

BALLY TOTAL FITNESS HOLDING CORP
Form SC 13D
November 14, 2005

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

SCHEDULE 13D
Under the Securities Exchange Act of 1934
(Amendment No.)*

Bally Total Fitness Holding Corporation

(Name of Issuer)

Common Stock, \$.01 par value

(Title of Class of Securities)

058 73K 10 8

(CUSIP Number)

Mark J. Wattles

Wattles Capital Management, LLC

7945 W. Sahara #205

Las Vegas, Nevada 89117

(303) 801-4003

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

November 2, 2005

(Date of Event which Requires Filing of this Statement)

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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 §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box. o

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See §240.13d-7 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

1. Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only)
Mark J. Wattles
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)
AF
5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)
6. Citizenship or Place of Organization
U.S.
7. Sole Voting Power
3,425,100
8. Shared Voting Power
9. Sole Dispositive Power
3,425,100
10. Shared Dispositive Power
11. Aggregate Amount Beneficially Owned by Each Reporting Person
3,425,100
12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)
13. Percent of Class Represented by Amount in Row (11)
10.1% (1)
14. Type of Reporting Person (See Instructions)
IN

Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With

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1. Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only)
Wattles Capital Management, LLC
 2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a)	<input type="radio"/>
(b)	<input checked="" type="radio"/>
 3. SEC Use Only
 4. Source of Funds (See Instructions)
WC, OO
 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
3,425,100 |
| | 8. | Shared Voting Power |
| | 9. | Sole Dispositive Power
3,425,100 |
| | 10. | Shared Dispositive Power |
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OO

Number of
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Each
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Item 1. Security and Issuer

This Statement on Schedule 13D (this Schedule) relates to the common stock, par value \$.01 per share (Common Stock), of Bally Total Fitness Holding Corporation, a Delaware corporation (the Issuer). The principal executive offices of the Issuer are located at 8700 West Bryn Mawr Avenue, Second Floor, Chicago IL 60631.

Item 2. Identity and Background

(a) This Schedule is being filed by Wattles Capital Management, LLC, a Delaware limited liability company (f/k/a Mark Wattles Enterprises, LLC) (WCM), and Mark J. Wattles (collectively, the Reporting Persons). Mr. Wattles is the sole member and manager of WCM and owns 100% of its membership interests.

(b) The business address of both Mr. Wattles and WCM is 7945 W. Sahara #205, Las Vegas, Nevada 89117.

(c) Mr. Wattles principal occupation is serving as President of WCM, which is primarily engaged in investing in public and private companies in the consumer products and retail sectors.

(d) During the last five years, neither of the Reporting Persons has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).

(e) During the last five years, neither of the Reporting Persons has been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction making him or it subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

(f) Mr. Wattles is a citizen of the United States of America.

Item 3. Source and Amount of Funds or Other Consideration

WCM acquired the shares of Common Stock described in this Schedule (the Shares) in a margin account pursuant to a standard brokerage agreement.

Item 4. Purpose of Transaction

The Reporting Persons acquired the Shares for investment purposes. The Reporting Persons intend, among other things, to continue to evaluate the performance of the Issuer, its board of directors and its management; the value of the Shares and the conditions in the securities markets; and general economic and industry conditions. Based on such evaluation and review and other factors, the Reporting Persons will continue to consider various alternative courses of action with respect to their investment in the Issuer and will in the future take such actions as they deem appropriate in light of the circumstances existing from time to time. The Reporting Persons may discuss such and other matters with management or directors of the Issuer, other existing and prospective shareholders, existing and prospective bondholders, creditors, industry analysts, existing or potential strategic partners or competitors, investment and financing professionals, sources of credit and other investors. The Reporting Persons have contacted management and certain shareholders and bondholders of the Issuer. The Reporting Persons have no present intention to participate in a group within the meaning of Section 13(d)(3) of the Securities Exchange Act of 1934, except insofar as the Reporting Persons themselves constitute a group.

