**BLUE NILE INC** Form 4

February 20, 2007

## FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

**SECURITIES** 

**OMB** 3235-0287

**OMB APPROVAL** 

Number: Expires:

January 31, 2005

0.5

Estimated average burden hours per

response...

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

obligations may continue. See Instruction

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

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * TAYLOR MARY ALICE			2. Issuer Name <b>and</b> Ticker or Trading Symbol					5. Relationship of Reporting Person(s) to Issuer			
			BLUE NILE INC [NILE]					(Check all applicable)			
(Last)	(First)	(Middle)	3. Date of Earliest Transaction								
	(Month/D			nth/Day/Year)				_X_ Director	109	% Owner	
C/O BLUE NILE, INC., 705 FIFTH AVENUE S, STE 900			02/15/2007					Officer (gives)	ve titleOth below)	er (specify	
(Street) 4. I			4. If Amendment, Date Original					6. Individual or Joint/Group Filing(Check			
				Filed(Month/Day/Year)				Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting Person			
(City)	(State)	(Zip)	Table	I - Non-D	erivative	Securi	ties Ac	quired, Disposed	of, or Beneficia	lly Owned	
1.Title of	2. Transaction D	ate 2A. Dee	emed	3.	4. Secur	ities		5. Amount of	6. Ownership	7. Nature of	
Security	(Month/Day/Yea	r) Executi	on Date, if	Date, if TransactionAcquired (A) or			Securities Form: Direct Indirect				
(Instr. 3)		any		Code Disposed of (D)		Beneficially	(D) or	Beneficial			
		(Month	/Day/Year)	(Instr. 8)	(Instr. 3, 4 and 5)		Owned	Indirect (I)	Ownership		
								Following	(Instr. 4)	(Instr. 4)	
				Code V	Amount	(A) or (D)	Price	Reported Transaction(s) (Instr. 3 and 4)			
Common Stock	02/15/2007			A(1)	187	A	\$ 40	4,285	D		

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

Persons who respond to the collection of SEC 1474 information contained in this form are not (9-02)required to respond unless the form 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)

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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. Transacti Code (Instr. 8)			ate	7. Title Amoun Under	int of lying ities	8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene
	Derivative Security				Securities Acquired			(Instr.	3 and 4)		Owne Follo
					(A) or Disposed						Repo Trans
					of (D) (Instr. 3, 4, and 5)						(Instr
					4, and 3)				Amount		
						Date Exercisable	Expiration Date	Title	or Number of		
				Code V	(A) (D)				Shares		

# **Reporting Owners**

Reporting Owner Name / Address	Relationships					
	Director	10% Owner	Officer	Other		
TAYLOR MARY ALICE C/O BLUE NILE, INC. 705 FIFTH AVENUE S, STE 900 SEATTLE, WA 98104	X					

# **Signatures**

/s/ Mark C. Vadon, Power of
Attorney 02/20/2007

\*\*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) Shares issued in lieu of cash consideration for quarterly Board of Directors fee.

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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