payment schedules set forth in paragraphs 20(c) and (d) below.

(ii) *Deposit Verification.* Within three (3) days after each deposit into the Restitution Account, Xponential shall provide OAG with written confirmation of the deposit, including documentation from the financial institution sufficient to verify the date and amount of the deposit. In addition, on a quarterly basis, Respondents shall provide account statements or other documentation sufficient to verify the balance of the Restitution Account.

(iii) *Control of Funds.* Respondents shall not make any transfers out of the Restitution Account except as directed or authorized by OAG.

(iv) *Default.* If Respondents fail to make any payment required under this paragraph when due, all remaining unpaid amounts required under paragraph 20 shall immediately become due and payable in full without further demand. Any failure by Respondents to comply with any of the provisions of paragraph 20 shall constitute a violation and a default of this Assurance and may be enforced by OAG, including, but not limited to, proceeding pursuant to paragraph 22 herein

(“Confession of Judgment”) (and Exhibit A), in addition to any other remedies available under this Assurance or applicable law.

c. *Eligible Franchisees (\$3,000,000):*

(i) *Payments into the Restitution Account.* Within ten (10) days from the date of delivery of a fully executed copy of this Assurance by OAG to counsel for Respondents (“Delivery of Assurance”), Respondents shall deposit a payment of one million five hundred thousand dollars (\$1,500,000) into the Restitution Account. Respondents shall deposit the remaining balance of the restitution due to Eligible Franchisees, totaling one million five hundred thousand dollars (\$1,500,000), into the Restitution Account according to the following schedule:

- Seven Hundred Fifty Thousand Dollars (\$750,000) on or before December 1, 2027; and
- Seven Hundred Fifty Thousand Dollars (\$750,000) on or before October 1, 2028.

(ii) *Distribution.* Respondents shall make sequential distributions to Eligible Franchisees according to damages calculations provided by OAG which Respondents agree to pay. Payments shall be made subject to the funds available in the Restitution Account with each Eligible Franchisee receiving payment in full before distributions are made to the next Eligible Franchisee in the distribution process. Respondents shall review and prioritize the list of Eligible Franchisees with those that sustained the highest damages amount receiving payment first. Distributions shall continue in descending order of damages until the funds then available in the Restitution Account are distributed. Respondents shall submit the

proposed list, and corresponding payment amounts to OAG for review and approval prior to making any distribution. The distributions shall be made to the Eligible Franchisees on or before the following dates:

- 120 days from the date of the Delivery of Assurance;
- December 15, 2027; and
- October 16, 2028.

(iii) *Initial Notice to Eligible Franchisees.* Within ten (10) days from the date of Delivery of Assurance Xponential shall send via email and regular mail an initial notice to Eligible Franchisees (“EF Initial Notice”) advising that Respondents have entered into an Assurance with OAG, summarizing its terms, and stating that payments shall be made on a rolling basis and that, depending on the distribution schedule, some Eligible Franchisees may not receive payment for up to three (3) years.

(iv) *Pre-Distribution Notice to Eligible Franchisees.* Ninety (90) days before each distribution is to be made, Xponential shall email each Eligible Franchisee selected for payment in that distribution and provide notice that OAG has secured a settlement with Respondents that requires Respondents to provide payments to Eligible Franchisees (“EF Notice”). The EF Notice shall ask the franchisee to confirm its address for delivery of the restitution funds. Xponential shall thereafter email Eligible Franchisees every two (2) weeks for sixty (60) days, or until Xponential receives a response to the EF Notice. If Xponential does not have an email address for an Eligible Franchisee or, sixty (60) days from the date the EF

Notice is first emailed, receives no response, Xponential shall send the EF Notice by certified mail, return receipt requested, to each such franchisee. Xponential shall submit the EF Initial Notice and EF Notice to OAG for review and approval prior to dissemination. Xponential shall certify in writing to OAG that such communications have been completed in accordance with this paragraph within five (5) days after completing each such communication.

