

BLOCKBUSTER INC
Form 4
December 26, 2006

FORM 4

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

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).

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 *
ZINE LARRY J

(Last) (First) (Middle)

1201 ELM ST.

(Street)

DALLAS, TX 75270

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol

BLOCKBUSTER INC [BBI, BBI.B]

3. Date of Earliest Transaction (Month/Day/Year)
12/21/2006

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
EVP, CFO and CAO

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
____ 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 Ownership (Instr. 4)
			Code	V Amount (A) or (D) Price			
Class A Common Stock	12/21/2006	12/22/2006 ⁽¹⁾	S ⁽¹⁾	99,908 ⁽¹⁾ D \$ 5.074	432,278	D	
Class A Common Stock					1,397 ⁽²⁾	I	By 401(k) plan

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
							Amount or Number of Shares		
				Code	V	(A)	(D)		

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
ZINE LARRY J 1201 ELM ST. DALLAS, TX 75270			EVP, CFO and CAO	

Signatures

Bryan Pechersky, as attorney-in-fact for Larry J. Zine
 12/26/2006
 **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) The shares of class A common stock were sold pursuant to pre-arranged stock sales arrangements to allow the reporting person to sell a portion of his vested shares of restricted stock to satisfy tax withholding obligations. The arrangements were put in place in accordance with Rule 10b5-1 under the Securities Exchange Act of 1934. The Deemed Execution Date is the date of notification by the plan administrator of the final number of shares sold by the Reporting Person to satisfy such obligations.
- (2) Holdings reflect shares previously acquired in exempt transactions under the Issuer's 401(k) plan. Holdings are based on most recent plan statement.

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.