

IF YOU ENROLLED IN A MASSAGE HEIGHTS MEMBERSHIP AT ANY TIME PRIOR TO JULY 19, 2016, THIS CLASS ACTION SETTLEMENT MAY AFFECT YOUR RIGHTS

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

A proposed settlement (“the Settlement”) has been reached in a class action lawsuit entitled *Jenna Novotny v. Massage Heights Franchising, LLC*, San Diego Superior Court Case No. 37-2020-00017688-CU-BT-CTL (the “Lawsuit”).

The agreement reached in connection with the Settlement (the “Settlement Agreement”) provides reinstated massage service credits (“Reinstated Massage Credits”) to individuals who enrolled in a Massage Heights membership program (“Membership”) at a California Massage Heights franchised massage clinic (“Retreat”) at any time prior to July 19, 2016, and whose Membership terminated (as a result of cancellation, nonrenewal, or nonpayment) prior to April 1, 2022 with one or more unused massage service credits (“Unutilized Massages”) (the “Class” or “Class Members”).

The Settlement resolves the Lawsuit which concerns provisions in the membership agreement utilized by the Retreats prior to July 19, 2016 (the “Membership Agreement”) affecting the ability of Class Members to use/redeem Unutilized Massages.

Your legal rights will be affected whether you act or not. Read this notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT:	
SUBMIT A REINSTATEMENT REQUEST	If you are a Class Member, the only way to be eligible to receive Reinstated Massage Credits under the Settlement is to submit a reinstatement request (as defined below).
EXCLUDE YOURSELF	Get no benefit under the Settlement (<i>i.e.</i> , no Reinstated Massage Credits). This is the only option that allows you to ever pursue or participate in another lawsuit against Massage Heights Franchising, LLC or any other released defendant party concerning the released Plaintiff’s claims (as defined and described below).
OBJECT	Write to the court about why you object to the approval of the Settlement.
GO TO A HEARING	Ask to speak to the court about the terms or fairness of the Settlement.
DO NOTHING	Get no benefit under the Settlement (<i>i.e.</i> , no Reinstated Massage Credits). Give up your rights, but remain a Class Member.

These rights and options—and the deadlines to exercise them—are explained in this notice.

The court in charge of the Lawsuit is the Superior Court of the State of California for the County of San Diego – Central (the “Court”). The named individual who filed the Lawsuit is called and referred to herein as the “Plaintiff” or “Class Representative,” and the company Plaintiff sued, Massage Heights Franchising, LLC is called and referred to herein as “MHF” or “Defendant.”

The Court still has to decide whether to approve the Settlement. Settlement benefits will only be made available if the Court approves the Settlement and after any potential appeals are resolved. Please be patient.

BASIC INFORMATION

WHY DID I GET THIS NOTICE?

You received this notice of pendency and proposed settlement of class action (“Notice”) because MHF’s records show that you enrolled in a Membership at a California Retreat prior to July 19, 2016 and have one or more Unutilized Massages.

The Court authorized this Notice because you have a right to know about the Settlement and all of your legal options before the Court decides whether to approve the Settlement.

This Notice explains the Lawsuit, the Settlement, your legal rights, what Settlement benefits are available to you, who is eligible for them, and how to get them. It is important that you read this Notice carefully.

WHAT IS THE LAWSUIT ABOUT?

The Lawsuit concerns claims brought by Plaintiff on behalf of herself and the other Class Members against MHF, the franchisor of a chain of massage clinics. The Lawsuit alleges that the Membership Agreement provides for the expiration and forfeiture of Unutilized Massages upon Membership cancellation, nonrenewal, or termination for nonpayment in violation of California law. Unutilized Massages (as defined above) refer to monthly massage credits (that generally include a 50-minute massage) that Class Members accumulated but did not use prior to Membership cancellation, nonrenewal, or termination for nonpayment. The Lawsuit seeks, among other things, to reinstate Unutilized Massages to the Class Members. MHF denies that it or any of the Retreats violated California law or engaged in any wrongdoing with respect to the Lawsuit.

WHAT IS A CLASS ACTION?

In a class action lawsuit, one or more individuals/entities sues in a representative capacity on behalf of others who are alleged to have the same or similar claims.

As it relates to this Lawsuit, and for purposes of this Settlement only, the Court has ordered that the Lawsuit shall be provisionally maintained as a class action, with Plaintiff serving as the representative individual and the law firm of Johnson Fistel, LLP (“Class Counsel”) serving as the attorneys representing Plaintiff and the other Class Members.

WHY IS THERE A SETTLEMENT?

