

UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF CALIFORNIA

IF YOU WERE A MEMBER OF A MASSAGE ENVY SPA AT ANY TIME BETWEEN NOVEMBER 4, 2006, AND JUNE 7, 2019, THIS CLASS ACTION SETTLEMENT MAY AFFECT YOUR RIGHTS.

A federal court authorized this Notice. This isn't a solicitation from a lawyer and you aren't being sued.

- A proposed Settlement has been reached in a nationwide class action lawsuit that challenges increases in monthly Massage Envy Spa membership fees. Defendant Massage Envy Franchising, LLC ("MEF") denies the allegations or that it did anything wrong. The Court has not decided who is right in the lawsuit but has preliminarily approved the proposed Settlement.
- If you were a member of a Massage Envy Spa at any time between November 4, 2006, and June 7, 2019, and your monthly membership fees were increased during that time, you are a Class Member and are eligible to submit a request to receive a voucher that can be used to purchase retail products, massage sessions, enhancements, and/or facial sessions from a Massage Envy Spa. To receive a voucher, you must submit a Voucher Request at MassageFeeSettlement.com/request by September 20, 2019, as explained below.
- If you were a member of a Massage Envy Spa as of June 7, 2019, you will be bound by a new membership agreement as explained below, unless you exclude yourself from the Settlement, as is also explained below.
- Your legal rights are affected whether you act or do not act. Read this Notice and the information on this settlement website carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:

SUBMIT A TIMELY VOUCHER REQUEST	If you were a member of any Massage Envy Spa in the United States at any time between November 4, 2006 and June 7, 2019 and your monthly membership fees were increased during that time, this is the only way to receive a voucher under the Settlement. If you were a member of a Massage Envy Spa on June 7, 2019, you also will be bound by the terms of the new membership agreement described below, unless you decide to exclude yourself from the Settlement.
EXCLUDE YOURSELF FROM THE SETTLEMENT	Get no benefit. But you will not be bound by the Settlement.
OBJECT	Write to the Court about why you object to the Settlement.
GO TO A HEARING	Ask to speak to the Court about the fairness of the Settlement.
DO NOTHING	Give up your rights to sue and be bound by the Settlement. You will not receive a voucher. If you were a member of a Massage Envy Spa on June 7, 2019, you also will be bound by the terms of the new membership agreement described below.

- These rights and options—**and the deadlines to exercise them**—are explained in this Notice.
- The Court overseeing this lawsuit still has to decide whether to approve the Settlement. Settlement vouchers will be available only if the Court approves the Settlement and after potential appeals, if any, are resolved. Please be patient and check back to MassageFeeSettlement.com to find out when any requested vouchers may be available. However, beginning June 7, 2019, if you were a member of a Massage Envy Spa as of that date and do not exclude yourself from the Settlement as described below, you will be bound by a new membership agreement available at MassageFeeSettlement.com/home/documents, the terms of which are further described below.

This notice summarizes the proposed settlement. For the precise terms and conditions of the Settlement, please see the Settlement Agreement available at [MassageFeeSettlement.com/home/documents](https://www.MassageFeeSettlement.com/home/documents), by contacting Class Counsel at the address provided below, by accessing the Court docket in this case, for a fee, through the Court's Public Access to Court Electronic Records (PACER) system at <https://ecf.cand.uscourts.gov>, or by visiting the office of the Clerk of the Court for the United States District Court for the Northern District of California, 450 Golden Gate Avenue, San Francisco, CA 94102, between 9:00 a.m. and 4:00 p.m., Monday through Friday, excluding Court holidays.

Basic Information

WHY DID I GET NOTICE OF THE SETTLEMENT?

You received Notice of this Settlement because you were (or are) a member of a Massage Envy Spa in the United States between November 4, 2006, and June 7, 2019, and records indicate that your monthly membership fees may have increased during that time.

You are being provided with this Notice of the Settlement because you have a right to know about the proposed class action Settlement and all your options before the Court decides whether to approve the Settlement. If the Court approves the Settlement, and after any objections and appeals are resolved, Settlement benefits will be provided. You will be informed of the Settlement's progress on this website.

This Notice explains the lawsuit, the Settlement, your legal rights, what Settlement benefits are available, who is eligible for them, how to get them, how to object to the Settlement, and how to exclude yourself from the Settlement and what happens if you do nothing and are a Class Member.

The Court in charge of the lawsuit is the United States District Court for the Northern District of California, and the lawsuit is known as *Baerbel McKinney-Drobnis, et al., v. Massage Envy Franchising, LLC*, Case No. 3:16-cv-06450-MMC. The individuals who sued are called Plaintiffs and Class Representatives and the company they sued, MEF, is called the Defendant.

