

LIBERATION INVESTMENT GROUP LLC

Form 4

October 03, 2007

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

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

OMB APPROVAL

OMB
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(Print or Type Responses)

1. Name and Address of Reporting Person *

LIBERATION INVESTMENT
GROUP LLC

(Last) (First) (Middle)

330 MADISON AVENUE, 6TH
FLOOR

(Street)

NEW YORK, NY 10017

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading

Symbol
BALLY TOTAL FITNESS
HOLDING CORP [BFTH]3. Date of Earliest Transaction
(Month/Day/Year)

10/01/2007

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) ____ Other (specify below)

6. Individual or Joint/Group Filing(Check
Applicable Line)
X 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 Beneficial Ownership (Instr. 4)
Common Stock, \$0.01 par value per share	10/01/2007		D	4,206,880 (1) (2)	D \$ 0 (3) 0	I	See Footnotes (1) (2)

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

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information contained in this form are not
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SEC 1474
(9-02)

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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. Nu Deriv Secur Bene Own Follo Repo Trans (Instr
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

LIBERATION INVESTMENT GROUP LLC
330 MADISON AVENUE
6TH FLOOR
NEW YORK, NY 10017

X

Signatures

/s/ Emanuel R.
Pearlman (4) 10/03/2007

__Signature of Reporting
Person Date

/s/ Emanuel R.
Pearlman (5) 10/03/2007

__Signature of Reporting
Person Date

/s/ Emanuel R.
Pearlman (6) 10/03/2007

__Signature of Reporting
Person Date

/s/ Emanuel R.
Pearlman 10/03/2007

__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).

This is a joint filing by Liberation Investments, L.P. ("LILP"), Liberation Investments Ltd. ("LILTD"), Liberation Investment Group, LLC ("LIGLLC") and Emanuel R. Pearlman (collectively, the "Reporting Persons"). Immediately prior to the transaction reported herein, LILP directly owned 2,710,042 shares of the Issuer's common stock (the "Shares"), LILTD directly owned 1,461,838 Shares, and Mr.

- (1) Pearlman directly owned 35,000 Shares. LIGLLC is the sole general partner of LILP and the sole investment advisor to LILTD, and thus may be deemed an indirect beneficial owner of the Shares that were held by LILP and LILTD. Mr. Pearlman is the General Manager, Chairman and Chief Executive Officer of LIGLLC and thus he may be deemed an indirect beneficial owner of the Shares indirectly beneficially owned by LIGLLC.

The Reporting Persons are filing this joint Form 4 because they may be regarded as a group. However, each Reporting Person disclaims

- (2) beneficial ownership of the shares owned by the other Reporting Persons and disclaims membership in a group, and this filing shall not constitute an acknowledgment that the Reporting Persons constitute a group.

On October 1, 2007, the Issuer consummated the First Amended Joint Prepackaged Chapter 11 Plan of Reorganization of the Issuer and its Affiliate Debtors (the "Plan"), which was confirmed by order of the United States Bankruptcy Court for the Southern District of New

- (3) York on September 17, 2007. Pursuant to the terms of the Plan, the Issuer's shareholders and holders of certain equity-related claims will receive an aggregate distribution of \$16.5 million. A determination of the distribution cannot be made until after the October 31, 2007 deadline for submission of proofs of claim for equity-related claims and may require court approval.

Remarks:

- (4) Mr. Pearlman is signing in his capacity as General Manager, Chairman and Chief Executive Officer of LIGLLC, the sole general partner of LILP.

- (5) Mr. Pearlman is signing in his capacity as General Manager, Chairman and Chief Executive Officer of LIGLLC, the sole investment advisor to LILTD.

- (6) Mr. Pearlman is signing in his capacity as General Manager, Chairman and Chief Executive Officer of LIGLLC.

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

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