

If You Paid Dues for a Monthly Membership at 24 Hour Fitness And Canceled Your Membership

A Pending Class Action Settlement May Affect Your Legal Rights

UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA

Daniel Friedman et al. v. 24 Hour Fitness USA, Inc., Case No. CV 06-06282 AHM

The above referenced court (the "Court") has ordered this Notice to inform Settlement Class Members of this proposed Class Action Settlement and a choice of two valuable benefits that every Settlement Class Member will recover as a part of the Settlement:

- **A payment of Twenty Dollars (\$20); OR**
- **A Three Month Club Access Certificate entitling you to use any 24 Hour Fitness club for three consecutive months**

If you are a Settlement Class Member, your rights, as detailed in this notice, include the right to:

- Remain a member of the Settlement Class and participate in the Settlement;
- Opt out of the Settlement Class and not be a Settlement Class Member for any purpose;
- Object to the Settlement.

What is this Case About?

Plaintiffs filed a class action lawsuit against 24 Hour Fitness regarding its practice of charging monthly membership dues after 24 Hour Fitness recorded a request to cancel or terminate the corresponding club membership. According to Plaintiffs, the disputed charges were made using electronic fund transfers ("EFTs"), whereby 24 Hour Fitness automatically withdrew funds from a Settlement Class Member's bank or credit/debit/charge card account after 24 Hour Fitness recorded a request to cancel or terminate the corresponding monthly membership. According to Plaintiffs, 24 Hour Fitness took this money by fraudulently representing to its payment processors (entities that process electronic payments on behalf of 24 Hour Fitness) that it had authorization to withdraw these membership dues from Settlement Class Members' bank or credit/debit/charge card accounts. Plaintiffs allege that this practice violated the Racketeer Influenced and Corrupt Organizations Act ("RICO"), the Electronic Fund Transfer Act ("EFTA") and state consumer protection laws.

24 Hour Fitness denies all liability for such claims and asserts that it acted lawfully, that it has made no misrepresentations to payment processors, to its members, or to anyone else, and that Settlement Class Members authorized the charges involved in this case in their membership agreements. 24 Hour Fitness has also asserted many other defenses to Plaintiffs' claims. Nonetheless, recognizing the burden and expense of protracted litigation, 24 Hour Fitness has entered into the Settlement. The proposed Settlement reflects a compromise of disputed claims and does not mean that 24 Hour Fitness or any of its related entities violated any law or are liable for any of the allegations made by Plaintiffs. The Court has granted preliminary approval of the proposed Settlement and will decide whether to give final approval to the Settlement at a hearing scheduled for July 12, 2010, at 10:00 a.m. in Courtroom 14, located at 312 N. Spring Street, Los Angeles, CA 90012.

Am I Included?

You may be included in the Settlement Class if an automatic electronic funds transfer was taken from your bank account or credit/debit/charge card on behalf of 24 Hour Fitness between October 2, 2002 and February 28, 2010 after 24 Hour Fitness placed into its membership database file a request for cancellation or termination of the monthly membership for which the dues were being charged ("Charge(s) at Issue"), and you are not otherwise excluded by the exclusions below.

Who is Excluded from the Settlement Class?

Among others, the following individuals are excluded from the Settlement Class (See the detailed notice on the website www.friedmanclassaction.com for more information on who is excluded):

- Persons who did not pre-pay last month dues and/or for whom 24 Hour's membership database file reflects a full refund or return of the Charges at Issue.
- Persons who were and remain members of the certified settlement

class in the matter of *Weir v. 24 Hour Fitness USA, Inc.*, San Francisco Superior Ct. Case Number CGC- 05-438478.

- 24 Hour, its subsidiaries and affiliates, officers, directors, and employees.
- Any judge to whom this matter is assigned, his or her court staff, and his or her immediate family.

What Can I Get from this Settlement?

Class Notices and Claim Forms were recently mailed out to class members explaining the settlement procedures and benefits in more detail. Each Settlement Class Member who does not opt out has a choice of receiving one of two valuable benefits: a payment of Twenty Dollars (\$20) or a Three Month Club Access Certificate giving the user a free pass to any 24 Hour Fitness club for three consecutive months. Any Settlement Class Member who does not submit a valid claim form electing the Twenty Dollar (\$20) payment postmarked on or before **June 18, 2010** will automatically receive a Three Month Club Access Certificate except if they opted out of the settlement. The benefit you elect will only be sent to you after the Court gives final approval of this Settlement. Settlement Class Members who incurred more than one Charge at Issue may receive one benefit for each Charge at Issue incurred.

What Do I Do Now?

You should have received the Class Notice and Claim Form in the mail. Read it and decide what you want to do as a member of the class. The deadline to Opt-Out or Object to the Settlement is June 11, 2010. The deadline to file a Claim Form is June 18, 2010. If you did not receive a Class Notice and Claim Form in the mail, and you believe you are a Settlement Class Member, contact the Settlement Administrator to have one re-sent to you. If you want more information regarding the Settlement, you can also review the documents publicly filed in this case which are available for review during normal business hours at the offices of the Clerk of the Court, U.S. District Court for the Central District of California, 312 N. Spring Street, Los Angeles, CA 90012. You may also obtain more information and instructions on excluding yourself by visiting www.friedmanclassaction.com or writing: 24 Hour Fitness Settlement Administrator, PO Box 2313, Faribault, MN 55021-9013, (877) 773-8183.

The Court has appointed the following law firms as Counsel for the Settlement Class, but you may hire your own attorney at your own cost.

WASSERMAN COMDEN,
CASSELMAN &
ESENSTEN, LLP
Melissa M. Harnett, Esq.
5567 Reseda Blvd., Suite 330
Tarzana, California 91357
www.wccelaw.com

KELLER GROVER LLP
Jeffrey F. Keller, Esq.
425 Second Street, Suite 500
San Francisco, California 94107
www.KellerGrover.com