

BLOCKBUSTER INC
Form 4
July 19, 2010

FORM 4

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

OMB APPROVAL

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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

(Print or Type Responses)

1. Name and Address of Reporting Person *
WATTLES MARK J

(Last) (First) (Middle)

7945 W. SAHARA AVE., SUITE 205

(Street)

LAS VEGAS, NV 89117

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
BLOCKBUSTER INC [BBI]

3. Date of Earliest Transaction (Month/Day/Year)
07/15/2010

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)

___ Form filed by One Reporting Person
X 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) | | | |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|------------|---|--------------------|
| | | | Code | V | Amount | (A) or (D) | Price | | | |
| Class B Common Stock | 07/15/2010 | | S | | 2,500 | D | \$ 0.078 | 11,074,500 | I | See Notes (1) (19) |
| Class B Common Stock | 07/15/2010 | | S | | 11,200 | D | \$ 0.0755 | 11,036,300 | I | See Notes (2) (19) |
| Class B Common Stock | 07/15/2010 | | S | | 2,500 | D | \$ 0.0754 | 11,033,800 | I | See Notes (3) (19) |
| Class B Common | 07/15/2010 | | S | | 10,000 | D | \$ 0.0751 | 11,023,800 | I | See Notes (4) (19) |

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| | | | | | | | | |
|----------------------------|------------|---|---------|---|--------------|------------|---|--------------------------------------|
| Stock | | | | | | | | |
| Class B Common Stock | 07/15/2010 | S | 2,500 | D | \$ 0.0752 | 11,021,300 | I | See Notes <u>(5)</u> <u>(19)</u> |
| Class B Common Stock | 07/15/2010 | S | 17,400 | D | \$ 0.075 | 11,003,900 | I | See Notes <u>(6)</u> <u>(19)</u> |
| Class B Common Stock | 07/15/2010 | S | 15,000 | D | \$ 0.077 | 10,988,900 | I | See Notes <u>(7)</u> <u>(19)</u> |
| Class B Common Stock | 07/15/2010 | S | 170,000 | D | \$ 0.079 | 10,818,900 | I | See Notes <u>(8)</u> <u>(19)</u> |
| Class B Common Stock | 07/15/2010 | S | 18,900 | D | \$ 0.08 | 10,800,000 | I | See Notes <u>(9)</u> <u>(19)</u> |
| Class B Common Stock | 07/15/2010 | S | 25,500 | D | \$ 0.0855 | 10,774,500 | I | See Notes <u>(10)</u> <u>(19)</u> |
| Class B Common Stock | 07/15/2010 | S | 2,500 | D | \$ 0.0815 | 10,772,000 | I | See Notes <u>(11)</u> <u>(19)</u> |
| Class B Common Stock | 07/15/2010 | S | 2,500 | D | \$ 0.0805 | 10,769,500 | I | See Notes <u>(12)</u> <u>(19)</u> |
| Class B Common Stock | 07/16/2010 | S | 25,000 | D | \$ 0.079 | 10,744,500 | I | See Notes <u>(13)</u> <u>(19)</u> |
| Class B Common Stock | 07/16/2010 | S | 4,800 | D | \$ 0.0746 | 10,739,700 | I | See Notes <u>(14)</u> <u>(19)</u> |
| Class B Common Stock | 07/16/2010 | S | 24,900 | D | \$ 0.076 | 10,714,800 | I | See Notes <u>(15)</u> <u>(19)</u> |
| Class B Common Stock | 07/16/2010 | S | 2,500 | D | \$ 0.075 | 10,712,300 | I | See Notes <u>(16)</u> <u>(19)</u> |
| Class B Common Stock | 07/16/2010 | S | 56,200 | D | \$ 0.0745 | 10,656,100 | I | See Notes <u>(17)</u> <u>(19)</u> |
| Class B Common Stock | 07/16/2010 | S | 113,610 | D | \$ 0.07 | 10,542,490 | I | See Notes <u>(18)</u> <u>(19)</u> |

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

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(9-02)

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. Number of Derivative Securities Owned Following Transaction (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|---|
| | | | | 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 |
| WATTLES MARK J 7945 W. SAHARA AVE., SUITE 205 LAS VEGAS, NV 89117 | | X | | |
| WATTLES CAPITAL MANAGEMENT, LLC 7945 W. SAHARA AVE., SUITE 205 LAS VEGAS, NV 89117 | | X | | |

Signatures

Mark J. Wattles 07/19/2010

**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).
- (1) Includes 7,662,750 shares held directly by WCM and 3,384,750 shares held directly by HKW Trust.
- (2) Includes 7,652,670 shares held directly by WCM and 3,383,630 shares held directly by HKW Trust.
- (3) Includes 7,650,420 shares held directly by WCM and 3,383,380 shares held directly by HKW Trust.
- (4) Includes 7,641,420 shares held directly by WCM and 3,382,380 shares held directly by HKW Trust.

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- (5) Includes 7,639,170 shares held directly by WCM and 3,382,130 shares held directly by HKW Trust.
- (6) Includes 7,623,510 shares held directly by WCM and 3,380,390 shares held directly by HKW Trust.
- (7) Includes 7,610,010 shares held directly by WCM and 3,378,890 shares held directly by HKW Trust.
- (8) Includes 7,457,010 shares held directly by WCM and 3,361,890 shares held directly by HKW Trust.
- (9) Includes 7,440,000 shares held directly by WCM and 3,360,000 shares held directly by HKW Trust.
- (10) Includes 7,417,050 shares held directly by WCM and 3,357,450 shares held directly by HKW Trust.
- (11) Includes 7,414,800 shares held directly by WCM and 3,357,200 shares held directly by HKW Trust.
- (12) Includes 7,412,550 shares held directly by WCM and 3,356,950 shares held directly by HKW Trust.
- (13) Includes 7,390,050 shares held directly by WCM and 3,354,450 shares held directly by HKW Trust.
- (14) Includes 7,385,730 shares held directly by WCM and 3,353,970 shares held directly by HKW Trust.
- (15) Includes 7,363,320 shares held directly by WCM and 3,351,480 shares held directly by HKW Trust.
- (16) Includes 7,361,070 shares held directly by WCM and 3,351,230 shares held directly by HKW Trust.
- (17) Includes 7,310,490 shares held directly by WCM and 3,345,610 shares held directly by HKW Trust.
- (18) Includes 7,208,241 shares held directly by WCM and 3,334,249 shares held directly by HKW Trust.
- (19) Mr. Wattles owns 100% of the membership interests of WCM. Mr. Wattles is the settler and sole trustee of HKW Trust and exercises sole discretion over HKW Trust.

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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