

BALLY TOTAL FITNESS HOLDING CORP  
Form SC 13D/A  
May 06, 2005

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. 7

Bally Total Fitness Holding Corporation

-----  
(Name of Issuer)

Common Stock, par value \$.01 per share

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

058 73K 10 8

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(CUSIP Number)

Mr. Emanuel R. Pearlman  
Liberation Investment Group  
11766 Wilshire Blvd.  
Suite #870  
Los Angeles, CA 90025-6538  
(310) 479-3434

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

May 4, 2005

-----  
(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

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Notes).

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CUSIP No. 058 73K 10 8  
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SCHEDULE 13D

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Page 2 of 8  
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1 NAME OF REPORTING PERSON  
Liberation Investments, L.P.  
I.R.S. IDENTIFICATION NO. OF ABOVE PERSON  
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2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions) (a) [ ]  
(b) [X]  
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-----  
3 SEC USE ONLY  
-----

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

WC  
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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 8 SHARED VOTING POWER  
SHARES 2,662,963  
-----

BENEFICIALLY

OWNED BY

EACH

REPORTING

PERSON

WITH

9 SOLE DISPOSITIVE POWER  
0  
-----

10 SHARED DISPOSITIVE POWER  
2,662,963  
-----

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

2,662,963  
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-----  
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)

7.84%  
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14 TYPE OF REPORTING PERSON (See Instructions)

PN

CUSIP No. 058 73K 10 8

SCHEDULE 13D

Page 3 of 8

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) [X]

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		
SHARES	8	SHARED VOTING POWER
BENEFICIALLY		
OWNED BY		1,436,487
EACH		
REPORTING	9	SOLE DISPOSITIVE POWER
PERSON		
WITH		0
	10	SHARED DISPOSITIVE POWER
		1,436,487

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY REPORTING PERSON

1,436,487

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)

4.23%

14 TYPE OF REPORTING PERSON (See Instructions)

CO

CUSIP No. 058 73K 10 8

SCHEDULE 13D

Page 4 of 8

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)

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  
BENEFICIALLY

8 SHARED VOTING POWER

OWNED BY  
EACH

4,099,450

REPORTING  
PERSON  
WITH

9 SOLE DISPOSITIVE POWER

0

10 SHARED DISPOSITIVE POWER

4,099,450

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY REPORTING PERSON

4,099,450

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

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Instructions)

[ ]

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

12.06%

14 TYPE OF REPORTING PERSON (See Instructions)

OO, IA

CUSIP No. 058 73K 10 8

SCHEDULE 13D

Page 5 of 8

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  
4,099,450

9 SOLE DISPOSITIVE POWER  
35,000

10 SHARED DISPOSITIVE POWER  
4,099,450

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY REPORTING PERSON  
4,134,450

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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)  
12.16%

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

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CUSIP No. 058 73K 10 8

SCHEDULE 13D

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Page 6 of 8

INTRODUCTION

This Amendment No. 7 (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, Amendment No. 2 filed on August 27, 2004, Amendment No. 3 filed on September 1, 2004, Amendment No. 4 filed on September 10, 2004, Amendment No. 5 filed on December 13, 2004 and Amendment No. 6 filed on April 26, 2005 (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 and 5 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 \$15,457,876.33. The source of funds for this consideration was working capital of LILP and LILtd.

Item 4. Purpose of Transaction.

The Reporting Persons intend to discuss with the Company's representatives, other shareholders and third parties the potential implications for the Company and its shareholders of the recently announced sale of 24 Hour Fitness. The Reporting Persons also intend to encourage the Company and third parties to take steps to enhance shareholder value in light of this development.

