

BLUE NILE INC
Form 4
May 14, 2007

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

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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 *
IRVINE DIANE M

(Last) (First) (Middle)

C/O BLUE NILE, INC., 705 FIFTH AVENUE S, STE 900

(Street)

SEATTLE, WA 98104

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
BLUE NILE INC [NILE]

3. Date of Earliest Transaction (Month/Day/Year)
05/10/2007

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)

President and CFO

6. Individual or Joint/Group Filing(Check Applicable Line)

Form filed by One Reporting Person
 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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| Common Stock | 05/10/2007 | | S | 40,000 D | \$ 54.86 (1) 47,602 | D | |
| Common Stock | 05/11/2007 | | M | 25,000 A | \$ 0.25 72,602 | D | |
| Common Stock | 05/11/2007 | | S | 25,000 D | \$ 54.564 (2) 47,602 | 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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SEC 1474 (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. Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|
| Stock Options (Right to Buy) | \$ 0.25 | 05/11/2007 | 05/11/2007 | M | 25,000 | ⁽³⁾ 02/25/2012 | Common Stock | 25,000 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|-------------------|-------|
| | Director | 10% Owner | Officer | Other |
| IRVINE DIANE M C/O BLUE NILE, INC. 705 FIFTH AVENUE S, STE 900 SEATTLE, WA 98104 | X | | President and CFO | |

Signatures

/s/ Diane M. 05/14/2007
Irvine

**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) Represents the weighted average sale price. The highest price at which shares were sold was \$55.61 and the lowest price at which shares were sold was \$54.05.

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- (2) Represents the weighted average sale price. The highest price at which shares were sold was \$55.18 and the lowest price at which shares were sold was \$53.93.
- (3) 25% of the option shares vest one year after August 26, 2001 and one-forty-eighth of the option shares vest in equal monthly installments over the following thirty-six months.
- (4) 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.

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