

BLOCKBUSTER INC
Form SC 13G/A
February 12, 2010

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

SCHEDULE 13G

**Under the Securities Exchange Act of 1934
(Amendment No. 1)***

Blockbuster Inc.
(Name of Issuer)
Common Stock, par value \$0.01 per share
(Title of Class of Securities)
093679207
(CUSIP Number)
December 31, 2009
(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

- Rule 13d-1(b)
- Rule 13d-1(c)
- Rule 13d-1(d)

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934 (Act) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP No. 093679207

NAMES OF REPORTING PERSONS

1

Diamondback Master Fund, Ltd.

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

2

(a)

(b)

SEC USE ONLY

3

CITIZENSHIP OR PLACE OF ORGANIZATION

4

Cayman Islands, British West Indies

SOLE VOTING POWER

5

NUMBER OF 0

SHARED VOTING POWER

SHARES BENEFICIALLY OWNED BY 6

4,515,056 shares of Common Stock

SOLE DISPOSITIVE POWER

EACH REPORTING PERSON 7

0

SHARED DISPOSITIVE POWER

WITH: 8

4,515,056 shares of Common Stock

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

9

4,515,056 shares of Common Stock

10 CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

o

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

6.27%

12 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

CO

CUSIP No. 093679207

NAMES OF REPORTING PERSONS

1

Diamondback Capital Management, LLC

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

2

(a)

(b)

SEC USE ONLY

3

CITIZENSHIP OR PLACE OF ORGANIZATION

4

State of Delaware

SOLE VOTING POWER

5

NUMBER OF 0

SHARED VOTING POWER

SHARES BENEFICIALLY OWNED BY 6

4,515,056 shares of Common Stock

SOLE DISPOSITIVE POWER

EACH REPORTING PERSON 7

0

SHARED DISPOSITIVE POWER

WITH: 8

4,515,056 shares of Common Stock

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

9

4,515,056 shares of Common Stock

10 CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

o

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

6.27%

12 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

OO

CUSIP No. 093679207

NAMES OF REPORTING PERSONS

1

DBCM Partners, LLC

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

2

(a)

(b)

SEC USE ONLY

3

CITIZENSHIP OR PLACE OF ORGANIZATION

4

State of Delaware

SOLE VOTING POWER

5

NUMBER OF 0

SHARED VOTING POWER

6

SHARES BENEFICIALLY OWNED BY 4,515,056 shares of Common Stock

SOLE DISPOSITIVE POWER

7

EACH REPORTING PERSON 0

SHARED DISPOSITIVE POWER

8

WITH: 4,515,056 shares of Common Stock

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

9

4,515,056 shares of Common Stock

10 CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

o

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

6.27%

12 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

OO

CUSIP No. 093679207

This Amendment No. 1 (this Amendment) amends the statement on Schedule 13G filed on March 11, 2009 (the Original Schedule 13G and the Original Schedule 13G as amended, the Schedule 13G) with respect to the shares of Common Stock, par value \$0.01 per share (the Common Stock), of Blockbuster Inc., a Delaware corporation (the Company). Capitalized terms used herein and not otherwise defined in this Amendment have the meanings set forth in the Schedule 13G. This Amendment amends and restates Items 4 and 5 in their entirety as set forth below.

Item 4. Ownership

Provide the following information regarding the aggregate number and percentage of the class of securities of the issuer identified in Item 1.

(a) Amount beneficially owned:

As of December 31, 2009, (i) Diamondback Master Fund, Ltd. beneficially owned 4,515,056 shares of Common Stock and (ii) each of Diamondback Capital Management, LLC and DBCM Partners, LLC may be deemed to have been the beneficial owner of the 4,515,056 shares of Common Stock beneficially owned by Diamondback Master Fund, Ltd.

As of the date of this filing, (i) Diamondback Master Fund, Ltd. beneficially owns 1,893,807 shares of Common Stock and (ii) each of Diamondback Capital Management, LLC and DBCM Partners, LLC may be deemed to have beneficially owned the 1,893,807 shares of Common Stock beneficially owned by Diamondback Master Fund, Ltd. Diamondback Capital Management, LLC is the investment manager of Diamondback Master Fund, Ltd. DBCM Partners, LLC is the managing member of Diamondback Capital Management, LLC. Each of Chad Loweth, Lawrence Sapanski and Richard H. Schimel (the Diamondback Principals) serve as managing members of DBCM Partners, LLC. The foregoing should not be construed in and of itself as an admission by any Reporting Person or the Diamondback Principals as to beneficial ownership of the shares of Common Stock owned by another Reporting Person. In addition, each of Diamondback Capital Management, LLC, DBCM Partners, LLC and the Diamondback Principals disclaims beneficial ownership of the shares of Common Stock owned by Diamondback Master Fund, Ltd.

(b) Percent of class:

The Company's Quarterly Report on Form 10-Q for the quarterly period ended October 5, 2009 filed on November 13, 2009, indicates that the total number of outstanding shares of Common Stock as of November 6, 2009 was 72,000,000. Based on the Company's outstanding shares of Common Stock, (i) as of December 31, 2009, each of Diamondback Master Fund, Ltd., Diamondback Capital Management, LLC and DBCM Partners, LLC may be deemed to have beneficially owned 6.27% of the outstanding shares of Common Stock of the Company and (ii) as of the date of this filing, each of Diamondback Master Fund, Ltd., Diamondback Capital Management, LLC and DBCM Partners, LLC may be deemed to beneficially own 2.63% of the outstanding shares of Common Stock of the Company. The foregoing should not be construed in and of itself as an admission by any Reporting Person as to beneficial ownership of shares of Common Stock owned by another Reporting Person.

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(c) Number of shares as to which such person has:

(i) Sole power to vote or to direct the vote

0

(ii) Shared power to vote or to direct the vote

See Item 4(a)

(iii) Sole power to dispose or to direct the disposition of

0

(iv) Shared power to dispose or to direct the disposition of

See Item 4(a)

Item 5. Ownership of Five Percent or Less of a Class

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than 5 percent of the class of securities, check the following .

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SIGNATURES

After reasonable inquiry and to the best of its knowledge and belief, each of the undersigned certifies that the information with respect to it set forth in this statement is true, complete, and correct.

Dated: February 12, 2010

DIAMONDBACK MASTER FUND, LTD.

DIAMONDBACK CAPITAL MANAGEMENT,
LLC

By: /s/ John Hagarty

Name: John Hagarty

Title: Chief Operating Officer

By: /s/ Rebecca Sheinberg

Name: Rebecca Sheinberg

Title: Senior Compliance Officer

DBCM PARTNERS, LLC

By: /s/ Chad Loweth

Name: Chad Loweth

Title: Managing Member