

BLUE NILE INC
Form 4
September 30, 2013

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2015
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 *
VADON MARK C

(Last) (First) (Middle)

C/O BLUE NILE, INC., 411 FIRST AVENUE S, STE 700

(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)
09/26/2013

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)

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) | |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|---|
| | | | | (A) or (D) | Price | | | |
| | | | | Code | V | Amount | | |
| Common Stock | 09/26/2013 | | M | | 2,400 | A | \$ 21.22 133,168 | D |
| Common Stock | 09/26/2013 | | S | | 2,400 | D | \$ 41.6312 130,768 | D |
| | | | | | | | (1) | |
| Common Stock | 09/26/2013 | | M | | 4,800 | A | \$ 29.67 135,568 | D |
| Common Stock | 09/26/2013 | | S | | 4,800 | D | \$ 41.6312 130,768 | D |
| | | | | | | | (1) | |
| | 09/26/2013 | | M | | 6,500 | A | \$ 31.26 137,268 | D |

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| | | | | | | | |
|--------------|------------|---|-------|---|-----------------------------|---------|---|
| Common Stock | | | | | | | |
| Common Stock | 09/26/2013 | S | 6,500 | D | \$ 41.6276 <u>(2)</u> | 130,768 | D |
| Common Stock | 09/26/2013 | M | 2,500 | A | \$ 32.97 | 133,268 | D |
| Common Stock | 09/26/2013 | S | 2,500 | D | \$ 41.5817 <u>(3)</u> | 130,768 | D |
| Common Stock | 09/27/2013 | M | 6,719 | A | \$ 29.67 | 137,487 | D |
| Common Stock | 09/27/2013 | S | 6,719 | D | \$ 41.0226 <u>(4)</u> | 130,768 | D |
| Common Stock | 09/27/2013 | M | 481 | A | \$ 30 | 131,249 | D |
| Common Stock | 09/27/2013 | S | 481 | D | \$ 41.0226 <u>(4)</u> | 130,768 | D |
| Common Stock | 09/27/2013 | M | 6,500 | A | \$ 31.26 | 137,268 | D |
| Common Stock | 09/27/2013 | S | 6,500 | D | \$ 41.0174 <u>(5)</u> | 130,768 | D |
| Common Stock | 09/27/2013 | M | 2,500 | A | \$ 32.97 | 133,268 | D |
| Common Stock | 09/27/2013 | S | 2,500 | D | \$ 41.0317 <u>(6)</u> | 130,768 | D |
| Common Stock | 09/30/2013 | M | 7,200 | A | \$ 30 | 137,968 | D |
| Common Stock | 09/30/2013 | S | 7,200 | D | \$ 40.4776 <u>(7)</u> | 130,768 | D |
| Common Stock | 09/30/2013 | M | 6,500 | A | \$ 31.26 | 137,268 | D |
| Common Stock | 09/30/2013 | S | 6,500 | D | \$ 40.4709 <u>(8)</u> | 130,768 | D |
| Common Stock | 09/30/2013 | M | 2,500 | A | \$ 32.97 | 133,268 | D |

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Common Stock 09/30/2013 S 2,500 D \$ 40.4334 130,768 D (9)

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) | \$ 21.22 | 09/26/2013 | 09/26/2013 | M | 2,400 | <u>(10)</u> 02/22/2019 | Common Stock | 2,400 |
| Stock Options (Right to Buy) | \$ 29.67 | 09/26/2013 | 09/26/2013 | M | 4,800 | <u>(12)</u> 05/17/2022 | Common Stock | 4,800 |
| Stock Options (Right to Buy) | \$ 31.26 | 09/26/2013 | 09/26/2013 | M | 6,500 | <u>(13)</u> 05/31/2016 | Common Stock | 6,500 |
| Stock Options (Right to Buy) | \$ 32.97 | 09/26/2013 | 09/26/2013 | M | 2,500 | <u>(14)</u> 08/30/2015 | Common Stock | 2,500 |
| Stock Options (Right to Buy) | \$ 29.67 | 09/27/2013 | 09/27/2013 | M | 6,719 | <u>(12)</u> 05/17/2022 | Common Stock | 6,719 |
| Stock Options | \$ 30 | 09/27/2013 | 09/27/2013 | M | 481 | <u>(15)</u> 07/26/2014 | Common Stock | 481 |

