BLOCKBUSTER INC
Form 4
July 19, 2010

FORM 4

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

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

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).

(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)

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

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

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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. Nu Deriv Secur Bene Owne Follo Repo Trans (Instr
				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.

(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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