

TOWN SPORTS INTERNATIONAL HOLDINGS INC  
 Form 4  
 February 01, 2007

**FORM 4** UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549

OMB APPROVAL  
 OMB Number: 3235-0287  
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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
 FARALLON CAPITAL PARTNERS LP

(Last) (First) (Middle)

C/O FARALLON CAPITAL MANAGEMENT, L.L.C., ONE MARITIME PLAZA, SUITE 1325

(Street)

SAN FRANCISCO, CA 94111

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
 TOWN SPORTS INTERNATIONAL HOLDINGS INC [CLUB]

3. Date of Earliest Transaction (Month/Day/Year)  
 01/30/2007

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

\_\_\_ Director \_\_\_X\_\_\_ 10% Owner  
 \_\_\_ Officer (give title below) \_\_\_X\_\_\_ Other (specify below)  
 Member of Group Owning 10%

6. Individual or Joint/Group Filing(Check Applicable Line)

\_\_\_ Form filed by One Reporting Person  
 \_\_\_X\_\_\_ Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1. Title of Security (Instr. 3)           | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---|--------------------------------------|--|--------------------------------|---|---|--|---|
| Common Stock, par value \$0.001 per share |                                      |  |                                | (A) Amount  | 1,861,348   | D  | (1) (2) (3) (14)                                      |
| Common Stock, par value \$0.001 per       |                                      |  |                                | (A) Amount  | 2,099,112   | D  | (1) (2) (4) (14)                                      |

|   |            |   |         |   |            |           |   |  |
|---|------------|---|---------|---|------------|-----------|---|--|
| share   |            |   |         |   |            |           |   |  |
| Common<br>Stock, par<br>value<br>\$0.001 per<br>share |            |   |         |   |            | 1,021,256 | D | <u>(1)</u> <u>(2)</u> <u>(5)</u><br><u>(14)</u>                      |
| Common<br>Stock, par<br>value<br>\$0.001 per<br>share |            |   |         |   |            | 2,500     | D | <u>(1)</u> <u>(2)</u> <u>(6)</u><br><u>(14)</u>                      |
| Common<br>Stock, par<br>value<br>\$0.001 per<br>share |            |   |         |   |            | 2,500     | D | <u>(1)</u> <u>(2)</u> <u>(7)</u><br><u>(14)</u>                      |
| Common<br>Stock, par<br>value<br>\$0.001 per<br>share |            |   |         |   |            | 90,500    | D | <u>(1)</u> <u>(2)</u> <u>(8)</u><br><u>(14)</u>                      |
| Common<br>Stock, par<br>value<br>\$0.001 per<br>share |            |   |         |   |            | 254,063   | D | <u>(1)</u> <u>(2)</u> <u>(9)</u><br><u>(14)</u>                      |
| Common<br>Stock, par<br>value<br>\$0.001 per<br>share |            |   |         |   |            | 5,331,279 | I | See<br>Footnotes<br><u>(1)</u> <u>(2)</u> <u>(10)</u><br><u>(14)</u> |
| Common<br>Stock, par<br>value<br>\$0.001 per<br>share |            |   |         |   |            | 5,331,279 | I | See<br>Footnotes<br><u>(1)</u> <u>(2)</u> <u>(11)</u><br><u>(14)</u> |
| Common<br>Stock, par<br>value<br>\$0.001 per<br>share | 01/30/2007 | J | 322,000 | D | \$<br>19.2 | 0         | I | See<br>Footnotes<br><u>(1)</u> <u>(2)</u> <u>(12)</u><br><u>(13)</u> |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control**

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**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | 8. Price of Derivative Security (Instr. 5) | 9. Number of Derivative Securities Beneficially Owned (Instr. 5) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|--|
|  |  |                                      |  | Code                           | V (A) (D)   | Date Exercisable   | Expiration Date   | Title                                      | Amount or Number of Shares                                       |

