#### **BLUE NILE INC**

Form 4

December 06, 2011

# FORM 4

# UNITED STATES SECURITIES AND EXCHANGE COMMISSION

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

OMB

Washington, D.C. 20549

3235-0287 Number: January 31, Expires:

**OMB APPROVAL** 

if no longer subject to Section 16. Form 4 or Form 5

Check this box

2005 Estimated average burden hours per 0.5

**SECURITIES** Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, obligations

response...

may continue. See Instruction

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 Ad IRVINE DIA	ddress of Reporting Per ANE M	2. Issuer Name and Ticker or Trading Symbol BLUE NILE INC [NILE]	5. Relationship of Reporting Person(s) to Issuer			
(Last)	(First) (Mide	e) 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		ST 12/02/2011	_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)			
SEATTLE,	WA 98104		_X_ Form filed by One Reporting Person Form filed by More than One Reporting Person			

							1 015011		
(City)	(State)	(Zip) Tab	le I - Non-	Derivative	Secu	rities Acqu	ired, Disposed of	f, or Beneficial	ly Owned
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	Transaction Date 2A. Deemed Execution Date, if any (Month/Day/Year)				cquired d of (D) 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	12/02/2011		M	200	A	\$ 21.22	48,689	D	
Common Stock	12/02/2011		S <u>(1)</u>	200	D	\$ 39.595	48,489	D	
Common Stock							1,160	I	By Son
Common Stock							1,160	I	By Daughter
Common Stock							1,160	I	By Daughter

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

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.

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	2. Conversion	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if	4. 5. Number Transaction of		6. Date Exercisable and Expiration Date		7. Title and Amount of Underlying Securities		8. Pri Deriv
Security (Instr. 3)	or Exercise Price of Derivative Security	(a.coma, 2.cy, 1.cm)	any (Month/Day/Year)	Code (Instr. 8)	Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	*		(Instr. 3 and 4)		Secur (Instr
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Stock Options (Right to Buy)	\$ 21.22	12/02/2011		M	200	(2)	02/22/2019	Common Stock	200	Ü

## **Reporting Owners**

Relationships Reporting Owner Name / Address

> 10% Owner Officer Other Director

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

Former CEO

SEATTLE, WA 98104

### **Signatures**

/s/ Lauren Neiswender, Power of 12/06/2011 Attorney

> \*\*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.
- 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

Reporting Owners 2

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#### (3) 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.