

BLOCKBUSTER INC  
Form 4  
July 26, 2010

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2005  
Estimated average burden hours per response... 0.5

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

(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)  
07/22/2010

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	07/22/2010		S		5,000	D	\$ 0.071	9,344,868	I	See Notes (1) (23)
Class B Common Stock	07/22/2010		S		25,000	D	\$ 0.07	9,319,868	I	See Notes (2) (23)
Class B Common Stock	07/22/2010		S		177,360	D	\$ 0.074	9,142,508	I	See Notes (3) (23)
Class B Common	07/22/2010		S		30,000	D	\$ 0.0761	9,112,508	I	See Notes (4) (23)

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Stock								
Class B Common Stock	07/22/2010	S	5,000	D	\$ 0.0815	9,107,508	I	See Notes <u>(5)</u> <u>(23)</u>
Class B Common Stock	07/22/2010	S	10,000	D	\$ 0.081	9,097,508	I	See Notes <u>(6)</u> <u>(23)</u>
Class B Common Stock	07/22/2010	S	50,000	D	\$ 0.0781	9,047,508	I	See Notes <u>(7)</u> <u>(23)</u>
Class B Common Stock	07/22/2010	S	5,000	D	\$ 0.0785	9,042,508	I	See Notes <u>(8)</u> <u>(23)</u>
Class B Common Stock	07/22/2010	S	266,000	D	\$ 0.08	8,776,508	I	See Notes <u>(9)</u> <u>(23)</u>
Class B Common Stock	07/23/2010	S	25,000	D	\$ 0.0815	8,751,508	I	See Notes <u>(10)</u> <u>(23)</u>
Class B Common Stock	07/23/2010	S	2,952	D	\$ 0.085	8,748,556	I	See Notes <u>(11)</u> <u>(23)</u>
Class B Common Stock	07/23/2010	S	280,000	D	\$ 0.089	8,468,556	I	See Notes <u>(12)</u> <u>(23)</u>
Class B Common Stock	07/23/2010	S	313,300	D	\$ 0.084	8,155,256	I	See Notes <u>(13)</u> <u>(23)</u>
Class B Common Stock	07/23/2010	S	53,058	D	\$ 0.081	8,102,198	I	See Notes <u>(14)</u> <u>(23)</u>
Class B Common Stock	07/23/2010	S	147,942	D	\$ 0.083	7,954,256	I	See Notes <u>(15)</u> <u>(23)</u>
Class B Common Stock	07/23/2010	S	286,748	D	\$ 0.08	7,667,508	I	See Notes <u>(16)</u> <u>(23)</u>
Class B Common Stock	07/23/2010	S	141,000	D	\$ 0.079	7,526,508	I	See Notes <u>(17)</u> <u>(23)</u>
Class B Common Stock	07/26/2010	S	25,000	D	\$ 0.095	7,501,508	I	See Notes <u>(18)</u> <u>(23)</u>

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Class B Common Stock	07/26/2010	S	63,300	D	\$ 0.091	7,438,208	I	See Notes (19) (23)
Class B Common Stock	07/26/2010	S	203,366	D	\$ 0.092	7,234,842	I	See Notes (20) (23)
Class B Common Stock	07/26/2010	S	100,000	D	\$ 0.0955	7,134,842	I	See Notes (21) (23)
Class B Common Stock	07/26/2010	S	108,334	D	\$ 0.093	7,026,508	I	See Notes (22) (23)

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

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SEC 1474  
(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 (Instr. 5)
				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

07/26/2010

\*\*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 6,130,381 shares held directly by WCM and 3,214,487 shares held directly by HKW Trust.
- (2) Includes 6,107,881 shares held directly by WCM and 3,211,987 shares held directly by HKW Trust.
- (3) Includes 5,948,257 shares held directly by WCM and 3,194,251 shares held directly by HKW Trust.
- (4) Includes 5,921,257 shares held directly by WCM and 3,191,251 shares held directly by HKW Trust.
- (5) Includes 5,916,757 shares held directly by WCM and 3,190,751 shares held directly by HKW Trust.
- (6) Includes 5,907,757 shares held directly by WCM and 3,189,751 shares held directly by HKW Trust.
- (7) Includes 5,862,757 shares held directly by WCM and 3,184,751 shares held directly by HKW Trust.
- (8) Includes 5,858,257 shares held directly by WCM and 3,184,251 shares held directly by HKW Trust.
- (9) Includes 5,618,857 shares held directly by WCM and 3,157,651 shares held directly by HKW Trust.
- (10) Includes 5,596,357 shares held directly by WCM and 3,155,151 shares held directly by HKW Trust.
- (11) Includes 5,593,700 shares held directly by WCM and 3,154,856 shares held directly by HKW Trust.
- (12) Includes 5,341,700 shares held directly by WCM and 3,126,856 shares held directly by HKW Trust.
- (13) Includes 5,059,730 shares held directly by WCM and 3,095,526 shares held directly by HKW Trust.
- (14) Includes 5,011,978 shares held directly by WCM and 3,090,220 shares held directly by HKW Trust.
- (15) Includes 4,878,830 shares held directly by WCM and 3,075,426 shares held directly by HKW Trust.
- (16) Includes 4,620,757 shares held directly by WCM and 3,046,751 shares held directly by HKW Trust.
- (17) Includes 4,493,857 shares held directly by WCM and 3,032,651 shares held directly by HKW Trust.
- (18) Includes 4,478,506 shares held directly by WCM and 3,023,002 shares held directly by HKW Trust.
- (19) Includes 4,439,639 shares held directly by WCM and 2,998,569 shares held directly by HKW Trust.
- (20) Includes 4,314,767 shares held directly by WCM and 2,920,075 shares held directly by HKW Trust.
- (21) Includes 4,253,842 shares held directly by WCM and 2,881,477 shares held directly by HKW Trust.
- (22) Includes 4,186,845 shares held directly by WCM and 2,839,663 shares held directly by HKW Trust.
- (23) 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.