**BLUE NILE INC** Form 4 May 14, 2007

## FORM 4

# UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**OMB APPROVAL** 

3235-0287

January 31,

2005

0.5

**OMB** 

Number:

Expires:

response...

5. Relationship of Reporting Person(s) to

(Check all applicable)

Issuer

Estimated average

burden hours per

#### Check this box if no longer STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF subject to **SECURITIES** Section 16. Form 4 or Form 5

Symbol

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

2. Issuer Name and Ticker or Trading

BLUE NILE INC [NILE]

1(b).

(Print or Type Responses)

TAYLOR MARY ALICE

1. Name and Address of Reporting Person \*

obligations

may continue.

See Instruction

(Last)	(First)		3. Date of Earliest	Γransaction					,	
	E NILE, INC., 705 S, STE 900		(Month/Day/Year) 05/10/2007			_	_X Director Officer (give to elow)		Owner or (specify	
(Street)			4. If Amendment, Date Original				6. Individual or Joint/Group Filing(Check			
SEATTLE	, WA 98104		- -			Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting Person				
(City)	(State)	(Zip)	Table I - Non-	Derivative	Secui	rities Acqui	red, Disposed of,	or Beneficial	ly Owned	
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deeme Execution I any (Month/Day	d 3. Date, if Transaction Code	4. Securit for Dispos (Instr. 3,	ties Ac	equired (A)	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	05/10/2007		M	10,000	A	\$ 0.25	14,285	D		
Common Stock	05/10/2007		S	10,000	D	\$ 55.45	4,285	D		
Common Stock	05/10/2007		M	10,000	A	\$ 0.25	14,285	D		
Common Stock	05/10/2007		S	10,000	D	\$ 55.4678 (1)	4,285	D		
Common Stock	05/10/2007		A(2)	135	A	\$ 55.34	4,420	D		

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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 Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transactic Code (Instr. 8)	5. Number of orDerivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8 ] (
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Stock Options (Right to Buy)	\$ 0.25	05/10/2007	05/10/2007	M	10,000	(3)	02/25/2012	Common Stock	10,000	
Stock Options (Right to Buy)	\$ 0.25	05/10/2007	05/10/2007	M	10,000	<u>(5)</u>	02/25/2012	Common Stock	10,000	

# **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/ Diane M. Irvine, Power of
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) Represents the weighted average sale price. The highest price at which shares were sold was \$55.51 and the lowest price at which shares were sold was \$55.45.

Reporting Owners 2

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- (2) Shares issued in lieu of cash consideration for quarterly Board of Directors fee.
- (3) One thirty-sixth of the shares vest monthly from August 2, 2000 for three years.
- (4) Not applicable.
- (5) One thirty-sixth of the shares vest monthly from August 26, 2001 for three years.

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.