Notice of Pendency of Class Action

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

If you were a member of a California-based Equinox gym during the COVID-19 pandemic, a class action might affect your rights.

A class action has been certified that includes certain members of any California-based Equinox gyms during the COVID-19 lockdowns in 2020. Plaintiff Jason Rothman ("Plaintiff") alleges that Defendant Equinox Holdings, Inc. ("Defendant") improperly retained membership dues for periods during which its Equinox gyms were temporarily closed due to the COVID-19 lockdowns in 2020. The lawsuit seeks restitution and/or damages (*i.e.*, money) for all qualifying California-based Equinox members.

In the lawsuit, Plaintiff alleges that Defendant included the following language in its Membership Agreements (the "Refund Clause"):

THIS NOTICE PROVIDES IMPORTANT INFORMATION ABOUT YOUR PAYMENT OPTIONS

In deciding whether to make payments on an installment basis, Buyer should be aware that if the Club closes, although the Club will remain legally liable to Buyer for a refund, Buyer may risk losing his or her money if the Club is unable to meet its financial obligations to Members.

Plaintiff alleges that he, and other consumers, understood this language to mean he would receive a refund of his dues from Defendant for the periods during which the club was closed. Accordingly, when Defendant closed its gym facilities during the COVID-19 pandemic, Plaintiff alleges that he was entitled to a refund of his dues for those periods.

Defendant disputes that interpretation of this provision in the Membership Agreement, and contends that it is simply a consumer friendly notice intended to inform consumers about their payment options and the risks of losing their money when deciding whether to pay for their annual membership in full up front or partially over time on an installment basis. In any event, Defendant contends that the notice is contemplating circumstances when a health club permanently ceases club operations, and not the temporary cessation of business required by the COVID-19 pandemic and governmental lockdowns. Defendant contends that it was impossible for it to provide access to its physical clubs during the mandatory lockdowns and that in any event it continued providing virtual exercise programming on its digital platform during the pandemic. In addition, Plaintiff could have frozen his account or canceled his membership

Plaintiff alleges that, instead of issuing refunds in the amount of the membership dues that accrued during the closure periods, Defendant only provided credits that could only be used for limited products and services and had a relatively short expiration date. Plaintiff alleges that these actions were part of an unfair policy that was meant to discourage refunds. Defendant disputes those allegations and contends that an expiration date of the credits was proper.

Plaintiff alleges that Defendant violates California consumer protection statutes for not providing the refunds required by the Refund Clause in the Membership Agreement. Additionally, Plaintiff alleges that even if

Defendant did not breach the Refund Clause, the gift cards issued contained illegal expiration dates, in violation of California Civil Code, section 1749.5. Defendant disputes those allegations and contends that an expiration date of the credits was proper.

The lawsuit seeks restitution or damages (*i.e.*, money) for all qualifying Equinox Members of a California Equinox Gym. Please note that the delivery of this notice to you does not automatically mean that your Equinox Membership Agreement contains the "Refund Clause" or that you are necessarily entitled to any money, benefits, or other relief.

The Court has not yet decided the merits of the Plaintiff's claims and a trial date has not yet been scheduled. The Court has not decided whether Defendant has in fact violated the law. The sole purpose of this Notice is to inform you of the lawsuit so that you can make an informed decision as to whether you should participate in or opt out of this class action. There is no guarantee that money ever will be available.

The Court has approved Trenton Kashima and John Nelson of Milberg Coleman Bryson Phillips Grossman PLLC and Jason Thompson of Sommers Schwartz P.C. as "Class Counsel" for the "Class" comprised of the following individuals:

All Equinox members with a Home Club in California, whose Membership Agreement included the Refund Clause, and who did not receive a refund of prepaid membership dues for any period during which Defendant's Equinoxbranded Fitness Clubs were closed.

The Court has not expressed any opinion as to whether the allegations asserted in this lawsuit are accurate. Class Counsel will have to prove the allegations at a trial that has not yet been scheduled. There is no guarantee of success and the form and type of relief available to the members of the Class, if any, remains to be decided by the Court. Your rights might be affected by the action, however, and you now have a choice to make.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS LAWSUIT:	
DO NOTHING	Stay in this lawsuit as a member of the Class and await the outcome. By doing nothing, you retain the possibility of receiving a refund of the membership dues for the periods during which the Equinox Clubs were closed or such other benefits that might come from a trial or a settlement, but you will be bound by the decisions of the Court and give up your individual right to sue on your own about the same legal claims that were made, or could have been made, in this lawsuit.
ASK TO BE EXCLUDED	Get out of this lawsuit and receive no benefit(s), if any, from it. By asking to be excluded from this lawsuit, you will retain the right to proceed with your individual lawsuit by retaining your own lawyer to sue on your behalf about the same legal claims as in this lawsuit. If you ask to be excluded and money or benefits are later awarded through this lawsuit, you will not share in such money and/or benefits.

