

Terry Eileen M
Form 4
December 27, 2005

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

OMB APPROVAL

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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 *
Terry Eileen M

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
1201 ELM ST.

(Street)

3. Date of Earliest Transaction
(Month/Day/Year)
12/23/2005

____ Director
 Officer (give title below)
____ 10% Owner
____ Other (specify below)
EVP

DALLAS, TX 75270

(City) (State) (Zip)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | | (A) or (D) Code V | Amount | | |
| | | | | | Price | | |
| Class A Common Stock | 12/23/2005 | | S ⁽¹⁾ | 5,992 | D | \$ 3.566 | 117,251 D |
| Class A Common Stock | | | | | | | 538 ⁽²⁾ I |
| | | | | | | | By 401(k) plan |

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

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