WHAT IS THIS LAWSUIT ABOUT?

The lawsuit asserted that members of Massage Envy Spas signed membership agreements that prohibited increases in their monthly membership fees and that Class Members were harmed when their monthly membership fees were nonetheless increased. The lawsuit asserts claims for (1) Breach of Contract and the Covenant of Good Faith and Fair Dealing; (2) Intentional Interference with Contractual Relations; (3) Violation of the California Consumer Legal Remedies Act; (4) Violation of Cal. Business & Professions Code § 17200 for "Unlawful" Business Acts and Practices; (5) Violation of Cal. Business & Professions Code § 17200 for "Unfair" Business Acts and Practices; (6) Violation of Cal. Business & Professions Code § 17200 for "Fraudulent" Business Acts and Practices; and (7) Declaratory Relief. MEF denies all allegations in the lawsuit or that it did anything wrong and asserts that it is the franchisor and does not own or operate any of the Massage Envy Spa(s) that you visited.

WHAT IS A CLASS ACTION AND WHO IS INVOLVED?

In a class action lawsuit, the "Class Representatives" (in this case, Baerbel McKinney-Drobnis, Joseph B. Piccola, and Camille Berlese) sued on behalf of themselves and other people who have a similar claim and are located in the United States, who are called "Class Members." The Court resolves the issues for all Class Members except those who exclude themselves from the Settlement.

WHY IS THERE A SETTLEMENT?

The Court did not decide that the Class Representatives were entitled to any recovery from MEF. Instead, both sides agreed to a settlement. That way, they avoid the costs and delay of further legal proceedings and Class Members, the people affected, will get the benefits of the Settlement. The Class Representatives and their attorneys believe the Settlement is best for all Class Members.

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

To see if you are affected by the Settlement or have a right to receive the Settlement benefits, you must determine whether you are a Class Member.

You are a Class Member if you were a member of a Massage Envy Spa at any time between November 4, 2006 and June 7, 2019, and your monthly membership fees were increased during that time.

I'M STILL NOT SURE IF I AM INCLUDED.

If you are still not sure whether you are a Class Member, you can ask for free help. You can call 1 (855) 424-0466 for more information from the Settlement Administrator or review the Settlement documents on this website.

THE SETTLEMENT BENEFITS—WHAT YOU CAN GET

WHAT DOES THE SETTLEMENT PROVIDE?

The Settlement provides several forms of relief.

Vouchers: If the Court approves the Settlement and after any appeals are resolved, Class Members who submit valid Voucher Requests by **September 20, 2019** will be emailed vouchers that may be redeemed at any Massage Envy Spa for retail products sold therein, massage sessions, enhancements, and/or facial sessions, as described below.

Injunctive Relief: Beginning June 7, 2019, if you were a member of a Massage Envy Spa on that date and do not exclude yourself from the Settlement as described below, you will be bound by a new membership agreement available at MassageFeeSettlement.com/home/documents. This new membership agreement states, in part, that in the future Massage Envy Spas may increase a member's stated monthly membership fee only after the initial membership term and upon providing at least forty-five (45) days' advance written notice to the member's email address on record with the member's Massage Envy Spa and that such notice shall be effective on the date his/her notice is sent. Forty-five (45) days' advance written notice will allow you reasonable opportunity to cancel your membership before incurring a noticed price increase. MEF will keep this Injunctive Relief in force as a system standard for at least two (2) years after the Settlement becomes effective.

VOUCHER SETTLEMENT BENEFIT

The face value of the voucher for which you are eligible depends on the total amount of fee increases that you paid while a member of a Massage Envy Spa between November 4, 2006 and June 7, 2019. If you are a Class Member and submit a Voucher Request by September 20, 2019, you are eligible to receive a voucher in the amount corresponding to your total fee increases you paid as set forth in the table below:

SETTLEMENT VOUCHER VALUES	
Total fee increases paid by Class Member	Voucher face value
\$75.00 OR LESS	\$10.00
\$75.01 TO \$125.00	\$20.00
\$125.01 TO \$175.00	\$30.00
\$175.01 TO \$225.00	\$40.00
\$225.01 OR MORE	\$50.00

Under the Settlement terms, MEF has agreed to issue vouchers with an aggregate face value of at least \$10 Million to Class Members who submit timely and valid Voucher Requests. If the total face value of vouchers requested by Class Members is less than \$10 Million, the Class Members who submitted timely and valid Voucher Requests will receive a *pro rata* increase in the value of their issued voucher such that the total face value of issued vouchers equals \$10 Million.

