

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported): April 25, 2017

Town Sports International Holdings, Inc.
(Exact name of registrant as specified in its charter)

Delaware	001-36803	20-0640002
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

399 Executive Boulevard, Elmsford, New York	10523
(Address of Principal Executive Offices)	(Zip Code)

Registrant's Telephone Number, Including Area Code: (212) 246-6700

Not applicable
(Former Name or Former Address, If Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement.

The information required herein is incorporated by reference to Item 5.02 below.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On April 25, 2017, the Board of Directors of Town Sports International Holdings, Inc. (the “Company”) approved the appointment of Stuart M. Steinberg as General Counsel of the Company, effective as of May 1, 2017. Mr. Steinberg, age 60, has been providing advisory legal services to the Company as an outside consultant since February 2016, through his law firm Stuart M. Steinberg P.C. (the “Firm”).

Mr. Steinberg has been the sole stockholder of the Firm since 2014. Prior to that he was the majority stockholder of Steinberg Fineo Berger & Fischoff P.C, where Mr. Steinberg and his firm served as general counsel to Sbarro, LLC for 15 years, as well as various other companies located throughout the New York metropolitan area. Mr. Steinberg has extensive experience in serving as a general counsel, and specifically with regard to commercial lease negotiations, all facets of corporate representation, employment law and litigation. Mr. Steinberg received his law degree from Pace University in 1982, and is licensed to practice law in the State of New York. Mr. Steinberg has served on the Board of Directors of Seralven Enterprises Ltd. since January 2014.

In connection with Mr. Steinberg’s appointment as General Counsel of the Company, Town Sports International, LLC, a subsidiary of the Company, and Mr. Steinberg entered into a Letter Agreement, effective as of May 1, 2017 (the “Letter Agreement”). Pursuant to the Letter Agreement, Mr. Steinberg will earn an annual base salary of \$280,000 and be eligible for an annual bonus as determined by the sole and absolute discretion of the Company, based upon the Company’s financial results, individual performance and the year over year savings of legal fees incurred by the Company. Mr. Steinberg will also be able to participate in the benefit programs generally available to the Company’s executives. Mr. Steinberg’s employment has no specified term and will be on an at-will basis, whereby his employment can be terminated for any reason upon thirty days written notice.

Furthermore, the Company and the Firm previously entered into an Engagement Letter Agreement dated as of February 4, 2016, and as amended and restated effective as of May 1, 2017 (the “Engagement Letter”), pursuant to which the Company engaged the Firm to provide general legal services requested by the Company, including, but not limited to, legal research, factual investigation, the review and preparation of real estate documents, the review and negotiation of contracts, the review and handling of employment matters, litigation management and such other legal services requested by the Company to support the Company’s General Counsel Office. The Agreement provides for a monthly retainer fee payable to the Firm in the amount of \$21,250. The term of the Engagement Letter will be on a month-to-month basis, renewing automatically for successive one month periods, unless earlier terminated in accordance with the terms of the Letter Agreement. The Company will also reimburse the Firm for any expenses incurred in connection with the Firm’s services to the Company. Either the Company or the Firm may terminate the Agreement at any time by providing 30 days written notice to the other party.

The foregoing summary description of the Letter Agreement and Engagement Letter are qualified in their entirety by reference to the full text of the Letter Agreement and Engagement Letter, copies of which are attached to this report on Form 8-K as Exhibit 10.1 and Exhibit 10.2, respectively, and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
10.1	Letter Agreement between Town Sports International, LLC and Stuart M. Steinberg.
10.2	Amended and Restated Engagement Letter Agreement between Town Sports International Holdings, Inc. and Stuart M. Steinberg P.C.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: April 27, 2017

TOWN SPORTS INTERNATIONAL HOLDINGS, INC.

By: /s/ Carolyn Spatafora
Carolyn Spatafora
Chief Financial Officer

EXHIBIT INDEX

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Marjorie Ramos
VP, Head of Human Resources
Phone 212.246.6700
Fax 212.664.1704
marjorie.ramos@tsiclubs.com

April 25, 2017

Stuart M. Steinberg, Esq.
2 Rodeo Drive
Edgewood, NY 11717

Re: Town Sports International, LLC - Offer Letter

Dear Stuart:

Town Sports International, LLC (the "Company" or "TSI") a subsidiary of Town Sports International Holdings, Inc. ("TSI Holdings"), is pleased to extend this offer of employment to you for the position of General Counsel ("GC"). Your first day with the Company will be May 1, 2017 (your "Start Date"). You will be based out of your office in Edgewood, New York and will visit the corporate office as needed.

