

MILLHAM STEPHEN L  
 Form 4  
 February 25, 2010

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

OMB APPROVAL

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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 Offshore Investors II, L.P.

(Last) (First) (Middle)

C/O FARALLON CAPITAL MANAGEMENT, L.L.C., ONE MARITIME PLAZA, SUITE 2100

(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)  
 02/23/2010

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

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

Form filed by One Reporting Person  
 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 Ownership (Instr. 4)
				(A) or (D)	Amount		
Common Stock, par value \$0.001 per share				V	1,396,011	D	(1) (2) (3)
Common Stock, par value \$0.001 per					1,574,334	D	(1) (2) (4)

share								
Common Stock, par value \$0.001 per share						1,021,256		D <u>(1)</u> <u>(2)</u> <u>(5)</u>
Common Stock, par value \$0.001 per share						2,500		D <u>(1)</u> <u>(2)</u> <u>(6)</u>
Common Stock, par value \$0.001 per share	02/23/2010	S	114	D	\$ 2.67	477		D <u>(1)</u> <u>(2)</u> <u>(7)</u>
Common Stock, par value \$0.001 per share	02/24/2010	S	304	D	\$ 2.74	173		D <u>(1)</u> <u>(2)</u> <u>(7)</u>
Common Stock, par value \$0.001 per share	02/23/2010	S	11,591	D	\$ 2.67	48,403		D <u>(1)</u> <u>(2)</u> <u>(8)</u>
Common Stock, par value \$0.001 per share	02/24/2010	S	30,822	D	\$ 2.74	17,581		D <u>(1)</u> <u>(2)</u> <u>(8)</u>
Common Stock, par value \$0.001 per share						65,981		D <u>(1)</u> <u>(2)</u> <u>(9)</u>
Common Stock, par value \$0.001 per share						4,077,836	I	See Footnotes <u>(1)</u> <u>(2)</u> <u>(10)</u>
Common Stock, par value \$0.001 per share						4,077,836	I	See Footnotes <u>(1)</u> <u>(2)</u> <u>(11)</u> <u>(12)</u>

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Common Stock, par value \$0.001 per share	02/23/2010	S	21,232	D	\$ 2.67	88,663	D <u>(1)</u> <u>(2)</u> <u>(13)</u> <u>(16)</u>
Common Stock, par value \$0.001 per share	02/24/2010	S	56,458	D	\$ 2.74	32,205	D <u>(1)</u> <u>(2)</u> <u>(13)</u> <u>(16)</u>
Common Stock, par value \$0.001 per share	02/23/2010	S	23,944	D	\$ 2.67	99,989	D <u>(1)</u> <u>(2)</u> <u>(14)</u> <u>(16)</u>
Common Stock, par value \$0.001 per share	02/24/2010	S	63,671	D	\$ 2.74	36,318	D <u>(1)</u> <u>(2)</u> <u>(14)</u> <u>(16)</u>
Common Stock, par value \$0.001 per share	02/23/2010	S	1,119	D	\$ 2.67	4,674	D <u>(1)</u> <u>(2)</u> <u>(15)</u> <u>(16)</u>
Common Stock, par value \$0.001 per share	02/24/2010	S	2,976	D	\$ 2.74	1,698	D <u>(1)</u> <u>(2)</u> <u>(15)</u> <u>(16)</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 number.**

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(9-02)

**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)	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. Nu Deriv Secur Bene Own Follo Repor Trans (Instr
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(Instr. 3,  
4, and 5)

Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
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## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Farallon Capital Offshore Investors II, L.P. C/O FARALLON CAPITAL MANAGEMENT, L.L.C. ONE MARITIME PLAZA, SUITE 2100 SAN FRANCISCO, CA 94111		X		Member of Group Owning 10%
TINICUM PARTNERS LP FARALLON C/O FARALLON CAPITAL MANAGEMENT, L.L.C. ONE MARITIME PLAZA, SUITE 2100 SAN FRANCISCO, CA 94111		X		Member of Group Owning 10%
RR CAPITAL PARTNERS LP C/O FARALLON CAPITAL MANAGEMENT, L.L.C. ONE MARITIME PLAZA, SUITE 2100 SAN FRANCISCO, CA 94111		X		Member of Group Owning 10%
MILLHAM STEPHEN L C/O FARALLON CAPITAL MANAGEMENT, L.L.C. ONE MARITIME PLAZA, SUITE 2100 SAN FRANCISCO, CA 94111		X		Member of Group Owning 10%
Moment Jason E C/O FARALLON CAPITAL MANAGEMENT, L.L.C. ONE MARITIME PLAZA, SUITE 2100 SAN FRANCISCO, CA 94111		X		Member of Group Owning 10%
Pant Ashish H C/O FARALLON CAPITAL MANAGEMENT, L.L.C. ONE MARITIME PLAZA, SUITE 2100 SAN FRANCISCO, CA 94111		X		Member of Group Owning 10%
PATEL RAJIV A C/O FARALLON CAPITAL MANAGEMENT, L.L.C. ONE MARITIME PLAZA, SUITE 2100		X		Member of Group Owning 10%

