BLUE NILE INC Form 4 August 03, 2007

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB APPROVAL

Number: 3235-0287 Expires: January 31,

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burden hours per response... 0.5

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

obligations

1(b).

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

(Print or Type Responses)

1. Name and Ad GASTON D	ddress of Report WIGHT	ting Person *	2. Issuer Name and 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/Day/Year)	Director 10% Owner			
C/O BLUE NILE, INC., 705 FIFTH AVENUE S, STE 900			08/01/2007	X Officer (give title Other (specify			
				below) below)			
TIVETVEE 5	, 512 / 00			Senior VP			
	(Street)		4. If Amendment, Date Original	6. Individual or Joint/Group Filing(Check			
			Filed(Month/Day/Year)	Applicable Line)			
SEATTLE, WA 98104			Form filed by More than One				
(0)	(0)	(71.)		1 CISOH			
(Street) SEATTLE, WA 98104		(Zin)	, 0	Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting Person			

(City)	(State)	Table Table	e I - Non-D	erivative	Secur	ities Acq	uired, Disposed of	f, or Beneficial	ly Owned
1.Title of	2. Transaction Date	2A. Deemed	3.	4. Securi	ties A	cquired	5. Amount of	6. Ownership	7. Nature of
Security	(Month/Day/Year)	Execution Date, if	Transactio	on(A) or Di	ispose	d of (D)	Securities	Form: Direct	Indirect
(Instr. 3)		any	Code	(Instr. 3,	4 and	5)	Beneficially	(D) or	Beneficial
		(Month/Day/Year)	(Instr. 8)				Owned	Indirect (I)	Ownership
							Following	(Instr. 4)	(Instr. 4)
					(4)		Reported		
					(A)		Transaction(s)		
			Code V	Amount		Price	(Instr. 3 and 4)		
Common Stock (1)	08/01/2007		S <u>(1)</u>	2,000 (1)	D	\$ 74.72	1,300	D	

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)

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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		

Deletionship

Reporting Owners

Reporting Owner Name / Address	Ketationsinps						
	Director	10% Owner	Officer	Other			

GASTON DWIGHT
C/O BLUE NILE, INC.
705 FIFTH AVENUE S, STE 900
Senior VP

SEATTLE, WA 98104

Signatures

/s/ Dwight Gaston 08/03/2007

**Signature of 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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