(v) *Distribution Oversight.* Before making any distribution from the Restitution Account to Eligible Franchisees or Non-Opening Franchisees, Xponential shall confirm with OAG the list of Eligible Franchisees and Non-Opening Franchisees and the corresponding distribution amounts to be made. OAG may notify Respondents in writing of any corrections or modifications to such list or distribution amounts. Respondents shall not make any distribution unless consistent with OAG's determinations.

(vi) *Administration; Costs.* Xponential shall, at its own cost and expense, implement the payments required under paragraph 20, including coordinating with OAG regarding the distribution process, responding to reasonable inquiries regarding payments, and effectuating distribution of payments to Eligible Franchisees and Non-Opening Franchisees in accordance with paragraph 20, and as directed by OAG. All administrative costs and expenses associated with payments made under paragraph 20 shall be borne by Respondents and shall not be paid from the Restitution Account.

(vii) *Reporting Requirements.* Respondents shall provide to OAG on a quarterly basis written reports regarding distributions from the Restitution Account to Eligible Franchisees and Non-Opening Franchisees and compliance with this Assurance, including (a) the total amount distributed, (b) the amount paid to each franchisee, (c) the amount remaining in the Restitution Account, and any returned, rejected, or reissued payments.

(viii) *Affidavit of Compliance.* Within ninety (90) days of Delivery of Assurance, and periodically thereafter upon request by OAG, Respondents shall provide OAG with an affidavit demonstrating compliance with this subsection, including:

- the name, phone number, email address, and address of each Eligible Franchisee;
- the date and method of notice;
- the total amount distributed; and
- the number of Eligible Franchisees and the amount paid to each.

(ix) *Certification of Completion.* Within thirty (30) days following completion of all distributions under paragraph 20 Xponential shall provide a sworn certification of compliance, together with documentation sufficient to demonstrate proof of payment to each Eligible Franchisee and Non-Opening Franchisee.

(x) *Remaining Funds:* Any funds remaining in the Restitution Account including, but not limited to, funds associated with rejected, unclaimed or returned payments, shall be distributed or otherwise disposed of in a manner approved by OAG.

d. *Non-Opening Franchisees.* Respondents shall deposit nine hundred seventy-one thousand two hundred fifty dollars (\$971,250) into the Restitution Account in connection with payment to the Non-Opening Franchisees, representing the return

of license and transfer fees paid by such franchisee, as reflected in the spreadsheet provided by Respondents to OAG on March 26, 2026, as follows:

(i) *Payment Schedule.* Respondents shall pay such amounts in three installments into the Restitution Account as follows:

- Three Hundred Twenty-Three Thousand Seven Hundred Fifty Dollars (\$323,750) within ten (10) days of Delivery of Assurance;
- Three Hundred Twenty-Three Thousand Seven Hundred Fifty Dollars (\$323,750) on or before May 1, 2027, and
- Three Hundred Twenty-Three Thousand Seven Hundred Fifty Dollars (\$323,750) on or before November 1, 2028.

(ii) *Initial Notice to Non-Opening Franchisees.* Within ten (10) days from the date of Delivery of Assurance, Xponential shall send via email and regular mail an initial notice to Non-Opening Franchisees (“NO Initial Notice”) advising that Respondents have entered into the Assurance with the OAG, summarizing its terms, and stating that they may accept a rescission payment of the license or transfer fee previously paid to Respondents in exchange for termination of the applicable area development agreement or franchise agreement for relevant undeveloped franchise license(s), that payments shall be made on a rolling basis, that, depending on the distribution schedule, some Non-Opening Franchisees may not receive payment for up to three (3) years, and a Non-Opening Franchisee’s failure to respond or make a written rejection of Xponential’s offer within thirty (30) days following receipt of NO Initial Notice shall be deemed acceptance of rescission, entitling the Non-Opening Franchisee to payment, and rescission under this Assurance.

