

BLOCKBUSTER INC
Form 4
July 03, 2007

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 *
KEYES JAMES W

2. Issuer Name and Ticker or Trading Symbol
BLOCKBUSTER INC [BBI, BBI.B]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
1201 ELM ST.

(Street)

3. Date of Earliest Transaction (Month/Day/Year)
07/02/2007

Director 10% Owner
 Officer (give title below) Other (specify below)
Chairman & CEO

DALLAS, TX 75270

(City) (State) (Zip)

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

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 Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Class A Common Stock	07/02/2007		A		672,646	A	Ⓛ 672,646

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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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		6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Security (Instr. 3 and 4)	8. An
					Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)				
Employee Stock Option (right-to-buy)	\$ 4.485	07/02/2007		A		2,562,347	(2) 07/02/2012	Class A Common Stock	2
Employee Stock Option (right-to-buy)	\$ 5.1578	07/02/2007		A		1,708,232	(2) 07/02/2012	Class A Common Stock	1
Employee Stock Option (right-to-buy)	\$ 5.9314	07/02/2007		A		1,708,231	(2) 07/02/2012	Class A Common Stock	1
Employee Stock Option (right-to-buy)	\$ 6.8211	07/02/2007		A		1,708,231	(2) 07/02/2012	Class A Common Stock	1

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
KEYES JAMES W 1201 ELM ST. DALLAS, TX 75270	X		Chairman & CEO	

Signatures

Mary Bell, as attorney-in-fact for James W. Keyes

07/03/2007

**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).
- Restricted share units were issued pursuant to the Reporting Person's employment agreement. The restricted share units will vest in full
- (1) on July 2, 2010, or unless the Reporting Person's employment terminates earlier under certain circumstances as described in the Reporting Person's employment agreement.
 - (2) The options vest over a three-year period, with one-third of the options vesting on each anniversary of July 2, 2007, unless the Reporting Person's employment terminates earlier under certain circumstances as described in the Reporting Person's employment agreement.

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.