Plaintiff, MHF, and their respective attorneys have been actively investigating and litigating the claims and defenses alleged in the Lawsuit and ultimately decided it would be in the best interests of all parties, including all of the Class Members, to negotiate a resolution, with the assistance of and recommendations from an experienced and a highly-regarded mediator, that includes the terms and conditions set forth in the Settlement. In doing so, Plaintiff, MHF, and their respective attorneys recognized the expense and length of continued proceedings necessary to continue litigating the Lawsuit, including class certification, trial, and any possible or potential appeals, and have taken into account the uncertainty and risk of the outcome of further litigation and the difficulties and delays inherent in such litigation. In addition, the parties are aware of the burdens of proof necessary to establish liability for the claims asserted in the lawsuit, MHF’s defenses thereto, the difficulties in establishing damages, and the real possibility that the Class could potentially receive nothing if this Settlement had not been reached. Based on the foregoing, and in further considering the extensive settlement negotiations that have been conducted, Plaintiff, as Class Representative, and Class Counsel, believe the Settlement confers substantial benefits to all Class Members and is fair, adequate, reasonable, and in the best interest of all Class Members.

HOW DO I KNOW IF I AM PART OF THE SETTLEMENT?

To determine whether you are eligible to receive benefits (*i.e.* Reinstated Massage Credits) from the Settlement, you must first determine whether you are a Class Member. You are a Class Member if:

You enrolled in a Membership at a California Retreat at any time prior to July 19, 2016 and you had one or more Unutilized Massages expire upon Membership cancellation, nonrenewal, or termination for nonpayment.

I'M STILL NOT SURE IF I AM INCLUDED.

If you are still unsure whether you are a Class Member and included in the Settlement, you can ask for free help by calling the company administering the Settlement (the "Settlement Administrator") at (888) 599-7986.

THE SETTLEMENT BENEFITS—WHAT YOU CAN GET

WHAT DOES THE SETTLEMENT PROVIDE?

The Settlement provides relief to Class Members by reinstating a portion of their Unutilized Massages in the form of Reinstated Massage Credits.

Class Members who timely submit a reinstatement request (as defined below) will be issued Reinstated Massage Credits based on the formulas described below.

HOW MANY REINSTATED MESSAGES CREDITS WILL EACH CLASS MEMBER BE ISSUED?

The number of Reinstated Massage Credits that will be applied to each Class Member's Membership account at his/her Home Retreat (as defined below) first depends on whether the Class Member's Unutilized Massages expired on or before May 29, 2016, as set forth below, and then next depending on the number of hours of Unutilized Massages the Class Member had at the time of Membership cancellation, nonrenewal, or termination for nonpayment, determined as follows:

- A. **If you had one or more Unutilized Massages expire on or before May 29, 2016 ("May Members"), you will be issued/eligible to redeem:**
 - i. A Reinstated Massage Credit of 60 minutes for the first hour of Unutilized Massages; and
 - ii. A Reinstated Massage Credit of 30 minutes for each additional hour of Unutilized Massages.
- B. **If you had one or more Unutilized Massages expire after May 29, 2016 ("July Members"), you will be issued/eligible to redeem:**
 - i. A Reinstated Massage Credit of 60 minutes for the first hour of Unutilized Massages; and
 - ii. A Reinstated Massage Credit of 45 minutes for each additional hour of Unutilized Massages.
- C. **Reinstated Massage Credits will be applied to each Class Member's Membership account in 30-minute increments for every 30 minutes in which the Class Member is entitled based on the formulas above.**

The tables below demonstrate how Reinstated Massage Credits will be issued to the May and July Members, respectively.

REINSTATED MESSAGE CREDITS TO BE ISSUED TO MAY MEMBERS	
Hours of Unutilized Massages When Membership Ended	Reinstated Massage Credits
One	One 60-minute service
Two	One 90-minute service
Three	Two 60-minute services
Four	One 60-minute massage and One 90-minute massage

Five	Three 60-minute services
Six	Two 60-minute services and One 90-minute service
Seven	Four 60-minute massages
Eight	Three 60-minute services and One 90-minute service
Nine	Five 60-minute services
Ten	Four 60-minute services and One 90-minute service
Eleven or more	$((\text{Number of Unutilized Massages} - 1) \times 0.5) + 1$

REINSTATED MESSAGE CREDITS TO BE ISSUED TO JULY MEMBERS	
Hours of Unutilized Massages When Membership Ended	Reinstated Massage Credits
One	One 60-minute service
Two	One 90-minute service
Three	One 60-minute service and One 90-minute service
Four	Three 60-minute services
Five	Four 60-minute services
Six	Four 60-minute services
Seven	Four 60-minute services and One 90-minute service
Eight	Six 60-minute services
Nine	Seven 60-minute services
Ten	Six 60-minute services and One 90-minute service
Eleven or more	$((\text{Number of Unutilized Massages} - 1) \times .75) + 1$

