

## Pair seeks World Gym domination

K. Denise Johnston and Richard Lawson

A recent change in ownership of Nashville's largest World Gym could pump up the fitness chain's area investment by \$10 million and mark the arrival of several new centers. Nashville businessman Dr. Eugene Sacks recently bought out his partner in the World Gym near Nashboro Village with Lexington, Ky., businessman Royce Pulliam. Pulliam, president and CEO of Pulliam Fitness Cos., owns three World Gyms in his hometown and two in Cincinnati. He also is on the board of directors of the corporation, which is based in Santa Monica, Calif. Sacks and Pulliam own the new development rights for World Gym in Nashville. They plan to open four to six World Gyms in Nashville in the next three to five years. "We're looking at several locations at this point," says Sacks. "We are committed to an \$8 million to \$10 million investment in the health club industry in the Nashville market." Sacks is a former Nashville general surgeon who still practices medicine and owns a minority interest of the Randall G. Sender Pavilion, Cummins Station and The Gateway to Nashville at Union Station. Sacks is an equal partner with Pulliam in Nashville. "Royce is going to be a major player in the Tennessee market," says Mike Uretz, chief executive officer of World Gym International. "We are excited about his regional expansion plans." World Gym currently has three other locations in the Nashville area, each with different owners. Pulliam and Sacks note that new clubs wouldn't interfere with existing franchise locations. But, as part of their expansion plans, they may attempt to buy out the other franchisees. Sacks and Scott Lefitte bought the gym, formerly named Club Vita, on Murfreesboro Road 14 months ago. Lefitte once owned the World Gyms in Brentwood and Bellevue. "I wanted to do other business ventures," says Lefitte. Sacks notes the gym had been hemorrhaging money. They immediately turned the gym into a 24-hour World Gym. It is one of the few 24-hour World Gyms in the 300-gym franchise founded by weightlifting legend Joe Gold more than 20 years ago. Sacks says he and his old partner quickly spun the struggling club to profitability. "We went from 900 to 3,000 members in nine months," says Sacks. The brand name and club renovations helped bring in new customers, he says. Sacks wanted to expand in the Nashville area and sought out Pulliam to help. Ira Blonder, Managing Partner of The Blonder Group represented Sacks in the buyout of his former partner. Blonder is representing the new partnership in future World Gym development. Pulliam and Sacks plan to bring to the Nashville area one of World Gym's new state-of-the-art prototype high-tech clubs. The gyms typically measure 25,000 to 50,000 square feet and cost \$1.5 million to \$2 million to build. Each prototype club features amenities such as full-court basketball, a Smoothie King and a Planet Salon Day Spa. Currently, the Nashville area has a World Gym franchise in Bellevue, Brentwood and Hendersonville.

"We will not do anything to go directly head to head to compete with existing (World Gym) franchises," says Pulliam. "If we get that close to them, we will buy them out, and we'll make it so they want to sell." But Pulliam may face some resistance. Tim Giles, managing partner for World Gym Bellevue says, "I'm not selling. I have a good little business here, and I have expansion plans at this location." Giles owns the World Gym expansion rights in Murfreesboro.