



To: USA Domestic Dealers
From: TuffStuff Fitness International, Inc.
Regarding: ITC Consent Order
Date: June 6, 2019

Dear TuffStuff Dealer:

As you may know, in September 2018, our competitor Hoist Fitness Systems, Inc. filed a lawsuit against TuffStuff at the U.S. International Trade Commission (Inv. No. 337-TA-1135), alleging that our Bio-Arc products infringe five Hoist patents. This lawsuit followed a separate legal action filed by Hoist in April 2017, asserting infringement of the same patents (Case No. 17-cv-0670 (S.D. Cal.)). In May 2019, we resolved the ITC case through submission of a “Consent Order.” The district court litigation remains pending, and is scheduled for a trial this September.

Importantly, the Consent Order admits no wrongdoing at all by TuffStuff – patent infringement or otherwise. TuffStuff has made no settlement payment to Hoist. However, the Consent Order imposes certain restrictions on our business that we must take seriously. In particular, we are prohibited from:

- importing any Bio-Arc products into the United States;
- selling in the United States any previously imported Bio-Arcs;
- distributing or transferring in the United States any previously imported Bio-Arcs, other than for exportation (we can continue to sell Bio-Arcs outside the United States); and
- aiding, abetting, encouraging, participating in, or inducing the sale for importation, the importation, or the sale after importation of any Bio-Arc products.

The last prohibition means we cannot assist you in trying to sell any Bio-Arcs that you may have in stock. Further, at this time we cannot direct any customer inquiries about the Bio-Arc to you.

TuffStuff is actively re-working its supply chain to be able to manufacture the Bio-Arc in the United States. Once our domestic production of Bio-Arcs is underway, we will once again be able to sell this product in the U.S. market. Until then – or until the Consent Order is otherwise revoked – we are unable to sell Bio-Arc products here in the United States.

It is unfortunate that Hoist resorted to overzealous litigation in an attempt to stifle fair competition. Regardless, we are pleased to have resolved the ITC case and we look forward to a final court decision that the Bio-Arcs do not infringe Hoist’s patents.

Please contact us if you have any questions about this development. Thank you, as always, for your continued support of TuffStuff. We truly value your partnership.

Sincerely,

Cammie Grider
President/CEO