(Right to Buy)

| | | | | | | | | | |
|------------------------------|----------|------------|------------|---|-------|-------------|------------|--------------|-------|
| Stock Options (Right to Buy) | \$ 31.26 | 09/27/2013 | 09/27/2013 | M | 6,500 | <u>(13)</u> | 05/31/2016 | Common Stock | 6,500 |
|------------------------------|----------|------------|------------|---|-------|-------------|------------|--------------|-------|

| | | | | | | | | | |
|------------------------------|----------|------------|------------|---|-------|-------------|------------|--------------|-------|
| Stock Options (Right to Buy) | \$ 32.97 | 09/27/2013 | 09/27/2013 | M | 2,500 | <u>(14)</u> | 08/30/2015 | Common Stock | 2,500 |
|------------------------------|----------|------------|------------|---|-------|-------------|------------|--------------|-------|

| | | | | | | | | | |
|------------------------------|-------|------------|------------|---|-------|-------------|------------|--------------|-------|
| Stock Options (Right to Buy) | \$ 30 | 09/30/2013 | 09/30/2013 | M | 7,200 | <u>(15)</u> | 07/26/2014 | Common Stock | 7,200 |
|------------------------------|-------|------------|------------|---|-------|-------------|------------|--------------|-------|

| | | | | | | | | | |
|------------------------------|----------|------------|------------|---|-------|-------------|------------|--------------|-------|
| Stock Options (Right to Buy) | \$ 31.26 | 09/30/2013 | 09/30/2013 | M | 6,500 | <u>(13)</u> | 05/31/2016 | Common Stock | 6,500 |
|------------------------------|----------|------------|------------|---|-------|-------------|------------|--------------|-------|

| | | | | | | | | | |
|------------------------------|----------|------------|------------|---|-------|-------------|------------|--------------|-------|
| Stock Options (Right to Buy) | \$ 32.97 | 09/30/2013 | 09/30/2013 | M | 2,500 | <u>(14)</u> | 08/30/2015 | Common Stock | 2,500 |
|------------------------------|----------|------------|------------|---|-------|-------------|------------|--------------|-------|

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| VADON MARK C C/O BLUE NILE, INC. 411 FIRST AVENUE S, STE 700 SEATTLE, WA 98104 | X | | | |

Signatures

/s/ Lauren Neiswender, Power of Attorney

09/30/2013

**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 \$42.31 and the lowest price at which shares were sold was \$40.40.
- (2) Represents the weighted average sale price. The highest price at which shares were sold was \$42.23 and the lowest price at which shares were sold was \$40.66.
- (3)

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- Represents the weighted average sale price. The highest price at which shares were sold was \$42.15 and the lowest price at which shares were sold was \$40.41.
- (4) Represents the weighted average sale price. The highest price at which shares were sold was \$41.51 and the lowest price at which shares were sold was \$40.70.
 - (5) Represents the weighted average sale price. The highest price at which shares were sold was \$41.48 and the lowest price at which shares were sold was \$40.73.
 - (6) Represents the weighted average sale price. The highest price at which shares were sold was \$41.45 and the lowest price at which shares were sold was \$40.66.
 - (7) Represents the weighted average sale price. The highest price at which shares were sold was \$40.92 and the lowest price at which shares were sold was \$39.47.
 - (8) Represents the weighted average sale price. The highest price at which shares were sold was \$40.98 and the lowest price at which shares were sold was \$39.47.
 - (9) Represents the weighted average sale price. The highest price at which shares were sold was \$40.93 and the lowest price at which shares were sold was \$39.52.
 - (10) 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.
 - (11) Not applicable.
 - (12) One fourth of the option shares vests every three months from May 18, 2012 for one (1) year.
 - (13) 25% of the option shares vest on June 1, 2007 and one-forty-eighth of the option shares vest in equal monthly installments over the following thirty-six months.
 - (14) 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.
 - (15) 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. 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.