

BLOCKBUSTER INC

Form 4

July 21, 2010

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

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

OMB APPROVAL

OMB
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(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)

07/19/2010

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	07/19/2010		S		52,500	D	\$ 0.0611	10,489,990	I	See Notes (1) (18)
Class B Common Stock	07/19/2010		S		55,000	D	\$ 0.062	10,434,990	I	See Notes (2) (18)
Class B Common Stock	07/19/2010		S		17,500	D	\$ 0.066	10,417,490	I	See Notes (3) (18)
Class B Common	07/20/2010		S		100,000	D	\$ 0.0635	10,317,490	I	See Notes (4) (18)

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Stock								
Class B Common Stock	07/20/2010	S	100,000	D	\$ 0.063	10,217,490	I	See Notes (5) (18)
Class B Common Stock	07/20/2010	S	6,200	D	\$ 0.066	10,211,290	I	See Notes (6) (18)
Class B Common Stock	07/20/2010	S	35,000	D	\$ 0.064	10,176,290	I	See Notes (7) (18)
Class B Common Stock	07/20/2010	S	102,422	D	\$ 0.0645	10,073,868	I	See Notes (8) (18)
Class B Common Stock	07/20/2010	S	10,000	D	\$ 0.062	10,063,868	I	See Notes (9) (18)
Class B Common Stock	07/21/2010	S	44,000	D	\$ 0.063	10,019,868	I	See Notes (10) (18)
Class B Common Stock	07/21/2010	S	330,000	D	\$ 0.064	9,689,868	I	See Notes (11) (18)
Class B Common Stock	07/21/2010	S	126,000	D	\$ 0.066	9,563,868	I	See Notes (12) (18)
Class B Common Stock	07/21/2010	S	40,000	D	\$ 0.077	9,523,868	I	See Notes (13) (18)
Class B Common Stock	07/21/2010	S	30,000	D	\$ 0.075	9,493,868	I	See Notes (14) (18)
Class B Common Stock	07/21/2010	S	25,000	D	\$ 0.072	9,468,868	I	See Notes (15) (18)
Class B Common Stock	07/21/2010	S	80,000	D	\$ 0.071	9,388,868	I	See Notes (16) (18)
Class B Common Stock	07/21/2010	S	39,000	D	\$ 0.07	9,349,868	I	See Notes (17) (18)

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

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information contained in this form are not**

SEC 1474
(9-02)

required to respond unless the form displays a currently valid OMB control number.

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 07/21/2010

**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 7,160,991 shares held directly by WCM and 3,328,999 shares held directly by HKW Trust.
- (2) Includes 7,111,491 shares held directly by WCM and 3,323,499 shares held directly by HKW Trust.
- (3) Includes 7,095,741 shares held directly by WCM and 3,321,749 shares held directly by HKW Trust.
- (4) Includes 7,005,741 shares held directly by WCM and 3,311,749 shares held directly by HKW Trust.
- (5) Includes 6,915,741 shares held directly by WCM and 3,301,749 shares held directly by HKW Trust.
- (6) Includes 6,910,161 shares held directly by WCM and 3,301,129 shares held directly by HKW Trust.

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- (7) Includes 6,878,661 shares held directly by WCM and 3,297,629 shares held directly by HKW Trust.
- (8) Includes 6,786,481 shares held directly by WCM and 3,287,387 shares held directly by HKW Trust.
- (9) Includes 6,777,481 shares held directly by WCM and 3,286,387 shares held directly by HKW Trust.
- (10) Includes 6,737,881 shares held directly by WCM and 3,281,987 shares held directly by HKW Trust.
- (11) Includes 6,440,881 shares held directly by WCM and 3,248,987 shares held directly by HKW Trust.
- (12) Includes 6,327,481 shares held directly by WCM and 3,236,387 shares held directly by HKW Trust.
- (13) Includes 6,291,481 shares held directly by WCM and 3,232,387 shares held directly by HKW Trust.
- (14) Includes 6,264,481 shares held directly by WCM and 3,229,387 shares held directly by HKW Trust.
- (15) Includes 6,241,981 shares held directly by WCM and 3,226,887 shares held directly by HKW Trust.
- (16) Includes 6,169,981 shares held directly by WCM and 3,218,887 shares held directly by HKW Trust.
- (17) Includes 6,134,881 shares held directly by WCM and 3,214,987 shares held directly by HKW Trust.
- (18) 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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