BLUE NILE INC Form 4 January 30, 2007

FORM 4

OMB APPROVAL

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

OMB 3235-0287 Number:

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

January 31, Expires: 2005

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0.5

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES**

Form 5 Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, obligations 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)	(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) 01/26/2007	_X_ Director _X_ 10% Owner _X_ Officer (give title Other (specify below) below) President & CEO			
	(Street)		4. If Amendment, Date Original	6. Individual or Joint/Group Filing(Check			
SEATTLE, V	VA 98104		Filed(Month/Day/Year)	Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting Person			

SEATTLE,	WA 98104
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(City)	(State)	Zip) Table	e I - Non-D	erivative	Secur	ities Acc	quired, Disposed	of, or Beneficial	lly Owned
1.Title of Security (Instr. 3)	2. Transaction Date 2A. Deemed (Month/Day/Year) Execution Date, if any (Month/Day/Year)		3. Transaction Code (Instr. 8)	4. Securities Acquired on(A) or Disposed of (D) (Instr. 3, 4 and 5)		5. Amount of Securities Beneficially Owned Following Reported	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)	
Common Stock	01/29/2007		Code V <u>J(1)</u>	Amount 5,000	(A) or (D)	Price	Transaction(s) (Instr. 3 and 4) 1,356,854	D	
Common Stock	01/29/2007		J(2)	9,000	A	(2)	1,365,854	D	
Common Stock (3)	01/26/2007		S(3)	9,000 (3)	D	\$ 38.1 (4)	1,356,854	D	

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

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displays a currently valid OMB control number.

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of	2.	3. Transaction Date	3A. Deemed	4.	5.	6. Date Exerc	cisable and	7. Title	e and	8. Price of	9. Nu
Derivative	Conversion	(Month/Day/Year)	Execution Date, if	Transaction	orNumber	Expiration D	ate	Amou	nt of	Derivative	Deriv
Security	or Exercise		any	Code	of	(Month/Day/	Year)	Under	lying	Security	Secui
(Instr. 3)	Price of		(Month/Day/Year)	(Instr. 8)	Derivative	e		Securi	ties	(Instr. 5)	Bene
	Derivative				Securities			(Instr.	3 and 4)		Own
	Security				Acquired						Follo
	·				(A) or						Repo
					Disposed						Trans
					of (D)						(Instr
					(Instr. 3,						
					4, and 5)						
									Amount		
						Date	Expiration		or		
						Exercisable	Date		Number		
									of		
				Code V	(A) (D)				Shares		

Reporting Owners

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

Signatures

/s/ Diane M. Irvine, Power of 01/30/2007 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).
- The reporting person had contracted to sell 9,000 shares on January 17, 2007, pursuant to a Rule 10b5-1 trading plan adopted by the **(1)** reporting person. Due to broker error on January 29, 2007, the sale of 5,000 shares were rescinded.
- The reporting person had contracted to sell 9,000 shares on January 18, 2007, pursuant to a Rule 10b5-1 trading plan adopted by the **(2)** reporting person. Due to broker error, the sale was rescinded on January 29, 2007.
- This sale was affected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person. **(3)**
- Represents the weighted average sale price. The highest price at which shares were sold was \$38.64 and the lowest price at which shares were sold was \$37.75

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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