

BALLY TOTAL FITNESS HOLDING CORP
Form 10-K/A
April 29, 2003

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K/A

Amendment No. 1

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2002

Commission file number: 0-27478

BALLY TOTAL FITNESS HOLDING CORPORATION

(Exact name of registrant as specified in its charter)

<u>Delaware</u>	<u>36-3228107</u>
(State or other jurisdiction of incorporation)	(I.R.S. Employer Identification No.)
<u>8700 West Bryn Mawr Avenue, Chicago, Illinois</u>	<u>60631</u>
(Address of principal executive	(Zip Code)

offices)

Registrant's telephone number, including area code: (773) 380-3000

Securities registered pursuant to Section 12 (b) of the Act: None

Securities registered pursuant to Section 12 (g) of the Act:

Common Stock, par value \$.01 per share

Series A Junior Participating Preferred Stock Purchase Rights

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes: No:

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is an accelerated filer (as defined in Exchange Act Rule 12b-2). Yes: No:

The aggregate market value of the registrant's voting stock held by non-affiliates of the registrant as of February 28, 2003 was approximately \$187.9 million, based on the closing price of the registrant's common stock as reported by the New York Stock Exchange at that date. For purposes of this computation, affiliates of the registrant include the registrant's executive officers and directors as of February 28, 2003. As of February 28, 2003, 33,193,865 shares of the registrant's common stock were outstanding.

BALLY TOTAL FITNESS HOLDING CORPORATION

INTRODUCTORY NOTE

The Annual Report on Form 10-K for Bally Total Fitness Holding Corporation (Bally or the Company), for the year ending December 31, 2002, filed on March 28, 2003 is hereby being amended to include Items 10, 11, 12 and 13, which were not part of the original filing. No other changes have been made to the Annual Report.

PART III

ITEM 10. DIRECTORS OF THE REGISTRANT

Name	Age	Position with the Company	Director Since	Term Expires
Paul A. Toback	39	President, Chief Executive Officer and Director	2003	2003
John W. Dwyer	50	Executive Vice President, Chief Financial Officer and Director	2001	2005
Martin E. Franklin	38	Director	2003	2003
J. Kenneth Looloian	80	Director	1995	2005
James F. McAnally, M.D.	53	Director	1995	2004
John W. Rogers, Jr.	45	Director	2003	2004
Stephen C. Swid	62	Director	2003	2005

Paul A. Toback was elected a Director in March 2003, President and Chief Executive Officer in December 2002, was Executive Vice President from February 2002 to December 2002, Chief Operating Officer from June 2001 to December 2002 and was Senior Vice President, Corporate Development from March 1998 to June 2001 and Vice President, Corporate Development in November 1997. From January 1995 to August 1997, Mr. Toback was Senior Vice President and Chief Operating Officer of Globetrotters Engineering Corp., and from January 1993 to December 1994, he served as Executive Assistant to the Chief of Staff at the White House. Prior to January 1993, Mr. Toback was Director of Administration for Mayor Daley in the City of Chicago. Mr. Toback is an attorney licensed to practice in the state of Illinois.

John W. Dwyer was elected a Director in August 2001, Executive Vice President in November 1997, a Senior Vice President in 1995, Vice President and Chief Financial Officer in May 1994 and was Treasurer from October 1996 to June 2001. Mr. Dwyer was Corporate Controller of Bally Entertainment Corporation between June 1992 and December 1996 and a Vice President between December 1992 and December 1996.

Martin E. Franklin has served as a Director since March 2003. Mr. Franklin is the Chairman and Chief Executive Officer of Jarden Corporation, a provider of niche consumer products used in the home. Mr. Franklin is also a principal and executive officer of a number of private investment entities, including Marlin Holdings, Inc. Mr.

Franklin was the Chairman of the Board of Directors of Bolle´ Inc. from February 1997 until February 2000. Mr. Franklin has previously held positions as Chairman and Chief Executive Officer of Lumen Technologies, Inc. from May 1996 to December 1998, and Benson Eyecare Corporation from October 1992 to May 1996. Since January 2002, Mr. Franklin has served as the Chairman of the Board and a Director of Find/SVP, Inc.

J. Kenneth Looloian has served as a Director since 1995. Mr. Looloian is a consultant to Di Giorgio Corporation and served as the Sr. Vice President, Chief Financial Officer of New Jersey Bell Telephone Company and Bellcore (now Telecordia Technologies) before his retirement.