Each massage service includes ten (10) minutes of dress undressing, and consultation time. Class Members will have 180 days to redeem Reinstated Massage Credits (the “Redemption Period”). Reinstated Massage Credits may only be redeemed in 60, 90, and 120-minute intervals per session. All Reinstated Massage Credits must be redeemed at the California Retreat where the Class Member executed his/her Membership Agreement, or at the California Retreat where the Class Member may have transferred his/her Membership prior to the conclusion of his/her Membership (collectively referred to herein as the “Home Retreat”). Reinstated Massage Credits are not transferrable and may only be redeemed at the Class Member’s Home Retreat, unless the Class Member qualifies for at least one of the following exceptions, in which case the Class Member may make a one-time request for a new Home Retreat:

- (1) The Class Member has moved more than 25 miles from his/her Home Retreat since the conclusion of his/her Membership.
- (2) The Class Member’s Home Retreat is no longer in operation, does not exist, or is otherwise exempt from participating in the redemption of Reinstated Massage Credits pursuant to the Settlement.

QUESTIONS? CALL (888) 599-7986 TOLL FREE OR VISIT: <https://MassageMemberSettlement.com>

HOW DO CLASS MEMBERS RECEIVE REINSTATED MASSAGE CREDITS?

To qualify for Reinstated Massage Credits, each Class Member must submit a reinstatement request (“Reinstatement Request”) by June 30, 2022 (“Reinstatement Request Deadline”). Class Members who timely submit a Reinstatement Request by the Reinstatement Request Deadline will automatically have at least one Reinstated Massage Credit of 60 minutes applied to their Membership account consistent with the above chart and as set forth in the Settlement for redemption at their Home Retreat.

You may submit a Reinstatement Request by entering this unique “ID Number” (<<ID Number>>) in the space provided on this website or by clicking <https://MassageMemberSettlement.com> and entering the unique ID Number there.

Alternatively, if you would like to submit a Reinstatement Request by email or mail, simply email or mail the Settlement Administrator requesting reinstatement and include your unique ID Number along with any other required information, as applicable.

If you are a Class Member and do not submit a valid and/or timely Reinstatement Request, you will not receive any Reinstated Massage Credits under the Settlement.

YOUR REINSTATEMENT REQUEST MUST BE SUBMITTED ON THE SETTLEMENT WEBSITE, BY EMAIL, OR BY MAIL NO LATER THAN JUNE 30, 2022. IF SUBMITTED BY MAIL, THE REQUEST MUST BE POSTMARKED NO LATER THAN JUNE 30, 2022 AND SENT TO THE SETTLEMENT ADMINISTRATOR.

Questions. If you have questions or otherwise require assistance with a Reinstatement Request, you should first contact the Settlement Administrator at (888) 599-7986, and then, if necessary, Class Counsel. **PLEASE DO NOT CALL THE COURT, MHF, OR ANY RETREAT.**

WHAT ABOUT CLASS MEMBERS WHO HAVE MOVED SINCE THEIR MEMBERSHIP ENDED OR WHO NO LONGER HAVE A HOME RETREAT?

As set forth above, any Class Member who has moved more than 25 miles from his/her Home Retreat since his/her Membership ended may make a one-time request to designate a new California Retreat as his/her Home Retreat where he/she can redeem any Reinstated Massage Credits. In such a circumstance, the Class Member must include this request in his/her Reinstatement Request and must also provide the Settlement Administrator with proof of the Class Member’s current home address so as to enable the Settlement Administrator to confirm the validity of the request. Sufficient proof includes anything mailed to the Class Member by an independent unaffiliated third party—such as utilities, bills, etc.—or a current deed or rental agreement showing the Class Member’s current home address.

Similarly, any Class Member whose Home Retreat is no longer in operation/does not exist may make a one-time request to designate a new California Retreat as his/her Home Retreat where he/she can redeem any Reinstated Massage Credits. In such a circumstance, the Class Member must include this request in his/her Reinstatement Request and must also provide the Settlement Administrator with the name and location of the Home Retreat so as to enable the Settlement Administrator to confirm the validity of the request.

