SoulCycle Has Alleged 'Illegal' Payment System With Certificates That Expire Quickly, Suit Says

By SUSANNA KIM

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A customer of the popular fitness craze SoulCycle says the company is forcing riders to use an "illegal" payment system that requires customers to buy certificates with "unreasonably short expiration periods," according to a new lawsuit.

Rachel Cody, of Los Angeles, told ABC News that SoulCycle's payment policy is "infuriating," because the firm requires customers to buy "Series Certificates" that can be redeemed for cycling sessions, the suit says.

Cody, who works in financial services, bought a Series Certificate online for $30 in June of this year with the intention of taking a single cycling class, but she didn't redeem it before its 30-day expiration period. Her lawsuit claims the certificates have "unreasonably short expiration periods."

There are other, more expensive packages that have longer expiration periods.

Her lawsuit, which alleges SoulCycle certificates have "illegal expiration provisions," was filed on Tuesday in Los Angeles federal court and seeks class action certification.

Cody asserts that these Series Certificates ???constitute ???gift certificates?????? and in purchasing one, believed ???SoulCycle would abide by applicable state and federal laws???.

One of the laws Cody refers to in the suit is the federal Credit Card Accountability and Disclosure Act, known as the CARD Act, which prohibits gift certificates with expiration dates of less than five years.

In her lawsuit, Cody also says that ???exacerbating the illegal nature of SoulCycle???s scheme is the limited availability of SoulCycle???s exercise sessions. In a July 2015 filing with the Federal Securities and Exchange Commission, SoulCycle stated that 30% of sessions were reserved within 15 minutes of availability.??? SoulCycle, based in New York City, has 47 locations with plans to open at least 250 studios in the next "several years," according to its IPO filing with the Securities and Exchange Commission last month. The company said it had 235,000 unique riders last year.

According to the suit: "the number of separate individuals who have had all or a portion of their series certificate expire is likely to be in the tens of thousands and is identifiable and ascertainable based on SoulCycle???s records."

???SoulCycle???s practice of forcing its customers to forfeit unused exercise sessions is the epitome of soulless unlawful greed,??? Cody's lawyer, Dorian Berger of law firm Olavi Dunne LLP said in a statement.

A spokeswoman for SoulCycle declined to comment to ABC News on the pending litigation. The company has about 30 days to file a response.

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