

UNITED STATES DISTRICT COURT FOR THE
EASTERN DISTRICT OF PENNSYLVANIA

Kenneth J. Silver, et al. v. L.A. Fitness International, LLC, No. 10-cv-2326-MMB

Joshua Vaughn v. L.A. Fitness International, LLC, No. 11-cv-2644-MMB

Amalia Sible v. L.A. Fitness International, LLC, No. 13-cv-0255-MMB

**NOTICE OF PENDENCY OF CLASS ACTION AND PROPOSED SETTLEMENT, SETTLEMENT
FAIRNESS HEARING, AND MOTION FOR
ATTORNEYS' FEES AND REIMBURSEMENT OF LITIGATION EXPENSES**

If you cancelled an L.A. Fitness Monthly Dues Membership during the period from May 18, 2006 through January 1, 2013, then you may be entitled to certain benefits under a proposed Settlement of a class action lawsuit pending in this Court.

**PLEASE READ THIS NOTICE CAREFULLY BECAUSE THIS SETTLEMENT
MAY AFFECT YOUR LEGAL RIGHTS**

A federal court authorized this notice. This is not a solicitation from a lawyer.

Please be advised that the Court-appointed Class Representatives, Kenneth J. Silver, Joshua Vaughn, Lori C. Bohn, Sharon N. Lockett, Justin P. Bronzell, and Amalia Sible ("Plaintiffs"), have reached a settlement (the "Settlement") of the above-referenced consolidated lawsuits (collectively, the "lawsuit") that will resolve all claims of Plaintiffs and the Settlement Class and Subclasses (as defined below) against Defendant L.A. Fitness International, LLC ("LA Fitness", the "Company" or Defendant"). This Notice explains important rights you may have, including the benefits you may be entitled to under this Settlement.

Plaintiffs' Statement of Recovery: The Settlement will provide certain Settlement Benefits to settlement beneficiaries of persons who entered into Monthly Dues Membership Agreements with LA Fitness and cancelled such memberships between May 18, 2006 and January 1, 2013. The Settlement provides various benefits. Under the Settlement, all class members are entitled to receive a fully transferrable 45-Day Club Access Pass valid at all LA Fitness Club locations, except Signature Club Locations. Certain class members may also be eligible for a cash payment equal to either one-third of one month of dues (if you meet the qualifications for Subclass A), or 50% or 100% of all dues paid for up to one year after a member mailed a cancellation notice to LA Fitness (if you meet the qualifications for Subclass B). In addition, pursuant to the Settlement, LA Fitness will make certain revisions to its Monthly Dues Membership Agreement.

Reasons for the Settlement: The Settlement resolves a lawsuit in which Plaintiffs allege that LA Fitness failed to timely cancel certain customers' Monthly Dues Membership Agreements after such customers gave LA Fitness notice of their intention to cancel the agreements and/or that LA Fitness improperly charged monthly dues after the member mailed a valid notice of cancellation to LA Fitness. The Settlement also resolves Plaintiffs' allegations that the terms, policies and contract forms for the Monthly Dues Membership violate state consumer protection statutes and other laws.

By entering into the Settlement, LA Fitness has not admitted to the allegations in the lawsuit and Plaintiffs have not admitted that any of their claims are without merit. The parties disagree on the liability and damages issues. Plaintiffs' Counsel believe this settlement is in the best interests of the Settlement Classes considering the risks posed by further litigation. See Question 4 below for further explanation.

Statement of Attorneys' Fees and Expenses Sought: Plaintiffs' Counsel intend to ask the Court to award them attorneys' fees and reimbursement of out-of-pocket expenses incurred in the prosecution of the action not to exceed \$1,400,000. Such amounts will be paid by Defendant and will not reduce the recovery for Class Members. Plaintiffs' Counsel have expended considerable time and effort in the prosecution of this litigation on a contingent fee basis, and have advanced the expenses of the litigation in the expectation that if they were successful in obtaining a recovery for the Settlement Classes, they would be compensated for their efforts. In this type of litigation, it is customary for a defendant to pay plaintiffs' counsel their attorneys' fees and reimburse their expenses. Approval of the Settlement by the Court is not contingent upon the Court awarding attorneys' fees and reimbursement of expenses to Plaintiffs' Counsel in any amount.

Statement of Incentive Payments for Plaintiffs' Sought: Plaintiffs, as Class Representatives, intend to ask the Court to award Incentive Payments up to \$3,000 each for their efforts prosecuting the lawsuit on behalf of the

Settlement Classes, which included providing documents and testimony. Such amounts will be paid by Defendant and will not reduce the recovery for Class Members. Approval of the Settlement by the Court is not contingent upon the Court granting Incentive Payments to Plaintiffs in any amount.

