

CASEY THOMAS M.
Form 4
September 12, 2007

FORM 4

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

OMB APPROVAL

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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 *
CASEY THOMAS M.

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)
09/12/2007

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

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	(D)	Price

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

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(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	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	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)
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(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8)	Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount Number Shares
Employee Stock Option (right-to-buy)	\$ 5.08	09/12/2007	A	500,000					<u>(1)</u>	09/12/2012	Class A Common Stock	500,000
Employee Stock Option (right-to-buy)	\$ 5.842	09/12/2007	A	500,000					<u>(1)</u>	09/12/2012	Class A Common Stock	500,000
Employee Stock Option (right-to-buy)	\$ 6.7056	09/12/2007	A	500,000					<u>(1)</u>	09/12/2012	Class A Common Stock	500,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
CASEY THOMAS M. 1201 ELM ST. DALLAS, TX 75270			EVP & CFO	

Signatures

Mary Bell, as attorney-in-fact for Thomas M.
Casey 09/12/2007

__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).

The options vest over a three-year period, with one-third of the options vesting on each anniversary of September 12, 2007, unless the
(1) 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.
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