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## 24 Hour Fitness settles class action suit

San Francisco Business Times - 1:00 PM PDT Tuesday, July 31, 2007 by [Eric Young](#)

24 Hour Fitness USA Inc. has reached a settlement with approximately 1.8 million current and former California members, ending a class action lawsuit over cancellation fees.

The plaintiffs alleged 24 Hour Fitness' cancellation notice provision in contracts signed before 2006 violated California law. The law, the Health Studios Act, provides that a gym can't require payments beyond the terms of a contract. Plaintiffs alleged 24 Hour Fitness continued to collect fees one or two months after some monthly members canceled.

"It was our contention in the suit that monthly meant monthly," said attorney Michael von Loewenfeldt of San Francisco's Kerr & Wagstaffe LLP, who represented the plaintiffs.

24 Hour Fitness said it treated members fairly and its membership contracts are lawful. The San Ramon-based company decided to settle the suit to "put this matter behind it to continue its business," said Michael Delehunt, a Foley & Lardner LLP lawyer who represented the company. "Certainly 24 Hour Fitness wants to continue its efforts to service its members and focus on its business."

Both the plaintiffs' lawyer and 24 Hour Fitness said it was difficult provide a dollar figure to the settlement because there are several variables. Former members get refunds based on a percentage scale depending on contract they had and when they signed up.

Under the settlement approved by the San Francisco Superior Court on Monday, class members are entitled to choose settlement benefits, depending on their situation, including partial refunds, free personal training or membership upgrades, contract modifications and transferable 30 and 45 day Club Access Passes. The lawsuit was filed in 2005.

24 Hour Fitness has more than 3 million members in 370 clubs across 15 states and Asia, making it one of the country's largest fitness chains by membership. Revenues for the closely held company are estimated at more than \$1 billion.

It is the largest fitness chain in the Bay Area, with more than 376,000 members, more than four times bigger than its closest local competitor, Bally Total Fitness.

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