James F. McAnally, M.D. has served as a Director since 1995. Dr. McAnally is a private practitioner who specializes in hypertension and kidney disease. Dr. McAnally is also the Medical Director of Nephrology Services at Trinitas Hospital in Elizabeth, New Jersey and the Chief of Nephrology at Seton Hall University, School of Graduate Medical Education.

John W. Rogers, Jr. has served as a Director since April 2003. Mr. Rogers is the Chairman and Chief Executive Officer of Ariel Capital Management, Inc. and also serves as a Director on the boards of Aon Corporation, Bank One Corporation, Exelon Corporation, GATX Corporation and Ariel Mutual Funds.

Stephen C. Swid has served as a Director since March 2003. Mr. Swid is Chairman and Chief Executive Officer of SESAC, Inc., one of three performing rights organizations in the United States. Mr. Swid is also a General Partner of The Wall Street Trust, a hedge fund.

On March 19, 2003, SLS Management, LLC, a Delaware limited liability company (SLS Management), its managing member, Scott L. Swid (SLS) and the Company reached an agreement regarding the Board and its By-Laws (the Agreement). Pursuant to the Agreement, the Board expanded the number of directors to seven, appointed Martin Franklin, Paul Toback, and Stephen Swid to fill vacancies on the Board and agreed to nominate and recommend Messrs. Franklin and Toback for re-election at the 2003 Annual Meeting of Stockholders of the Company (the 2003 Annual Meeting). In addition, pursuant to the Agreement the Company amended its By-Laws to allow any two directors to call a special meeting of the Board and to require that only the stockholders of the Company can modify or amend the provision of the By-Laws relating to a special meeting of the Board. The Company also agreed not to increase membership of the Board beyond seven directors until at least the conclusion of the 2004 Annual Meeting of Stockholders of the Company (the 2004 Annual Meeting) and not to appoint any person to fill an existing vacancy or nominate any person for election for a vacancy, in each case unless either Mr. Franklin or Mr. Swid vote in favor of such increase, appointment or nomination.

Pursuant to the Agreement, SLS Management and SLS agreed to have their shares of common stock represented at the 2003 Annual Meeting and the 2004 Annual Meeting and to vote in favor of the slate of nominees selected by the Board. SLS Management and SLS also agreed not to participate in a proxy solicitation in respect of these annual meetings.

As of the same date, the Company also entered into an agreement with Mr. Franklin in connection with his appointment as a director. Pursuant to this agreement, Mr. Franklin agreed through the 2006 Annual Meeting of Stockholders (i) not to become an officer of the Company, (ii) not to participate in a proxy solicitation or offer to acquire the Company or its assets and (iii) to have all shares of common stock he beneficially owns represented at the 2003 Annual Meeting and to be voted in favor of the election to the Board of himself and Mr. Toback and represented at the 2004 Annual Meeting and voted in favor of the slate of nominees selected by the Board.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Bally is required to identify any director, executive officer or beneficial owner of more than ten percent of the common stock, or any other person subject to Section 16 of the Exchange Act, that failed to file on a timely basis, as disclosed in their forms, reports required by Section 16(a) of the Exchange Act. Based on a review of forms submitted to us, we believe that during 2002 all such filing requirements were complied with by our directors and executive officers.

ITEM 11. EXECUTIVE COMPENSATION**COMPENSATION OF EXECUTIVE OFFICERS**

The following table sets forth, for each of the years indicated, the compensation paid by us to both our current and former Chief Executive Officers during 2002, and the four other most highly compensated executive officers of Bally as of December 31, 2002 (collectively, the Named Executive Officers). During these years, the Named Executive Officers were compensated in accordance with our plans and policies.

