BLUE NILE INC Form 4 August 11, 2005

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB APPROVAL OMB

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

obligations

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

may continue. 30(h) of the Investment Company Act of 1940 See Instruction

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * VADON MARK C			2. Issuer Name and Ticker or Trading Symbol BLUE NILE INC [NILE]	5. Relationship of Reporting Person(s) to Issuer		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction	(Check all applicable)		
C/O BLUE NILE, INC., 705 FIFTH AVENUE S, STE 900		705 FIFTH	(Month/Day/Year) 08/09/2005	_X_ Director _X_ 10% Owner _X_ Officer (give title Other (specify below) President & CEO		
	(Street)		4. If Amendment, Date Original	6. Individual or Joint/Group Filing(Check		
SEATTLE, W	'A 98104		Filed(Month/Day/Year)	Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting Person		

(City)	(State)	(Zip) Tab	le I - Non-	Derivative	Secu	rities Acqui	red, Disposed of,	or Beneficiall	y Owned
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. 4. Securities Acquired (A) Transaction Disposed of (D) Code (Instr. 3, 4 and 5) (Instr. 8) (A) or			(D)	5. Amount of 6. Securities Ownership Beneficially Form: Owned Direct (D) Following or Indirect Reported (I) Transaction(s) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)	
Common Stock (1)	08/09/2005		Code V $S_{\underline{(1)}}$	Amount 2,000 (1)		Price \$ 32.5476	(Instr. 3 and 4) 1,536,274	D	
Common Stock (1)	08/09/2005		S(1)	1,000 (1)	D	\$ 32.5267	1,535,274	D	
Common Stock (1)	08/10/2005		S(1)	2,000 (1)	D	\$ 33.5199	1,533,274	D	
Common Stock (1)	08/10/2005		S(1)	1,000 (1)	D	\$ 33.4323	1,532,274	D	

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	2. Conversion	3. Transaction Date (Month/Day/Year)		4. Transacti	5. orNumber	6. Date Exerc Expiration Da		7. Title		8. Price of Derivative	9. Nu Deriv
Security (Instr. 3)	or Exercise Price of Derivative Security	(manazay, 16ar)	any (Month/Day/Year)	Code (Instr. 8)	of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	(Month/Day/		Underly Securit	ying	Security (Instr. 5)	Secur Bene Owne Follo Repo Trans (Instr
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title 1	Amount or Number of Shares		

Reporting Owners

Reporting Owner Name / Address	Relationships						
Toporong o where runner runners	Director	10% Owner	Officer	Other			
VADON MARK C C/O BLUE NILE, INC.							
705 FIFTH AVENUE S, STE 900	X	X	President & CEO				
SEATTLE, WA 98104							

Signatures

/s/ Mark C.
Vadon

**Signature of Person

Date
Reporting Person

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) This sale was affected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person.

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.

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