

Zimmerman Michael
Form 4
December 31, 2009

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 *
Prentice Capital Management, LP

(Last) (First) (Middle)

623 FIFTH AVENUE, 32ND FLOOR,

(Street)

NEW YORK, NY 10022

(City) (State) (Zip)

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

3. Date of Earliest Transaction (Month/Day/Year)
12/29/2009

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 A Common Stock ("Common Stock") | 12/29/2009 | | S | | 150,000 | D | \$ 0.7385 | 12,366,983 | I <u>(1)</u> <u>(2)</u> | See Footnote <u>(1)</u> <u>(2)</u> |
| Common Stock | 12/30/2009 | | S | | 140,800 | D | \$ 0.7013 | 12,226,183 | I <u>(1)</u> <u>(2)</u> | See Footnote <u>(1)</u> <u>(2)</u> |
| Common Stock | 12/31/2009 | | S | | 59,200 | D | \$ 0.6807 | 12,166,983 | I <u>(1)</u> <u>(2)</u> | See Footnote <u>(1)</u> <u>(2)</u> |

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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 (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. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|--|
| | | | | 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 |
| Prentice Capital Management, LP 623 FIFTH AVENUE, 32ND FLOOR NEW YORK, NY 10022 | | X | | |
| Zimmerman Michael C/O PRENTICE CAPITAL MANAGEMENT, L.P. 623 FIFTH AVENUE, 32ND FLOOR NEW YORK, NY 10022 | X | | X | |

Signatures

PRENTICE CAPITAL MANAGEMENT, LP, By: Michael Zimmerman, its Investment Manager, /s/ Michael Zimmerman

12/31/2009

__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) Michael Zimmerman ("Mr. Zimmerman") controls, and is responsible for the supervision and conduct of all investment activities of, Prentice Capital Management, LP ("Prentice Capital," together with Mr. Zimmerman, the "Reporting Persons"), the investment manager to a number of investment funds (including Prentice Capital Partners, LP, Prentice Capital Partners QP, LP, Prentice Capital Offshore, Ltd., Prentice Special Opportunities, LP, Prentice Special Opportunities Offshore, Ltd. and Prentice Special Opportunities Master, LP) and manages investments for certain entities in managed accounts (the "Investment Entities"). The Reporting Persons hold the reported

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securities indirectly through the Investment Entities, except for 19,000 shares of Common Stock held by the Michael & Holly Zimmerman Foundation, Inc., 304,500 shares of Common Stock held by Holly Zimmerman and 22,800 shares of Common Stock held by Mr. Zimmerman's children.

(2) The Reporting Persons disclaim beneficial ownership of the reported securities except to the extent of their pecuniary interest therein.

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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