Summary Compensation Table

Name and Principal Position	Year	Annual Compensation			Long-Term Compensation Awards		
		Salary (\$)	Bonus (\$) (1)	Other Annual Compensation (\$) (2)	Restricted Stock Awards (\$) (3)	Securities Underlying Options (#)	All Other Compensation (\$) (4)
Paul A. Toback President, Chief Executive Officer and Director	2002	298,308	300,000				14,
	2001	260,000	200,000		706,650	30,000	13,
	2000	260,000	190,000		749,700	20,000	12,
John W. Dwyer Executive Vice President, Chief Financial Officer and Director	2002	372,885	300,000				29,
	2001	325,000	275,000		706,650	30,000	33,
	2000	325,000	325,000		374,850	30,000	36,
William G. Fanelli Senior Vice President, Finance	2002	250,000	160,000				21,
	2001	250,000	160,000		403,800	20,000	21,
	2000	250,000	165,000		499,800	20,000	21,
Cary A. Gaan Senior Vice President, Secretary and General Counsel	2002	325,000	160,000				1,
	2001	325,000	130,000		302,850	10,000	1,
	2000	283,000	145,000			20,000	1,
John H. Wildman Senior Vice President, Chief Operating Officer	2002	250,000	165,000				
	2001	250,000	165,000		403,800	20,000	
	2000	250,000	175,000		187,425	20,000	
Lee S. Hillman Former Chairman, President and Chief Executive Officer	2002	638,654					4,863,
	2001	550,000	300,000		1,211,400	60,000	50,
	2000	550,000	450,000			50,000	60,

1. The 2002 bonus represents the bonus earned in 2002 and paid in March 2003. The 2001 bonus represents the bonus earned in 2001 and paid in March 2002. The 2000 bonus represents the bonus earned in 2000 and paid in March 2001.
2. Certain incidental personal benefits to executive officers of Bally may result from expenses incurred by Bally in the interest of attracting and retaining qualified personnel. These incidental personal benefits made available to the Named Executive Officers during 2002 are not described herein because the incremental cost to Bally of such benefits is below the required disclosure threshold.
3. In 2002, Mr. Hillman was awarded 75,000 shares of restricted stock. In 2001, the number of shares of restricted stock awarded to Messrs. Hillman, Toback, Dwyer, Fanelli, Gaan and Wildman was 60,000, 35,000, 35,000, 20,000, 15,000 and 20,000, respectively. In 2000, the number of shares of restricted stock awarded to Messrs. Toback, Dwyer, Fanelli and Wildman was 30,000, 15,000, 20,000 and 7,500, respectively. The value of such shares was determined by the closing price of the common stock at the date of grant, net of consideration paid by each recipient. These shares were issued in the recipient's name and are held by Bally until the restrictions lapse. The restrictions on these shares lapse upon a change in control of Bally, the recipient's death, termination of employment due to disability or the first date prior to December 31, 2005 which follows seven consecutive trading days on which the trading price equals or exceeds the targeted stock price of \$42 per share. If the restrictions do not lapse prior to December 31, 2005, the shares will be forfeited to Bally.

4. Represents amounts matched by Bally in connection with participation in Bally's savings plans.
5. In 2002, with regards to our former Chairman, President, and Chief Executive Officer, this amount includes current and future cash payments through 2004 pursuant to a separation agreement with the Company and \$926,100 for vesting of restricted stock.

Employment Agreements

Bally entered into employment agreements with Mr. Toback, Mr. Dwyer, Mr. Fanelli, Mr. Gaan, and Mr. Wildman effective as of January 1, 2003 for terms of three years through December 31, 2005. Commencing January 1, 2005, such employment period shall be extended each day by one day to create a new one-year term. At any time at or after January 1, 2005, either the Company or the executive may deliver notice to the other party that the employment period shall expire on the last day of the one-year period commencing on the date of delivery of such notice. The agreements provide for an annual base salary (\$475,000 for Mr. Toback and Mr. Dwyer, \$375,000 for Mr. Gaan, and \$325,000 for Mr. Fanelli and Mr. Wildman), subject to increases at the discretion of Bally, and a bonus payable at the discretion of Bally. In the event of a change in control of Bally and the successor in control, without cause, terminates the agreement, or employment is constructively terminated, the executive will be paid a lump sum equal to a percentage of his annual target bonus for the year based on the number of days passed until the date of termination, plus two times the executive's annual salary and target bonus. If it is determined that any payment, distribution or benefit received by the executive from the Company pursuant to his agreement or any stock award or option plan would result in the imposition of excise tax, the Company will pay the executive an additional amount related to the excise tax. Under these employment agreements, if a change in control of Bally had occurred on March 31, 2003 and the executive was subsequently asked to leave the employ of Bally, Mr. Toback and Mr. Dwyer would be entitled to a payment of \$1,698,125, Mr. Gaan a payment of \$1,171,875 and Mr. Fanelli and Mr. Wildman a payment of \$1,015,625, plus a percentage of their target bonus based on the number of days worked up to their date of termination, excluding excise tax related payments, if any, referred to above. In addition, Mr. Gaan's agreement allows him to voluntarily end his employment after December 31, 2003 and be paid a lump sum equal to his annual salary and target bonus plus a percentage of his annual target bonus for the year based on the number of days passed until the date of termination.

