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Steve Nash Fitness World sale prompts complaints



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A Steve Nash Fitness World location that closed down during the pandemic.

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VANCOUVER -- The company that took over the old Steve Nash Fitness clubs is getting an earful from members and so is McLaughlin On Your Side. The transition to the new Fitness World hasn't gone smoothly.

In August the doors opened on Fitness World, but it took former Steve Nash Fitness club members by surprise. There have been billing complaints, some fees doubling and people asking why they are paying a club they never joined.

"I thought everything was done and dusted at that point. All of a sudden they came back in business and started billing my credit card as a new company," said former Steve Nash member Robert Lockwood, standing outside the club he went to in Richmond.

"They filed for bankruptcy, did they not?" he asked.

Lockwood, like other Steve Nash members, did not believe that the new Fitness World had the right to start billing him.

That's the big misunderstanding, and here's what happened. In March, Steve Nash Fitness World locked its doors and in April it filed for creditor protection for 27 facilities while it sought to find a buyer for the assets. It's a process that's overseen by a trustee that also avoids bankruptcy.

Steve Nash did not go bankrupt, so those club memberships did not end and former members are still considered to be under contract until they cancel.

"The company didn't actually file for bankruptcy. What they did is sell off all the valuable assets that they had to a new purchaser, and that included all the membership contracts," said Blair Mantin, a licensed insolvency trustee with Sands & Associates.

"All those agreements were assignable and so we purchased them all," confirmed Chris Smith, CEO of the new Fitness World.

And the company says it's honouring the previous agreements, including prepaid memberships and personal training sessions.

But it's been a bumpy transition. Steve Nash Fitness had more than 100,000 members and many of them had been with the club for decades. That meant several different types of contracts were in play, including set lifetime monthly memberships that some members say weren't being honoured.

Those contracts are now being sorted out and Fitness World says it has empowered the individual clubs to deal directly with members to resolve outstanding issues. Smith said no one was overbilled, stating it was a timing issue with the transition.

"We are directing and asking people to go to the clubs and that only makes sense if you can have your team then, in fact, solve it for them in the moment," said Smith.

Many club members who complained to CTV News have now confirmed that their issues have been resolved to their satisfaction.

Lockwood said he never got a contract when he joined the club. It was located in his Richmond condo building and the developer made a deal with Steve Nash Fitness to give new condo owners a \$15 monthly membership rate.

He says his rate doubled and he's been billed \$60 even though he tried cancelling just after the new Fitness World opened. CTV News alerted Fitness World to his situation and Lockwood will now be issued a refund.

But some members want out.

"I gave them \$842 cash in January," said Roma Rawdon.

She used to walk to her Steve Nash club in Surrey's Morgan Crossing, but it never reopened. Although her membership is being honoured, she'll now have to drive to White Rock to work out.

"I want my money back," she said.

However, that's not going to happen. Steve Nash Fitness World was the recipient of her money and it disappeared with the old club.

Fitness World paid \$9 million for the assets, including memberships, and the outstanding \$35 million in debt was eliminated, with BMO taking the biggest hit - \$29.8 million.

Fifteen clubs have reopened and will be rebranded to the new Fitness World but that won't satisfy some members like Rawdon, who don't have their home club to go to anymore.

"My husband said, 'I'm not giving them any money because they're going to be going under,' and that's exactly what happened," she said. "Don't you hate it when your

husband's right?"

Rawdon can cancel, but there won't be a pro-rated refund for her unused prepaid months.

"It's safe to say we've cancelled tens of thousands of memberships through this process," said Smith.

"It's never perfect when there's been a restructuring. There's a lot of pain going around. But I think it's the best of all the alternatives that were out there," said Mantin.

But Rawdon still blames Smith because he accepted her cash payment in January while he was the CEO of the former Steve Nash clubs.

"People say, 'What's different?' And the honest answer I say is, 'Everything,'" Smith said. "I was an employee just like all those other individuals that were affected."

But now he says he's personally, heavily invested in Fitness World, along with a new group of investors. He says he has a lot to lose and will try to make it right.

"I use the word 'try' because there's always an opportunity to do better and do more," he said.

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