

Dear Member Solutions Customers,

It has been a few challenging weeks for us all in the Martial Arts & Fitness community as we continue to adjust to our new "normal" during this pandemic. Part of creating our new normal is increasing communication not just on a business-to-business level, but as a community, because we are all in this together. Your hurdles are our hurdles, and we are determined to help our community through these challenging times.

On that note, recently we have seen several important updates from Pennsylvania's Attorney General Josh Shapiro, regarding the Health Club Industry and consumer protection for closures lasting more than 30 days. He has stated that, "Health clubs in violation of the Health Club Act could be subject to penalties of up to \$1,000 for each violation and \$3,000 for each violation involving a consumer age 60 or older." Source: attorneygeneral.gov

This is just one example of a trend we have noticed with Consumer Protection Acts in states such as MD, PA, CA and NH. Although it varies by state, it seems that most states are adopting this approach and protecting their consumers from being charged beyond a 30-day period without in-person service. It's important that you understand what approach your state has taken and review the mandates periodically as they can often change quickly. For more information regarding the Consumer Protection Act in your state, please visit this link and select your state from the dropdown menu. Your State Consumer Protection Office should be able to assist you with any questions regarding your obligations to your consumers.

What does this mean for us? If your members are paying for in-house services, or services that cannot be used due to closures lasting more than 30 days, in some states you may be at the mercy of your Attorney General, to freeze or cancel billing for those services until you resume in person services. If you have moved your services to a virtual space you can continue to bill for services rendered, provided that it is allowed by your Attorney General. In addition, some businesses are offering alternative compensation such as 'Thank you' vouchers valued at an amount equal to dues paid, while in person services were unavailable. These can be redeemable toward a preset list of items and/or services once in-person services resume.

How we can help! As services at the facility begin to move to a virtual space, it is important that you increase the communication with your customers regarding your membership offerings, and in some cases, they must opt in for these services. Some facilities manage these communications, by spreading the word through social media and their own websites, however; we realize you may currently not have the resources available to facilitate a campaign such as this. Either way, it is important to your account servicing that we understand the status of your business, and ask that you click here to fill us in on recent communications to your members. This will allow us to assist you with navigating these difficult times by providing you with the resources relevant to your current status to comply with your state's regulations.

We appreciate your continued support and look forward to the brighter days to come!

Sincerely,

The Member Solutions Team