

LIBERATION INVESTMENT GROUP LLC  
Form SC 13D/A  
September 13, 2004

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

SCHEDULE 13D  
(Rule 13d-101)

INFORMATION TO BE INCLUDED IN STATEMENTS  
FILED PURSUANT TO RULE 13d-1(a) AND AMENDMENTS  
THERE TO FILED PURSUANT TO RULE 13d-2(a)

Amendment No. 4

Bally Total Fitness Holding Corporation

-----  
(Name of Issuer)

Common Stock, par value \$.01 per share

-----  
(Title of Class of Securities)

058 73K 10 8

-----  
(CUSIP Number)

Dennis J. Block, Esq.  
Cadwalader, Wickersham & Taft LLP  
100 Maiden Lane  
New York, NY 10038  
(212) 504-5555

-----  
(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

September 10, 2004

-----  
(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), Rule 13d-1(f) or Rule 13d-1(g), check the following box .

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 13d-7(b) for other parties to whom copies are to be sent.

\*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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CUSIP No. 058 73K 10 8  
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1 NAME OF REPORTING PERSON  
Liberation Investments, L.P.  
I.R.S. IDENTIFICATION NO. OF ABOVE PERSON  
-----

-----  
2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)  
(a)  (b)   
-----

-----  
3 SEC USE ONLY  
-----

-----  
4 SOURCE OF FUNDS (See Instructions)  
WC  
-----

-----  
5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d)  
or 2(e)   
-----

-----  
6 CITIZENSHIP OR PLACE OF ORGANIZATION  
Delaware  
-----

-----  
7 SOLE VOTING POWER  
0  
-----

-----  
NUMBER OF  
SHARES 8 SHARED VOTING POWER  
BENEFICIALLY 1,646,403  
OWNED BY  
EACH  
-----

-----  
REPORTING 9 SOLE DISPOSITIVE POWER  
PERSON 0  
WITH  
-----

-----  
10 SHARED DISPOSITIVE POWER  
1,646,403  
-----

-----  
11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY REPORTING PERSON  
1,646,403  
-----

-----  
12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (See  
Instructions)   
-----

-----  
13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  
4.83%  
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14 TYPE OF REPORTING PERSON (See Instructions)  
PN

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1 NAME OF REPORTING PERSON  
Liberation Investments Ltd.  
I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)  
(a)  (b)

3 SEC USE ONLY

4 SOURCE OF FUNDS (See Instructions)  
WC

5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d)  
or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION  
Cayman Islands

7 SOLE VOTING POWER  
0

NUMBER OF 8 SHARED VOTING POWER  
SHARES 894,297

BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH  
9 SOLE DISPOSITIVE POWER  
0

10 SHARED DISPOSITIVE POWER  
894,297

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY REPORTING PERSON  
894,297

12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (See  
Instructions)

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13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  
2.62%

-----  
14 TYPE OF REPORTING PERSON (See Instructions)  
CO  
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1 NAME OF REPORTING PERSON  
Liberation Investment Group LLC  
I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

-----  
2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)  
(a) [ ] (b) [X]

-----  
3 SEC USE ONLY

-----  
4 SOURCE OF FUNDS (See Instructions)  
N/A

-----  
5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d)  
or 2(e) [ ]

-----  
6 CITIZENSHIP OR PLACE OF ORGANIZATION  
Delaware

-----  
7 SOLE VOTING POWER  
0

-----  
NUMBER OF  
SHARES 8 SHARED VOTING POWER  
BENEFICIALLY 2,540,700  
OWNED BY

-----  
EACH  
REPORTING 9 SOLE DISPOSITIVE POWER  
PERSON 0  
WITH

-----  
10 SHARED DISPOSITIVE POWER  
2,540,700  
-----

-----  
11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY REPORTING PERSON

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2,540,700

12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (See Instructions)

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  
7.46%

14 TYPE OF REPORTING PERSON (See Instructions)  
OO, IA

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1 NAME OF REPORTING PERSON

Emanuel R. Pearlman

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)  
(a) [ ] (b) [X]

3 SEC USE ONLY

4 SOURCE OF FUNDS (See Instructions)  
N/A

5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) [ ]

6 CITIZENSHIP OR PLACE OF ORGANIZATION  
United States

	7	SOLE VOTING POWER 35,000
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	8	SHARED VOTING POWER 2,540,700
	9	SOLE DISPOSITIVE POWER 35,000

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10 SHARED DISPOSITIVE POWER  
2,540,700

-----  
11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY REPORTING PERSON  
2,575,700

-----  
12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (See  
Instructions) [ ]

-----  
13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  
7.56%

-----  
14 TYPE OF REPORTING PERSON (See Instructions)  
IN, HC

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INTRODUCTION

This Amendment No. 4 (this "Amendment") relates to the Schedule 13D filed on behalf of (i) Liberation Investments, L.P., a Delaware limited partnership ("LILP"); (ii) Liberation Investments Ltd. ("LILtd"), a private offshore investment corporation; (iii) Liberation Investment Group, LLC ("LIGLLC"), a Delaware limited liability company and general partner of LILP and discretionary investment adviser to LILtd; and (iv) Emanuel R. Pearlman, as General Manager, Chief Investment Officer and majority member of LIGLLC (collectively, the "Reporting Persons"), with the Securities and Exchange Commission on June 8, 2004, as amended by Amendment No. 1 filed on July 13, 2004 and Amendment No. 2 filed on August 27, 2004 (the "Schedule 13D"), relating to shares of common stock, \$.01 par value per share ("Common Stock"), of Bally Total Fitness Holding Corporation (the "Company").