(iii) *Pre-Distribution Notice to Non-Opening Franchisees.* Ninety (90) days before each distribution is to be made, Xponential shall email each Non-Opening Franchisee selected for payment in that distribution and provide notice that OAG has secured a settlement with Respondents to provide rescission payments to Non-Opening Franchisees (“NO Notice”) in exchange for termination of the applicable area development agreement or franchise agreement for relevant undeveloped franchise license(s). The NO Notice shall ask the franchisee to confirm its address for delivery of the rescission payment. Xponential shall thereafter email Non-Opening Franchisees every two (2) weeks for sixty (60) days, or until Xponential receives a response to the NO Notice. If Xponential does not have an email address for a Non-Opening Franchisee or, sixty (60) days from the date the NO Notice is first emailed, receives no response, Xponential shall send the NO Notice by certified mail, return receipt requested, to each such franchisee. Xponential shall submit the NO Initial Notice and NO Notice to OAG for review and approval prior to dissemination. Xponential shall certify in writing to OAG that such communications have been completed in accordance with this paragraph within five (5) days after completing each such communication.

(iv) *Election Regarding Payment.* Each Non-Opening Franchisee shall be eligible to receive payment under this subsection unless such franchisee affirmatively rejects such payment in writing. A Non-Opening Franchisee may reject payment only by submitting a written rejection to Respondents. A Non-Opening Franchisee’s failure to respond to written notice shall not constitute a

rejection and shall be deemed acceptance of rescission, entitling the Non-Opening Franchisee to payment, and rescission of the applicable area development agreement or franchise agreement.

(v) *Payment Tracking and Reporting.* Respondents shall maintain records identifying each Non-Opening Franchisee, whether the Non-Opening Franchisee accepted or rejected rescission, if rescission was accepted, the date rescission was accepted, the nature of the fee (*i.e.*, franchise or transfer fee), the amount owed, the amount paid, the date of payment, and whether such payment has been accepted, rejected, or remains outstanding. Respondents shall provide such records to OAG upon request.

(vi) *Determination of Payment Amounts.* The amount payable to each Non-Opening Franchisee that accepts rescission shall be based on the representations made by Respondents to OAG in the spreadsheet provided to OAG on March 26, 2026.

(vii) *Payment of Rescission Amounts.* Respondents shall make sequential distributions to each Non-Opening Franchisee who accepts the rescission offer in response to the NO Initial Notice in the amount of the franchise license payment or transfer payment. Each Non-Opening Franchisee shall receive payment in full before distributions are made to the next Non-Opening Franchisee in the distribution process. Respondents shall review and prioritize the list of Non-Opening Franchisees, with those having paid the highest amount for the franchise license(s) or transfer(s) payment receiving payment first. Distributions shall

continue in descending order of the amount of payments made until the funds then available in the Restitution Account are distributed. Xponential shall set forth the stages of payments to the Non-Opening Franchisees, on a list which shall also include corresponding payment amounts. Xponential shall submit the list to OAG for review and approval prior to making any distribution. OAG may notify Respondents in writing of any corrections or modifications to the list. Respondents shall not make any distribution unless consistent with OAG's determinations. The distributions of rescission payments shall be made to the Non-Opening Franchisees on or before the following dates:

- 120 days from the date of the Delivery of Assurance;
- May 14, 2027; and
- November 15, 2028.

(viii) *Affidavit of Compliance.* Within ninety (90) days of Delivery of Assurance, and periodically thereafter upon request by OAG, Respondents shall provide OAG with an affidavit demonstrating compliance with this subsection, including:

- the name, phone number, email address and address of each Non-Opening Franchisee;
- the date and method of notice;
- whether such franchisee accepted or rejected rescission.
- if rescission was accepted, the amount owed and the amount paid;
- if rescission was accepted, whether such franchisee accepted payment; and
- the status of any outstanding payments.

