

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

----- X
:
In re : **Chapter 11**
:
24 HOUR FITNESS WORLDWIDE, INC., et : **Case No. 20–11558 (KBO)**
al., :
:
Debtors.¹ : **(Jointly Administered)**
:
:
----- X

ATTENTION DIRECT AND INDIRECT HOLDERS OF, AND PROSPECTIVE HOLDERS OF, EQUITY INTERESTS ISSUED BY 24 HOUR HOLDINGS II LLC AND STOCK ISSUED BY 24 HOUR HOLDINGS I CORP. OR ITS AFFILIATED COMPANIES:

Upon the motion (the “**Motion**”) of 24 Hour Fitness Worldwide, Inc. and its affiliated companies, (collectively, the “**Debtors**”), on June 16, 2020, the United States Bankruptcy Court for the District of Delaware (the “**Bankruptcy Court**”), having jurisdiction over the chapter 11 cases of the Debtors, captioned as *In re 24 Hour Fitness Worldwide, Inc., et al.*, No. 20-11558 (KBO) (the “**Chapter 11 Cases**”), entered an interim order establishing procedures (the “**Equity Procedures**”) with respect to transfers of, and claims of worthlessness deductions by a Majority Holder (as defined herein) with respect to, its beneficial ownership (including direct and indirect ownership) of the common equity of the Debtors (the “**Common Equity**”), including options to acquire beneficial ownership of the Common Equity, and scheduling a hearing on a final order with respect to such Equity Procedures and to procedures relating to the ownership of claims against Debtors (the “**Claims Procedures**” and collectively with the Equity Procedures, the “**Procedures**”).

In certain circumstances, the Equity Procedures restrict (i) transactions involving, and require notices of the holdings of and proposed transactions by, any person, group of persons, or entity that is or, as a result of such a transaction, would become a Substantial Holder of the Common Equity (including options to acquire beneficial ownership of the Common Equity), and (ii) claims by any Majority Holder of a worthlessness deduction under section 165 of the Internal Revenue Code of 1986, as amended with respect to its beneficial ownership of the Common Equity. For purposes of the Equity Procedures, a “**Substantial Holder**” is any person or entity

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, as applicable, are 24 Hour Holdings II LLC (N/A); 24 Hour Fitness Worldwide, Inc. (5690); 24 Hour Fitness United States, Inc. (8376); 24 Hour Fitness USA, Inc. (9899); 24 Hour Fitness Holdings LLC (8902); 24 San Francisco LLC (3542); 24 New York LLC (7033); 24 Denver LLC (6644); RS FIT Holdings LLC (3064); RS FIT CA LLC (7007); and RS FIT NW LLC (9372). The Debtors’ corporate headquarters and service address is 12647 Alcosta Blvd., Suite 500, San Ramon, CA 94583.

(within the meaning of applicable regulations promulgated by the U.S. Department of the Treasury, including certain persons making a coordinated acquisition of stock) that beneficially owns, directly or indirectly (and/or owns options to acquire) at least 4.75% of all of the issued and outstanding Common Equity by value, and a “**Majority Holder**” is any person that would be a “50-percent shareholder” (within the meaning of section 382(g)(4)(D) of the Internal Revenue Code of 1986, as amended) of the Common Equity if such person claimed a worthlessness deduction with respect to such equity.

Any prohibited acquisition or other transfer of, or claim of a worthlessness deduction with respect to, beneficial ownership of the Common Equity or options to acquire beneficial ownership of the Common Equity will be null and void ab initio and may lead to contempt, compensatory damages, punitive damages, or sanctions being imposed by the Bankruptcy Court.

In addition, the Debtors have requested approval of the Claims Procedures as part of the final order that set forth certain circumstances under which any person, group of persons, or entity that has acquired, or as a result of a proposed transaction would acquire, beneficial ownership of a substantial amount of claims against the Debtors can be required (i) to file notice of their holdings of such claims and of such proposed transaction, which transaction may be restricted, and (ii) upon a subsequent order of the Bankruptcy Court, after notice and hearing, to sell, by a specified date following the confirmation of a chapter 11 plan of the Debtors, all or a portion of such claims acquired during the Chapter 11 Cases. ***To the extent approved, any acquisition or transfer of claims against the Debtors in violation of the Claims Procedures will be null and void ab initio and may lead to sanctions being imposed by the Bankruptcy Court.***

The Procedures, as approved on an interim basis and as requested on a final basis are available on the website of Prime Clerk, the Debtors’ Bankruptcy Court-approved claims agent, located at <https://restructuring.primeclerk.com/24hourfitness>, and on the docket of the Chapter 11 Cases, Docket No. 20-11558 (KBO), which can be accessed via PACER at <https://www.pacer.gov>.

PLEASE TAKE NOTICE that the final hearing on the Motion shall be held on **July 14, 2020, at 11:00 a.m. (prevailing Eastern Time)**, and any objections or responses to the Motion shall be in writing, filed with the Bankruptcy Court, and served upon (i) the proposed attorneys for the Debtors, (a) Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York 10153 (Attn: Ray C. Schrock, P.C., Ryan Preston Dahl, Esq., Kevin Bostel, Esq., and Kyle R. Satterfield, Esq.) and (b) Pachulski Stang Ziehl & Jones LLP, 919 North Market Street, 17th Floor, Wilmington, Delaware 19801 (Attn: Laura Davis Jones, Esq., Timothy P. Cairns, Esq., and Peter J. Keane, Esq.); (ii) counsel to the Ad Hoc Group, O’Melveny & Myers LLP, 7 Times Square, New York, New York 10036 (Attn: Daniel S. Shamah, Esq., Diana M. Perez, Esq., and Adam P. Haberkorn, Esq.); (iii) counsel to the Prepetition Agent, Latham & Watkins LLP, 885 3rd Avenue, New York, NY 10022 (Attn: Alfred Xue, Esq.); and (iv) counsel to the DIP Agent, Covington & Burling LLP, 620 Eighth Avenue, New York, New York 10018 so as to be received by no later than **4:00 p.m. (prevailing Eastern Time) on July 7, 2020.**

The requirements set forth in the Procedures are in addition to the requirements of Bankruptcy Rule 3001(e) and applicable securities, corporate, and other laws and do not excuse noncompliance therewith.

A direct or indirect holder of, or prospective holder of, the beneficial ownership of Common Equity (including, for the avoidance of doubt, holders of stock issued by 24 Hour Holdings I Corp.) that may be or become a Substantial Holder, a Majority Holder, or a direct or indirect holder of, or a prospective holder of, a substantial amount of claims against the Debtors should consult the Procedures.

Dated: June 17, 2020
Wilmington, Delaware

BY ORDER OF THE COURT