If you would like to request to designate a new California Retreat as your Home Retreat where you may redeem Reinstated Massage Credits, simply email or mail your unique ID Number, along with the required proof and other information, to the Settlement Administrator with your Reinstatement Request:

Novotny v. Massage Heights Franchising
c/o Phoenix Settlement Administrators
PO BOX 7208
Orange, CA 92863
Notice@PhoenixClassAction.com

QUESTIONS? CALL (888) 599-7986 TOLL FREE OR VISIT: <https://MassageMemberSettlement.com>

WHEN SHOULD I EXPECT TO RECEIVE REINSTATED MASSAGE CREDITS?

The Court will hold a “Final Approval Hearing” on June 16, 2022 to decide whether to approve the Settlement. If the Court enters an Order and Judgment granting approval of the Settlement (“Final Approval Date”) on or before July 1, 2022, and there are no appeals, the Redemption Period shall commence on the first day the Class Member is provided confirmation of the award of Reinstated Massage Credits. If the Final Approval Date is after July 1, 2022, and there are no appeals, the Redemption Period shall commence on March 1, 2023. However, it is possible there may be appeals related to the approval of the Settlement, generally, any attorneys’ fees or costs awarded to Class Counsel, and/or any service award to the Class Representative. It is always uncertain whether and how these appeals will be resolved and resolving them may take time, perhaps more than a year. The Settlement Website will be updated with current information about the Settlement, including whether the Settlement has received final approval and, if so, the issuance and expiration dates of the Reinstated Massage Credits. Please remain patient.

AM I GIVING UP ANY LEGAL RIGHTS BY REMAINING IN THE CLASS?

Yes. Unless you formally exclude yourself from the Settlement as explained in this Notice, you will remain in the Class and that means you cannot sue, continue to sue, or be part of any other lawsuit against MHF or any Retreat relating to the legal issues contemplated in the Lawsuit. You will also be bound by the Settlement, including by the “Release” of claims as described in this Notice and the Settlement Agreement, and the Court’s orders will apply to you and legally bind you. You may view the Settlement Agreement at <https://MassageMemberSettlement.com> for the full language of the legal claims you will give up if you remain in the Class and subject to the Settlement.

WHAT HAPPENS IF I DO NOTHING?

If you do nothing and the Court finally approves the Settlement, you will remain a Class Member, be included in the Settlement, and be bound by the Release of claims in the Settlement Agreement as described above, but you will not receive any Reinstated Massage Credits or other benefits under the Settlement.

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you do not want to receive any of the benefits of the Settlement, but you want to keep the right to sue or continue to sue MHF on your own about the legal issues in the Lawsuit, then you must take steps to opt out. This is called excluding yourself from the Settlement (also referred to as “opting out”).

HOW DO I EXCLUDE MYSELF FROM THE SETTLEMENT?

To exclude yourself from the Settlement, you must send a written request by mail to the Settlement Administrator clearly stating that you want to be excluded from the Settlement of the Lawsuit entitled *Jenna Novotny v. Massage Heights Franchising, LLC*, San Diego Superior Court Case No. 37-2020-00017688-CU-BT-CTL. The request must also include your full name, current address, current telephone number, ID Number, and be signed by you. You cannot exclude yourself by phone. To be valid, your request for exclusion must be received by the Settlement Administrator no later than June 3, 2022:

Novotny v. Massage Heights Franchising
c/o Phoenix Settlement Administrators
PO BOX 7208
Orange, CA 92863
Notice@PhoenixClassAction.com

If you ask to be excluded, you will NOT receive any benefits from the Settlement, you will NOT be able to object to the Settlement, and you will NOT be legally bound by the Settlement or anything that happens in this Lawsuit, even if the Court finally approves the Settlement.

QUESTIONS? CALL (888) 599-7986 TOLL FREE OR VISIT: <https://MassageMemberSettlement.com>

OBJECTING TO THE SETTLEMENT

You have the option to tell the Court that you do not agree with the Settlement or any portion of it. This process is called “objecting” to the Settlement.

HOW DO I OBJECT TO THE SETTLEMENT?

If you are a Class Member and have not excluded yourself, you can object to the Settlement by giving reasons why you do not think the Court should approve it, including an objection to any award of attorneys’ fees and costs requested by Class Counsel or any service award requested by Plaintiff.