This notice explains your options. To be excluded from this lawsuit, you must act by August 1, 2025.

QUESTIONS OR COMMENTS? CALL (866) 968-8820 TOLL-FREE OR EMAIL INFO@STRATEGICCLAIMS.NET. ADDITIONAL INFORMATION CAN BE FOUND AT HTTP://WWW.GYMFEECLASSACTION.COM.

Please do not contact the Court regarding this Lawsuit.

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BASIC INFORMATION

1. Why was this notice issued?

A Court has certified that this case can proceed as a class action lawsuit. If you were a member of a Californiabased Equinox gym during the COVID-19 pandemic in 2020, you may be included in the class action and have legal rights and options prior to the Court deciding whether the claims being made on your behalf will succeed or fail. This notice explains the lawsuit, who is affected, and all of your options.

Judge Christina A. Snyder of the United States District Court for the Central District of California is overseeing this lawsuit, known as *Rothman v. Equinox Holdings, Inc.*, Case No. 2:20-cv-09760-CASMBK. The individual who sued (Jason Rothman) is called the Class Representative or Plaintiff. Equinox Holdings, Inc., owns and operates California-based Equinox gyms and is called the Defendant.

2. What is a class action?

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

3. Why is this lawsuit a class action?

The Court decided that certain claims in this lawsuit could move toward trial as a class action because the Class Members share certain common legal and factual issues. The Court determined Plaintiff's claims are typical of the other Class Members, and determined that Plaintiff and Class Counsel will fairly represent Class Members' interests. The case is allowed to proceed as a class action because there are numerous California-based Equinox members who likely have the same, or similar, legal claims.

More information about why the Court is allowing this lawsuit to proceed as a class action can be found in the Order re: Motion for Class Certification, Appointment of Class Representative and Class Counsel, available at http://www.gymfeeclassaction.com.

THE CLAIMS IN THE LAWSUIT

4. What does the lawsuit complain about?

Plaintiff relies on two underlying theories in his complaint. First, Plaintiff (on behalf of other Equinox members) sued Equinox Holdings, Inc. ("Defendant"), alleging that Defendant violates California consumer protection statutes by not providing refunds, as required by the governing Membership Agreement, and providing gift cards that have an unlawful expiration date.

Plaintiff alleges that until approximately May 31, 2018, Defendant's materially uniform Membership Agreements included the following "Refund Clause":

In deciding whether to make payments on an installment basis, Buyer should be aware that if the Club closes, although the Club will remain legally liable to Buyer for a refund, Buyer may risk losing his or her money if the Club is unable to meet its financial obligations to Members.

Plaintiff alleges that this language according to its ordinary meaning, means that he would receive a refund for periods during which the Club was temporarily closed during the COVID-19 pandemic.

Defendant disputes that interpretation of the Refund Clause and contends that the provision was intended to inform consumers of risks of losing their money when deciding whether to pay for the membership up front or on an installment basis. In any event, Defendant contends that the notice describes circumstances when a club faces a permanent closure, not a temporary closure required by the COVID-19 pandemic that made it impossible for Defendant to perform. In addition, Plaintiff had other remedies available to him under his agreement such as freezing his account or canceling his membership.

Plaintiff alleges that, instead of providing a refund, however, Defendant only provided gift cards that could only be used for limited products and services and had a relatively short expiration date. Plaintiff alleges that these actions were part of an unfair policy that was meant to discourage refunds. Defendant disputes those allegations, disputes that the credits qualify as gift cards under the law, and contends that an expiration date of the credits was proper. Defendant argues that the credits were gesture of goodwill in light of the uncertain and unique circumstances presented by the COVID-19 pandemic.

Second, Plaintiff alleges that even if Defendant did not breach the Refund Clause, the gift cards issued contained illegal expiration dates, in violation of California Civil Code, section 1749.5. Defendant disputes those allegations and contends that there were no cards and that it loaded credits into Plaintiff's account as a promotional effort in light of the uncertain and unique circumstances presented by the COVID-19 pandemic.

Plaintiff alleges that Defendant's business practices violate California's Unfair Competition Law ("UCL"), Cal. Bus. & Prof. Code § 17200 *et seq.*, ("UCL"), California's False Advertising Law, Cal. Bus. & Prof. Code § 17500 *et seq.* ("FAL"); and (3) California's Consumer Legal Remedies Act, Cal. Civ. Code § 1750 *et seq.* ("CLRA"). Defendant disputes those allegations.