Management Retirement Savings Plan

The board of directors has adopted the Bally Total Fitness Holding Corporation Management Retirement Savings Plan (the Retirement Plan). The Retirement Plan is a deferred compensation plan designed to permit a select group of management or highly compensated employees to enhance the security of themselves and their beneficiaries following retirement or other termination of their employment. The Retirement Plan is intended to be an unfunded employee pension benefit plan under the Employee Retirement Income Security Act of 1974, as amended, and is maintained by Bally. The Retirement Plan is not intended to be qualified under the Internal Revenue Code of 1986, as amended (the Code). The board of directors, in its sole discretion, designates those members of management or highly compensated employees who are eligible to participate in the Retirement Plan.

The amount of compensation that may be deferred is presently limited pursuant to a schedule based upon the age of the participant at the beginning of or during the compensation year. For participants who are less than 50 years of age, a maximum of 25% of compensation may be deferred; for those who are 50 to 54 years of age, a maximum of 50% of compensation may be deferred; for those who are 55 to 59 years of age, a maximum of 75% of compensation may be deferred; and for those participants who are 60 years of age or older, a maximum of 100% of compensation may be deferred. During 2002, Bally provided a matching contribution of 50% of the first 10% of eligible compensation the participant deferred and 0% thereafter. Matching contributions are credited to a participant's

matching account and become vested as follows: after one but less than two Years of Deferral (as defined) they become 33 1/3% vested, after two but less than three Years of Deferral they become 66 2/3% vested, and after more than three Years of Deferral they become fully vested. For this purpose, a Year of Deferral is credited with respect to a matching contribution for each completed calendar year commencing after the calendar year for which the matching contribution was made. A participant who separates from service will receive his benefits under the Retirement Plan in a lump sum. As soon as possible (but not later than five business days) after a change in control of Bally (as defined), all of the participants' accounts will become 100% vested.

For 2002, Bally contributed \$588,240 to the accounts of all participants in the Retirement Plan, of which \$65,935 was allocated to the accounts of all executive officers of Bally as a group. Named Executive Officers receiving allocations are as follows: Mr. Toback, \$14,915, Mr. Dwyer, \$28,788 and Mr. Fanelli, \$20,500.

2000 Bonus Plan

In 2000, the Compensation Committee of the Board of Directors adopted the Bally Total Fitness Holding Corporation 2000 Bonus Plan (the "Bonus Plan"). The purpose of the Bonus Plan was to provide an additional performance incentive for certain senior executive and other key employees of Bally for 2000, 2001 and 2002 (the "Plan Years"). The Compensation Committee, based upon the recommendation of Bally's management, determined those employees who participated in the Bonus Plan.

Bonuses for each participant were part of a pool consisting of a maximum of 14% of the increases in Bally's earnings before interest, taxes, depreciation and amortization, for a plan year from the immediately preceding plan year. Each participant had a determined participation percentage of the amount allocated to the pool, which was based upon the participant's responsibilities and contributions for the plan year. The participation percentages were designated by the Compensation Committee and awarded in a manner such that the sum of the participation percentages did not exceed 100% of the pool. Each participant's share of the bonus amount for a plan year equaled the individual's participation percentage for the plan year multiplied by the amount allocated to the pool for such plan year. The bonus amounts were payable by March 15th of the calendar year following the plan year. To the extent that Bally's federal income tax deduction for remuneration to a participant was limited by Section 162(m) of the Code, payments under the Bonus Plan were deferred until Section 162(m) no longer limits the deduction.

The determination of the participants and their participation percentages by the Compensation Committee remained in effect until participation ceases. A person ceased to be a participant immediately upon termination of employment with Bally for any reason whatsoever. A person who ceased to be a participant forfeited entitlement to future payments under the plan, other than amounts deferred because of the Section 162(m) limitation.

Stock Option and SAR Grants

The Company did not grant any options to purchase common stock to the Named Executive Officers during 2002. There have been no stock appreciation rights granted by Bally to date.