To object, you must send a written statement by mail to the Clerk of the Court, Class Counsel, and the Settlement Administrator stating that you object to the Settlement of the Lawsuit entitled *Jenna Novotny v. Massage Heights Franchising, LLC*, San Diego Superior Court Case No. 37-2020-00017688-CU-BT-CTL. Please note that it is not sufficient to simply state that you object. Rather, in your written objection, you must include: **(a)** the name of the Lawsuit; **(b)** your full name, address, and telephone number; **(c)** an explanation of the basis upon which you claim to be a Class Member; **(d)** all grounds for your objection, accompanied by any legal support for your objection known to you or your counsel; **(e)** the number of times in which you have objected to a class action settlement within the five (5) years preceding the date that you submit your objection, the caption of each case in which you have made such objection, and a copy of any orders related to or ruling upon your prior such objections that were issued by the trial and appellate courts in each listed case; **(f)** the identity of all counsel who represent you, including any former or current counsel who may be entitled to compensation for any reason related to your objection; **(g)** the number of times in which your counsel and/or counsel’s law firm have objected to a class action settlement within the five (5) years preceding the date that you submit your objection, the caption of each case in which the counsel or the firm has made such objection, and a copy of any orders related to or ruling upon counsel’s or the firm’s prior such objections that were issued by the trial and appellate courts in each listed case; **(h)** any and all agreements that relate to your objection or the process of objecting—whether written or verbal—between you or your counsel and any other person or entity; **(i)** the identity of all counsel representing you who will appear at the Final Approval Hearing; **(j)** a list of all persons who will be called to testify at the Final Approval Hearing in support of your objection; **(k)** a statement confirming whether you intend to personally appear and/or testify at the Final Approval Hearing; and **(l)** your signature (an attorney’s signature is insufficient).

To be considered, any written statement of objection must be received by the Court, Class Counsel, and the Settlement Administrator no later than June 3, 2022. Class Counsel’s mailing address is:

Frank J. Johnson
Chase M. Stern
JOHNSON FISTEL, LLP
501 West Broadway, Suite 800
San Diego, CA 92101

If you fail to properly and timely submit a written objection with the required information and documentation set forth above, your objection will not be heard during the Final Approval Hearing and your objection will be waived and the Court will not consider it.

If you submit a proper and timely written objection in accordance with these procedures, you shall still be entitled to participate in the Settlement and shall also be bound by all terms of the Settlement if approved by the Court. However, you still must submit a timely Reinstatement Request to receive any Reinstated Massage Credits.

WHAT’S THE DIFFERENCE BETWEEN OBJECTING AND EXCLUDING YOURSELF?

Objecting is simply telling the Court that you do not like something about the Settlement. You can object only if you stay in the Class. Excluding yourself is telling the Court that you do not want to be part of the Class and you will not receive any of the benefits under the Settlement. If you exclude yourself, you have no basis to object to the Settlement, including any award of attorneys’ fees and costs requested by Class Counsel, or any service award requested by the Class Representative, because the Lawsuit no longer affects you.

MAY I SPEAK AT THE FINAL APPROVAL HEARING?

Yes, but only if you submit a valid and timely objection as provided in this Notice and in the Settlement Agreement. Attendance and any request to speak at the Final Approval Hearing are at the Class Member's own expense or, alternatively, the Class Member may pay a lawyer to attend and/or speak at the hearing. However, there is no requirement to attend and/or speak at the Final Approval Hearing even if the Class Member submits a valid and timely objection. Any Class Member who has opted out of/excluded himself/herself from the Settlement may NOT speak at the Final Approval Hearing.

THE LAWYERS REPRESENTING YOU

DO I HAVE A LAWYER IN THE CASE?

The Class Representative and the Class are represented by Frank J. Johnson and Chase M. Stern of Johnson Fistel, LLP. You will not be charged for their work on the case. If you want to be represented by your own lawyer, you may hire one at your own expense. You can contact Class Counsel as follows:

Frank J. Johnson
Email: FrankJ@johnsonfistel.com
Chase M. Stern
Email: ChaseS@johnsonfistel.com
JOHNSON FISTEL, LLP
501 West Broadway, Suite 800
San Diego, CA 92101
Telephone: (619) 230-0063

HOW WILL THE LAWYERS BE PAID?

Class Counsel will request that the Court approve an award of attorneys' fees and expenses in an amount not to exceed \$700,000, and MHF has agreed not to object to Class Counsel's request provided it does not exceed the maximum amount that could be requested for Class Counsel's attorneys' fees and expenses under the Settlement. The Class Representative will ask the Court to approve a service award of up to \$7,500 for her bringing and assistance in prosecuting the Lawsuit on behalf of the Class, and MHF has agreed not to object to the maximum amount that could be requested for the Class Representative's service award under the Settlement. The Court may award less than these amounts. MHF has agreed to separately pay for the attorneys' fees and expenses that the Court may award to Class Counsel as well as the service award that the Court may award to the Class Representative. MHF will also separately pay for the reasonable costs to administer the Settlement. These amounts will neither reduce nor diminish the Settlement benefits provided to the Class Members.