The issued vouchers may be redeemed only at any Massage Envy Spa for the retail products, massage sessions, enhancements, and/or facial sessions you choose. **Issued vouchers may not be redeemed for cash, may not be used to pay monthly Massage Envy Spa membership fees, and may not be used to pay tips to Massage Envy Spa employees.** Issued vouchers are fully transferrable and may be aggregated (that is, you may redeem more than one voucher at a time).

Issued vouchers will expire if not used or redeemed within sixteen (16) months of the date on which they are distributed to class members. The expiration date will be conspicuously stated in the emails you receive issuing the vouchers and will additionally be posted on this website.

HOW TO REQUEST A VOUCHER SETTLEMENT BENEFIT

If you are a Class Member, to receive a voucher, you must submit the Voucher Request by **September 20, 2019**.

To submit a Voucher Request, you must enter your Unique ID Number found on the Notice you received by email or mail in the space provided on this website, or by clicking MassageFeeSettlement.com/request and entering the ID Number there. If you do not have your Unique ID Number, you can call 1 (855) 424-0466 to obtain it. For a Voucher Request to be valid, you must also attest that you are a Class Member (i.e., your monthly membership fees increased over the amount specified in your membership agreement) and did not receive any discretionary accommodations when your monthly membership fees were increased (e.g., free services, delayed fee increases) from the Massage Envy Spa where you signed your membership agreement (or where you later transferred your membership).

If you would like a copy of a Voucher Request Form to mail or email to the Settlement Administrator, you can call 1 (855) 424-0466 to obtain it.

VOUCHER REQUESTS MUST BE SUBMITTED ON THIS WEBSITE OR VIA EMAIL NO LATER THAN SEPTEMBER 20, 2019 OR, IF SUBMITTED BY MAIL TO THE SETTLEMENT ADMINISTRATOR, POSTMARKED NO LATER THAN SEPTEMBER 20, 2019.

If you have any unanswered questions or require assistance in submitting a Voucher Request, you can contact the Settlement Administrator at 1 (855) 424-0466 or Class Counsel at (619) 238-1333 (Class Counsel is further explained below). **PLEASE DO NOT CALL THE COURT, DEFENDANT, MEF'S COUNSEL, OR ANY MASSAGE ENVY FRANCHISE.**

WHEN WOULD I RECEIVE MY VOUCHER SETTLEMENT BENEFIT?

The Court will hold a Final Approval Hearing on **November 1, 2019**, to decide whether to approve the Settlement. The date of the Final Approval Hearing may change without further notice. You should check this website or the Court's PACER site at <https://ecf.cand.uscourts.gov> to confirm that the date has not been changed.

If the Court approves the Settlement and there are no appeals, approximately sixty (60) days after the Court's approval of the Settlement, vouchers will be emailed to Class Members who submitted timely and valid Voucher Requests. However, it is possible there may be appeals related to the final approval of the Settlement, attorneys' fees or costs awarded, or an incentive award provided to the Class Representatives (described below). It is always uncertain how these appeals will be resolved and resolving them may take time, perhaps more than a year. This website will be updated to provide current Settlement information including if final approval is entered and the date thereof, the date vouchers will be issued, and the date issued vouchers will expire. Please be patient.

PLEASE DO NOT TELEPHONE THE COURT OR THE COURT CLERK'S OFFICE TO INQUIRE ABOUT THIS SETTLEMENT OR THE CLAIM PROCESS.

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

Yes. Unless you exclude yourself from the Settlement, you will agree to release the claims described in the Settlement Agreement. You will remain a member of the Class, which means that you cannot sue, continue to sue, or be part of any other lawsuit against MEF or any Massage Envy Franchise about the factual and legal issues of this lawsuit (i.e., the Released Claims described in the Settlement Agreement). It also means that the Court's orders will apply to you and legally bind you, and that you will be bound by the new membership agreement as described above. You may view the Settlement Agreement at MassageFeeSettlement.com/home/documents for the full language of the legal claims you will give up if you do not exclude yourself from the Settlement.

WHAT HAPPENS IF I DO NOTHING?