(ix) *Rejected or Unclaimed Funds.* If any Non-Opening Franchisee fails to accept payment within ninety (90) days of Xponential sending payment, Xponential shall make reasonable efforts to contact the franchisee to confirm that the payment

was actually received and reissue payment as necessary. Any funds remaining in the Restitution Account including, but not limited to funds associated with rejected, unclaimed or returned payments, shall be distributed or otherwise disposed of in a manner approved by OAG.

21. Tax Treatment and No Indemnification: Respondents agree that they shall not claim, assert, or apply for any tax deduction or tax credit with respect to any federal, state, or local tax, directly or indirectly, for any portion of the Monetary Relief. Respondents represent that they have not made, and shall not make any claim for indemnity, reimbursement, or insurance with respect to any portion of Monetary Relief.

22. Confession of Judgment: Respondents shall execute an Affidavit of Confession of Judgment (the "Affidavit") pursuant to CPLR § 3218 in favor of the State of New York in the amount of Three Million Nine Hundred Seventy-One Thousand Two Hundred Fifty Dollars (\$3,971,250), representing the maximum amount payable under paragraph 20 of this Assurance, less any amounts paid by Respondents pursuant thereto. The Affidavit of Confession of Judgment attached hereto as Exhibit A shall not be filed with any court or county clerk unless and until Respondents default on any payment obligation under paragraph 20 of this Assurance. In the event of such default, OAG may file the Affidavit of Confession of Judgment in any county within New York State, whereupon judgment may be entered for the full unpaid balance of the amount set forth above, with interest, costs, and disbursements pursuant to CPLR § 3218. Respondents acknowledge and agree that any judgment entered pursuant to this paragraph may be enforced in the State of New York and in any other jurisdiction permitted by law, including through recognition or enforcement of the judgment pursuant to procedures applicable to sister-state

judgments. Respondents agree not to oppose or otherwise challenge the recognition, domestication, or enforcement of such judgment in any jurisdiction. Upon reasonable request by OAG, Respondents shall execute any additional documents and take any actions reasonably necessary to facilitate recognition or enforcement of the judgment in any jurisdiction where enforcement is sought by OAG.

23. General Compliance: Respondents shall not engage, or attempt to engage, in conduct in violation of the Franchise Sales Act or Executive Law § 63(12).

24. Programmatic Relief:

- a. Respondents agree to comply with the provisions of the Franchise Sales Act, and Respondents will not offer any franchise until they have registered an FDD with OAG or have been granted an appropriate exemption by OAG pursuant to the Franchise Sales Act.
- b. Acceptance of this Assurance by OAG is not an approval or endorsement by OAG of any of the Respondents' policies, practices, or procedures, and the Respondents shall make no representation to the contrary.
- c. Respondents shall, within sixty (60) days of Delivery of Assurance, implement policies and procedures designed to ensure that representations made in FDDs filed with OAG are accurate and are also consistent with representations made in Securities Filings made with the U.S. Securities and Exchange Commission, pursuant to the Securities Exchange Act of 1934, 15 U.S.C. § 78a et seq., including, but not limited to, metrics such as average time-to-open a studio, average unit volumes ("AUVs"), operating margins, unlevered cash-on-cash returns, and initial

franchise investment costs, unless applicable state and federal franchise or securities laws and regulations prohibit such consistency. If any inaccurate or inconsistent representations are found, Xponential shall promptly (and in no event later than required under applicable law) amend the Securities Filings and/or FDDs to correct such inaccuracies or inconsistencies, unless applicable state and federal franchise and securities laws and regulations prohibit same. To the extent Xponential discloses information at the consolidated parent level in its Securities Filings and discloses substantially dissimilar information at the brand level in its FDDs, Xponential shall include appropriate clarifying language around the distinction between consolidated and brand level information unless applicable state and federal franchise or securities laws and regulations prohibit same.