Future actions of the Reporting Persons may involve the purchase of additional securities of the Issuer or, alternatively, the sale of all or a portion of the securities of the Issuer held by the Reporting Persons, in each case in the open market or in privately negotiated transactions. Such actions may also include seeking representation on the Issuer's board of directors; seeking to acquire control of the Issuer through a merger, proxy solicitation, tender offer, significant equity investment, exchange offer or otherwise; or such other actions as the Reporting Persons may deem appropriate.

Except as described herein, the Reporting Persons have no present plans or proposals that relate to or would result in any of the actions described in Item 4(a) through (j) of Schedule 13D. The Reporting Persons reserve the right to acquire or dispose of securities of the Issuer or to formulate other purposes, plans or proposals regarding the Issuer or its securities to the extent deemed advisable in light of general investment considerations, market conditions and other factors.

Item 5. Interest in Securities of the Issuer

(a)-(b) As of November 11, 2005, WCM owned 3,425,100 shares of Common Stock. According to the Issuer's Quarterly Report on Form 10-Q for the quarter ended March 31, 2004, there were 34,072,114 shares of Common Stock issued and outstanding as of April 30, 2004.⁽¹⁾ Based on the foregoing, WCM may be deemed to have sole voting and dispositive power over, and therefore beneficial ownership of, approximately 10.1% of such issued and outstanding Common Stock. Because Mr. Wattles owns all of the membership interests of WCM, he may be deemed to have indirect beneficial ownership of the Common Stock owned by WCM.

(1) On September 6, 2005, a Schedule 13D was filed by another shareholder reporting 34,645,133 shares outstanding as of June 30, 2005. If this share count is correct, the Reporting Persons' ownership percentage would be 9.9%.

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(c) As of September 11, 2005, WCM owned 887,100 shares of Common Stock. The following transactions were effected by WCM during the sixty days preceding November 11, 2005:

Date	Number of Shares	Price Per Share (\$)
September 20, 2005	115,200	4.52
September 21, 2005	43,600	4.45
September 22, 2005	155,800	4.30
September 23, 2005	85,800	4.25
September 26, 2005	30,000	4.33
September 27, 2005	24,600	4.38
September 28, 2005	15,000	4.45
September 29, 2005	15,000	4.47
September 30, 2005	15,000	4.48
October 3, 2005	110,400	4.90
October 4, 2005	46,100	5.00
October 5, 2005	33,200	4.72
October 6, 2005	35,600	4.84
October 7, 2005	34,000	5.00
October 10, 2005	53,600	5.40
November 2, 2005	410,000	6.31
November 7, 2005	535,000	6.63
November 8, 2005	40,000	6.74
November 9, 2005	400,000	6.99
November 10, 2005	200,000	7.16
November 11, 2005	140,100	7.28

All such transactions were purchases of Common Stock effected in the open market.

(d) No person other than the Reporting Persons is known to have the right to receive, or the power to direct the receipt of, dividends from or proceeds from the sale of the Shares.

(e) Not applicable.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer

The Reporting Persons do not have any contracts, arrangements, understandings or relationships (legal or otherwise) with any person with respect of any securities of the Issuer, including but not limited to, transfer or voting of any of the securities of the Issuer, finder's fees, joint ventures, loan or option arrangements, puts or calls, guarantees of profits, division of profits or loss, or the giving or withholding of proxies, or a pledge or contingency the occurrence of which would give another person voting or investment power over securities of the Issuer.

Item 7. Material to Be Filed as Exhibits
Exhibit 1

Joint Filing Agreement, dated as of November 14, 2005, by and between Wattles Capital Management, LLC and Mark J. Wattles

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.

November 14, 2005

WATTLES CAPITAL MANAGEMENT, LLC

By: /s/ Mark J. Wattles

Name:

Mark J. Wattles

Title:

President

/s/ Mark J. Wattles

Mark J. Wattles

Index of Exhibits.

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