

Edgar Filing: BLOCKBUSTER INC - Form SC 13G

BLOCKBUSTER INC  
Form SC 13G  
February 15, 2006

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

SCHEDULE 13G

(Rule 13d-102)

INFORMATION STATEMENT PURSUANT TO RULES 13d-1 AND 13d-2

Under the Securities Exchange Act of 1934  
(Amendment No. )

BLOCKBUSTER INC

-----  
(Name of Issuer)

Common Stock

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

093679108

-----  
(CUSIP Number)

December 31, 2005

-----  
(Date Of Event which Requires Filing of this Statement)

Check the following box if a fee is being paid with this statement .

-----  
\*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).

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-----  
1. NAME OF REPORTING PERSON(S)  
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON(S)  
Morgan Stanley  
IRS # 36-314-5972

-----  
2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\*

-----  
3. SEC USE ONLY

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4. CITIZENSHIP OR PLACE OF ORGANIZATION  
The state of organization is Delaware.

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	5. SOLE VOTING POWER 8,853,260
	6. SHARED VOTING POWER 0
	7. SOLE DISPOSITIVE POWER 8,853,260
	8. SHARED DISPOSITIVE POWER 0

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
8,853,260

10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES\*

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)  
7.4%

12. TYPE OF REPORTING PERSON\*  
IA, CO, HC

\*SEE INSTRUCTIONS BEFORE FILLING OUT!

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1. NAME OF REPORTING PERSON(S)  
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON(S)

Morgan Stanley Capital Services Inc.  
IRS # 13-329-2567

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\*

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION  
The state of organization is Delaware.

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	5. SOLE VOTING POWER 8,401,700
	6. SHARED VOTING POWER 0
	7. SOLE DISPOSITIVE POWER 8,401,700
	8. SHARED DISPOSITIVE POWER 0

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

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8,401,700

10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES\*

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)  
7.0%

12. TYPE OF REPORTING PERSON\*  
IA, CO

\*SEE INSTRUCTIONS BEFORE FILLING OUT!

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- Item 1. (a) Name of Issuer:  
BLOCKBUSTER INC
- (b) Address of Issuer's Principal Executive Offices:  
1201 ELM STREET  
DALLAS, TX 75270
- Item 2. (a) Name of Person Filing:  
(a) Morgan Stanley  
(b) Morgan Stanley Capital Services Inc.
- (b) Address of Principal Business Office, or if None, Residence:  
(a) 1585 Broadway  
New York, NY 10036  
  
(b) 1585 Broadway  
New York, NY 10036
- (c) Citizenship:  
Incorporated by reference to Item 4 of the  
cover page pertaining to each reporting person.
- (d) Title of Class of Securities:  
Common Stock
- (e) CUSIP Number:  
093679108
- Item 3. (a) Morgan Stanley is a parent holding company.
- (b) Morgan Stanley Capital Services Inc. is a wholly owned  
subsidiary of Morgan Stanley.

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- Item 4. Ownership.
- Incorporated by reference to Items (5) - (9) and (11) of the  
cover page.
- (a) Morgan Stanley is filing solely in its capacity as the

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parent company of, and indirect beneficial owner of securities held by, one of its business units.

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

Inapplicable

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

Inapplicable

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

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

Item 9. Notice of Dissolution of Group.

Item 10. Certification.

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

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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.

Date: February 15, 2006

Signature: /s/ Dennine Bullard

Name/Title Dennine Bullard/Executive Director, Morgan Stanley & Co. Incorporated

MORGAN STANLEY

Date: February 15, 2006

Signature: /s/ John A. Roberts

Name/Title John A. Roberts/Vice President, Morgan Stanley Capital Services Inc.

MORGAN STANLEY CAPITAL SERVICES INC.

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\* Attention. Intentional misstatements or omissions of fact constitute federal criminal violations (see 18 U.S.C. 1001).

EX-99  
JOINT FILING AGREEMENT

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EXHIBIT 1 TO SCHEDULE 13G

-----  
FEBRUARY 15, 2006  
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MORGAN STANLEY and MORGAN STANLEY CAPITAL SERVICES INC.,  
hereby agree that, unless differentiated, this Schedule 13G  
is filed on behalf of each of the parties.

MORGAN STANLEY

BY: /s/ Dennine Bullard

-----  
Dennine Bullard/Executive Director, Morgan Stanley & Co. Incorporated

MORGAN STANLEY CAPITAL SERVICES INC.

BY: /s/ John A. Roberts

-----  
John A. Roberts/Vice President, Morgan Stanley Capital Services Inc.

\* Attention. Intentional misstatements or omissions of fact constitute federal criminal violations (see 18 U.S.C. 1001).

EX-99.b  
SECRETARY'S CERTIFICATE

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EXHIBIT 2  
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MORGAN STANLEY

SECRETARY'S CERTIFICATE

I, Charlene R. Herzer, a duly elected and acting Assistant Secretary of Morgan Stanley, a corporation organized and existing under the laws of the State of Delaware (the "Corporation"), certify as follows:

- (1) Donald G. Kempf, Jr. served as the duly elected Executive Vice President, Chief Legal Officer and Secretary of the Corporation from December 1, 1999 to August 26, 2005;
- (2) Pursuant to Section 7.01 of the Bylaws of the Corporation and resolutions approved by the Board of Directors of the Corporation on September 25, 1998, the Chief Legal Officer is authorized to enter into agreements and other instruments on behalf of the Corporation and may delegate such powers to others under his jurisdiction; and
- (3) Donald G. Kempf signed a Delegation of Authority as of February 23, 2000, which authorized Dennine Bullard to sign reports to be filed under Section 13 and 16 of the Securities Exchange Act of 1934 on behalf of the Corporation. Such authorization is in full force and effect as of this date.

IN WITNESS WHEREOF, I have hereunto set my name and affixed the seal of the Corporation as of the 23rd day of January, 2006.

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Charlene R. Herzer  
Assistant Secretary