

BLUE NILE INC  
Form 3  
February 14, 2014

**FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

OMB APPROVAL

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**INITIAL STATEMENT OF 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 *		2. Date of Event Requiring Statement	3. Issuer Name and Ticker or Trading Symbol	
Sainsbury Jon		(Month/Day/Year)	BLUE NILE INC [NILE]	
(Last)	(First)	(Middle)	02/04/2014	
C/O BLUE NILE, INC., 411			4. Relationship of Reporting Person(s) to Issuer	5. If Amendment, Date Original Filed(Month/Day/Year)
FIRST AVE. S. STE 700				
(Street)			(Check all applicable)	
SEATTLE, WA 98104			<input type="checkbox"/> Director <input type="checkbox"/> 10% Owner	6. Individual or Joint/Group Filing(Check Applicable Line)
(City)	(State)	(Zip)	<input checked="" type="checkbox"/> Officer <input type="checkbox"/> Other	<input checked="" type="checkbox"/> Form filed by One Reporting Person
			(give title below) (specify below)	<input type="checkbox"/> Form filed by More than One Reporting Person
			VP and Head of Strategy	

**Table I - Non-Derivative Securities Beneficially Owned**

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Common Stock	2,642	D	
Common Stock	265	I	By wife

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly. SEC 1473 (7-02)

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

**Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)	3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)	4. Conversion or Exercise Price of	5. Ownership Form of Derivative	6. Nature of Indirect Beneficial Ownership (Instr. 5)
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	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	Derivative Security	Security: Direct (D) or Indirect (I) (Instr. 5)	
Restricted Stock Unit	02/15/2014 <sup>(1)</sup>	∅ <sup>(1)</sup>	Common Stock	3,250	\$ 0	D	∅
Stock Options (Right to Buy)	08/26/2005 <sup>(2)</sup>	07/27/2014	Common Stock	450	\$ 30	D	∅
Stock Options (Right to Buy)	08/26/2006 <sup>(3)</sup>	08/07/2015	Common Stock	1,000	\$ 32.43	D	∅
Stock Options (Right to Buy)	08/04/2007 <sup>(4)</sup>	08/03/2016	Common Stock	625	\$ 30.31	D	∅
Stock Options (Right to Buy)	08/04/2007 <sup>(4)</sup>	08/03/2016	Common Stock	625	\$ 37.07	D	∅
Stock Options (Right to Buy)	08/04/2007 <sup>(4)</sup>	08/03/2016	Common Stock	625	\$ 40	D	∅
Stock Options (Right to Buy)	08/04/2007 <sup>(4)</sup>	08/03/2016	Common Stock	625	\$ 55.34	D	∅
Stock Options (Right to Buy)	08/29/2008 <sup>(5)</sup>	08/28/2017	Common Stock	3,000	\$ 83.81	D	∅
Stock Options (Right to Buy)	08/08/2009 <sup>(6)</sup>	08/07/2018	Common Stock	10,000	\$ 41.13	D	∅
Stock Options (Right to Buy)	02/23/2010 <sup>(7)</sup>	02/22/2019	Common Stock	14,000	\$ 21.22	D	∅
Stock Options (Right to Buy)	02/17/2011 <sup>(8)</sup>	02/16/2020	Common Stock	10,000	\$ 49.11	D	∅
Stock Options (Right to Buy)	02/15/2012 <sup>(9)</sup>	02/14/2021	Common Stock	9,000	\$ 56.62	D	∅
Stock Options (Right to Buy)	11/16/2012 <sup>(10)</sup>	11/15/2021	Common Stock	15,000	\$ 33.45	D	∅
Stock Options (Right to Buy)	02/15/2014 <sup>(11)</sup>	02/14/2023	Common Stock	8,800	\$ 31.31	D	∅

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Sainsbury Jon C/O BLUE NILE, INC. 411 FIRST AVE. S. STE 700 SEATTLE, WA 98104	∅	∅	∅ VP and Head of Strategy	∅

## Signatures

/s/Jonathan  
Sainsbury

02/14/2014

\_\_Signature of  
Reporting Person

Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 5(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) 25% of the restricted stock units vest on February 15, 2014 and one-sixteenth of the restricted stock units vest in equal quarterly installments over the following thirty-six months.
- (2) 25% of the option shares vest on August 26, 2005 and one-forty-eighth of the option shares vest in equal monthly installments over the following thirty-six months.
- (3) 25% of the option shares vest on August 26, 2006 and one-forty-eighth of the option shares vest in equal monthly installments over the following thirty-six months.
- (4) 25% of the option shares vest on August 4, 2007 and one-forty-eighth of the option shares vest in equal monthly installments over the following thirty-six months.
- (5) 25% of the option shares vest on August 29, 2008 and one-forty-eighth of the option shares vest in equal monthly installments over the following thirty-six months.
- (6) 25% of the option shares vest on August 8, 2009 and one-forty-eighth of the option shares vest in equal monthly installments over the following thirty-six months.
- (7) 25% of the option shares vest on February 23, 2010 and one-forty-eighth of the option shares vest in equal monthly installments over the following thirty-six months.
- (8) 25% of the option shares vest on February 17, 2011 and one-forty-eighth of the option shares vest in equal monthly installments over the following thirty-six months.
- (9) 25% of the option shares vest on February 15, 2012 and one-forty-eighth of the option shares vest in equal monthly installments over the following thirty-six months.
- (10) 25% of the option shares vest on November 16, 2012 and one-forty-eighth of the option shares vest in equal monthly installments over the following thirty-six months.
- (11) 25% of the option shares vest on February 15, 2014 and one-sixteenth of the option shares vest in equal quarterly installments over the following thirty-six months.

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.