## Reporting Owners

| Reporting Owner Name / Address   | Relationships |                            |
|--|---------------|----------------------------|
|  | Director      | 10% Owner                  |
| FARALLON CAPITAL PARTNERS LP<br>C/O FARALLON CAPITAL MANAGEMENT, L.L.C.<br>ONE MARITIME PLAZA, SUITE 1325<br>SAN FRANCISCO, CA 94111                   | X             | Member of Group Owning 10% |
| FARALLON CAPITAL INSTITUTIONAL PARTNERS LP<br>C/O FARALLON CAPITAL MANAGEMENT, L.L.C.<br>ONE MARITIME PLAZA, SUITE 1325<br>SAN FRANCISCO, CA 94111     | X             | Member of Group Owning 10% |
| FARALLON CAPITAL INSTITUTIONAL PARTNERS II LP<br>C/O FARALLON CAPITAL MANAGEMENT, L.L.C.<br>ONE MARITIME PLAZA, SUITE 1325<br>SAN FRANCISCO, CA 94111  | X             | Member of Group Owning 10% |
| FARALLON CAPITAL INSTITUTIONAL PARTNERS III LP<br>C/O FARALLON CAPITAL MANAGEMENT, L.L.C.<br>ONE MARITIME PLAZA, SUITE 1325<br>SAN FRANCISCO, CA 94111 | X             | Member of Group Owning 10% |
| DING CHUN R<br>C/O FARALLON CAPITAL MANAGEMENT, L.L.C.<br>ONE MARITIME PLAZA, SUITE 1325<br>SAN FRANCISCO, CA 94111                                    | X             | Member of Group Owning 10% |

|   |   |                               |
|---|---|-------------------------------|
| DUHAMEL WILLIAM F<br>C/O FARALLON CAPITAL MANAGEMENT, L.L.C.<br>ONE MARITIME PLAZA, SUITE 1325<br>SAN FRANCISCO, CA 94111   | X | Member of Group Owning<br>10% |
| FRIED RICHARD B<br>C/O FARALLON CAPITAL MANAGEMENT, L.L.C.<br>ONE MARITIME PLAZA, SUITE 1325<br>SAN FRANCISCO, CA 94111     | X | Member of Group Owning<br>10% |
| LANDRY MONICA R<br>C/O FARALLON CAPITAL MANAGEMENT, L.L.C.<br>ONE MARITIME PLAZA, SUITE 1325<br>SAN FRANCISCO, CA 94111     | X | Member of Group Owning<br>10% |
| MacMahon Douglas M<br>C/O FARALLON CAPITAL MANAGEMENT, L.L.C.,<br>ONE MARITIME PLAZA, SUITE 1325<br>SAN FRANCISCO, CA 94111 | X | Member of Group Owning<br>10% |
| MELLIN WILLIAM F<br>C/O FARALLON CAPITAL MANAGEMENT, L.L.C.<br>ONE MARITIME PLAZA, SUITE 1325<br>SAN FRANCISCO, CA 94111    | X | Member of Group Owning<br>10% |

## Signatures

|  |            |
|--|------------|
| /s/ Monica R. Landry as attorney-in-fact and/or authorized signer for each of the reporting persons listed in footnotes (3) through (6).   | 02/01/2007 |
| __Signature of Reporting Person  | Date       |
| /s/ Monica R. Landry, on her own behalf, and as attorney-in-fact and/or authorized signer for each of Chun R. Ding, William F. Duhamel, Richard B. Fried, Douglas M. MacMahon and William F. Mellin. | 02/01/2007 |
| __Signature of Reporting Person  | Date       |
| .  | 02/01/2007 |
| __Signature of Reporting Person  | Date       |
| .  | 02/01/2007 |
| __Signature of Reporting Person  | Date       |
| .  | 02/01/2007 |
| __Signature of Reporting Person  | Date       |
| .  | 02/01/2007 |
| __Signature of Reporting Person  | Date       |

|   |   |
|---|---|
| <p>_____<br/>                 **Signature of Reporting Person</p> | <p>02/01/2007<br/>                 Date</p> |
| <p>_____<br/>                 **Signature of Reporting Person</p> | <p>02/01/2007<br/>                 Date</p> |
| <p>_____<br/>                 **Signature of Reporting Person</p> | <p>02/01/2007<br/>                 Date</p> |