Stock Option and SAR Exercises

The following table sets forth certain information concerning exercises of stock options during 2002 by each of the Named Executive Officers and their stock options outstanding as of December 31, 2002. There have been no stock appreciation rights granted by Bally to date.

Aggregated Option Exercises in Last Fiscal Year and Option Values at End of Last Fiscal Year

			Number of Securities Underlying Unexercised Options at December 31, 2002		Value of Unexercised In-the-Money Options at December 31, 2002 (1)
Shares Acquired on	Value Realized	Exercisable	Unexercisable	Exercisable	Unexercisable

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Name	Exercise (#)	(\$)	(#)	(#)	(\$)	(\$)
Paul A. Toback			93,333	26,667		
John W. Dwyer			175,000	30,000	103,775	
William G. Fanelli			115,000	20,000	44,475	
Cary A. Gaan			46,666	13,334		
John H. Wildman			105,000	20,000	103,775	
Lee S. Hillman			435,000		294,750	

-
1. Based on the closing price of common stock on the New York Stock Exchange on December 31, 2002, which was \$7.09 per share.

Compensation of Directors

Members of the board of directors who are also employees of Bally do not receive any additional compensation for service on the board of directors or any committees of the board of directors. Members of the board of directors who are not employees of Bally presently receive an annual retainer of \$30,000 plus a \$2,000 stipend for each board of directors meeting attended. Non-employee directors presently receive additional stipends for service on committees of the board of directors of \$1,000 per year for committee members and \$2,000 per year for committee chairman. In addition, in 2002 the then non-employee directors received \$17,500 for service on a special committee of the board of directors. Also, pursuant to Bally's 1996 Non-Employee Directors' Stock Option Plan (the Directors' Plan), each non-employee director of Bally is granted an option to purchase 5,000 shares of common stock upon the commencement of service on the board of directors, with another option to purchase 5,000 shares of common stock granted on the second anniversary thereof. Additional grants of options may be made from time to time pursuant to the Directors' Plan. Options under the Directors' Plan are generally granted with an exercise price equal to the fair market value of the common stock at the date of grant. Option grants under the Directors' Plan become exercisable in three equal annual installments commencing one year from the date of grant and have a 10-year term. Under the Directors' Plan, each of the then non-employee directors of Bally was granted options to purchase 5,000 shares of common stock in September 2001, December 2000, January 1998 and January 1996.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

In general, beneficial ownership includes those shares a stockholder has the power to vote or transfer and stock options or warrants that are exercisable currently or within 60 days. Unless otherwise indicated, all information with respect to ownership of common stock is as of March 31, 2003. On March 31, 2003, Bally had outstanding 33,266,494 shares of common stock. The Common Shares Owned column includes, in certain circumstances, shares of common stock held in the name of the director's or executive officer's spouse, minor children, or relatives sharing the director's or executive officer's home, the reporting of which is required by applicable rules of the Securities and Exchange Commission, but as to which shares of common stock the director or executive officer may have disclaimed beneficial ownership. As used in the following tables, an asterisk in the Percentage of Outstanding Stock column means less than 1%.

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Beneficial Owner	Common Shares Owned	Options/Warrants Exercisable Within 60 Days	Total Beneficial Ownership	Percent Outst St
Paul A. Toback President, Chief Executive Officer and Director	6,434	93,333	99,767	
John W. Dwyer Executive Vice President, Chief Financial Officer and Director	75,872	175,000	250,872	
William G. Fanelli Senior Vice President, Finance	26,967	115,000	141,967	
Cary A. Gaan Senior Vice President, Secretary and General Counsel	270	46,666	46,936	
John H. Wildman Senior Vice President, Chief Operating Officer	60,000	105,000	165,000	
Martin E. Franklin, Director (2)	930,131	-	930,131	2
J. Kenneth Looloian, Director	2,500	15,000	17,500	
James F. McAnally, M.D., Director	4,000	15,000	19,000	
John W. Rogers, Jr., Director	-	-	-	
Stephen C. Swid, Director (3)	324,300	-	324,300	1
Lee S. Hillman Former Chairman, President and Chief Executive Officer	269,000	1,170,701	1,439,701	4
All directors and executive officers as a group (12 persons) (9)	1,488,145	722,498	2,210,643	6
SLS Management, LLC (1) (4) 140 West 57th Street Suite 7B New York, New York 10019	3,193,541		3,193,541	9
Janus Capital Management LLC (1) (5) Janus Special Situations Fund (1) (5) 100 Fillmore Street Denver, CO 80206	2,531,715		2,531,715	7
Liberty Wanger Asset Management, L.P. ("WAM") (1) (6) WAM Acquisition GP, Inc., the general partner of WAM (1) (6) Liberty Acorn Trust (1) (6) 227 West Monroe Street, Suite 3000 Chicago, IL 60606	2,498,900		2,498,900	7
Douglas Levine (1) (7) 17 E. 17th Street, Apt. 7	2,280,348		2,280,348	6

