

SHUTTERFLY INC  
Form 4  
November 21, 2007

**FORM 4**

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

OMB APPROVAL

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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 \*  
Galen Douglas J

(Last) (First) (Middle)

C/O SHUTTERFLY INC, 2800  
BRIDGE PARKWAY SUITE 101

(Street)

REDWOOD CITY, CA 94065

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
SHUTTERFLY INC [SFLY]

3. Date of Earliest Transaction  
(Month/Day/Year)  
11/21/2007

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)  
SR VP, BUS & CORP DEVELOPMENT

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)		
				(A) or (D)	Price				
Common Stock	11/21/2007		M	V	3,750	A	\$ 5.5	3,750	D
Common Stock	11/21/2007		S <sup>(1)</sup>		100	D	\$ 26.67	3,650	D
Common Stock	11/21/2007		S <sup>(1)</sup>		100	D	\$ 26.74	3,550	D
Common Stock	11/21/2007		S <sup>(1)</sup>		100	D	\$ 26.75	3,450	D
Common Stock	11/21/2007		S <sup>(1)</sup>		100	D	\$ 26.8	3,350	D

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Common Stock	11/21/2007	<u>S<sup>(1)</sup></u>	200	D	\$ 26.81	3,150	D
Common Stock	11/21/2007	<u>S<sup>(1)</sup></u>	100	D	\$ 26.82	3,050	D
Common Stock	11/21/2007	<u>S<sup>(1)</sup></u>	100	D	\$ 26.83	2,950	D
Common Stock	11/21/2007	<u>S<sup>(1)</sup></u>	100	D	\$ 26.88	2,850	D
Common Stock	11/21/2007	<u>S<sup>(1)</sup></u>	100	D	\$ 26.9	2,750	D
Common Stock	11/21/2007	<u>S<sup>(1)</sup></u>	100	D	\$ 26.93	2,650	D
Common Stock	11/21/2007	<u>S<sup>(1)</sup></u>	950	D	\$ 27	1,700	D
Common Stock	11/21/2007	<u>S<sup>(1)</sup></u>	100	D	\$ 27.02	1,600	D
Common Stock	11/21/2007	<u>S<sup>(1)</sup></u>	100	D	\$ 27.03	1,500	D
Common Stock	11/21/2007	<u>S<sup>(1)</sup></u>	300	D	\$ 27.05	1,200	D
Common Stock	11/21/2007	<u>S<sup>(1)</sup></u>	100	D	\$ 27.06	1,100	D
Common Stock	11/21/2007	<u>S<sup>(1)</sup></u>	100	D	\$ 27.09	1,000	D
Common Stock	11/21/2007	<u>S<sup>(1)</sup></u>	200	D	\$ 27.12	800	D
Common Stock	11/21/2007	<u>S<sup>(1)</sup></u>	300	D	\$ 27.25	500	D
Common Stock	11/21/2007	<u>S<sup>(1)</sup></u>	500	D	\$ 27.84	0	D

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

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(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	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	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. D S (1)
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Derivative Security			(A) or Disposed of (D)		Date Exercisable	Expiration Date	Title	Amount or Number of Shares
			(A)	(D)				
Employee Stock Option (Right to Buy)	\$ 5.5	11/21/2007	M	3,750	(2)	03/31/2016	Common Stock	3,750

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Galen Douglas J C/O SHUTTERFLY INC 2800 BRIDGE PARKWAY SUITE 101 REDWOOD CITY, CA 94065			SR VP, BUS & CORP DEVELOPMENT	

## Signatures

/s/ Douglas Appleton  
Attorney-in-fact  
11/21/2007

\_\_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) The sales reported on this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on August 3, 2007.
- (2) Option vests as to 25% of the shares subject to the grant on March 31, 2006, and as to an additional 1/48th of the total number of shares subject to the grant at the end of each full month thereafter.

### Remarks:

This Statement confirms that the undersigned, Douglas J. Galen, has authorized and designated John A. Kaelle and Douglas A.

/s/ Douglas J. Galen

Date: November 19, 2007

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.