The following will outline the general terms of our employment offer:

1. Position. As GC, you will perform the duties and services assigned to you by the Company, and shall report to the Company's Chief Operating Officer, or to another designed Executive Officer. You shall also serve as an officer of any affiliate of the Company as designated by the Company. You shall devote such time and attention to the affairs of the Company and to your duties on the Company's behalf as you deem appropriate and have historically provided over the past year as the Company's outside counsel. Your employment will be subject to all Company policies, procedures and practices as may currently exist or as may be modified or implemented in the future, including our Code of Ethics and Business Conduct and Employee Handbook. In addition, by accepting employment with the Company, you agree to enter into, and comply with, the Company's Confidentiality and Non-solicitation Agreement and to arbitrate any disputes arising out of your employment as set forth in the Company's Dispute Resolution Program. These documents will be provided to you as part of your new hire package and you will be required to sign them prior to beginning your employment with the Company.

2. Compensation. For all services to be performed hereunder, your initial annual base salary will be \$280,000, payable in accordance with the Company's standard payroll practices and subject to all applicable tax withholdings. Wages are paid every other week, on Friday. Future salary increases will be based on demonstrated job performance. Your performance will be reviewed each year in accordance with Company policy and practice.

3. Bonus. You will be eligible for an annual bonus in the sole and absolute discretion of the Company based upon the Company's financial results, your individual performance and the year over year savings of legal fees incurred by the Company and which are within your control to reduce.

4. Stock. Intentionally omitted.

5. Employee Benefits. Upon commencement of employment, you will be eligible to participate in all employee benefit programs as are generally available to other executives of the Company in accordance with the terms and conditions of the applicable benefits plans, programs, policies and/or practices.

You will be eligible to join the Company's executive benefit program on the 61st day of the month following the date you begin employment. You will be eligible to join the Company's 401(k) program on the first of the month of the quarter following your one (1) year anniversary with the Company. In the event that changes are made to any of the benefit plans, such changes will apply to you as they apply to other employees of the Company.

You will be eligible for vacation, holidays and time off in accordance to the Company's paid time off policy (PTO) consistent with all other executives. Please be aware that TSI's PTO policy does not allow carryover of unused PTO from year to year, other than as required by federal, state or local law, and is not paid out upon termination of employment.

You will be reimbursed for all normal business expenses in accordance with Company policy.

6. Employment at Will. In accepting this offer, you understand and agree that your employment with the Company shall be at-will, which means that either you or the Company are free to terminate your employment at any time, for any reason or no reason, on thirty (30) days' notice. You further understand and acknowledge that there is no written or oral contract providing you with any definite or specific term of employment. You further understand and agree that, due to your at-will status, the Company may, at any time, modify the terms of your employment, including, but not limited to, your job title, job responsibilities, compensation and benefits.

7. Truthful Representations. You acknowledge and confirm that all of the representations you have made and all of the information that you have provided to the Company on any employment application, resume or any other document, or orally during the interview process, concerning, among other things, your prior employment history, education, experience and other qualifications, are true and correct. You understand and agree that any falsifications, misrepresentations, or omissions with respect to any of the representations and information that you have made or provided to the Company may be grounds for the withdrawal of this offer of employment or, if hired, the termination of your employment.

8. Other Conditions and Obligations. By signing this agreement, you represent that you are not subject to any currently-effective employment contract, or any other contractual or other binding obligation, including without limitation, any obligation relating to non-competition, confidentiality, trade secrets, proprietary information or works for hire, that would restrict your employment or employment activities with or on behalf of the Company. In your work for the Company, you will be expected not to use or disclose any confidential information, including trade secrets, of any former employer or other person to whom you have an obligation of confidentiality. You agree you will not bring onto Company premises any unpublished documents or property belonging to any former employer or other person to whom you have any obligation of confidentiality.

Other than the Company's Retainer Agreement with Stuart M. Steinberg ,P.C., being executed simultaneously herewith, you acknowledge that this letter constitutes the sole and complete understanding between you and the Company with respect to this offer of employment and your prospective employment, and you hereby acknowledge that there are no other agreements, understandings or representations, whether written or oral and whether made contemporaneously or otherwise, with respect to this offer of employment.

You further understand and acknowledge that your employment with the Company is contingent upon:

- Your completion of Section 1 of the Form I-9 on or before the end of your first (1st) day of employment and your presentation of your original documentation verifying your work eligibility and identification on or before the third (3rd) day of your employment.
- Approval of this Offer Letter by the Audit Committee of the Board of Directors of the Company.

We all look forward to you joining our Executive team. Please do not hesitate to contact me if you have any questions.

Please indicate your acceptance of this offer of employment by signing this Offer Letter and returning the signed letter to me at the above address.

Very truly yours,

TOWN SPORTS INTERNATIONAL, LLC

By:

/s/ Marjorie Ramos

Marjorie Ramos

ACKNOWLEDGEMENT:

I have read and understand all of the terms of this letter and I accept and agree to all of the terms set forth therein.