Deadlines: The following is a list of deadlines by which you must take any action you wish to take with respect to the Settlement:

Submit Claim: **August 9, 2013**

Request Exclusion: **August 9, 2013**

File Objection: **August 9, 2013**

Court Hearing on Fairness of Settlement: **September 19, 2013**

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

SUBMIT A CLAIM	You may submit a claim for the benefits of this Settlement by visiting the Settlement Website at www.USGymSettlement.com or by contacting the Claims Administrator at 1-888-267-7897. You must submit your claim for monetary benefits by August 9, 2013 . You must submit your claim for the 45 Day Club Access Pass by May 11, 2014 (one year after Notice). By submitting a claim, you will be releasing any claims you may have against LA Fitness relating to the claims in this Class Action.
EXCLUDE YOURSELF	You may exclude yourself or “opt-out” of this Class Action in which case you will not be able to recover any of the benefits under this Settlement. However, this is the only option that allows you to ever bring a lawsuit or be a part of any other lawsuit against LA Fitness concerning the legal claims resolved by the Settlement. If you wish to exclude yourself from this Class Action Settlement, you must do so by sending a letter to the Claims Administrator at U.S. Gym Settlement, Claims Administrator, c/o Gilardi & Co., LLC, P.O. Box 8090, San Rafael, CA 94912-8090. Your written letter requesting exclusion must be post-marked by August 9, 2013 in order to be valid.
OBJECT BUT REMAIN A PART OF THE SETTLEMENT	You may write to the Court about why you don’t like the Settlement, the Settlement Benefits, Plaintiffs’ Counsel’s request for attorney’s fees and reimbursement of expenses, or Plaintiffs’ request for Incentive Payments. If you wish to object to the Settlement, then you cannot request to be excluded from this Class Action. You must mail your written objection to the Claims Administrator at U.S. Gym Settlement, Claims Administrator, c/o Gilardi & Co., LLC, P.O. Box 808003 Petaluma, CA 94975-8003 by August 9, 2013 in order to for the objection to be heard by the Court.
GO TO A HEARING	You may request to speak in Court about the fairness of the settlement. A hearing will be held on September 19, 2013 and is open to the public. To speak to the Court, you need to give advance written notice to the Court and the parties.
DO NOTHING	If you do nothing, you will not receive any of the benefits of this Settlement, but you will release any claims you may have against LA Fitness relating to the claims settled in this Class Action.

LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:

- These rights and options—and the deadlines to exercise them—are explained in this notice.
- The Court in charge of this case still has to decide whether to approve the Settlement. Cash payments will be made if the Court approves the Settlement and after appeals are resolved and claims are processed. Please be patient. You may however use your Access Passes prior to approval of the Settlement.

More Information:

You can obtain additional information about the lawsuit and this Notice by: (i) visiting www.USGymSettlement.com; (ii) calling the Claims Administrator at 1-888 -267-7897; (iii) writing the Claims Administrator at: U.S. Gym Settlement, Claims Administrator, c/o Gilardi & Co., LLC, P.O. Box 808003 Petaluma, CA 949 75-8003; or (iv) contacting Plaintiffs’ Counsel: Sherrie R. Savett, Esquire, Berger & Montague, P.C., 1622 Locust Street, Philadelphia, PA, 19103-6365, Telephone: 800-424-6690.

WHAT THIS NOTICE CONTAINS

PAGE

BASIC INFORMATION4

1. Why did you get this Notice package?4

2. What is this lawsuit about?4

3. Why is this a class action?4

4. Why is there a settlement?4

WHO IS IN THE SETTLEMENT5

5. How do I know if I am part of the settlement?5

6. Are there exceptions to being included in the Class?5

7. I’m still not sure if I am included.5

THE SETTLEMENT BENEFITS – WHAT YOU GET5

8. What does the settlement provide?5

 a. For All Class Members5

 b. For Members of Subclass A6

 c. For Members of Subclass B6

HOW YOU CAN OBTAIN THE BENEFITS UNDER THIS SETTLEMENT7

9. How can I get the 45 Day-Club Access Pass?7

10. I am a Member of Subclass “A”, how do I submit a claim for a cash payment?8

11. I am a Member of Subclass “B”, how do I submit a claim for the Subclass “B” benefits.8

12. When will I receive my payment?8

13. What am I giving up if I stay in this Class Action?8

EXCLUDING YOURSELF FROM THE SETTLEMENT9

14. If I exclude myself, can I receive money from this settlement?9

15. If I do not exclude myself, can I sue LA Fitness for the same thing later?10

16. If I exclude myself, can I receive money from this settlement?10

THE LAWYERS REPRESENTING YOU10

17. Do I have a lawyer in this case?10

18. How will the lawyers be paid?10

19. When and where will the Court decide whether to approve the settlement?10

20. Do I have to come to the hearing?11

THE COURT’S FAIRNESS HEARING11

21. When and where will the Court decide whether to approve the settlement?11

22. Do I have to come to the hearing?

23. May I speak at the hearing?

IF YOU DO NOTHING12

24. What happens if I do nothing at all?12

GETTING MORE INFORMATION12

25. How do I obtain more information about the Settlement?12

INQUIRIES12

BASIC INFORMATION

1. Why did you get this Notice package?

According to LA Fitness' records, you may have cancelled an LA Fitness Monthly Dues Membership Agreement between May 18, 2006 and January 1, 2013.