The lawsuit seeks restitution or damages (*i.e.*, money) for all qualifying Equinox members of a California-based Equinox gym, as well as injunctive relief.

The Court has certified Plaintiff's claims for class litigation. This allows Plaintiff and Class Counsel to represent the Class identified below for asserting these legal claims.

A copy of Plaintiff's First Amended Class Action Complaint can be found at http://www.gymfeeclassaction.com.

5. How does Defendant answer?

Defendant strongly denies all of the claims and allegations made by Plaintiff. Defendant denies that it has made any misrepresentations that are false or misleading or that have resulted in damages to consumers. Defendant denies that its Membership Agreement requires an automatic refund of membership dues if a California-based gym temporarily had to close in 2020 due to governmental orders issued as a result of the COVID-19 pandemic.

Defendant disputes that interpretation of this provision in the Membership Agreement, and contends that it is simply a consumer friendly notice intended to inform consumers about their payment options and the risks of losing their money when deciding whether to pay for their annual membership in full up front or partially over time on an installment basis. In any event, Defendant contends that the notice is contemplating the circumstances when a health club permanently ceases club operations, and not the temporary cessation of business required by the COVID-19 pandemic and governmental lockdowns. Defendant contends that it was impossible for it to provide access to its physical clubs during the mandatory lockdowns and that in any event it continued providing virtual exercise programming on its digital platform during the pandemic.

In addition, Plaintiff had other remedies available to him under his agreement such as freezing his account or canceling his membership. Defendant contends that it loaded credits into Plaintiff's account as a promotional program and a gesture of goodwill in light of the uncertain and unique circumstances presented by the COVID-19 pandemic.

A copy of Defendant's Answer to First Amended Complaint can be found at http://www.gymfeeclassaction.com.

6. Has the Court decided who is right?

No. The Court has not decided whether the Plaintiff or Defendant is legally correct. By allowing the Class and ordering that this Notice be provided, the Court is not suggesting that Plaintiff will win or lose this case through trial. Plaintiff must prove his case at a trial which has not yet been scheduled.

7. What is the Plaintiff/Class Representative asking for?

Plaintiff is seeking to recover money for the Class. Specifically: (a) restitution or damages in the amount of dues accrued during the closure periods but not refunded; (b) interest on the amount Class members are awarded; and (c) reasonable attorneys' fees, costs, and expenses as approved by the Court.

8. Is there any money available now?

No. There is no money or benefits available now because the Court has not yet decided whether Plaintiff will prevail on his claims. There is no guarantee that any money or other benefits will ever be awarded or obtained. If they are, you will be notified about how to ask for your share (unless you ask to be excluded from the Class).

WHO IS IN THE CLASS

9. How do I know if I am part of this?

The Court decided to certify the following Class. If you are included in the following Class definition, you are a Class member in this case.

All Equinox members with a Home Club in California, whose Membership Agreement included the Refund Clause, and who did not receive a refund of prepaid membership dues for any period during which Defendant's Equinox-branded fitness clubs were closed.

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

If you are still not sure whether you are included, you can call (toll-free) (866) 968-8820, or write to *Rothman v. Equinox Holdings, Inc.* Litigation, c/o Strategic Claims Services, P.O. Box 230, 600 N. Jackson Street, Suite 205, Media, PA 19063, or email info@strategicclaims.net for more information.

YOUR RIGHTS AND OPTIONS

You have to decide whether to stay in the Class or whether to exclude yourself from it.

11. What happens if I do nothing at all?

If you fall within the class definition set forth above, you are a class member. If Plaintiff obtains money or benefits from Defendant—either as a result of a trial—you might be eligible to receive a share. You will be legally bound by all of the decisions that the Court makes and, regardless of whether Plaintiff wins or loses the case, you will not be able to sue Defendant in your own lawsuit for the same legal claims that were made or could have been made in this lawsuit.

12. What happens if I exclude myself?

If you meet the criteria for Class Membership but exclude yourself from the Class and the Class receives money or benefits—either as a result of a trial or a settlement—you will not get any of that money or those benefits. You will not be legally bound by any of the Court's orders or judgments, and you will be allowed to sue Defendant on your own behalf about the same legal claims that are involved in this case, now or in the future.

If you do pursue your own lawsuit after you exclude yourself, you might need to hire and pay your own lawyer for that case, and you will have to prove your claims without the benefit of the work performed by Class Counsel in this case. Any separate litigation you choose to bring might be subject to a statute of limitations or other time-sensitive requirement.

