

Edgar Filing: BLOCKBUSTER INC - Form SC 13G

BLOCKBUSTER INC  
Form SC 13G  
June 17, 2008

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

SCHEDULE 13G

Under the Securities Exchange Act of 1934

BLOCKBUSTER INC.

-----  
(Name of Issuer)

Class A Common Stock, par value \$0.01 per share

-----  
(Title of Class of Securities)

093679108

-----  
(CUSIP Number)

June 13, 2008

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(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule 13G is filed:

- Rule 13d-1(b)  
 Rule 13d-1(c)  
 Rule 13d-1(d)

\*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP NO. 093679108  
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(1) Names of Reporting Persons. I.R.S. Identification Nos. of Above Persons (entities only):

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Marathon Asset Management, LLC

(2) Check the Appropriate Box if a Member of a Group (See Instructions)  
(a) (b)

(3) SEC Use Only

(4) Citizenship or Place of Organization: Delaware, United States

Number of Shares Beneficially Owned  
by Each Reporting Person With

(5) Sole Voting Power: 6,345,250\*

(6) Shared Voting Power: 0

(7) Sole Dispositive Power: 6,345,250\*

(8) Shared Dispositive Power: 0

(9) Aggregate Amount Beneficially Owned by Each Reporting Person: 6,345,250\*

(10) Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions): N/A

(11) Percent of Class Represented by Amount in Row (9): 5.1%\*

(12) Type of Reporting Person (See Instructions): IA

\* The Class A Common Stock, par value \$0.01 per share (the "Shares"), of Blockbuster Inc. are held by Marathon Special Opportunity Master Fund, Ltd. (the "Fund"). Marathon Asset Management, LLC ("Marathon") serves as the investment manager of the Fund pursuant to an Investment Management Agreement between Marathon and the Fund. Marathon, in its capacity as the investment manager of the Fund, has sole power to vote and direct the disposition of all Shares held by the Fund. Thus, for the purposes of Reg. Section 240.13d-3, Marathon is deemed to beneficially own 6,345,250 Shares, or 5.1% of the deemed issued and outstanding Shares as of June 13, 2008.

Item 1(a) Name Of Issuer. Blockbuster Inc.

Item 1(b) Address of Issuer's Principal Executive Offices.  
1201 Elm Street, Dallas, Texas 75270

Item 2(a) Name of Person Filing. Marathon Asset Management, LLC

Item 2(b) Address of Principal Business Office or, if None, Residence.  
461 Fifth Ave., 20th Floor, New York, NY 10017

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- Item 2(c) Citizenship. Delaware, United States
- Item 2(d) Title of Class of Securities. Class A Common Stock, par value \$0.01 per share
- Item 2(e) CUSIP No. 093679108

Item 3. If This Statement Is Filed Pursuant to Section 240.13d-1(b) or 240.13d-2(b) or (c), Check Whether the Person Filing is a:

Not Applicable.

Item 4. Ownership.

(a) Amount Beneficially Owned (as of June 13, 2008)	6,345,250*
(b) Percent of Class (as of June 13, 2008)	5.1%*
(c) Number of Shares as to which such person has:	
(i) sole power to vote or to direct the vote	6,345,250*
(ii) shared power to vote or to direct the vote	0*
(iii) sole power to dispose or to direct the disposition of	6,345,250*
(iv) shared power to dispose or to direct the disposition of	0*

\* The Class A Common Stock, par value \$0.01 per share (the "Shares"), of Blockbuster Inc. are held by Marathon Special Opportunity Master Fund, Ltd. (the "Fund"). Marathon Asset Management, LLC ("Marathon") serves as the investment manager of the Fund pursuant to an Investment Management Agreement between Marathon and the Fund. Marathon, in its capacity as the investment manager of the Fund, has sole power to vote and direct the disposition of all Shares held

by the Fund. Thus, for the purposes of Reg. Section 240.13d-3, Marathon is deemed to beneficially own 6,345,250 Shares, or 5.1% of the deemed issued and outstanding Shares as of June 13, 2008.

Item 5. Ownership of Five Percent or Less of a Class.

Not Applicable.

Item 6. Ownership of More Than Five Percent on Behalf of Another Person.

Not Applicable.

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on by the Parent Holding Company.

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Not Applicable.

Item 8. Identification and Classification of Members of the Group.

Not Applicable.

Item 9. Notice of Dissolution of Group.

Not Applicable.

Item 10. Certification.

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of such securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

June 17, 2008

MARATHON ASSET MANAGEMENT, LLC

By: /s/ Gregory Florio

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Name: Gregory Florio  
Title: Chief Compliance Officer

Attention: Intentional misstatements or omissions of fact constitute  
Federal criminal violations (See 18 U.S.C. 1001)