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
  - (1) The entities and individuals identified in the footnotes (3) through (10) of this Form 4 may be deemed members of a group holding equity securities of the Issuer. The filing of this Form 4 and any statements included herein shall not be deemed to be an admission that such entities and individuals are members of such group. The reporting persons are not members of a group with CS Equity II LLC or CapitalSource Inc. with respect to the Issuer's securities.
  - (2) Since the number of reporting persons that may be listed on a Form 4 is limited, the entities listed in footnotes (7) through (10) of this Form 4 and Stephen L. Millham, Jason E. Moment, Rajiv A. Patel, Derek C. Schrier, Thomas F. Steyer and Mark C. Wehrly, each as listed in footnote (11) of this Form 4, are filing a separate Form 4 on the same date as the filing of this Form 4 as reporting persons with respect to the securities described in this Form 4 (the "Parallel Form 4"). Although certain of the entities and individuals identified in footnote (1) of this Form 4 are not reporting persons, information regarding them is included on this Form 4 for purposes of clarification and convenience only. Such information is duplicative of the information reported by them in the Parallel Form 4.
  - (3) The amount of securities shown in this row is owned directly by Farallon Capital Partners, L.P. ("FCP").
  - (4) The amount of securities shown in this row is owned directly by Farallon Capital Institutional Partners, L.P. ("FCIP").
  - (5) The amount of securities shown in this row is owned directly by Farallon Capital Institutional Partners II, L.P. ("FCIP II").
  - (6) The amount of securities shown in this row is owned directly by Farallon Capital Institutional Partners III, L.P. ("FCIP III").
  - (7) The amount of securities shown in this row is owned directly by Tincicum Partners, L.P. ("Tincim").
  - (8) The amount of securities shown in this row is owned directly by Farallon Capital Offshore Investors II, L.P. ("FCOI II").
  - (9) The amount of securities shown in this row is owned directly by RR Capital Partners, L.P. ("RR", and together with FCP, FCIP, FCIP II, FCIP III, Tincicum and FCOI II, the "Farallon Funds").
  - (10) Farallon Partners, L.L.C. ("FPLLC"), as the general partner to each of the Fallon Funds, may be deemed to be the beneficial owner of the Issuer's securities held by each of the Farallon Funds. FPLLC disclaims any beneficial ownership of any of the Issuer's securities reported or noted herein for purposes of Rule 16a-1(a) under the Securities Exchange Act of 1934, as amended (the "Act"), or otherwise, except as to securities representing its pro rata interest in, and interest in the profits of, the Farallon Funds.
  - (11) The amount of securities shown in this row is owned directly by the Farallon Funds. Each of Chun R. Ding, William F. Duhamel, Richard B. Fried, Monica R. Landry, Douglas M. MacMahon, William F. Mellin, Stephen L. Millham, Jason E. Moment, Rajiv A. Patel, Derek C. Schrier and Mark C. Wehrly (collectively, the "Managing Members"), as a managing member of FPLLC, and Thomas F. Steyer ("Steyer"), Senior Managing Member of FPLLC, may be deemed to be a beneficial owner of the Issuer's securities held by the Farallon Funds as reported in this Form 4. Each of the individuals referred to in this footnote (11) disclaims any beneficial ownership of any of the Issuer's securities reported or noted herein for purposes of Rule 16a-1(a) under the Act or otherwise.
  - (12) The amount of securities shown in this row was owned directly by CS Equity II LLC, which is indirectly 100% owned by CapitalSource Inc. The reporting persons are significant shareholders of CapitalSource Inc., with two representatives on the board of directors of CapitalSource Inc. As such, the reporting persons may be deemed to have beneficial ownership of the shares of the Issuer's securities held by CS Equity II LLC. Each of the reporting persons disclaims any beneficial ownership of any such securities for purposes of Rule 16a-1(a) under the Act or otherwise.
  - (13) On January 31, 2007, based on information contained in a Form 4 filed by Jason Fish, the Reporting Persons learned that CS Equity II, LLC had disposed of its 322,000 shares of the Issuer in an open-market or private sale. The Reporting Persons are filing this Form 4 based on, and including the information contained in, Mr. Fish's January 31, 2007 Form 4.

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- (14) All of such securities of the Issuer have been previously reported by the Farallon Funds and the other related entities and individuals on the Form 3 and Forms 4 filed on June 8, 2006 and the Form 3 filed on January 9, 2007 by the applicable Farallon Funds and other entities and individuals listed on such forms. There have been no transactions in such securities by any such entities or individuals since such forms were filed.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.