SAN FRANCISCO, CA 94111

Spokes Andrew J M  
 C/O FARALLON CAPITAL MANAGEMENT,  
 L.L.C.  
 ONE MARITIME PLAZA, SUITE 2100  
 SAN FRANCISCO, CA 94111

X

Member of Group Owning  
 10%

STEYER THOMAS F  
 C/O FARALLON CAPITAL MANAGEMENT,  
 L.L.C.  
 ONE MARITIME PLAZA, SUITE 2100  
 SAN FRANCISCO, CA 94111

X

Member of Group Owning  
 10%

Voon Richard H.  
 C/O FARALLON CAPITAL MANAGEMENT,  
 L.L.C.  
 ONE MARITIME PLAZA, SUITE 2100  
 SAN FRANCISCO, CA 94111

X

Member of Group Owning  
 10%

## Signatures

/s/ Mark C. Wehrly as attorney-in-fact and/or authorized signer for each of Tincum Partners,  
 L.P., RR Capital Partners, L.P. and Farallon Capital Offshore Investors II, L.P.

02/25/2010

\_\_Signature of Reporting Person

Date

/s/ Mark C. Wehrly as attorney-in-fact and/or authorized signer for each of Stephen L.  
 Millham, Jason E. Moment, Ashish H. Pant, Rajiv A. Patel, Andrew J.M. Spokes, Thomas F.  
 Steyer and Richard H. Voon.

02/25/2010

\_\_Signature of Reporting Person

Date

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02/25/2010

\_\_Signature of Reporting Person

Date

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02/25/2010

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02/25/2010

\_\_Signature of Reporting Person

Date

## 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 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.
- (2) Since the number of reporting persons that may be listed on a Form 4 is limited, the entities and individuals listed in the footnotes of this Form 4 that are not reporting persons on this Form 4 are filing two additional Form 4s on the date hereof as reporting persons with respect to the securities described herein (the "Parallel Form 4s"). Information regarding these entities and individuals is included in this Form 4 for purposes of clarification and convenience only, and is duplicative of the information reported in the Parallel Form 4s.
- (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 Tinicum Partners, L.P. ("Tinicum").
- (8) The amount of securities shown in this row is owned directly by RR Capital Partners, L.P. ("RR").
- (9) The amount of securities shown in this row is owned directly by Farallon Capital Offshore Investors II, L.P. ("FCOI II").
- (10) The amount of securities shown in this row is, in the aggregate, owned directly by FCP, FCIP, FCIP II, FCIP III, Tinicum, RR and FCOI II (collectively, the "Partnerships"). As the general partner of each of the Partnerships, Farallon Partners, L.L.C. ("FPLLC") may be deemed to be a beneficial owner of the Issuer's securities held by the Partnerships. FPLLC disclaims any beneficial ownership of any of the Issuer's securities reported or noted herein for purposes of Section 16 of the Securities Exchange Act of 1934, as amended (the "'34 Act"), or otherwise, except as to securities representing FPLLC's pro rata interest in, and interest in the profits of, the Partnerships.
- (11) The amount of securities shown in this row is owned directly by the Partnerships. Each of William F. Duhamel, Richard B. Fried, Daniel J. Hirsch, Monica R. Landry, Davide Leone, Douglas M. MacMahon, Stephen L. Millham, Jason E. Moment, Ashish H. Pant, Rajiv A. Patel, Richard H. Voon and Mark C. Wehrly (collectively, the "Managing Members"), Andrew J.M. Spokes (the "Co-Senior Managing Member") and Thomas F. Steyer (the "Senior Managing Member"), as a managing member, a co-senior managing member or a senior managing member of FPLLC with the power to exercise investment discretion, may be deemed to be a beneficial owner of the Issuer's securities held by the Partnerships.
- (12) Each of the Managing Members, the Co-Senior Managing Member and the Senior Managing Member disclaims any beneficial ownership of any of the Issuer's securities reported or noted herein for purposes of Section 16 of the '34 Act or otherwise, except to the extent of his or her pecuniary interest, if any.
- (13) The amount of securities shown in this row is owned directly by Farallon FCP, Ltd. (the "FCP Trust").
- (14) The amount of securities shown in this row is owned directly by Farallon FCIP, Ltd. (the "FCIP Trust").
- (15) The amount of securities shown in this row is owned directly by Farallon FCOI II, Ltd. (the "FCOI II Trust" and, together with the FCP Trust and the FCIP Trust, the "Farallon Trusts").
- (16) FPLLC is a trustee of each of the Farallon Trusts. FPLLC has no direct or indirect pecuniary interest in the securities held by the Farallon Trusts.

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.