The Reporting Persons intend to evaluate, on an ongoing basis, the Company's financial condition, business, operations and prospects, the market price for the shares of Common Stock, conditions in the securities markets and general economic conditions as well as the Company's response to the Reporting Persons' concerns. The Reporting Persons may engage in further discussions with management, the Board of Directors, other shareholders and/or third parties regarding potential extraordinary transactions involving the Company, such as a

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merger, liquidation, reorganization, recapitalization, financings or sale of Company's assets. The Reporting Persons may or may not participate in such a transaction. The Reporting Persons may also discuss with management, the Board of Directors, other shareholders and/or third parties means to improve the Company's governance. The Reporting Persons also intend to monitor and review the Company's redemption of its stockholder rights plan and the Company's policies with respect thereto. If the Company is not responsive to the Reporting Persons' concerns, the Reporting Persons intend to review all available alternatives which could include seeking to change the present board of directors or management of the Company.

The Reporting Persons may pursue alternatives to maximize the value of their investment in the Company. Such alternatives could include, without limitation, (i) the purchase of additional Common Stock in the open market, in privately negotiated transactions or otherwise, and (ii) the sale of all or a portion of the Common Stock now owned or hereafter acquired by them. The Reporting Persons may also transfer shares to or from a Reporting Person to another Reporting Person.

The Reporting Persons reserve the right to change their plans or intentions and to take any and all actions that they may deem appropriate to maximize the value of their investment in the Company in light of their general investment policies, market conditions, subsequent developments affecting the Company and the general business and future prospects of the Company.

Except as set forth above, the Reporting Persons do not have any current intention, plan or proposal with respect to: (a) the acquisition by any person of additional securities of the Company, or the disposition of securities of the Company; (b) an extraordinary corporate transaction, such as a merger, reorganization or liquidation, involving the Company or any of its subsidiaries; (c) a sale or transfer of a material amount of assets of the Company or any of its subsidiaries; (d) any change in the present board of directors or management of the Company, including any plans or proposals to change the number or term of directors or to fill any existing vacancies on the board; (e) any material change in the present capitalization or dividend policy of the Company; (f) any other material change in the Company's business or corporate structure; (g) changes in the Company's charter, bylaws or instruments corresponding thereto or other actions which may impede the acquisition of control of the Company by any person; (h) causing a class of securities of the Company to be delisted from a national securities exchange, if any, or cease to be authorized to be quoted in an inter-dealer quotation system of a registered national securities association; (i) a class of equity securities of the Company becoming eligible for termination of a registration pursuant to Section 12(g)(4) of the Act; or (j) any action similar to any of those enumerated above.

### 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 2,662,963 shares of Common Stock and is the beneficial owner of 7.84% of the Common Stock.
- (ii) LILtd beneficially owns 1,436,487 shares of Common Stock and is the beneficial owner of 4.23% of the Common Stock.
- (iii) LIGLLC, as the sole general partner of LILP and the sole investment advisor to LILtd, beneficially owns 4,099,450 shares of Common Stock and is the beneficial owner of 12.06% of the Common Stock.
- (iv) Mr. Pearlman beneficially owns 35,000 shares of Common Stock

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and, as the majority member and General Manager of LIGLLC, beneficially owns 4,099,450 shares of Common Stock, and is the beneficial owner of 12.16% of the Common Stock.

The Reporting Persons in the aggregate may be deemed to own 12.16% of the Common Stock of the Company.

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CUSIP No. 058 73K 10 8  
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SCHEDULE 13D

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Page 7 of 8  
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(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	2,662,963	1,436,487	4,099,450	4,099,450
Sole Power to Dispose/ Direct Disposition	0	0	0	35,000
Shared Power to Dispose/ Direct Disposition	2,662,963	1,436,487	4,099,450	4,099,450

(c) 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:

- (i) On May 4, 2005, (a) LIGLLC acquired 750,000 shares of Common Stock on the open mark for a price of \$3.00 per share and allocated 487,500 of such shares to LILP and 262,500 of such shares to LILtd.

(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.

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CUSIP No. 058 73K 10 8  
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SCHEDULE 13D

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Page 8 of 8  
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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 correct.



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Dated: May 6, 2005

LIBERATION INVESTMENTS, L.P.

By: Liberation Investment Group, LLC, general partner

By: /s/ Emanuel R. Pearlman

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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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