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Wellington Management Company, LLP (1) (8)	1,754,800	1,754,800	5
75 State Street			
Boston, MA 02109			

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1. Represents a beneficial owner of more than 5% of the common stock based on the owner's reported ownership of shares of common stock in filings made with the Securities and Exchange Commission pursuant to Section 13(d) and 13(g) of the Securities Exchange Act of 1934, as amended. Information with respect to each beneficial owner is

generally as of the date of the most recent filing by the beneficial owner with the Securities and Exchange Commission and is based solely on information contained in such filings.

2. Includes 878,000 shares owned by Marlin Partners III LP. Mr. Franklin is a controlling member of the entity which is the general partner of that partnership.
3. Includes 25,000 shares held in trusts for which Mr. Swid's daughters are beneficiaries and of which Mr. Swid is a trustee and includes 55,000 shares owned by The Wall Street Trust. Mr. Swid is the principal of the entity which is the investment manager of that trust.
4. SLS Management, LLC, is a Delaware limited liability company ("Management"). Management's principal business is managing a number of accounts containing securities over which Management has discretionary voting and dispositive power. One or more of management's advisory clients is the owner of 3,185,941 shares of common stock. Investment advisory arrangements with its advisory clients grant to Management voting and investment discretion over the securities owned by its advisory clients. Accordingly, Management may be deemed, for purposes of Regulation 13D-G under the Securities Exchange Act of 1934, the beneficial owner of 3,185,941 shares of common stock. Management has sole voting and dispositive power with respect to 2,981,486 of such shares of common stock and (in the case of one advisory client which retains the right to require Management to liquidate securities positions in its account under certain limited circumstances) may be deemed to share voting and dispositive power with respect to 204,455 of such shares of common stock.
5. Janus Capital is a registered investment adviser which furnishes investment advice to several investment companies registered under Section 8 of the Investment Company Act of 1940 and individual and institutional clients. These investment companies and other clients hold the shares of common stock that are reported in this chart. Janus Capital may be deemed to be the beneficial owner of common stock held by these investment companies and clients but disclaims any ownership of the common stock. Janus Special Situations Fund is an investment company registered under the Investment Company Act of 1940 and is one of the investment companies to which Janus Capital renders advice. Janus Special Situations Fund beneficially owns 1,919,170 shares.
6. Liberty Acorn Trust is an Investment Company under Section 8 of the Investment Company Act of 1940. WAM is an Investment Adviser registered under Section 203 of the Investment Advisers Act of 1940; WAM Acquisition GP, Inc., is the General Partner of the Investment Adviser. Liberty Acorn Trust beneficially owns 1,823,000 shares.
7. Includes 267,614 shares of common stock held in escrow (the "escrow shares") pursuant to the terms of an escrow agreement, dated December 31, 2001, among the Company, Mr. Levine and other former stockholders of Crunch Fitness International, Inc., a Delaware corporation, Marlin Holdings, Inc., and Bank of New York, as escrow agent. Mr. Levine disclaims beneficial ownership of the escrow shares. Mr. Levine may be deemed to have shared voting and dispositive power of 100,000 shares of common stock beneficially owned by the Douglas and Kasia Levine Family Support Foundation and disclaims beneficial ownership over any shares held by that foundation.
8. Wellington Management Company, LLP ("WMC") in its capacity as investment advisor, may be deemed to beneficially own 1,754,800 shares of common stock which are held of record by clients of WMC. WMC has the shared power to vote or to direct the vote of 1,632,500 shares of common stock and the shared power to dispose or to direct the disposition of 1,754,800 shares of common stock.
9. Does not include Lee S. Hillman, our former Chairman, President and Chief Executive Officer.