The Court sent you this notice because you have a right to know about the proposed Settlement of this class action lawsuit, and about all of your options, before the Court decides whether to approve the Settlement. If the Court approves the Settlement (and there are no appeals), you will be releasing any claims you may have against LA Fitness relating to the claims in this lawsuit in exchange for the Settlement benefits. You may track the progress of the Settlement by visiting: www.USGymSettlement.com.

This package explains the lawsuit, the Settlement, your legal rights, the benefits that are available, who is eligible for them, and how to obtain them.

The Court in charge of the lawsuit is the United States District Court for the Eastern District of Pennsylvania.

2. What is this lawsuit about?

The lawsuit claims that LA Fitness breached its contracts by failing to timely process its customers' requests to cancel their Monthly Dues Membership Agreements and that LA Fitness' Monthly Dues Membership Agreements violated state laws by including unfair, confusing or misleading language concerning the amount of advance notice a customer must provide to LA Fitness in order to cancel a membership with no further charges and for the customer to get the benefit of his or her prepaid last month's dues. The lawsuit also challenges the terms, policies and contract forms used for the Monthly Dues Membership. The lawsuit claims that, as a result of these breaches and violations, Class Members were damaged.

LA Fitness does not believe it has done anything wrong, and it believes that it would ultimately prevail in this lawsuit. However, in order to avoid the costs and risks associated with any litigation, LA Fitness has agreed to the terms of this Settlement in order to reach a final and amicable resolution of these claims.

3. Why is this a class action?

In a class action, one or more persons called Class Representatives sue on behalf of all persons who have similar claims. All of these persons are referred to as a Class, or individually, as Class Members. One court resolves all of the issues for all Class Members, except for those Class Members who exclude themselves from the Class.

4. Why is there a settlement?

The Settlement allows both sides to avoid the risks and costs of lengthy and uncertain litigation and the uncertainty of a trial and appeals, and permits Class Members to be compensated without further delay.

Plaintiffs have agreed to settle the lawsuit based on the facts they have discovered during the litigation, the risks that will be involved in a trial, and their conclusions that the proposed Settlement is fair, reasonable and adequate, and serves the best interests of the Class Members. Plaintiffs have determined that by settling, they avoid the cost and risks of a trial, while at the same time providing substantial compensation to the Settlement Classes. Plaintiffs and Plaintiffs' Counsel believe that the Settlement is best for all Class Members.

LA Fitness does not believe it has done anything wrong, and it believes that it would ultimately prevail in this lawsuit. However, in order to avoid the costs and risks associated with any litigation, LA Fitness has agreed to the terms of this Settlement in order to reach a final and amicable resolution of these claims.

Plaintiffs and Defendant do not agree regarding the merits of Plaintiffs' allegations with respect to liability or the amount of damages that would be recoverable if Plaintiffs were to prevail on each claim asserted. The issues on which the parties disagree include: (1) whether Defendant breached its Monthly Dues Membership Agreement with respect to any Class Member; (2) whether the Monthly Dues Membership Agreement contained any unfair, confusing or misleading language concerning the length of advance notice a customer must provide to LA Fitness in order to cancel a membership with no further charges and for the customer to get the benefit of his or her prepaid dues; and (3) whether Plaintiffs and the Settlement Classes suffered damages.

WHO IS IN THE SETTLEMENT

To see if you will receive any Settlement Benefits from this Settlement, you first have to determine if you are member of the Settlement Classes.

5. How do I know if I am part of the settlement?

The Settlement Class consists of all Individuals who cancelled their Monthly Dues Membership Agreement with LA Fitness during the Class Period of May 18, 2006 to January 1, 2013. The Settlement Class excludes persons who entered into a Monthly Dues Membership Agreement in California. The Settlement Class also excludes the members of the New Jersey Class Action Settlement.¹ If you are a member of the Settlement Class, you may also be a member of Subclass A and/or Subclass B. The basis for membership in the Subclasses is described below in Question 8.b and 8.c.

6. Are there exceptions to being included in the Class?

Yes. Persons who entered into a Monthly Dues Membership Agreement in California or who are members of the New Jersey Class Action Settlement are excluded from the Settlement Class. Also excluded from the Settlement Class are those persons who timely and validly request exclusion from the Settlement Class.

