BLUE NILE INC Form 4

February 02, 2012

FORM 4

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

OMB Number: 3235-0287

OMB APPROVAL

Check this box if no longer subject to

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

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Section 16. Form 4 or Form 5 obligations may continue. See Instruction

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

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * IRVINE DIANE M			2. Issuer Name and Ticker or Trading Symbol BLUE NILE INC [NILE]	5. Relationship of Reporting Person(s) to Issuer (Check all applicable)			
(Last)	(First)	(Middle)	3. Date of Earliest Transaction	(Check all applicable)			
			(Month/Day/Year)	Director 10% Owner			
C/O BLUE NILE, INC., 411 FIRST AVENUE S, STE 700			01/31/2012	_X_ Officer (give title Other (specify below)			
				Former CEO			
(Street)			4. If Amendment, Date Original	6. Individual or Joint/Group Filing(Check			
			Filed(Month/Day/Year)	Applicable Line)			
				X Form filed by One Reporting Person			
SEATTLE, WA 98104				Form filed by More than One Reporting Person			

(City) (State) (Zip) Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned 1.Title of 2. Transaction Date 2A. Deemed 3. 4. Securities Acquired 5. Amount of 7. Nature of Security (Month/Day/Year) Execution Date, if Transaction(A) or Disposed of (D) Securities Ownership Indirect (Instr. 3) (Instr. 3, 4 and 5) Form: Direct Code Beneficially Beneficial (Month/Day/Year) (Instr. 8) Owned (D) or Ownership Following Indirect (I) (Instr. 4) Reported (Instr. 4) (A) Transaction(s) (Instr. 3 and 4) Code V Amount (D) Price Common 01/31/2012 M 2,000 A 50,489 D 32.97 Stock Common $S^{(1)}$ \$40 01/31/2012 2,000 D 48,489 D Stock Common D 02/01/2012 M 2,500 50,989 32.97 Stock Common $S^{(1)}$ 02/01/2012 2,500 D \$ 40.5 48,489 D Stock Common 02/02/2012 M 1,400 49,889 D Stock

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Common Stock	02/02/2012	S(1)	1,400	D	\$ 40.51 (2)	48,489	D	
Common Stock						1,160	I	By Son
Common Stock						1,160	I	By Daughter
Common Stock						1,160	I	By Daughter

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

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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. Transactic Code (Instr. 8)	5. Number on Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exerc Expiration D (Month/Day/	ate	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	
				Code V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Options (Right to Buy)	\$ 32.97	01/31/2012		M		2,000	(3)	08/30/2015 <u>(4)</u>	Common Stock	2,000
Stock Options (Right to Buy)	\$ 32.97	02/01/2012		M		2,500	(3)	08/30/2015 <u>(4)</u>	Common Stock	2,500
Stock Options (Right to Buy)	\$ 32.97	02/02/2012		M		1,400	(3)	08/30/2015 <u>(4)</u>	Common Stock	1,400

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Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

IRVINE DIANE M C/O BLUE NILE, INC. 411 FIRST AVENUE S, STE 700 SEATTLE, WA 98104

Former CEO

Signatures

/s/ Lauren Neiswender, Power of Attorney

02/02/2012

**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) Any short-swing profits will be paid to the company as required by Rule 16(b) of the Securities and Exchange Act of 1934.
- (2) Represents the weighted average sale price. The highest price at which shares were sold was \$40.52 and lowest price at which shares were sold was \$40.50.
- (3) 25% of the option shares vested on August 26, 2006 and one-forty-eighth of the option shares vested in equal monthly installments over the following thirty-six months. As of November 11, 2011, all unvested options were canceled.
- (4) Ms. Irvine resigned on November 11, 2011. Her vested and exercisable options will expire on May 11, 2012.
- (5) Not applicable.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.

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