If you are a Class Member and do nothing and the Court finally approves the Settlement, you will be part of the Settlement and be bound by the release of claims in this Settlement as described above. If you were a member of a Massage Envy Spa as of June 7, 2019 and do nothing, you also will be bound by the terms of the new membership agreement as described above. If you are a Class Member and do not timely submit a Voucher Request as explained above, you will not receive any voucher. **To receive a voucher, you must timely submit a valid Voucher Request as explained above.**

Excluding Yourself from the Settlement

If you are a Class Member and 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 MEF individually on your own behalf about the legal issues of this lawsuit or do not want to be bound by the terms of the new membership agreement if you were a member of a Massage Envy Spa on June 7, 2019, then you must take steps to get out of the Settlement and the lawsuit. 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 statement, either by First Class U.S. mail or email, to the Settlement Administrator saying that you want to be excluded from the lawsuit entitled *Baerbel McKinney-Drobnis, et al., v. Massage Envy Franchising, LLC*, Case No. 3:16-cv-06450-MMC. Be sure to include your name, address, telephone number, and if you are a Class Member, your unique ID Code. A sample request for exclusion is available at MassageFeeSettlement.com/home/documents.

To be valid, your request for exclusion must be submitted or postmarked (if by mail) by **September 20, 2019**:

McKinney-Drobnis, et al., v. Massage Envy Settlement Administrator
Attn: Massage Envy Class Action Exclusions
P.O. Box 6389
Portland, OR 97228-6389
info@MassageFeeSettlement.com

If you are a Class Member and ask to be excluded, you will not receive a voucher and cannot object to the Settlement. If you ask to be and are excluded from the Settlement, you will not be bound by the new membership agreement described above and will not be bound by anything else that happens in this lawsuit, even if the Court finally approves the Settlement.

Objecting to the Settlement

If you are a Class Member and have not excluded yourself from the Settlement, you can tell the Court that you do not agree with the Settlement or some part of it. This 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 or the Settlement Agreement if you do not like all or any part of it. You can give reasons why you do not think the Court should approve the Settlement. You can also object to the request by Class Counsel for attorneys’ fees and costs or any request by the Class Representatives for an incentive award. You can provide reasons for the objection and why you think the Court should not approve the Settlement, any request for an award of attorneys’ fees and costs to Class Counsel, and/or any request for an incentive award to the Class Representatives. The Court will consider your reasoning.

To object, you must state in writing that you object to the Settlement of the lawsuit, that you object to any request for an award of attorneys’ fees and costs to Class Counsel, and/or that you object to any request for an incentive award to the Class Representatives. Please note that it is not sufficient to simply state that you object. Rather, in your written objection, you must include (i) your full name, current address, and, if different, the address used when your membership commenced; (ii) a statement of the position(s) and objection(s) asserted, including the factual and legal basis for each position and objection asserted; and (iii) copies of any documents supporting the position(s) and objection(s) you assert. Your objection must also state whether it applies only to you, to a specific subset of the class, or to the entire class.

To be valid, your written objection also must provide a list of any other objections that you made to any class action settlement in any court in the five (5) years prior to June 7, 2019. If you have not objected to any other class action settlement prior to June 7, 2019, you must affirmatively so state in your written objection.

To be considered, any written statement of objection must be postmarked by **September 20, 2019** and submitted to the Settlement Administrator at:

McKinney-Drobnis, et al., v. Massage Envy Settlement Administrator
Attn: Massage Envy Class Action Settlement
P.O. Box 6389
Portland, OR 97228-6389
info@MassageFeeSettlement.com

If you fail to properly submit a written objection prior to September 20, 2019, along with the required information and documentation set forth above, your objection will not be heard during the Final Approval Hearing and your objection(s) will be waived and the Court will not consider them when determining whether to approve the Settlement.

If you submit a written objection in accordance with these procedures, but the Court approves the Settlement, you will still be entitled to all of the settlement benefits, shall be bound by all terms of the Settlement, and shall be bound by the terms of the new membership agreement described above if you were a member of a Massage Envy Spa on June 7, 2019. However, if you are a Class Member, you must still submit a timely and valid Voucher Request (as described above) to receive a voucher.

WHAT'S THE DIFFERENCE BETWEEN OBJECTING AND EXCLUDING?

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 and do not exclude yourself from the Settlement. Excluding yourself from the Settlement is telling the Court that you do not want to be part of the Class, do not want to receive a voucher under the Settlement Agreement, and do not want to be bound by the new membership agreement or release described above. If you exclude yourself, you have no basis to object to the Settlement, any request by Class Counsel for attorneys' fees and costs, or any request for an incentive award by any Class Representative because this lawsuit no longer affects you.

WHAT'S THE DIFFERENCE BETWEEN OBJECTING AND EXCLUDING?