7. I'm still not sure if I am included.

If you still are not sure whether you are included in the Settlement Class, you can ask for free help by calling the Claims Administrator at: 888-267-7897; or by visiting www.USGymSettlement.com for more information.

THE SETTLEMENT BENEFITS – WHAT YOU GET

8. What does the settlement provide?

a. For All Settlement Class Members:

LA Fitness has agreed to provide all members of the Settlement Class a fully transferable 45-Day Club Access Pass (which has a monetary value of \$45). The 45-Day Club Access Pass will entitle the Class Member, or any other individual to whom the Class Member transfers the pass before it is first used, to access LA Fitness' health club facilities for a period of 45 consecutive days as if the bearer of the pass were a member, and without the payment of any dues. The bearer of the pass will not be required to enter into any contractual agreement requiring the payment of dues or the provision of a credit card or bank account number, but will be required to sign off on the standard membership terms, which include a waiver of liability required for guests who utilize the health club facilities. The 45-Day Club Access Pass will be subject to the same time restrictions for club usage as any other club member, and shall be valid at any of LA Fitness' current locations, except at Signature Club locations. The 45-day period must be activated by the bearer at an LA Fitness Club location prior to one year of the issuance of this Notice, or such date as is set by Court order; passes not activated within that time shall be void. The 45-Day Club Access Pass may not be used for payment of dues owed under a past, current, or future membership agreement with LA Fitness and may not be advertised for resale.

LA Fitness has also agreed to revise its Monthly Dues Membership Agreement to clearly state that any form of written notice of cancellation is permitted and that the notice should include sufficient information to identify the member. The Monthly Dues Membership Agreement will recommend that the written notice of cancellation should include the member's name, barcode number, address, telephone number and email address.

LA Fitness' current cancellation policies include: (i) permitting members to cancel in-person at their local gyms on Mondays through Fridays between 9:00am and 5:00pm with an Operations Manager; (ii) if a member's cancellation is processed at the local club, LA Fitness will the member with a written or email

¹ If you entered into a Monthly Dues Membership Agreement in New Jersey you may be entitled to receive benefits in a settlement in case pending in the United States District Court for the District of New Jersey, *Sophia Martina v. L.A. Fitness International, LLC*, No. 2:12-cv-02063-WHW-MCA. Information about that settlement can be found at www.NJGymSettlement.com

receipt of the cancellation; and (iii) members who cancel their monthly memberships by way of a written notice mailed to the company's Irvine, California P.O. Box will receive an emailed receipt of cancellation if the members' email address is available. LA Fitness has right to change its cancellation policies at any time, and nothing in this Settlement in any way limits these rights

b. For Members of Subclass A

If you meet the following definition, you are a member of Subclass A and may be entitled to the benefits described in this section.

Subclass A consists of:

All Settlement Class Members: (a) who entered into a Monthly Dues Membership Agreement with LA Fitness in any state other than California, Pennsylvania or New Jersey during the Subclass "A" Period for their respective state, and (b) who paid for an additional month of dues via an Electronic Fund Transfer or Credit Card charge (not including the application of prepaid last month dues) after LA Fitness received and processed a Notice of Cancellation; and (c) this payment of an additional month of dues was not subsequently refunded.

The **Subclass A Period** for each state is:

- **Florida:** March 4, 2007 to January 1, 2013;
- **Washington:** October 12, 2007 to January 1, 2013;
- **Texas:** October 17, 2010 to January 1, 2013;
- **Michigan and Minnesota:** January 1, 2007 to January 1, 2013;
- **Massachusetts:** January 1, 2009 to January 1, 2013;
- **Connecticut, District of Columbia; Illinois, Maryland, New York, and Wisconsin:** January 1, 2010 to January 1, 2013;
- **Georgia, Indiana, Kentucky, Ohio, and Virginia:** January 1, 2011 to January 1, 2013;
- **Arizona and Oregon:** January 1, 2012 to January 1, 2013.

LA Fitness has agreed that Subclass A Members may elect to receive cash payment equal to 1/3 of the additional one month of dues they paid (via an EFT or CC charge) after LA Fitness received such Class Member's written notice of cancellation if that payment was not subsequently refunded. Members of Subclass A have the option to choose either this cash payment or the 45-Day Access Pass mentioned above.

c. For Members of Subclass B

If you meet the following definition, you are a member of Subclass B and may be entitled to the benefits described in this section.

Subclass B consists of:

All Settlement Class Members: (a) who cancelled their Monthly Dues Membership Agreement with LA Fitness and (b) who claim that LA Fitness did not timely process their Notice of Cancellation resulting in additional charges for Monthly Dues that were not subsequently refunded.