- d. Respondents shall, within sixty (60) days of Delivery of Assurance, require designated personnel to complete franchise compliance training through the International Franchise Association's ("IFA") Fran-Guard program, or a comparable program approved in advance by OAG, at Xponential's sole cost and expense. Such training shall occur once a year for three (3) years and shall be completed by individuals with responsibility for franchise sales, legal review, or the preparation, review, or approval of FDDs, including at least one senior executive, a member of Xponential's legal or compliance function responsible for oversight of franchise disclosures, and at least one officer of each franchisor entity responsible for franchise sales or franchise disclosures for the Covered Franchise

Brands. Xponential shall provide written certification of completion of each training course to OAG within thirty (30) days after such training is completed.

- e. Xponential shall, within sixty (60) days of Delivery of Assurance, at its own cost and expense and subject to approval of OAG, retain an attorney in good standing whose primary practice includes franchise law and who has substantial experience advising franchisors on compliance with federal and state franchise laws, including the preparation and filing of FDDs (“Attorney”). For a period of three (3) years, Attorney shall review Xponential’s policies, procedures, and practices relating to the preparation and filing of FDDs, including Xponential’s financial and operational calculations, and stated average time-to-open a studio as stated therein. Xponential shall provide Attorney with reasonable access to documents, information, and personnel necessary to perform the review described herein and shall cooperate in good faith in such review. Attorney shall evaluate whether Xponential has implemented reasonable measures to ensure that FDD disclosures, including, but not limited to, those in Item 11, are accurate and also consistent with Xponential’s Securities Filings, unless applicable state and federal franchise or securities laws and regulations prohibit such consistency, and shall provide written recommendations for any necessary corrective measures to Xponential. Xponential shall implement the recommendations of Attorney. Attorney shall review Xponential’s FDDs and Securities Filings periodically during the three (3) year term and assess Xponential’s ongoing adherence to the corrective measures. During the three (3) year term, Xponential shall provide written notice to OAG of

any changes in its FDD Compliance Policies pursuant to Attorney's review. OAG shall review the changes and advise if it has any concerns related to same. Xponential shall promptly engage with OAG to resolve any concerns raised by OAG. During the three (3) year period, Xponential is permitted to retain a different Attorney subject to OAG approval.

25. Enforcement: Respondents expressly agree and acknowledge that any default in the performance of any obligation under this Assurance constitutes a violation of this Assurance. Upon such default, OAG may, in its sole discretion, enforce this Assurance, without limitation, by entering judgment pursuant to the Confession of Judgment (see paragraph 22 herein and Exhibit A), without further notice or demand. Nothing herein shall limit OAG's authority to pursue any other investigation, action, or proceeding authorized by law, including under Executive Law § 63(12) and the Franchise Sales Act. Evidence that this Assurance has been violated shall constitute prima facie proof of the statutory violations described herein pursuant to Executive Law § 63(15).

MISCELLANEOUS

Subsequent Proceedings:

26. Respondents expressly agree and acknowledge that OAG may initiate a subsequent investigation, civil action, or proceeding to enforce this Assurance for violations of the Assurance, or if the Assurance is voided pursuant to paragraph 36, and Respondents further agree and acknowledge that in such event:

- a. any statute of limitations or other time-related defenses are tolled from and after the effective date of this Assurance;
- b. OAG may use statements, documents, or other materials produced or provided by the Respondents before or after the effective date of this Assurance;

- c. any civil action or proceeding must be adjudicated by the courts of the State of New York, and the Respondents irrevocably and unconditionally waive any objection based upon personal jurisdiction, inconvenient forum, or venue; and
- d. evidence of a violation of this Assurance shall constitute prima facie proof of a violation of the applicable law pursuant to Executive Law § 63(15).

27. If a court of competent jurisdiction determines that the Respondents have violated the Assurance, the Respondents shall pay to OAG the reasonable cost, if any, of obtaining such determination and of enforcing this Assurance, including, without limitation, legal fees, expenses, and court costs.

28. Respondents shall cooperate fully and promptly with the OAG in any and all matters relating to the conduct described in this Assurance, including in connection with the payments under paragraph 20 of this Assurance. Any failure to comply with this paragraph in any respect shall be a violation of this Assurance.

