

IZAK-DAMIECKI v. WORLD GYM INTERNATIONAL, LLC, et al.
Court No. 10 CH 18845

NOTICE OF CLASS ACTION SETTLEMENT

**IN THE CIRCUIT COURT OF COOK COUNTY,
ILLINOIS COUNTY DEPARTMENT – CHANCERY DIVISION**

TO: All persons in Illinois who entered into a retail installment agreement for a membership at the World Gym fitness center located at 100 South Wacker Drive, Chicago, Illinois with an initial membership term of more than two years (the “Settlement Class”).

- The settlement resolves a lawsuit against Defendants World Gym International, LLC and Zone Fitness Inc., d/b/a World Gym (“Defendants”). The Plaintiff, individually and on behalf of all others similarly situated alleges that Defendants’ gym membership agreements violated the Illinois Physical Fitness Services Act and the Illinois Consumer Fraud and Deceptive Business Practices Act. This settlement avoids the future costs and risks associated with continuing litigation and entitles former members of the World Gym located at 100 South Wacker Drive in Chicago to receive a cash payment (“Settlement Benefits”). The Settlement Benefits are discussed more fully in paragraph 5.
- Your legal rights are affected whether you act or not. Read this notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:

SUBMIT A CLAIM FORM	The only way to get Settlement Benefits.
EXCLUDE YOURSELF	Receive no Settlement Benefits but retain your right to sue about the legal claims in this case.
OBJECT	Write to the Court about why you do not like the settlement.
GO TO A HEARING	Ask to speak in Court about the fairness of the settlement.
DO NOTHING	Receive no Settlement Benefits. Give up rights.

- 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. Settlement Benefits will be distributed if the court approves the settlement and after appeals, if any, are resolved. Please be patient.

1. What is this lawsuit about?

Plaintiff Arthur Izak-Damiecki, on behalf of all members of the Settlement Class, has alleged that Defendants sold consumers gym contracts with an initial membership term of over two years, in violation of Illinois law, and that those gym memberships were deceptively priced. Although Defendants deny any liability or wrongdoing, they have entered into a class action Settlement Agreement and General Release (“Settlement Agreement”) with Plaintiff in an effort to resolve this lawsuit without the need for a trial. For more information, you may contact Plaintiff’s attorneys (“Class Counsel”) at 312.440.0020.

2. Why is this a class action?

In a class action, one or more people called Class Representatives (in this case, Plaintiff) sue on behalf of a group of people who have similar claims. The people with similar claims are a Class or Class members. One court resolves the issues for all Class members, except for those who exclude themselves from the Class.

3. Why is there a settlement?

The court did not decide in favor of Plaintiff or Defendants. Plaintiff thinks that he would have prevailed at a trial. Defendants think that they would have prevailed at trial. But there was no trial. Instead, both sides agreed to a settlement. That way, they avoid the cost of a trial, and the people affected will get compensation. The Class Representative and his attorneys think the settlement is best for all Settlement Class members.

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

Judge Rodolfo Garcia ruled that everyone who fits the following description is a member of the Settlement Class:

All persons in Illinois who entered into a retail installment agreement for a membership at the World Gym fitness center located at 100 South Wacker Drive, Chicago, Illinois with an initial membership term of more than two years.

5. What does the settlement provide?

The Defendants will establish a class fund of \$65,000 (“Class Fund”).

Each member the Class who does not validly opt out of this settlement and submits a valid claim form shall receive a check for three hundred and sixty-five dollars and seventeen cents (\$365.17).

If there is any money remaining in the Class Fund after all valid claims are paid, two-thirds (2/3) of the remaining amount will be donated to a *cypres* charity. The remaining one-third (1/3) will be returned to Defendants.

The Settlement Agreement also requires that (a) \$2,500 will be paid to the Plaintiff for his services as the Class Representative; and (b) up to \$70,000 will be paid to Class Counsel for attorneys' fees and costs, subject to approval by the Court.

Finally, Defendants will separately pay the costs for notifying Settlement Class members of the settlement, administering the settlement and distributing Settlement Benefits.

6. How can I get a Settlement Benefit?

You must submit a completed claim form by **April 1, 2013**. You can obtain a claim form from the Settlement Administrator, First Class, Inc. / J12003 - World Gym, 5410 W. Roosevelt Road, Suite 222, Chicago, Illinois 60644-1490, 877-264-0300. You can also download a claim form from Class Counsel's website at www.attorneyzim.com, or call Class Counsel at 312.440.0020 to have a claim form sent to you. In any case, your claim form must be delivered (or postmarked, if mailed) to First Class, Inc. by **April 1, 2013**.

7. When would I get my Settlement Benefit?

The Court will hold a hearing on **April 22, 2013** at **2:00 p.m.** at the Circuit Court of Cook County, Richard J. Daley Center, 50 West Washington Street, Courtroom 2601, Chicago, IL 60602, to decide whether to finally approve the settlement. If the Court approves the settlement, somebody may appeal the decision, which could take more than a year to resolve. Please be patient. If the Court approves the settlement and nobody objects to the settlement, Settlement Benefits will be distributed within two months of the Court's approval.

8. What am I giving up to get Settlement Benefits and stay in the Class?

Unless you exclude yourself, you are staying in the Settlement Class, and that means that you cannot sue, continue to sue, or be part of any other lawsuit against Defendants about the legal issues in *this lawsuit*. It also means that all of the Court's orders will apply to you and legally bind you.

