

BLOCKBUSTER INC
Form 4
July 12, 2010

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

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)
07/08/2010

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 A Common Stock | | | | | 6,200,000 | I | See Notes (1) (8) |
| Class B Common Stock | 07/08/2010 | | S | | 200,000 | D | \$ 0.082 11,350,000 I See Notes (2) (8) |
| Class B Common Stock | 07/08/2010 | | S | | 30,000 | D | \$ 0.08 11,320,000 I See Notes (3) (8) |
| Class B Common Stock | 07/08/2010 | | S | | 20,000 | D | \$ 0.084 11,300,000 I See Notes (4) (8) |

Stock

| | | | | | | | | |
|-------------------------|------------|---|---------|---|-----------|------------|---|------------------------------------|
| Class B Common Stock | 07/09/2010 | S | 10,000 | D | \$ 0.09 | 11,290,000 | I | See Notes <u>(5)</u> <u>(8)</u> |
| Class B Common Stock | 07/09/2010 | S | 5,000 | D | \$ 0.0875 | 11,285,000 | I | See Notes <u>(6)</u> <u>(8)</u> |
| Class B Common Stock | 07/09/2010 | S | 235,000 | D | \$ 0.085 | 11,050,000 | I | See Notes <u>(7)</u> <u>(8)</u> |

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474
(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 Beneficially Owned Following Reported Transaction (Instr. 6) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|---|
| | | | | 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

07/12/2010

**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 6,000,000 shares held directly by Wattles Capital Management, LLC ("WCM") and 200,000 shares held directly by HKW Trust.
- (2) Includes 7,935,000 shares held directly by WCM and 3,415,000 shares held directly by HKW Trust.
- (3) Includes 7,908,000 shares held directly by WCM and 3,412,000 shares held directly by HKW Trust.
- (4) Includes 7,890,000 shares held directly by WCM and 3,410,000 shares held directly by HKW Trust.
- (5) Includes 7,881,000 shares held directly by WCM and 3,409,000 shares held directly by HKW Trust.
- (6) Includes 7,876,500 shares held directly by WCM and 3,408,500 shares held directly by HKW Trust.
- (7) Includes 7,665,000 shares held directly by WCM and 3,385,000 shares held directly by HKW Trust.
- (8) 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.

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.