Items 3, 4, 5 and 7 of the Schedule 13D are amended and supplemented as follows:

Item 3. Source and Amount of Funds or Other Consideration.

The net investment cost (excluding commissions, if any) of the shares of Common Stock beneficially owned by the Reporting Persons is \$10,202,988.50. The source of funds for this consideration was working capital of LILP and LILtd.

Item 4. Purpose of Transaction.

On September 10, 2004, LIGLLC, on behalf of the Reporting Persons, delivered a letter to the Board of Directors of the Company. The letter, among other things, responded to certain statements recently made by a Company spokesman to Reuters and set forth for the Board's consideration several specific agenda items that the Reporting Persons believe will help to enhance shareholder value. A copy of the letter is attached to this Amendment as Exhibit

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10.

Item 5. Interest in Securities of the Issuer.

(a) As of the date hereof, the Reporting Persons have the following interests in the Common Stock of the Company:

- (i) LILP beneficially owns 1,646,403 shares of Common Stock and is the beneficial owner of 4.83% of the Common Stock.
- (ii) LILtd beneficially owns 894,297 shares of Common Stock and is the beneficial owner of 2.62% of the Common Stock.
- (iii) LIGLLC, as the sole general partner of LILP and the sole investment advisor to LILtd, beneficially owns 2,540,700 shares of Common Stock and is the beneficial owner of 7.46% of the Common Stock.

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- (iv) Mr. Pearlman beneficially owns 35,000 shares of Common Stock and, as the majority member and General Manager of LIGLLC, beneficially owns 2,540,700 shares of Common Stock, and is the beneficial owner of 7.56% of the Common Stock.

The Reporting Persons in the aggregate may be deemed to own 7.56% of the Common Stock of the Company.

(b) The table below sets forth for each Reporting Person the numbers of shares of Common Stock for which there is sole or shared power to vote or to direct the vote, or sole or shared power to dispose or to direct the disposition, of the Common Stock:

	LILP	LILtd	LIGLLC	Mr. Pearlman
	----	-----	-----	-----
Sole Power to Vote/ Direct Vote	0	0	0	35,000
Shared Power to Vote/ Direct Vote	1,646,403	894,297	2,540,700	2,540,700
Sole Power to Dispose/ Direct Disposition	0	0	0	35,000
Shared Power to Dispose/ Direct Disposition	1,646,403	894,297	2,540,700	2,540,700

(c) In addition to the purchases or sales of the Company's Common Stock listed in Item 5(c) of Amendments No. 2 and 3 to the Schedule 13D, the following is a list of all purchases or sales of the Company's Common Stock by the Reporting Persons within the past 60 days:

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- (i) On September 1, 2004, (i) LILP purchased 33,000 shares of Common Stock on the open market, at a price of \$3.9300 per share, and (ii) LILtd purchased 17,000 shares of Common Stock on the open market, at a price of \$3.9300 per share.
- (ii) On September 7, 2004, (i) LILP purchased 13,200 shares of Common Stock on the open market, at a price of \$3.6250 per share, and (ii) LILtd purchased 6,800 shares of Common Stock on the open market, at a price of \$3.6250 per share.
- (iii) On September 9, 2004, (i) LILP purchased 13,200 shares of Common Stock on the open market, at a price of \$3.4617 per share, and (ii) LILtd purchased 6,800 shares of Common Stock on the open market, at a price of \$3.4617 per share.

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- (iv) On September 9, 2004, (i) LILP purchased 39,600 shares of Common Stock on the open market, at a price of \$3.4947 per share, and (ii) LILtd purchased 20,400 shares of Common Stock on the open market, at a price of \$3.4947 per share.
- (v) On September 10, 2004, (i) LILP purchased 6,600 shares of Common Stock on the open market, at a price of \$3.4150 per share, and (ii) LILtd purchased 3,400 shares of Common Stock on the open market, at a price of \$3.4150 per share.

(d) No person other than each respective owner of Common Stock referred to in this Amendment is known to have the right to receive or the power to direct the receipt of dividends from or the proceeds from the sale of such Common Stock.

(e) Not applicable.

Item 7. Materials to be Filed as Exhibits.

The following exhibits are filed with this Amendment:

EXHIBIT 10 Letter, dated September 10, 2004, from Liberation Investment Group, LLC to the Board of Directors of Bally Total Fitness Holding Corporation.

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SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and



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correct.

Dated: September 13, 2004

LIBERATION INVESTMENTS, L.P.

By: Liberation Investment Group, LLC, general partner

By: /s/ Emanuel R. Pearlman

-----  
Emanuel R. Pearlman  
General Manager

LIBERATION INVESTMENTS LTD.

By: /s/ Emanuel R. Pearlman

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Emanuel R. Pearlman  
Director

LIBERATION INVESTMENT GROUP, LLC

By: /s/ Emanuel R. Pearlman

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Emanuel R. Pearlman  
General Manager

Emanuel R. Pearlman

/s/ Emanuel R. Pearlman  
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