As explained above, the Court will hold a Final Approval Hearing on **November 1, 2019 at 9:00 a.m.** at the United States District Court for the Northern District of California, San Francisco Courthouse, Courtroom 7 – 19th Floor, 450 Golden Gate Avenue, San Francisco, CA 94102, to decide whether the Settlement is fair, reasonable, and adequate and whether the Settlement (and Settlement Agreement) may be finally approved. At the Final Approval Hearing, the Court will also decide whether to award any attorneys' fees and costs to Class Counsel and whether to award an incentive payment to any of the participating Class Representatives. If there are objections, the Court will then consider them. The Court will listen to people who have asked to speak at the hearing, and if the Settlement is approved, the Court will decide whether and how much to award Class Counsel in attorneys' fees and costs and will decide whether and how much to award the Class Representatives as an incentive payment, if at all. If you are a Class Member and have not excluded yourself from the Settlement, you may attend and ask to speak at the Final Approval Hearing, but you do not have to.

At the Final Approval Hearing, Class Counsel will answer any questions that the Court may have about the Settlement. But you are welcome to attend at your own expense. If you submit an objection, you do not have to attend the Final Approval Hearing to talk about your objection. As long as you submitted your written objection on time and as explained above, the Court will consider it. You may also pay for your own lawyer to attend the Final Approval Hearing, but it is not necessary.

At or after the Final Approval Hearing, the Court will decide whether to approve the Settlement, whether and how much to award Class Counsel for attorneys' fees and costs, and whether and how much to award any of the Class Representatives as an incentive payment. We do not know how long these decisions will take.

If you intend to speak at the Final Approval Hearing, you must file with the Court a Notice of Intention to Appear on or before October 18, 2019. You must include copies of any papers, exhibits, or other evidence that you or your lawyer intend to present to the Court at the Final Approval Hearing. Your Notice of Intention to Appear must be served on all counsel as follows:

CLASS COUNSEL	MESSAGE ENVY FRANCHISING, LLC COUNSEL
Jeffrey Krinsk Trenton Kashima FINKELSTEIN & KRINSK LLP 550 W. C Street, Suite 1760 San Diego, CA 92101	Luanne Sacks SACKS, RICKETTS & CASE LLP 177 Post Street, Suite 650 San Francisco, CA 94108

If you fail to submit a proper Notice of Intention to Appear on or before October 18, 2019, along with copies of any papers, exhibits, or other evidence that you or your counsel intend to present to the Court at the Final Approval Hearing, you will not be heard during the Final Approval Hearing, but any timely objection you submitted will be considered by the Court in determining whether to approve the Settlement, whether and how much to award Class Counsel for attorneys' fees and costs, and whether and how much to award any of the Class Representatives as an incentive payment.

THE LAWYERS REPRESENTING YOU

DO I HAVE A LAWYER IN THE LAWSUIT?

The Class Representatives and the Class are represented by Jeffrey R. Krinsk and Trenton Kashima of Finkelstein & Krinsk LLP. You will not be charged for their work on the lawsuit. 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:

Jeffrey R. Krinsk
Email: jrk@ClassActionLaw.com
Trenton Kashima
Email: trk@ClassActionLaw.com
FINKELSTEIN & KRINSK LLP
550 W. C Street, Suite 1760
San Diego, CA 92101
Telephone: (619) 238-1333
Facsimile: (619) 238-5425

HOW WILL THE LAWYERS BE PAID?

Class Counsel will ask the Court to approve payment to them of a maximum of \$3.3 Million in attorneys' fees and costs, and MEF has agreed not to object to Class Counsel's request provided the request does not exceed \$3.3 Million in total for attorneys' fees and costs. The Class Representatives will ask the Court to approve a payment of a maximum of \$10,000 to each of them and no more than \$30,000 in the aggregate for their respective assistance in prosecuting the lawsuit on the Class's behalf, and MEF has agreed not to object to this request provided it does not exceed \$10,000 for each of the three (3) Class Representatives or \$30,000 in the aggregate. The Court may award less than these amounts. MEF will pay any attorneys' fees and costs that the Court awards to Class Counsel up to a total of \$3.3 Million. MEF also will separately pay any incentive awards to the Class Representatives up to \$10,000 to each of them and no more than \$30,000 in the aggregate. And MEF will separately pay the reasonable costs to administer the Settlement. MEF's payments of these amounts will not diminish the Settlement benefits provided to the Class Members under the Settlement as described herein.

No later than August 16, 2019, Class Counsel will file with the Court, and post at MassageFeeSettlement.com/home/documents, their Motion for Attorneys' Fees, Costs, and Incentive Awards.