ACCEPTED AND AGREED TO:

/s/ Stuart M. Steinberg
Stuart M. Steinberg

Date: 04/25/2017

AMENDED ENGAGEMENT LETTER AGREEMENT

This Engagement Letter Agreement (the "Agreement") is made as of May 1, 2017, by and among Town Sports International, Inc., a corporation with its corporate headquarters located at 5 Penn Plaza, New York, New York 10001 ("TSI" or the "Company"), and Stuart M Steinberg P.C., a professional corporation, with its offices located at 2 Rodeo Drive, Edgewood, New York 11717 (the "Firm").

WHEREAS, TSI and the Firm entered into that certain Engagement Letter Agreement dated February 4, 2016 which Engagement Letter Agreement was revised on August 1, 2016 ("Initial Engagement Letter"); and

WHEREAS, the Parties desire to amend terms of the Initial Engagement Letter to retain the Firm, subject to the terms and conditions of this Amended Engagement Letter Agreement to provide certain legal services to the Company, and the Firm's desire to provide such legal services to the Company;

WHEREAS, TSI simultaneously entering into an Offer Letter with Stuart M. Steinberg, to serve as TSI's General Counsel in his individual capacity.

NOW, THEREFORE, in consideration of the mutual promises, agreements and covenants contained herein, the parties agree as follows:

1. **Term.** The Firm's retention by TSI commenced February 4, 2016. This Amendment will be effective May 1, 2017 and continue month to month, unless earlier terminated as provided in Section 4 (the "Term"); provided that the Term shall renew automatically for successive monthly periods unless either party gives the other party written notice of its intention not to renew Agreement no later than 30 days prior to the expiration of the then current Term.

2. **Duties.** The Firm will provide general legal services requested by the Company, including, for example, legal research, factual investigation, the review and preparation of real estate documents, the review and negotiation of contracts, the review and handling of employment matters, litigation management and such other legal services requested by TSI to support the Company's General Counsel Office.

3. **Monthly Retainer; Billings; Office Space; Expenses.**

(a) Monthly Retainer.

(i) Monthly Retainer Hours. In consideration of the Firm providing legal services to TSI, the Company shall pay the Firm a Monthly Retainer of \$21,250 in advance. The Monthly Retainer amount does not include legal services for special matters, which are described below.

(ii) Fees for Special Matters. The Monthly Retainer does not include fees for litigation in which the Firm directly represents TSI, transactional work or Special Matters outside of the ordinary course of business of TSI. Fees to be paid for exceptional matters shall be agreed to in advance by the Firm and the Company. TSI shall be under no obligation to engage the Firm, and the Firm shall be under no obligation to accept any engagement with respect to, any Special Matter.

(iii) Expenses. In the course of rendering services to the Company, it may be necessary for the Firm to incur expenses for items such as filing and recording fees, deposition transcripts, computerized legal research, third party contractors, notary service, overnight or special delivery service, postage, travel, lodging and meals. Expense items incurred on the Company's behalf will be itemized separately and billed monthly.

(iv) Payment of Monthly Retainer and Expenses. The Company shall remit payment to the Firm for the Monthly Retainer in advance and for, any Special Matter hours and any expense reimbursement, within fifteen (15) days of the approval by the Company of a Monthly Billing Statement.

4. **Services to be Provided as Independent Contractor.** The Firm, in the performance of this Agreement, shall be acting as an independent contractor, and shall have exclusive control of the manner and means of performing the legal services to be performed under this Agreement and the employees providing such services. The Firm acknowledges and agrees that TSI will be under no obligation to act as an employer or co-employer with respect to the Firm or any employee of the Firm. The Firm will be solely responsible for the salaries, bonuses and benefits of all Firm personnel who provide services to TSI. Except as set forth in Steinberg's Offer letter, Employees of the Firm will not be eligible to participate in any employee benefit, bonus, incentive, severance or compensation plans or programs of the Company. The Firm agrees to defend and indemnify Company for: (1) any violations of law by the Firm; (2) any breaches of the Agreement by the Firm; and (3) losses incurred by the Company due to the negligence of the Firm in fulfilling its responsibilities.

5. **Termination of Agreement.** Notwithstanding anything else herein to the contrary, the Agreement may be terminated at any time by either party upon providing thirty (30) days written notice to the other party. If this Agreement is terminated for any reason, the Firm shall have no right to receive any further compensation, whether under this Agreement or otherwise, on and after the effective date of such termination other than: (i) any then earned, but unpaid Monthly Retainer or Special Matters fees, if any, and (ii) reimbursement, in accordance with the terms of this Agreement, for expenses properly incurred prior to the effective date of termination.

