

BLUE NILE INC
Form 4
February 17, 2011

FORM 4

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

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 *
BELL SUSAN S

(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)
02/15/2011

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)
Senior VP

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 Ownership (Instr. 4)		
			Code	V	Amount	(A) or (D)	Price		
Common Stock	02/15/2011		M		6,000	A	\$ 21.22	6,344	D
Common Stock	02/15/2011		S		6,000	D	\$ 56.37 (1)	344	D
Common Stock	02/15/2011		M		5,000	A	\$ 30	5,344	D
Common Stock	02/15/2011		S		5,000	D	\$ 56.7 (2)	344	D

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

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Represents the weighted average sale price. The highest price at which shares were sold was \$56.67 and the lowest price at which shares were sold was \$56.25.

- (2) Represents the weighted average sale price. The highest price at which shares were sold was \$56.88 and the lowest price at which shares were sold was \$56.37.
- (3) 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.
- (4) Not applicable.
- (5) 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.

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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