



May 30, 2012

ATTORNEY GENERAL MADIGAN SUES WORLD GYM FRANCHISES, PAYMENT PROCESSOR FOR ABRUPTLY CLOSING, CHEATING CONSUMERS

Chicago — Attorney General Lisa Madigan today filed suit against several Chicago-area World Gym franchises and an associated payment processing company for charging consumers at least \$100,000 for membership dues and fees for several months after the fitness centers closed down.

The lawsuit, filed in Cook County Circuit Court, alleges World Gym-Willowbrook Inc. and its owners James Mecha and Diane Vassolo closed several World Gym franchises in suburban Chicago without notice. The lawsuit also names ASF International, a Colorado corporation that processed gym payments, alleging that with its help, the gyms continued to bill and collect membership dues and fees despite the closures and members' efforts to cancel their contracts.

The lawsuit notes that in the summer of 2011 gym members arrived to find that World Gym facilities had abruptly shut down. Affected gyms were located at 12337 S. Route 59, Plainfield, 264-268 S. Randall Rd., Elgin, and 4212 N. Harlem Ave., Norridge. The company subsequently directed consumers to other gyms owned by the defendants located as far as 22 miles away, in Montgomery or Des Plaines, and continued to bill them for memberships.

Gym members who attempted to cancel their contracts met resistance – receiving no response to requests to cancel, being provided false contact information to cancel and told they could not cancel until they paid additional fees. Nearly 150 customers had their accounts sent to a collection agency over fees incurred after the gyms closed.

"These gym owners closed their World Gym facilities then had the audacity to charge people over \$100,000 in membership dues and fees after the gyms were closed," Madigan said. "The owners also refused to cancel contracts, and when people stopped paying, sent their accounts to a collection agency, again, all after the workout facilities abruptly closed."

The lawsuit asks the court to ban the gym franchisees from owning or operating a fitness center or a business that accepts electronic payments from consumers in Illinois. Madigan's suit also seeks restitution for impacted consumers and civil penalties.

Assistant Attorneys General Jonathan Reischl and Vijay Raghavan are handling the case for Madigan's Consumer Fraud Bureau.

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