LA Fitness has agreed that Members of Subclass B may submit a Claim and elect to receive the following:

- **Written Proof of Mailing:** All members of Subclass B who mailed a cancellation notice to LA Fitness that was sent via certified mail or other form of mailing that provides written proof of mailing shall, upon submission of a Claim Form with proof of mailing (such as a certified or registered mail receipt signed by an LA Fitness agent, or a FedEx, DHL, USPS or UPS tracking number that indicates such receipt), be entitled to receive a monetary payment equivalent to 100% of all dues paid and collected after the date of mailing of the cancellation notice for up to one year after the mailing, less any refunds already provided.

- **Written Proof of the Printing of a Cancellation Form and Notification to LA Fitness:** All members of Subclass B who:

(1) Printed a Notice of Cancellation form from LA Fitness' website **OR** Obtained a Notice of Cancellation form at an LA Fitness club location.

AND

(2) Paid for monthly dues more than 60 days after the date the Notice of Cancellation form was printed or obtained by the member.

AND

(3) Notified LA Fitness that their cancellation was not processed (such notification could have been made directly to LA Fitness or to a third party governmental or consumer agency such as the Better Business Bureau).

AND

(4) Did not use LA Fitness facilities more than 60 days after printing or obtaining a Notice of Cancellation.

Shall, upon submission of a Claim Form and verification of the customer's records or consumer agency records, be entitled to receive a monetary payment equivalent to fifty percent (50%) of all dues paid and collected more than sixty (60) days after the date of the printing of the Notice of Cancellation form for up to one year after the printing (not including the application of pre-paid last month dues), less any refunds already provided.

If LA Fitness does not possess the customers' complaint in its records; then the Claims Administrator will notify the customer and request that the customer provide written proof of the complaint.

- **No Recorded Proof:** All other members of Subclass B who submit a Claim Form verifying that they mailed a cancellation that was not processed will receive a fully transferable 60-Day Club Access Pass (which has a monetary value \$60) instead of the 45-Day Club Access Pass. Such members will receive a special identification number from the Claims Administrator that they can use to sign up for the 60-Day Club Access Pass. Aside from the duration of the 60-Day Club Access Pass, the 60-Day Club Access Pass has the same terms as the 45-Day Club Access Pass. You cannot receive the 60-Day Club Access Pass if you have already signed up for the 45-Day Club Access Pass.

HOW YOU CAN OBTAIN THE BENEFITS UNDER THIS SETTLEMENT

9. How can I get the 45 Day-Club Access Pass?

The Summary Notice that was e-mailed or mailed to you includes a 4 digit Access Code along with a 7 digit Claim ID at the top of the Summary Notice entitled "Your Access Code" and "Your Claim ID". You may also obtain your Access Code by contacting the Claims Administrator.

The Access Code and Claim ID enable you to submit a claim and sign up for the 45-Day Club Access Pass. If you wish, you may transfer your Access Code to another person so they can sign up for the 45-Day Club Access Pass, but then you will not be able to use the pass.

In order to sign up for the 45-Day Club Access Pass, you must visit the Settlement Website at www.USGymSettlement.com and click on the link entitled "Submit a Claim" and enter your Access Code and Claim ID. You will then be given the option to sign up for the "45-Day Club Access Pass." After clicking on that link, you will then be required to fill out a form signing up for the 45-Day Club Access Pass. You will then have access to any LA Fitness club location, other than Signature Clubs, for 45 consecutive days thereafter.

If you need assistance signing up for the 45-Day Club Access Pass or do not have access to the Settlement Website, you may contact the Claims Administrator at 1-888-267-7897.

You must submit your claim for the 45-Day Club Access Pass by **May 11, 2014** (one year after Notice).

Questions? Call 1-888-267-7897 Toll Free, or Visit www.USGymSettlement.com

10. I am a Member of Subclass “A”, how do I submit a claim for a cash payment?

The Summary Notice that was e-mailed or mailed to you will indicate if you are a member of Subclass “A” and the cash payment you are eligible to receive instead of the 45-Day Club Access Pass. The top of the Summary Notice will contain your Access Code and Claim ID. You may also obtain your Access Code and Claim ID by contacting the Claims Administrator.

If you wish to submit a claim for the cash payment instead of the 45-Day Club Access Pass, you must visit the Settlement Website at www.USGymSettlement.com and click on the link entitled “Submit a Claim” and enter your Access Code and Claim ID. If you are a member of Subclass “A” then you will be given the option of either signing up for the 45-Day Club Access Pass or selecting cash payment. If you wish to submit a claim for the cash payment instead of the 45-Day Club Access Pass, then click on the link for cash payment and provide the requested information. If you select this option, you will not be able to use the 45-Day Club Access Pass.

The Claims Administrator will mail you the check for the cash payment, but this may take some time (as described in paragraph 12 below), so please be patient.