Effects of Assurance:

29. This Assurance is not intended for use by any third party in any other proceeding.

30. All terms and conditions of this Assurance shall continue in full force and effect on any successor, assignee, or transferee of the Respondents. Respondents shall include any such successor, assignment, or transfer agreement, a provision that binds the successor, assignee, or transferee to the terms of the Assurance. No party may assign, delegate, or otherwise transfer any of its rights or obligations under this Assurance without the prior written consent of OAG.

31. Respondents agree that their obligations under this Assurance, including, not limited to, payment of the Monetary Relief Amount set forth in paragraph 20 of this Assurance, shall be joint and several.

32. Authorization: Each of the Respondents represents and warrants that (a) they have duly approved of the terms and conditions of this Assurance, and (b) Michael Nuzzo, as the signatory to this Assurance, is a duly authorized officer of each of the Respondents and is authorized in that capacity to execute this Assurance and that such execution binds each such Respondent to the terms of this Assurance.

33. Nothing contained herein shall be construed as depriving any person of any private right under the law.

34. Any failure by OAG to insist upon the strict performance by Respondents of any of the provisions of this Assurance shall not be deemed a waiver of any of the provisions hereof. OAG, notwithstanding that failure, shall have the right thereafter to insist upon the strict performance of any and all of the provisions of this Assurance to be performed by the Respondents.

Communications:

35. All notices, reports, requests, and other communications pursuant to this Assurance must reference Assurance No. 26-015 and shall be in writing. Such communications may be transmitted by electronic mail (email) to the addresses listed below and shall be deemed given upon transmission, provided that the sending party does not receive notice of delivery failure. The parties may update the email addresses for notice by providing written notice to the other party pursuant to this paragraph.

If to the Respondents, to: Mylan Denerstein, Esq.
Gibson, Dunn & Crutcher LLP
mdenerstein@gibsondunn.com

Diana Feinstein, Esq.
Gibson, Dunn & Crutcher LLP
dfeinstein@gibsondunn.com

Gavin O'Connor
Xponential Fitness Legal
Gavin@xponential.com

If to OAG, to: Hannah K. Flammenbaum
Senior Enforcement Counsel
Office of the New York State Attorney General
hannah.flammenbaum@ag.ny.gov

Joseph Punturo
Franchise Section Chief
Office of the New York State Attorney General
joseph.punturo@ag.ny.gov

Representations and Warranties:

36. OAG has agreed to the terms of this Assurance based on, among other things, the representations made to OAG by Respondents and their counsel and OAG's factual investigation as set forth in the Findings section above. The Respondents represent and warrant that neither they nor their counsel has made any material representations to OAG that are inaccurate or misleading. If any material representations by Respondents or their counsel are later found to be inaccurate or misleading, this Assurance is voidable by OAG in its sole discretion.

37. Respondents acknowledge that no representation, inducement, promise, understanding, condition, or warranty not set forth in this Assurance has been made to or relied upon by the Respondents in agreeing to this Assurance.

General Principles:

38. Unless a term limit for compliance is otherwise specified within this Assurance, the Respondents' obligations under this Assurance are enduring. Nothing in this Agreement shall relieve Respondents of other obligations imposed by any applicable state or federal law, regulation, or other applicable law.

39. Respondents agree not to take any action or to make or permit to be made any public statement denying, directly or indirectly, any finding in the Assurance or creating the impression that the Assurance is without legal or factual basis. Nothing in this paragraph shall affect Respondents' ability to advance factual or legal defenses in litigation, regulatory proceedings, or in response to potential claims asserted by parties, other than OAG, regarding the same or similar conduct.

40. Nothing contained herein shall be construed to limit the remedies available to OAG in the event that the Respondents violate the Assurance after its effective date.

41. This Assurance may not be amended except by an instrument in writing signed on behalf of the Parties to this Assurance.