13. How do I ask to be excluded?

To exclude yourself from the Class, you must send an email or mail a letter stating that you want to be excluded from the Class in *Rothman v. Equinox Holdings, Inc.*, Case No. 2:20-cv-09760-CAS-MBK. Your e-mail or letter also must include your name, address, telephone number, email address, and signature. You must send your e-mail or mail your letter postmarked by August 1, 2025. Letters must be sent to:

Rothman v. Equinox Holdings, Inc. Litigation – EXCLUSIONS c/o Strategic Claims Services P.O. Box 230 600 N. Jackson Street, Suite 205 Media, PA 19063

Emails with your letter must be sent to: info@strategicclaims.net.

A sample exclusion form is available at http://www.gymfeeclassaction.com/opt-out.

THE LAWYERS REPRESENTING YOU

14. Do I have a lawyer in this case?

The Court appointed Trenton Kashima and John Nelson of Milberg Coleman Bryson Phillips Grossman PLLC and Jason Thompson of Sommers Schwartz P.C. to represent Class members as "Class Counsel." More information about Class Counsel is available on this website. Class Counsel are experienced in handling consumer class action cases. Complete contact information for Class Counsel is: MILBERG COLEMAN BRYSON PHILLIPS GROSSMAN PLLC 800 South Gay Street, Suite 1100 Knoxville, TN 37929 (866) 252-0878 tkashima@milberg.com

15. How will the lawyers be paid?

If Class Counsel obtains money or benefits for the Class, they will ask the Court for an award of attorneys' fees, costs, and expenses. You do not have to pay any of these fees and expenses. If the Court grants Class Counsel's request, the fees and expenses would be deducted from the money obtained for the Class or paid separately by Defendant.

16. Should I get my own lawyer?

Unless you seek to be excluded from the Class, as described above, you do not need to hire your own lawyer because Class Counsel is working on your behalf. If you want your own lawyer, you will have to pay for that lawyer. You can ask him or her to appear in Court for you if you want someone other than Class Counsel to speak for you in this case. You also may retain and pay for counsel of your choice to enter an appearance in the lawsuit or to intervene as an individual plaintiff, although doing so is unnecessary.

THE TRIAL

17. How and when will the Court decide who is right?

If the case is not dismissed or settled, Plaintiff will have to prove his claims at a trial, at a time and place to be set. The trial may be announced or moved to a different date or time without additional notice, so it is a good idea to check the website http://www.gymfeeclassaction.com. During the trial, the Judge will hear the evidence so that a decision can be made about whether Plaintiff or Defendant are correct about the claims of the lawsuit. There is no guarantee that Plaintiff will win or that he will be awarded any money or benefits for the Class.

18. Do I have to come to the trial?

No, you will not need to attend the trial unless you choose to do so or you are asked to attend by the Court. Class Counsel will present the case for Plaintiff and the Class and Defendant and its lawyers will present Defendant's defenses. You and/or your own lawyer are welcome to attend the trial, at your own expense.

19. Will I get money after the trial or any settlement?

If Plaintiff obtains money or benefits as a result of the trial or a settlement, you will be notified about how to request a share of the proceeds or your other options at that time. Important information about the case will be posted on the website <u>http://www.gymfeeclassaction.com</u> as it becomes available.

GETTING MORE INFORMATION

20. Are more details available?

The following documents related to the case can be found on the website <u>http://www.gymfeeclassaction.com</u> including: (1) the Order re: Motion for Class Certification, Appointment of Class Representative and Class Counsel; (2) Plaintiff's First Amended Class Action Complaint; and (3) Defendant's Answer to First Amended Complaint.

You may also call (866) 968-8820 for more information or write to *Rothman v. Equinox Holdings, Inc.* Litigation, c/o Strategic Claims Services, P.O. Box 230, 600 N. Jackson Street, Suite 205, Media, PA 19063, or email info@strategicclaims.net. Additionally, you can access the court records regarding this case from the Court's Case Management/Electronic Case Filing System (CM/ECF) at <u>https://ecf.cacd.uscourts.gov/cgi-bin/ShowIndex.pl</u>.

Class Counsel also welcomes the opportunity to elaborate on the claims in the lawsuit, explain how it is proceeding, and learn more about Class member experiences. You can contact Class Counsel at (866) 252-0878 or email tkashima@milberg.com.

PLEASE DO NOT CONTACT THE COURT REGARDING THIS CASE

Rothman v. Equinox Holdings, Inc. Litigation c/o Strategic Claims Services P.O. Box 230 600 N. Jackson Street, Suite 205 Media, PA 19063

IMPORTANT LEGAL NOTICE - PLEASE FORWARD