If you need assistance submitting a claim for the Subclass “A” cash payment or do not have access to the Settlement Website, you may contact the Claims Administrator at 1-888-267-7897.

You must submit your claim for the Subclass “A” cash payment by **August 9, 2013**.

11. I am a Member of Subclass “B”, how do I submit a claim for the Subclass “B” benefits.

If you believe you are a member of Subclass “B” and wish to submit a claim for one of the applicable benefits then you must visit the Settlement Website at www.USGymSettlement.com and click on the link entitled "Submit a Claim" and enter your Access Code and Claim ID. You will then be given the option of selecting your applicable benefit. You will be provided with the opportunity to submit any applicable documentation electronically. You may also mail any applicable documentation (being sure to reference your Access Code and Claim ID) to:

U.S. Gym Settlement, Claims Administrator
c/o Gilardi & Co., LLC
P.O. Box 808003
Petaluma CA 94975-8003

If you need assistance submitting a claim for the Subclass "B" benefit or do not have access to the Settlement Website, you may contact the Claims Administrator at 1-888-267-7897.

You must submit your claim for the Subclass "B" benefit by **August 9, 2013**. The Claims Administrator will process your claim and advise you if you are an “Authorized Claimant” – meaning that your claim satisfies the requirements approved by the Court.

12. When will I receive my payment?

The Court will hold a hearing on **September 19, 2013**, to decide whether to approve the Settlement. If the Court approves the Settlement, one or more Class Members could file an appeal. If there is an appeal, it is always uncertain when or if such appeals will be resolved favorably for the Settlement. Resolving an appeal can take time, perhaps more than a year. It also takes time for all the Claim Forms to be processed. If there are no appeals, and depending on the number of claims submitted, the Settlement Administrator could distribute payments as early as one year after the Settlement Hearing. You may track the progress of the Settlement by visiting the Settlement Website at www.USGymSettlement.com. Please be patient.

13. What am I giving up if I stay in this Class Action?

Unless you exclude yourself, you are a member of the Settlement Class, and that means you cannot sue, continue to sue, or be part of any other lawsuit against LA Fitness about the matters at issue and the claims that were or could have been raised in the lawsuit. If the Settlement is approved, you will be deemed to have released all “Released Claims” set forth below in exchange for the benefits of this Settlement.

“Released Claims” means and includes all allegations, causes of action, liabilities, damages, demands, rights or equitable, legal or administrative relief, of any basis or source, whether known or unknown, that were, have been or could have been, now, in the past, or in the future, asserted or alleged in, or that relate to *Bilgram v. L.A. Fitness International, LLC*, Case No. 2:10-cv-02326-MMB, *Boeynaems et. al. v. L.A. Fitness International, LLC*, Case No. 2:10-cv-02326-MMB, *Vaughn v. L.A. Fitness International, LLC*, Case No. 8:11-cv-00457-SCB-AEP, *Silver et al. v. L.A. Fitness International, LLC*, Case No. 2:10-cv-02326-MMB and *Sible v. L.A. Fitness International, LLC*, Case No. 4:12-cv-00660-RAS (the “Settled Actions”) including, but not limited to any and all allegations and claims asserted in the complaints and any amended complaints filed in the Settled Actions, as well as any claims relating to: (a) whether LA Fitness’ practice of charging Class Members prepaid last month’s dues or any other dues after notice of cancellation violates any laws of the States of Pennsylvania, Florida, Washington, Texas, Arizona, Connecticut, Georgia, Illinois, Indiana, Kentucky, Maryland, Massachusetts, Michigan, Minnesota, New York, Ohio, Oregon, Virginia, Wisconsin, the District of Columbia, the United States or common law; (b) whether LA Fitness’ Monthly Dues Membership Agreement forms violate any laws of States of Pennsylvania, Florida, Washington, Texas, Arizona, Connecticut, Georgia, Illinois, Indiana, Kentucky, Maryland, Massachusetts, Michigan, Minnesota, New Jersey, New York, Ohio, Oregon, Virginia, Wisconsin, the District of Columbia, the United States or common law; and (c) whether any of the other LA Fitness practices or membership terms identified in the complaints or amended complaints filed in the Settled Actions violate any laws of the State of States of Pennsylvania, Florida, Washington, Texas, Arizona, Connecticut, Georgia, Illinois, Indiana, Kentucky, Maryland, Massachusetts, Michigan, Minnesota, New Jersey, New York, Ohio, Oregon, Virginia, Wisconsin, the District of Columbia, the United States or common law.

