

BLOCKBUSTER INC  
Form 4  
July 07, 2010

**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 \*  
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)  
07/02/2010

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) (24)                                    |
| Class B Common Stock            | 07/02/2010                           |  | S                              |   | 250,000   | D  | \$ 0.12 13,050,000 I See Notes (2) (24)               |
| Class B Common Stock            | 07/02/2010                           |  | S                              |   | 100   | D  | \$ 0.1001 13,049,900 I See Notes (3) (24)             |
| Class B Common Stock            | 07/02/2010                           |  | S                              |   | 140,423   | D  | \$ 0.11 12,909,477 I See Notes (4) (24)               |

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|                            |            |   |         |   |              |            |   |                                      |
|----------------------------|------------|---|---------|---|--------------|------------|---|--------------------------------------|
| Stock                      |            |   |         |   |              |            |   |                                      |
| Class B<br>Common<br>Stock | 07/02/2010 | S | 300     | D | \$<br>0.1006 | 12,909,177 | I | See Notes<br><u>(5)</u> <u>(24)</u>  |
| Class B<br>Common<br>Stock | 07/02/2010 | S | 100     | D | \$<br>0.1005 | 12,909,077 | I | See Notes<br><u>(6)</u> <u>(24)</u>  |
| Class B<br>Common<br>Stock | 07/02/2010 | S | 1,900   | D | \$<br>0.1004 | 12,907,077 | I | See Notes<br><u>(7)</u> <u>(24)</u>  |
| Class B<br>Common<br>Stock | 07/02/2010 | S | 2,100   | D | \$<br>0.1003 | 12,905,077 | I | See Notes<br><u>(8)</u> <u>(24)</u>  |
| Class B<br>Common<br>Stock | 07/02/2010 | S | 605,077 | D | \$ 0.1       | 12,300,000 | I | See Notes<br><u>(9)</u> <u>(24)</u>  |
| Class B<br>Common<br>Stock | 07/06/2010 | S | 600     | D | \$ 0.099     | 12,299,400 | I | See Notes<br><u>(10)</u> <u>(24)</u> |
| Class B<br>Common<br>Stock | 07/06/2010 | S | 2,400   | D | \$<br>0.0987 | 12,297,000 | I | See Notes<br><u>(11)</u> <u>(24)</u> |
| Class B<br>Common<br>Stock | 07/06/2010 | S | 100     | D | \$<br>0.0983 | 12,296,900 | I | See Notes<br><u>(12)</u> <u>(24)</u> |
| Class B<br>Common<br>Stock | 07/06/2010 | S | 2,400   | D | \$<br>0.0984 | 12,294,500 | I | See Notes<br><u>(13)</u> <u>(24)</u> |
| Class B<br>Common<br>Stock | 07/06/2010 | S | 9,600   | D | \$<br>0.0961 | 12,284,900 | I | See Notes<br><u>(14)</u> <u>(24)</u> |
| Class B<br>Common<br>Stock | 07/06/2010 | S | 41,000  | D | \$ 0.096     | 12,243,900 | I | See Notes<br><u>(15)</u> <u>(24)</u> |
| Class B<br>Common<br>Stock | 07/06/2010 | S | 1,800   | D | \$ 0.955     | 12,242,100 | I | See Notes<br><u>(16)</u> <u>(24)</u> |
| Class B<br>Common<br>Stock | 07/06/2010 | S | 1,000   | D | \$<br>0.0956 | 12,241,100 | I | See Notes<br><u>(17)</u> <u>(24)</u> |
| Class B<br>Common<br>Stock | 07/06/2010 | S | 5,000   | D | \$<br>0.0951 | 12,236,100 | I | See Notes<br><u>(18)</u> <u>(24)</u> |

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|                         |            |   |         |   |           |            |   |                        |
|-------------------------|------------|---|---------|---|-----------|------------|---|------------------------|
| Class B<br>Common Stock | 07/06/2010 | S | 186,100 | D | \$ 0.095  | 12,050,000 | I | See Notes<br>(19) (24) |
| Class B<br>Common Stock | 07/07/2010 | S | 80,000  | D | \$ 0.0605 | 11,970,000 | I | See Notes<br>(20) (24) |
| Class B<br>Common Stock | 07/07/2010 | S | 10,000  | D | \$ 0.065  | 11,960,000 | I | See Notes<br>(21) (24) |
| Class B<br>Common Stock | 07/07/2010 | S | 5,000   | D | \$ 0.0603 | 11,955,000 | I | See Notes<br>(22) (24) |
| Class B<br>Common Stock | 07/07/2010 | S | 405,000 | D | \$ 0.06   | 11,550,000 | I | See Notes<br>(23) (24) |

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 Beneficially Owned Following Reported 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

07/07/2010

\*\*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 9,352,500 shares held directly by WCM and 3,697,500 shares held directly by HKW Trust.
- (3) Includes 9,352,425 shares held directly by WCM and 3,697,475 shares held directly by HKW Trust.
- (4) Includes 9,247,108 shares held directly by WCM and 3,662,369 shares held directly by HKW Trust.
- (5) Includes 9,246,883 shares held directly by WCM and 3,662,294 shares held directly by HKW Trust.
- (6) Includes 9,246,808 shares held directly by WCM and 3,662,269 shares held directly by HKW Trust.
- (7) Includes 9,245,383 shares held directly by WCM and 3,661,794 shares held directly by HKW Trust.
- (8) Includes 9,243,808 shares held directly by WCM and 3,661,269 shares held directly by HKW Trust.
- (9) Includes 8,790,000 shares held directly by WCM and 3,510,000 shares held directly by HKW Trust.
- (10) Includes 8,789,460 shares held directly by WCM and 3,509,940 shares held directly by HKW Trust.
- (11) Includes 8,787,300 shares held directly by WCM and 3,509,700 shares held directly by HKW Trust.
- (12) Includes 8,787,210 shares held directly by WCM and 3,509,690 shares held directly by HKW Trust.
- (13) Includes 8,785,050 shares held directly by WCM and 3,509,450 shares held directly by HKW Trust.
- (14) Includes 8,776,410 shares held directly by WCM and 3,508,490 shares held directly by HKW Trust.
- (15) Includes 8,739,510 shares held directly by WCM and 3,504,390 shares held directly by HKW Trust.
- (16) Includes 8,737,890 shares held directly by WCM and 3,504,210 shares held directly by HKW Trust.
- (17) Includes 8,736,990 shares held directly by WCM and 3,504,110 shares held directly by HKW Trust.
- (18) Includes 8,732,490 shares held directly by WCM and 3,503,610 shares held directly by HKW Trust.
- (19) Includes 8,565,000 shares held directly by WCM and 3,485,000 shares held directly by HKW Trust.
- (20) Includes 8,493,000 shares held directly by WCM and 3,477,000 shares held directly by HKW Trust.
- (21) Includes 8,484,000 shares held directly by WCM and 3,476,000 shares held directly by HKW Trust.
- (22) Includes 8,479,500 shares held directly by WCM and 3,475,500 shares held directly by HKW Trust.
- (23) Includes 8,115,000 shares held directly by WCM and 3,435,000 shares held directly by HKW Trust.
- (24) 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.