

EXHIBIT N



Corporate Offices Corrective Action Record

Linc Barrett
(employee name)

11205709
(employee ID number)

DC Manager
(job title and description)

5/17/05
(date)

Scott Collen
(supervisor's name)

80866
(cost center/Location)

Please Attach Additional Comments and/or Documents When Necessary

Corrective Action: Final Warning
Reason for Action: Failure to Meet Performance Standards/Expectations **Company Policy Violation**
(Note: Up to two reasons may be indicated for the action)

Facts or Events - Identify behavior, performance, special facts, or events requiring corrective action:
Group Leads (GL's) at the Gaithersburg facility continue to be involved in managing performance issues within the workplace. Additionally, the GL's have not received an adequate level of supervision, such that one individual continues to have multiple temporary staff who describe actions that are considered inappropriate for the work place (threatening and showing favoritism).

There is a clear indication from multiple existing staff that both Group Leads and the DC manager exhibit favoritism to certain employees.

The facility does not have an acceptable plan for training new employees and subsequent monitoring of key performance indicators for all employees. Attendance/tradiness is not tracked uniformly and therefor management has not maintained an consistant approach to ending the assignments of temporary employees.

Company Standard - What is the company standard/expectation/policy/procedure?
GL's are expected to actively coordinate and participate in the hourly activities at a facility. All performance coaching and/or disciplinary actions with employees and/or temporary labor is the responsibility of the DC Manager.

Favoritism and harrassment are not tolerated in the work environment and in direct violation with Blockbuster policy.

Why a Problem? - Why is failure to meet standard a problem for the company, department or other employees?
GL's do not have the training or the job responsibility to handle managing a staff of hourly employees. Failure to ensure that the above standard is met can result in a negative work environment, one in which employees do not contribute to their fullest capabilities.

When individuals are afforded special treatment the other members of a workgroup become unwilling to contribute at their fullest potential, often times causing a deterioration of the workgroups overall performance.

Previous Corrective Action - List dates and summaries of all previous counselings (both verbal and written)
On March 17, 2005 Linc received a written warning for failure to meet performance standards.

Improvement Required and Time Allowed - Briefly state what employee must do to improve
Sexual Harassment in the workplace, intimidation of employees, and/or verbal abuse shown to employees will not be tolerated and must cease immediately. Showing favoritism thru management style and/or selective monitoring of performance against expectations is not acceptable and must cease immediately.

Linc will have until 9am eastern time on Monday, May 23th to present a comprehensive action plan, with deliverables and success indicators, to his manager which will, at a minimum, address the following:

- Elimination of harrassment in the workplace
- Elimination of favoritism in the workplace
- Collection and documentation of key performance indicators for all staff
- Improvement of Training for new associates at the facility

The action plan should provide for closure of all identified actions within a maximum of 30 calendar days, at which time a formal assessment of progress against the plan will be conducted.

Barry Francis, Regional HR Manager - Baltimore Region has offered his assistance in developing this plan.

Original: HR Records, Spartanburg

Copy: Employee

Copy: Supervisor

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Immediate and sustained improvement is required in all areas addressed in this corrective action.

Consequences of Failure to Improve – *What disciplinary action will follow for failure to improve?*
Failure to demonstrate immediate and sustained improvement, and/or the failure to submit the required action plan by the date specified above, will result in further corrective action, up to and including termination of your employment.

Employee Comments (If additional space is needed, please use back or attached additional paper)

I have received a copy of this Corrective Action Record. I also understand that the company has an Open Door Policy under which I may discuss this issue or another employee relations issue with my supervisor's supervisor and/or Human Resources and/or the company Employee Relations Specialist.

[Handwritten Signature]
(employee signature)

6-3-05
(date)

[Handwritten Signature]
(supervisor signature)

6-13-05
(date)

Employee reviewed Corrective Action Record and refused to sign. *Note- If Verbal Counseling, employee is not required to sign.

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Original: HR Records, Spartanburg

Copy: Employee

Copy: Supervisor

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15:44 4151

Identify the Store # 80856
 Period / OTR 2

ACTION PLAN
 (S.M.A.R.T. Specific-Measurable-Actionable-Responsible-Time-bound)

Improve Facility Environment

| Step | Action Items | Owner | Target Due Date | Completion Date |
|------|---|-----------------|-----------------|-----------------|
| 1. | (S.M.A.R.T. Specific-Measurable-Actionable-Responsible-Time-bound) Implement Webby Wellness checks with associates | Line Barnett IV | 06/02/05 | 06/03/05 |
| 2. | Review with staff Blockbuster Policy on harassment (sexual harassment or otherwise) Verify with Scott Golen and HR what constitutes favoritism I.E. Telling somebody to pick it up or let's go considered harassment to get a structured definition. No subjectivity | Line Barnett IV | 06/03/05 | 06/14/05 |
| 3. | Company Paid Lunch | Line Barnett IV | 06/30/05 | 06/31/05 |
| 4. | Implementation and strict adherence to Attendance no exceptions to be made for any reason | Line Barnett IV | 06/10/05 | 06/31/05 |
| 5. | Verify with Scott Golen and HR what constitutes favoritism to get a structured definition. No subjectivity from anybody. | Line Barnett IV | 06/30/05 | 06/30/05 |

Signature of Agent in Charge
 Signature of Supervisor
 Signature of Action Plan Supervisor

Date
 06/18/05
 06/15/05
 06/15/05
 06/15/05
 06/15/05
 06/15/05

Action Item #1 Completed
 Action Item #2 Completed
 Action Item #3 Completed
 Action Item #4 Completed
 Action Item #5 Completed
 Action Item #6 Completed

Owner James Deneff II
 Supervisor [Signature]