NEWS RELEASE Luther Strange Alabama Attorney General



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Page 1 of 2

AG ANNOUNCES SETTLEMENT WITH SKECHERS ON DECEPTIVE ADVERTISING FOR SHOE MARKETING

(MONTGOMERY) — Attorney General Luther Strange announced that Alabama has joined 43 other states and the Federal Trade Commission in a settlement today with Skechers USA, Inc., the makers of Shape-Ups, Tone-Ups, and the Skechers Resistance Runner athletic shoes. Under the settlements, up to \$40 million is being allocated for consumer refund money to be paid back to consumers who purchased the shoes. As part of the settlements, Skechers will pay an additional \$5 million to the states.

Attorney General Strange said, "I am pleased we have reached this settlement that will compensate consumers and hold Skechers to account for the unsubstantiated claims made to its customers. I am proud of the work performed by our Consumer Protection Unit to safeguard Alabamians from alleged fraud and deceptive practices."

The lawsuit filed today by the Attorney General alleges that Skechers made health-related claims in the marketing, packaging, advertising, offering, and selling of its line of rocker-bottom shoe products including Shape-ups, Tone-ups, and the Skechers Resistance Runner that were not adequately substantiated at the time the claims were made.

The lawsuit alleges that without having adequate support for its claims, Skechers claimed that these rocker-bottom shoe products caused consumers to lose weight, burn calories, improve circulation, fight cellulite, and firm, tone or strengthen thigh, buttock, and back muscles.

Skechers does not admit any wrongdoing and denies the factual allegations asserted in the Attorney General's complaint. Under the settlement, Skechers is prohibited from making these claims unless it has adequate substantiation to do so.

Consumers who purchased Shape-Ups, Tone-Ups, or the Skechers Resistance Runner should go to the FTC webpage www.ftc.gov/skechers for information about how to obtain a partial refund. Consumers may also call the toll-free number 866-325-4186.

It is not known at this time how many consumers purchased these shoes in Alabama, or the amount of money that will come to the State.



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Along with Alabama, others participating in the settlement include the Federal Trade Commission and the Attorneys General of Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, the District of Columbia, Florida, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Maine, Maryland, Massachusetts, Michigan, Mississippi, Missouri, Montana, Nebraska, Nevada, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Vermont, Virginia, Washington, West Virginia, Wisconsin, the State of Hawaii's Office of Consumer Protection, and the State of Georgia's Governor's Office of Consumer Protection.

Alabamians who have concerns or complaints about consumer issues may contact the Attorney General's Consumer Protection Unit by calling 1-800-392-5658, 334-242-7335 or by visiting the website www.ago.state.al.us/Page-Consumer-Protection.