



STATE OF GEORGIA  
GOVERNOR'S OFFICE OF CONSUMER PROTECTION

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## Gym Membership Transfer Agreements

For gyms that are closing, memberships may be transferred to a substantially similar facility located within ten miles of the gym. If a health spa closes its doors and the membership contracts are transferred to another facility, the health spa owner is required to provide to this office a copy of a transfer agreement between both gyms. The transfer agreement must contain provisions which ensure that all the terms of the initial membership contracts are honored by the facility to which the gym memberships are transferred.

OCP does not get involved in financial or other disputes between gym owners regarding the terms of gym membership transfer agreements. However, there may be other recourse available for gym owners to pursue such matters further. For example, owners should review the terms of the membership transfer agreement to see whether provisions were made for resolution of disputes through arbitration. In addition, gym owners may consult a private attorney regarding their rights under the terms of the membership transfer agreement.

If both parties have reached an impasse, small claims court is another alternative. In disputes of less than \$15,000, an action may be filed in magistrate court in the county where the business is located. The Clerk of the Court in that county can provide more information, and you may inquire with the State Bar of Georgia if you need information on locating a private attorney or a Georgia Legal Services Program office to assist you.

## In Summary

- If a health spa closes its doors and the membership contracts are transferred to another facility, the health spa owner is required to provide to this office a copy of a membership transfer agreement between both gyms.
- The transfer agreement must contain provisions which ensure that all the terms of the initial gym membership contracts are honored by the facility to which they are transferred.
- Remember, when disputes arise between gym owners, OCP will not intervene except as specifically permitted by our statute. Gym owners may consult a private attorney regarding their right of action under state and federal laws.

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