6. **Conflicts of Interest.** Based on this retention, it is essential that the Firm does not represent any clients or participate in any activities that conflict with its representation of the Company. Accordingly, neither the Firm nor any employee of the Firm may represent, maintain any ownership or other financial or equity interest, directly or indirectly, in any business that is a competitor of the Company. If the Company determines, in its sole judgment, that a conflict of interest exists, or could exist, the Firm agrees it will not represent or provide services to the other client.

7. Confidential Information and Privileged Information; Trade Secrets; Preservation of Company Property; Proprietary Information; Developments.

(i) Confidential Information. The Firm acknowledges and agrees that all information concerning the Company's operations to which it has access as a result of this Agreement is confidential to and constitutes privileged and trade secrets of the Company, and the Firm will not directly or indirectly disclose such information to any third person or entity except for such disclosures as the Firm may be authorized to make as part of the performance of its legal services for the Company. Information concerning the Company's operations as used herein includes, but shall not be limited to, any information not publicly disclosed by the Company in the usual course of business and specifically includes identities of the Company's customers, suppliers and subcontractors, information concerning historical or forecast costs or sales. Information includes materials written or recorded by any means and also includes non-recorded facts.

(ii) Preservation of Company Property. All files, records, documents, drawings, supplies, equipment and similar items relating to the business of the Company, whether prepared by the Firm or otherwise coming into the Firm's possession as a result of this Agreement shall be deemed Company property and returned to TSI upon the termination of this Agreement.

(iii) Proprietary Information. The Firm agrees that all information and know-how, whether or not in writing, of a private, secret or confidential nature concerning TSI's business or financial affairs or business methods received by them from TSI or of which they became aware during the term of this Agreement shall be deemed "Proprietary Information", and shall be the exclusive property of TSI. Except as may be required by law, a court of competent jurisdiction, the Firm shall not disclose any Proprietary Information to others outside TSI (except as part of the performance of its proper duties on behalf of TSI), or use the Proprietary Information for any unauthorized purposes, either during or after this Agreement terminates. The Firm agrees that all Proprietary Information, whether created by the Firm pursuant to this Agreement or otherwise, which shall come into their custody, shall be and is the exclusive property of TSI to be used by the Firm only in the performance of their duties for TSI. The Firm agrees to deliver promptly to TSI on termination of this Agreement, all Proprietary Information which the Firm may then possess or have under their control.

(iv) Firm Materials. Notwithstanding anything to the contrary contained herein, the Firm shall be entitled to retain: (i) papers and other materials of a personal nature, including photographs, personal correspondence, personal diaries and rolodexes and personal files and phone books; (ii) information showing their compensation or relating to reimbursement of expenses; (iii) information that they reasonably believes may be needed for tax purposes; or (iv) copies of plans, programs and agreements relating to this Agreement, or termination thereof, with TSI.

(v) Survival. The obligations of this Paragraph 7 shall survive the termination of this Agreement.

(iv) Waivers and Amendments. This Agreement may be amended, superseded or canceled, and the terms hereof may be waived, only by a written instrument signed by the parties. No delay by either party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of either party of any such right, power or privilege nor any single or partial exercise as any such right, power or privilege, preclude any other or further exercise thereof or the exercise of any other such right, power or privilege.

(v) Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of New York, including the New York Rules of Professional Conduct.

(vi) Arbitration of Disputes. It is agreed that any and all disputes, claims or controversies arising out of or relating to this Agreement, including any dispute regarding performance of legal services hereunder, legal fees, the Monthly Retainer and the quality or appropriateness of the Firm's legal services, shall be resolved exclusively by arbitration in New York County, New York, under the Commercial Arbitration Rules of the American Arbitration Association. In rendering the award, the arbitrator shall determine the rights and obligations of the parties according to the substantive and procedural laws of the State of New York.

(vii) Assignment. This Agreement may not be assigned by the Firm. Any purported assignment by the Firm in violation hereof shall be null and void. In the event of any sale, transfer or other disposition of all or substantially all of the Company's assets or business, whether by merger, consolidation or otherwise, TSI may assign this Agreement and their rights hereunder to the party acquiring such assets or business.

(viii) Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors, permitted assigns, heirs, executors and legal representatives.

(ix) Counterparts. This Agreement may be executed by the parties in separate counterparts, each of which when so executed and delivered shall be an original but both such counterparts together shall constitute one and the same instrument. Each counterpart may consist of two copies hereof each signed by one of the parties hereto.

(x) Approval. The Effectiveness of this Amended Engagement Letter is subject to the approval by the Audit Committee of the Board of Directors of the Company.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

TOWN SPORTS INTERNATIONAL, INC.

By: /s/ Carolyn Spatafora
Carolyn Spatafora - Chief Financial Officer

Stuart M. Steinberg P.C.

By: /s/ Stuart M. Steinberg
Stuart M. Steinberg
President