It is the desire of the Settling Parties to fully, finally, and forever settle, compromise, and discharge all of the Class Representatives’ and the Class Members’ Released Claims which were or which could have been asserted in this action against LA Fitness, whether known or unknown. As a consequence, the Class Representatives and each Class Member may hereafter discover facts in addition to or different from those which he or she now knows or believes to be true with respect to the subject matter of the Released Claims, but the Class Representatives and each Class Member, upon the Effective Date, shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever settled and released any and all Released Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which then exist, or heretofore have existed upon any theory of law or equity, including, but not limited to, conduct which is negligent, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts. The Class Representatives acknowledge, and each Class Member shall be deemed by operation of the Final Judgment to have acknowledged, that the foregoing waiver was separately bargained for and a key element of the Settlement of which this Release is a part.

In addition, on the Effective Date, Class Members who have not timely and validly requested exclusion shall be deemed unconditionally and forever to release and discharge Plaintiffs and Plaintiffs’ Counsel from all claims, liabilities and causes of action, including all claims known or unknown, in connection with Plaintiffs’ institution, prosecution or resolution of the Released Claims.

EXCLUDING YOURSELF FROM THE SETTLEMENT

14. How do I exclude myself from the Settlement?

To exclude yourself from the Settlement, you must send a letter by mail stating that you want to be excluded from this Settlement. Be sure to include your name, address, telephone number, your Access Code and Claim ID which are listed on the top of the Summary Notice that was e-mailed or mailed to you and your signature. You must mail your exclusion request so that it is **postmarked** no later than **August 9, 2013** to:

U.S. Gym Settlement, Claims Administrator
c/o Gilardi & Co., LLC
P.O. Box 8090
San Rafael CA 94912-8090

You cannot exclude yourself by phone or by e-mail. If you do not send your written request for exclusion on time, you will be legally bound by all the proceedings in this lawsuit, including all court orders and judgments in the lawsuit, even if you have a lawsuit pending against LA Fitness that concerns Released Questions? Call 1-888-267-7897 Toll Free, or Visit www.USGymSettlement.com

Claims, or if you subsequently start a lawsuit or an arbitration or any other proceeding against LA Fitness that concerns Released Claims.

15. If I do not exclude myself, can I sue LA Fitness for the same thing later?

No. Unless you exclude yourself, you give up any right to sue LA Fitness for the Released Claims. If you have a pending lawsuit, speak to your lawyer in that case immediately. You must exclude yourself from *this* Class to continue your own lawsuit. Remember, the exclusion deadline is **August 9, 2013**.

16. If I exclude myself, can I receive money from this settlement?

No. If you exclude yourself, you may not use the 45-Day Club Access Pass or obtain any of the monetary benefits available under this Settlement. Once you exclude yourself, you will not receive any Settlement Benefits even if you also submit a Claim Form, unless you withdraw your notice of exclusion before the deadline.

THE LAWYERS REPRESENTING YOU

17. Do I have a lawyer in this case?

The Court has approved Plaintiffs' selection of Berger & Montague, P.C. to serve as Plaintiffs' Counsel for Plaintiffs and the other Class Members, including you. You will not be charged for these lawyers' work. If you want to be represented by your own lawyer, you may hire one at your own expense.

18. How will the lawyers be paid?

Plaintiffs' Counsel have expended considerable time and effort in the prosecution of this litigation on a contingent fee basis, and have advanced the expenses of the litigation, in the expectation that if they were successful in obtaining a recovery for the Settlement Classes, they would be paid from such recovery. In this type of litigation, it is customary for a defendant to pay plaintiffs' counsel their attorneys' fees and reimburse their expenses. LA Fitness has agreed not to oppose these fees and expenses. After reaching the core terms of the Settlement on behalf of Plaintiffs and the Class, Plaintiffs' Counsel and LA Fitness separately negotiated for LA Fitness to pay Plaintiffs' Counsel \$1.4 million for Plaintiffs' Counsel's attorneys' fees and expenses. Plaintiffs' Counsel will ask the Court to approve this payment. The Court may award more or less than this amount. The payment of attorneys' fees will not affect your benefits in any way.

19. How do I tell the Court that I do not like the Settlement?

If you are a member of the Settlement Class (and you have not excluded yourself), you can object to the proposed Settlement if you do not like any part of it, the request for attorneys' fees and reimbursement of expenses, or the Plaintiffs' request for Incentive Payments. You may state why you think the Court should not approve the Settlement. The Court will consider your views. Your Objection must be in writing and include:

- Statement of each objection being made;
- Description of the facts and legal basis for each objection;
- Statement of whether the objector intends to appear at the Fairness Hearing;
- List of witnesses whom the objector may call by live testimony, oral deposition testimony or affidavit during the Fairness Hearing; and
- List of exhibits which the objector may offer during the Fairness Hearing, along with copies of all of the exhibits.