9. Can I exclude myself from the Class?

Yes. If you do not want to participate in the settlement or receive any Settlement Benefits, you must notify the Settlement Administrator in writing of your intention to be excluded (opt out). Your election to opt out must contain the following information: the caption *Izak-Damiecki v. World Gym International, LLC*, your name, your current address, your telephone number, your signature, a statement clearly stating words to the effect of "I/We hereby request to be excluded from the proposed Settlement Class in the World Gym Litigation", and the date. You must deliver or mail your exclusion request postmarked no later than **March 18, 2013** to the following:

**First Class, Inc. / J 12003 - World Gym
5410 W. Roosevelt Road, Suite 222
Chicago, Illinois 60644-1490**

If you exclude yourself, you will not get any Settlement Benefits and you cannot object to the settlement. You will not be legally bound by anything that happens in this lawsuit. You may be able to sue (or continue to sue) Defendants in the future.

10. How can I object to the settlement?

You can object to the settlement if you do not like any part of it. You must give reasons why you think the Court should not approve it. The Court will consider your views. To object, you must submit a written statement with the caption *Izak-Damiecki v. World Gym International, LLC*, that includes: (a) your full name and current address; (b) a signed declaration that you are a member of the Settlement Class and that identifies the type of membership in which you enrolled; (c) the specific grounds for the objection or comment in support of the settlement; (d) all documents or writings that you desire the Court to consider; and (e) a notice of intention to appear (if any). If you intend to appear at the fairness hearing through counsel, you must also state the identity of all attorneys representing you who will appear at the fairness hearing. All written objections shall be filed with the Court and postmarked or otherwise delivered to the Parties' counsel by **March 18, 2013**. If you fail to object in the manner prescribed herein, you shall be deemed to have waived your objections and forever be barred from making any objections in this action or in any other action or proceeding. You must file your objection with the Clerk of the Circuit Court, 50 West Washington Street, 8th Floor, Chicago, IL 60602, and you must serve a copy of your objection on the attorneys for Plaintiff and Defendants at the following addresses by **March 18, 2013**:

Thomas A. Zimmerman, Jr.
Zimmerman Law Offices, P.C.
77 West Washington Street, Suite 1220
Chicago, Illinois 60602

-and-

Donald Patrick Eckler
Pretzel & Stouffer, Chartered
One South Wacker Drive, Suite 2500
Chicago, Illinois 60606

-and-

Robert J. Slobig
Torshen, Slobig, Genden, Dragutinovich & Axel, Ltd.
105 West Adams Street, Suite 3200
Chicago, Illinois 60603

11. Do I have a lawyer in this case?

The Court appointed lawyers to represent you and other Settlement Class members. These lawyers are called Class Counsel. You will not be charged for these lawyers. They will be paid by Defendants. If you want to be represented by your own lawyer, you may hire one at your own expense. Class Counsel are:

Thomas A. Zimmerman, Jr.
Adam M. Tamburelli
Frank J. Stretz
Zimmerman Law Offices, P.C.
77 West Washington Street, Suite 1220
Chicago, Illinois 60602

12. What is the difference between objecting and excluding?

Objecting is simply telling the Court that you do not like something about the settlement and that it should not be approved. You can object only if you stay in the Settlement Class. Even if the Court rejects your objection, you cannot thereafter exclude yourself from 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 affects you.

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

The Court will hold a hearing (a "Fairness Hearing") to decide whether to finally approve the settlement. The Fairness Hearing will be held on **April 22, 2013 at 2:00 p.m.** at the Circuit Court of Cook County, Richard J. Daley Center, 50 West Washington, Room 2601, Chicago, IL 60602. At the Fairness Hearing, the Court will consider whether the settlement is fair, reasonable and adequate. If there are objections or requests to be heard, the Court may consider them at the hearing.

14. Do I have to attend the Fairness Hearing?

No. Class Counsel will answer questions the Court may have, but you are welcome to attend at your own expense. If you send an objection, you do not have to go to court to talk about it. As long as you mailed or otherwise delivered your written objection on time, the Court will consider it. You may also have your own lawyer attend, but it is not necessary to hire a lawyer. You may ask the Court for permission to speak at the Fairness Hearing by sending a letter saying that it is your "Notice of Intention to Appear in *Izak-Damiecki v. World Gym International, LLC.*" Your letter must also include a reference to case number 10 CH 18845, your name, current address, telephone number and signature, and identify all attorneys representing you who will appear at the Fairness Hearing. You must file your letter with the Circuit Court of Cook County, Richard J. Daley Center, 50 West Washington, 8th Floor, Chicago, IL 60602, and you must serve a copy of your letter on the attorneys for Plaintiff and Defendants at the addresses identified in #10 above by **March 18, 2013**. You cannot speak at the Fairness Hearing if you exclude yourself from the Settlement Class.

15. What happens if I do nothing at all?

If you do nothing, and the Court approves the settlement, you will not get any Settlement Benefits but you will still be bound by the settlement. If you want Settlement Benefits, you must submit a claim form.

16. How do I get more information?

You may seek the advice and guidance of your own private attorney, at your own expense, if you desire; you may review the pleadings, records and other papers on file in this lawsuit, which may be inspected during regular business hours at the Circuit Court of Cook County, Richard J. Daley Center, 50 West Washington, 8th Floor, Chicago, IL 60602; or you may contact Class Counsel at 312.440.0020.

DO NOT CALL THE COURT WITH QUESTIONS

17. What if I move?

If you have moved between the time you submit a claim form and when you receive Settlement Benefits, please update your contact information with Class Counsel at:

Zimmerman Law Offices, P.C.
77 West Washington Street, Suite 1220
Chicago, Illinois 60602