42. In the event that any one or more of the provisions contained in this Assurance shall for any reason be held by a court of competent jurisdiction to be invalid, illegal, or unenforceable in any respect, in the sole discretion of OAG, such invalidity, illegality, or unenforceability shall not affect any other provision of this Assurance.

43. Respondents acknowledge that they have entered this Assurance freely and voluntarily and upon due deliberation with the advice of counsel.

44. This Assurance shall be governed by the laws of the State of New York without regard to any conflict of laws principles.

45. The Assurance and all its terms shall be construed as if mutually drafted with no presumption of any type against any party that may be found to have been the drafter.

46. This Assurance may be executed in multiple counterparts by the parties hereto. All counterparts so executed shall constitute one agreement binding upon all parties, notwithstanding that not all parties are signatories to the original or the same counterpart. Each counterpart shall be deemed an original to this Assurance, all of which shall constitute one agreement to be valid as of the effective date of this Assurance. For purposes of this Assurance, copies of signatures shall be treated the same as originals. Documents executed, scanned, and transmitted electronically, and electronic signatures shall be deemed original signatures for purposes of this Assurance and all related matters, with such scanned and electronic signatures having the same legal effect as original signatures.

47. The effective date of this Assurance shall be the date signed by OAG.

Remainder of page intentionally left blank

LETITIA JAMES
Attorney General of the State of New York
28 Liberty Street
New York, NY 10005

By: *Shamiso Maswoswe* 6/9/2026
Shamiso Maswoswe, Esq. Date
Bureau Chief
Investor Protection Bureau

By: *Hannah K. Flamenbaum* 6/9/2026
Hannah K. Flamenbaum, Esq. Date
Senior Enforcement Counsel
Investor Protection Bureau

By: *Joseph Punturo* 6/9/2026
Joseph Punturo, Esq. Date
Franchise Section Chief
Investor Protection Bureau

RESPONDENTS

XPONENTIAL FITNESS, INC.,
XPONENTIAL FITNESS, LLC,
AKT FRANCHISE SPV, LLC,
BFT FRANCHISE SPV, LLC,
CLUB PILATES FRANCHISE SPV, LLC,
CYCLEBAR FRANCHISING SPV, LLC,
PB FRANCHISING SPV, LLC,
RUMBLE FRANCHISE SPV, LLC,
STRETCH LAB FRANCHISE SPV, LLC,
YOGA SIX FRANCHISE SPV, LLC,

By:  6/15/26
Michael Nuzzo Date
Chief Executive Officer
Authorized Signatory
on behalf of all Respondents

STATE OF _____ }
COUNTY OF _____ } SS.:

See Attached Notary
Jurat Certificate

(CA Govt Code §8202)
FP 5 Jun 2026

On this day of _____ in the year 2026, before me personally came _____, known to me as the _____, the entity described in the foregoing Assurance of Discontinuance, and did depose and say that:

_____ resides at _____;

_____ was authorized by _____'s partners/Managing Authority/Board of Directors to sign the Assurance of Discontinuance on its behalf; and

Notary Public

My commission expires on _____.

CALIFORNIA JURAT

GOVERNMENT CODE § 8202

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

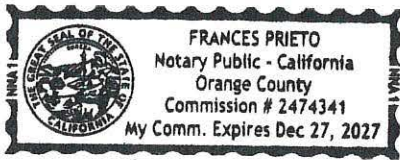
State of California

County of Orange

Subscribed and sworn to (or affirmed) before me on this 5th day of June, 2026, by
Date Month Year

(1) Michael Nuzzo

(and (2) _____),
Name(s) of Signer(s)



proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

Signature Frances Prieto
Signature of Notary Public

Place Notary Seal and/or Stamp Above

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Investigation of (Leticia James) Respondents NY

Title or Type of Document: Assurance of Discontinuance # 26-015

Document Date: 6-5-2026 Number of Pages: 27

Signer(s) Other Than Named Above: No Other Signers