You must mail your Objection so that it is **postmarked** no later than **August 9, 2013** to:

U.S. Gym Settlement, Claims Administrator
c/o Gilardi & Co., LLC
P.O. Box 8090
San Rafael CA 94912-8090

Be sure to include your name, address, telephone number, your Access Code and Claim ID which are listed on the top of the Summary Notice that was e-mailed or mailed to you, and your original signature (no copies). You should also send copies of your Objection to:

COURT	CO-LEAD COUNSEL	DEFENDANT'S COUNSEL
Clerk of the Court United States District Court Eastern District of Pennsylvania 601 Market Street, Room 2609 Philadelphia, PA 19106	Sherrie R. Savett, Berger & Montague, P.C. 1622 Locust Street Philadelphia., PA, 19103 Telephone: 800-424-6690	Jason M. Frank, Esq. Eagan Aevnatti, LLP 450 Newport Center Drive, Second Floor Newport Beach, CA 92660

You may object either on your own or through an attorney that you hire at your own expense. If you do hire an attorney to represent you, your attorney must file a notice of appearance with the Clerk of the Court and deliver a copy of that notice to Plaintiffs' Counsel and Defendant's counsel **no later than August 9, 2013**.

20. What is the difference between objecting and requesting exclusion?

Objecting is simply telling the Court that you do not like something about the Settlement. You can object to the Settlement only if you stay in the Settlement Class. Excluding yourself is telling the Court that you do not want to be part of the Settlement Class. If you exclude yourself, you have no basis to object because the case no longer applies to you.

THE COURT'S FAIRNESS HEARING

The Court will hold a hearing to decide whether to approve the Settlement. You may attend and you may ask to speak.

21. When and where will the Court decide whether to approve the settlement?

The Court will hold a Fairness Hearing at 1:30 p.m. on **September 19, 2013**, at the United States District Court for the Eastern District of Pennsylvania, 601 Market Street, Courtroom 3A, Philadelphia, PA 19106. At this hearing the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. The Honorable Michael M. Baylson will listen to Class Members (or their counsel) who have submitted written objections and written indication(s) of their intention to speak at the hearing, as long as they are filed with the Court and served on Plaintiffs' Counsel and Defendant's Counsel and are **postmarked no later than August 9, 2013**. The Court may also decide whether to approve the payment of fees, costs and expenses to Plaintiffs' Counsel and the payment of Incentive Payments to Plaintiffs. We do not know how long the hearing will take or whether the Court will make its decision about the Settlement on that day or sometime later.

22. Do I have to come to the hearing?

No. Plaintiffs' Counsel will answer any questions the Court may have about the Settlement. If you would like to attend the hearing, you are welcome to do so, at your own expense. If you send an objection, you do not have to come to Court to talk about it. The Court will consider your written objection, as long as you mailed your objection in on time (*see* response to question 19). You may also pay your own lawyer to attend, but it is not necessary.

23. May I speak at the hearing?

If you object to the Settlement, you may ask the Court for permission to speak at the hearing. To do so, you must include with your objection (*see* response to question 19) a statement saying that it is your "Notice of Intention to Appear in *Vaughn v. L.A. Fitness International, LLC*, No. 10-cv-2326-MMB." Persons who intend to object to any part of the Settlement and wish to present evidence at the hearing must also include in their written objection the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the hearing.

You cannot speak at the hearing if you exclude yourself.

IF YOU DO NOTHING

24. What happens if I do nothing at all?

If you do nothing, you will not receive the 45-Day Club Access Pass or any payments from this Settlement. *However*, unless you exclude yourself, you will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against the Defendant concerning the Released Claims in this case ever again.

GETTING MORE INFORMATION

25. How do I obtain more information about the Settlement?

This Notice summarizes the proposed Settlement. More details are in a stipulated settlement agreement, which has been filed with the Court. You can inspect a copy of the stipulation at the office of the Clerk of the Court, United States District Court for the Eastern District of Pennsylvania, 601 Market Street, Room 2609, Philadelphia, PA 19106 during regular business hours or at www.USGymSettlement.com.

For additional detailed information concerning the matters involved in this lawsuit, you may inspect the pleadings, the orders of the Court, and other papers filed in this lawsuit at the office of the Clerk of the Court, United States District Court for the Eastern District of Pennsylvania, 601 Market Street, Room 2609, Philadelphia, PA 19106, during regular business hours. You can also contact the Claims Administrator (*see* response to question 13) or Plaintiffs' Counsel (*see* response to questions 16 and 18). Please do not call the Court or the Clerk of the Court for additional information about the Settlement.

INQUIRIES

All inquiries concerning this Notice, the Proof of Claim form, or any other questions by Class Members should be directed to:

U.S. Gym Settlement, Claims Administrator
c/o Gilardi & Co., LLC
P.O. Box 808003
Petaluma, CA 94975-8003
888-267-7897
www.USGymSettlement.com

PLEASE DO NOT CONTACT THE COURT REGARDING THIS NOTICE

DATED: **May 11, 2013**

BY ORDER OF THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA