

UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA

Cody, et al. v. SoulCycle Inc., No. 2:15-cv-06457 MWF (JEMx)

If you have purchased a SoulCycle Class that expired before you used it, you may be eligible for benefits from a class action settlement.

*A federal court authorized this notice. This is not a solicitation from a lawyer.
You are not being sued.*

- A Proposed Settlement has been reached in a class action lawsuit that alleges SoulCycle’s sale of indoor cycling classes (“Classes”) constitutes the sale of “gift certificates” as defined under California and federal law and that the expiration dates associated with SoulCycle’s Classes violate those laws. SoulCycle denies that its Classes could be considered “gift certificates” and denies that it did anything wrong. The Court has not decided who is right. Instead, the parties agreed to a compromise.
- This Proposed Settlement relates to Settlement Class Members. The Settlement Class includes: (1) all persons who, at any point on or after August 25, 2014 up until February 10, 2017, purchased a SoulCycle Class that expired before it was used; and (2) all persons who have a California billing address and who, at any point on or after February 1, 2012 up until February 10, 2017, purchased a SoulCycle Class for use in California that expired before it was used.
- Under the Proposed Settlement, if you are a Settlement Class Member, you may be eligible to receive one or two free SoulCycle Reinstated Classes (as defined below) or, **in the alternative**, you may elect to receive up to a maximum of \$25.00 or \$50.00 in cash, depending on how many Classes you purchased that expired unused and depending upon how many claims are made for the Cash Option. SoulCycle also has agreed to change certain business practices, including eliminating certain features of its Classes and augmenting its disclosures with respect to the distinction between the sale of Classes and Gift Cards.
- Whether you act or not, your legal rights as a Settlement Class Member are affected by the Proposed Settlement. Your rights and options—and the deadlines to exercise them—are explained in this notice. Please read this notice carefully in its entirety.

Questions? Call toll-free 1-855-234-7127 or visit www.CycleClassAction.com

SETTLEMENT CLASS MEMBERS' LEGAL RIGHTS AND OPTIONS IN THIS PROPOSED SETTLEMENT:		
YOUR RIGHTS AND OPTIONS	WHAT THEY MEAN	DEADLINES
EXCLUDE YOURSELF (OPT OUT)	Get no benefits from the Proposed Settlement. Requesting exclusion from this Proposed Settlement (also called "opting out") would allow you to file or continue your own lawsuit against SoulCycle about the legal claims involved in this Proposed Settlement, individually. To find out how to opt out, please read Paragraph 11.	Postmarked on or before September 11, 2017
OBJECT OR COMMENT	Write to the Court about why you do or do not like the Proposed Settlement. To find out how to object, please read Paragraph 13.	Postmarked on or before September 11, 2017
GO TO A FINAL APPROVAL HEARING	Ask to speak in Court about the Proposed Settlement. To find out how to object, please read Paragraph 13.	Postmarked on or before September 11, 2017
DO NOTHING	<p>You are not required to take any action to receive the benefits of the Proposed Settlement. If the Proposed Settlement is finally approved, and you are a Settlement Class Member, you will be bound by the Court's Final Judgment and the release of claims explained in the Settlement Agreement.</p> <p>If you are a Settlement Class Member, you will receive one or two free SoulCycle Reinstated Classes automatically in your SoulCycle account, depending on the number of classes you purchased during the relevant time that expired unused, unless you opt out or elect the Cash Option (as defined below).</p>	None

Questions? Call toll-free 1-855-234-7127 or visit www.CycleClassAction.com

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BASIC INFORMATION

1. Why did you receive this notice?

This Notice has been posted because the United States District Court for the Central District of California (the “Court”) has given its preliminary approval to the Proposed Settlement of a lawsuit against SoulCycle. If you received an e-mail or a postcard concerning this Proposed Settlement that means that SoulCycle’s records indicate you may be a member of the class of individuals affected by this Proposed Settlement.

2. What is the case about?

The plaintiffs filed a lawsuit in which they allege that SoulCycle’s sale of indoor cycling Classes constitutes the sale of “gift certificates” as defined under California and federal law and that the expiration dates contained on SoulCycle’s Classes violate the Electronic Funds Transfer Act, 15 U.S.C. §1693, *et seq.*, as amended by the Credit Card Accountability Responsibility and Disclosure Act of 2009 (the “CARD Act”), 15 U.S.C. § 16931-1, and the California Gift Card Statute, California Civil Code Section 1750, *et seq.*, as well as consumer statutes of California, including the California Consumer Legal Remedies Act and the California Unfair Competition Law. SoulCycle denies that it did anything wrong, believes that it makes clear the distinction between purchase of its Classes, on the one hand, and purchase of Gift Cards, on the other, and has vigorously defended Plaintiffs’ allegations. The parties, however, have agreed to settle the case to avoid the cost, delay, and uncertainty of further litigation.

3. Why is this a class action?

In a class action, one or more “Class Representatives” or “Named Plaintiffs” sue on behalf of all those with the same types of claims arising from the same events. Here, the Class Representatives filed this case as a proposed class action and asked to represent a class of individuals who purchased a SoulCycle Class(es) that expired before being used. They sue on behalf of people who have similar claims—called the “Class” or “Class Members”—which in this case may include you. When the parties reached this Proposed Settlement, the Court had not decided whether the case could be a class action.

4. Why is there a Proposed Settlement?

The Court has not decided which side is right or wrong in this case. Instead, both sides agreed to a nationwide class-action settlement to avoid the costs and risks of a lengthy trial and appeals process.

The Court ordered the parties to participate in mediation. This is a formal way people get together to see if they can resolve disputes with the help of a court-approved professional, called a “mediator.” On two separate occasions, in September 2016 and then again in April 2017, two different experienced mediators conducted lengthy negotiation sessions with the parties.

After extensive, arm’s-length negotiations, the lawyers representing the Class and SoulCycle agreed to settle this case to avoid the cost, delay, and risk of further litigation. The Class Representatives and their lawyers think the Proposed Settlement is fair, reasonable, adequate, and in the best interests of all Class Members.

Questions? Call toll-free 1-855-234-7127 or visit www.CycleClassAction.com

WHO DOES THE PROPOSED SETTLEMENT APPLY TO?

5. Who is in the Settlement Class?

The Settlement Class under the proposed Settlement includes: (1) persons who, at any time on or after August 25, 2014 up until February 10, 2017, purchased a SoulCycle Class that expired before it was used; and (2) persons who have a California billing address and who, at any point on or after February 1, 2012 up until February 10, 2017, purchased a SoulCycle Class for use in California that expired before it was used.

6. Are there exceptions to being included in the Settlement Class?

Federal judges and members of their immediate families are excluded from the Settlement Class. Also excluded are officers and directors of SoulCycle.

7. I'm still not sure if I am included.

If you are still not sure whether you are included in the Class, you can call toll-free 1-855-234-7127 or visit www.CycleClassAction.com for more information.

THE PROPOSED SETTLEMENT BENEFITS AND OPTIONS

If the Settlement is approved and becomes final, it will provide benefits to Settlement Class Members.

8. What are the benefits of the Proposed Settlement?

Under the Settlement, each Settlement Class Member who purchased a SoulCycle Class that expired unused during the Class Period will have one new Class (the "Reinstated Class") automatically placed into his or her electronic SoulCycle account unless he or she elects the Cash Option described below. Any Settlement Class Member who purchased more than one SoulCycle Class that expired unused during the Class Period will have two Reinstated Classes automatically placed back into his or her electronic SoulCycle account unless he or she elects the Cash Option described below. Settlement Class Members will not pay any additional money to receive the Reinstated Class(es).

SoulCycle will place the Reinstated Classes into the SoulCycle accounts of Settlement Class Members on a time staggered basis at SoulCycle's discretion over the course of one year following the Effective Date. SoulCycle will present a plan for the timing of the Reinstated Classes to the Court no later than September 1, 2017. SoulCycle will publish the plan on the Settlement Website as well. A Settlement Class Member can reserve a bike using a Reinstated Class(es) for a day during the upcoming week beginning at 3 p.m. local time on Monday(s). At that time, the Reinstated Class(es) can be used to reserve a bike in any SoulCycle class in any studio that has available bikes. Settlement Class Members can reserve a bike using the Mobile Application ("App") or the SoulCycle Website (www.soul-cycle.com) or by calling or visiting a SoulCycle studio. Settlement Class Members may use Reinstated Classes to book bikes in a particular SoulCycle class for up to one year from the day the Reinstated Class is placed into his or her SoulCycle account.

Each Settlement Class Member will have the option to receive, instead of a Reinstated Class or Classes placed into his or her SoulCycle account, the Cash Option, which is a payment of a maximum of \$25.00

Questions? Call toll-free 1-855-234-7127 or visit www.CycleClassAction.com

instead of each Reinstated Class to which the Settlement Class Member would otherwise be entitled (the “Cash Option”). The Cash Option is subject to the following limits:

- SoulCycle will pay up to a limit of \$500,000 in aggregate claims under the Cash Option.
- SoulCycle will pay an individual Settlement Class Member cash of up to \$25.00 per expired class up to two Reinstated Classes only, or up to a total of \$50.00;
- The cash amount paid per Class will be reduced pro rata if claims exceed \$500,000 in total.

Settlement Class Members can elect the Cash Option by submitting a Cash Claim Form, as explained below.

In addition, SoulCycle has made certain changes to its business practices, which it has agreed to keep in place for at least two years. First, SoulCycle has made changes to the language on its Website and App that clarified that its Classes are not sold in a “specified value.” It removed all reference to “SOUL-30” or “SOUL-34.” Now, Classes are described by the location for which they are purchased and where they can be used. Second, SoulCycle has removed its Class Transfer feature. A SoulCycle rider may not use a Class bought in a more expensive jurisdiction in a less expensive jurisdiction. Finally, SoulCycle has revised its Terms and Conditions and Frequently Asked Questions on its Website and App, among other things to: include language that makes it clear that SoulCycle Classes and SoulCycle Gift Cards are not the same thing; emphasize that SoulCycle Classes have an expiration date but that if a rider gets jammed up, he or she should contact SoulCycle; and state that while SoulCycle Classes expire, SoulCycle Gift Cards do not.

If the Proposed Settlement becomes final, the lawsuit will be dismissed with prejudice and SoulCycle will receive a complete release and discharge from all Settlement Class Members of the claims asserted in the lawsuit.

9. What do I need to do to participate in the Proposed Settlement?

If you are a Settlement Class Member and you would like to receive a Reinstated Class or Classes, you do not need to do anything. SoulCycle will automatically place the Reinstated Class(es) into your electronic SoulCycle account as long as you do not opt out of the Settlement or elect the Cash Option.

If you are a Settlement Class Member and would like to receive the Cash Option instead of a Reinstated Class or Classes, you must submit a Cash Claim Form by following the directions set forth at www.CycleClassAction.com.

To receive the Cash Option instead of the Reinstated Class(es), you must submit your Cash Claim Form no later than September 11, 2017.

10. When will the Proposed Settlement go into effect?

The Court will hold a final approval hearing on October 2, 2017, to decide whether to approve the Proposed Settlement. Even if the Court approves the Proposed Settlement, there could be appeals. The time for an appeal varies, and could take more than a year.

The Effective Date is the date when all appeals are completed, and the Proposed Settlement becomes final. You can visit the Class Settlement website at www.CycleClassAction.com, after October 2, 2017, to check on the progress of the Court-approval process and the Effective Date. Please be patient.

Questions? Call toll-free 1-855-234-7127 or visit www.CycleClassAction.com

The Proposed Settlement will go into effect 30 days after the Effective Date. The Court will continue to oversee the changes in business practices and will have the power to enforce the terms of the Settlement Agreement.

EXCLUDING YOURSELF FROM THE CLASS

If you do not want to participate in the Proposed Settlement and instead you want to keep all of your rights to sue SoulCycle individually about the claims being resolved in the Settlement, then you must take steps to get out of the Class. This is called asking to be excluded from, or sometimes called “opting out” of, the Class.

11. If I do not want to participate in the Settlement, what must I do?

To exclude yourself from the Settlement, you must send a signed statement to Dahl Administration LLC that includes your name, address, and telephone number stating that you wish to exclude yourself from the case. Your written request should be mailed to:

Cody v. SoulCycle Inc.
c/o Dahl Administration
PO Box 3614
Minneapolis, MN 55403-3614

Your written request must be **received** or **postmarked** by **September 11, 2017**. If your request is not postmarked by that date, your right to opt out will be waived and you will be bound by all orders and judgments entered in connection with the Settlement.

12. If I exclude myself, can I get anything from this Settlement?

If you choose to exclude yourself from the Settlement Class: (1) you will not be entitled to receive the benefits of the Settlement with SoulCycle; (2) you will not be legally bound by the Settlement; and (3) you will keep any rights you may have to sue SoulCycle individually for the legal claims included in this Settlement, as long as suit is filed before the relevant statutes of limitation expire.

OBJECTING TO THE SETTLEMENT

13. How do I tell the Court if I do not like the Proposed Settlement?

If you are a Settlement Class Member, you can object to the Proposed Settlement if you do not like any part of it. You can give reasons why you think the Court should not approve it. The Court will consider your views. Anyone who objects to the Proposed Settlement, the Settlement Agreement, and the application for attorneys’ fees, or the other matters to be considered at the Final Approval Hearing may appear and present such objections. In order to be permitted to do so, however, you must, on or before **September 11, 2017**, do the following:

Write to: Cody v. SoulCycle Inc.
 c/o Dahl Administration
 PO Box 3614
 Minneapolis, MN 55403-3614

Questions? Call toll-free 1-855-234-7127 or visit www.CycleClassAction.com

Your written request must be **received** or **postmarked** by **September 11, 2017**.

Your objection letter must include all of the following:

- The name of the case: *Cody v. SoulCycle, Inc.*, No. 2:15-cv-06457 MWF (JEMx);
- Your name, address, and telephone number;
- A statement of your objection and a summary of the reasons for your objection;
- Copies of any documents on which you base your objection; and
- A statement of whether you or your lawyer will ask to appear at the final approval hearing to talk about your objections.

If you or your lawyer asks to appear at the final approval hearing, in addition to providing the above information, you must do the following:

- Identify the points you wish to speak about at the hearing;
- Enclose copies of any documents you intend to rely on at the hearing;
- State the amount of time you request for speaking at the hearing; and
- State whether you intend to have a lawyer speak on your behalf.

If you intend to have a lawyer present, your lawyer must enter a written notice of appearance of counsel with the Clerk of Court no later than **September 11, 2017**.

If you do not comply with the foregoing procedures and deadlines for submitting written objections and/or any intention to appear at the Final Approval Hearing, you may lose substantial legal rights to contest the orders or judgments of the Court entered in connection with the Proposed Settlement.

THE LAWYERS REPRESENTING YOU

14. Do I have a lawyer in this case?

The Court has conditionally appointed Dorian S. Berger and Daniel P. Hipskind of Berger & Hipskind LLP and Nicholas Diamand of Lieff Cabraser Heimann & Bernstein, LLP as Class Counsel to represent the Settlement Class Members. You will not be charged for these lawyers. If you want to be represented by your own lawyer in this case, you may hire one at your own expense.

15. How will the lawyers be paid?

For almost two years, Class Counsel has worked without compensation on this case. Accordingly, in connection with the Final Approval Hearing on the Settlement, Class Counsel will apply to the Court for an award of attorneys' fees and expenses in an amount not to exceed \$1,800,000. If approved by the Court, Class Counsel's fees will be paid by SoulCycle and will not diminish or have any effect on any of the relief provided to Settlement Class Members.

Questions? Call toll-free 1-855-234-7127 or visit www.CycleClassAction.com

THE COURT'S FINAL APPROVAL HEARING

16. When and where will the Court decide whether to approve this Proposed Settlement?

The Court will hold a Final Approval Hearing to decide whether to approve the Proposed Settlement. You may attend and you may ask to speak, but you do not have to do either one.

The Final Approval Hearing will be held before the Honorable Michael Fitzgerald on **October 2, 2017**, at **11:30 a.m. Pacific Time in Courtroom 5A, United States District Court for the Central District of California, First Street Courthouse, 350 West First Street, Los Angeles, CA 90012.**

Do not write or call the judge or the clerk concerning this notice or this case.

The purpose of the hearing will be for the Court to determine whether the Proposed Settlement should be finally approved as fair, reasonable, and adequate, and in the best interests of the Settlement Class and to consider the award of attorneys' fees and expenses to Class Counsel. At that hearing, the Court will hear any objections and arguments concerning the fairness of the Proposed Settlement that have properly been submitted, as set forth above.

The hearing may be postponed or changed to a different date, time, or location without notice. You should check the website, www.CycleClassAction.com, after October 2, 2017 to check on the hearing date, the court-approval process and the Effective Date.

17. Do I have to come to the Final Approval Hearing?

No, you are not required to come to the Final Approval Hearing. Class Counsel will answer any questions the Court may have.

If you want to have a lawyer appear on your behalf at the Final Approval Hearing, your lawyer must enter a written notice of appearance with the Clerk of the Court no later than September 11, 2017 and must comply with all of the requirements explained in Section 13.

If you send an objection, you do not have to come to Court to talk about it. As long as you mailed your written objection on time and complied with the other requirements for a proper objection, the Court will consider it.

18. May I speak at the Final Approval Hearing?

You or your lawyer may ask the Court for permission to speak at the Final Approval Hearing. To do so, you must tell the Court in your objection letter that you or your lawyer would like to speak at the hearing. You must also comply with all of the requirements explained in Section 13.

You cannot speak at the hearing if you do not comply with this procedure.

IF YOU DO NOTHING

19. What happens if I do nothing?

You are not required to take any action to receive the benefits of the Proposed Settlement if you are a Settlement Class Member. If the Proposed Settlement is finally approved, you will be bound by the Court's Final Judgment and the release of claims explained in the Settlement Agreement.

If you are a Settlement Class Member, you will receive one or two free SoulCycle Reinstated Classes automatically in your SoulCycle account unless you opt out or elect the Cash Option (as defined above).

GETTING MORE INFORMATION

20. How do I get more information?

This Notice is only a summary of the terms of the Proposed Settlement. More details about the Proposed Settlement, the Effective Date, the deadlines, and your options are available in a longer document called the Settlement Agreement. The actual Settlement Agreement can be reviewed by clicking here: www.CycleClassAction.com.

The website also contains answers to common questions about the Proposed Settlement, plus other information to help you determine whether you are a Settlement Class Member. In addition, some of the key documents in the case will be posted on the website. If you would like this notice or the settlement agreement mailed to you, please call 1-855-234-7127 or write to the Notice Administrator at:

Cody v. SoulCycle Inc.
c/o Dahl Administration
PO Box 3614
Minneapolis, MN 55403-3614

Alternatively, all of the court documents in this case are on file and available for review during regular office hours at the Clerk of the Court, United States District Court for the Central District of California, First Street Courthouse, 350 West First Street, Courtroom 5A, Los Angeles, CA 90012.

PLEASE DO NOT CALL THE COURT OR THE OFFICE OF THE CLERK.

Questions? Call toll-free 1-855-234-7127 or visit www.CycleClassAction.com