EQUITY COMPENSATION PLAN INFORMATION

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under compensation plans (excluding securities reflected in column
	(a)	(b)	(c)
Equity compensation plans approved by security holders (1)	3,628,758	\$20.43	2,
Equity compensation plans not approved by security holders	-	-	
Total	3,628,758	\$20.43	2

1. The number of securities remaining for future issuance consists of 2,806,294 shares issuable under the Company's 1996 Long-Term Incentive Plan and 30,000 shares under the Company's 1996 Non-Employee Directors' Stock Option Plan. In November 1997, June 1999, December 2000 and June 2002, the 1996 Long-Term Incentive Plan was amended to increase the aggregate amount of shares outstanding that may be granted to an aggregate of 8,600,000. The first two amendments, which increased the number of shares subject to the plan by a total of 2,500,000, were approved by the Company's shareholders.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

CERTAIN TRANSACTIONS

During 2002, Bally paid approximately \$1.1 million for goods and services from a company which employed a relative of Mr. Hillman and approximately \$1.4 million for goods and services from a company which employed a relative of Mr. Wildman. Bally believes that the terms of these arrangements were at least as favorable to Bally as those which could be obtained from unrelated parties.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BALLY TOTAL FITNESS HOLDING CORPORATION

Dated: April 29, 2003

By: /s/ Paul A. Toback

Paul A. Toback
President, Chief Executive Officer and Director

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated. This report may be signed in multiple identical counterparts all of which, taken together, shall constitute a single document.

Dated: April 29, 2003

By: /s/ Paul A. Toback

Paul A. Toback
President, Chief Executive Officer and Director
(principal executive officer)

Dated: April 29, 2003

By: /s/ John W. Dwyer

John W. Dwyer
Executive Vice President, Chief Financial Officer and
Director
(principal financial officer)

Dated: April 29, 2003

By: /s/ Theodore P. Noncek

Theodore P. Noncek
Vice President, Controller
(principal accounting officer)

Dated: April 29, 2003

By: /s/ Martin E. Franklin

Martin E. Franklin
Director

Dated: April 29, 2003

By: /s/ J. Kenneth Looloian

J. Kenneth Looloian
Director

Dated: April 29, 2003

By: /s/ James F. McAnally, M.D.

James F. McAnally, M.D.
Director

Dated: April 29, 2003

By: /s/ John W. Rogers, Jr.

John W. Rogers, Jr.
Director

Dated: April 29, 2003

By: /s/ Stephen C. Swid

Stephen C. Swid
Director

CERTIFICATIONS

Certification Pursuant to Rule 13a-14 and Rule 15d-14

Of the Securities Exchange Act of 1934

I, Paul A. Toback, certify that:

1. I have reviewed this annual report on Form 10-K/A of Bally Total Fitness Holding Corporation (Registrant);
2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;
3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this annual report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the Registrant, and we have:
 - a. designed such disclosure controls and procedures to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;
 - b. evaluated the effectiveness of the Registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the Evaluation Date); and
 - c. presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the Registrant's auditors and the audit committee of Registrant's board of directors (or persons performing the equivalent function):
 - a. all significant deficiencies in the design or operation of internal controls which could adversely affect the Registrant's ability to record, process, summarize and report financial data and have identified for the Registrant's auditors any material weaknesses in internal controls; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal controls; and
6. The Registrant's other certifying officer and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: April 29, 2003

/s/ Paul A. Toback

Paul A. Toback

Chief Executive Officer, President and

Director

**Certification Pursuant to Rule 13a-14 and Rule 15d-14
of the Securities Exchange Act of 1934**

I, John W. Dwyer, certify that:

1. I have reviewed this annual report on Form 10-K/A of Bally Total Fitness Holding Corporation (Registrant);
2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;
3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this annual report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the Registrant, and we have:
 - a. designed such disclosure controls and procedures to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;
 - b. evaluated the effectiveness of the Registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the Evaluation Date); and
 - c. presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the Registrant's auditors and the audit committee of Registrant's board of directors (or persons performing the equivalent function):
 - a. all significant deficiencies in the design or operation of internal controls which could adversely affect the Registrant's ability to record, process, summarize and report financial data and have identified for the Registrant's auditors any material weaknesses in internal controls; and
 - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal controls; and
6. The Registrant's other certifying officer and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: April 29, 2003

/s/ John W. Dwyer

John W. Dwyer

Executive Vice President, Chief Financial
Officer and Director