BLUE NILE INC Form 4 August 13, 2007

FORM 4

OMB APPROVAL

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

OMB 3235-0287 Number:

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

Washington, D.C. 20549

January 31, Expires: 2005

Form 5

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

Estimated average burden hours per response...

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

0.5

1(b).

(Print or Type Responses)

1. Name and Address VADON MARK		2. Issuer Name and Ticker or Trading Symbol BLUE NILE INC [NILE]	5. Relationship of Reporting Person(s) to Issuer (Check all applicable)		
(Last) (F	irst) (Middle)	3. Date of Earliest Transaction	(c)		
C/O BLUE NILE, INC., 705 FIFTH AVENUE S, STE 900		(Month/Day/Year) 08/09/2007	_X_ Director 10% Owner _X_ Officer (give title Other (specify below) CEO		
(St	treet)	4. If Amendment, Date Original	6. Individual or Joint/Group Filing(Check		
SEATTLE, WA 9	8104	Filed(Month/Day/Year)	Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting Person		

(City)	(State)	(Zip) Tal	ole I - Non	-Derivative	Secur	ities Acquire	ed, Disposed of, o	or Beneficially	Owned
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transactic Code (Instr. 8)	4. Securities or Disposed of (Instr. 3, 4) Amount	f (D)	uired (A) or	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	08/09/2007		S	94,244	D	\$ 92.1162 (1)	916,897	D	
Common Stock	08/10/2007		S	168,063	D	\$ 85.7337 (2)	748,834	D	
Common Stock	08/13/2007		S	60,278	D	\$ 88.173 (3)	688,556	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)

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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. Titl	e and	8. Price of	9. Nu
Derivative	Conversion	(Month/Day/Year)	Execution Date, if	Transacti	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)		Owne
	Security				Acquired						Follo
					(A) or						Repo
					Disposed						Trans
					of (D)						(Instr
					(Instr. 3,						
					4, and 5)						
									Amaunt		
						Date	Expiration				
						Exercisable	Date				
				Code V	(A) (D)						
				Code V	4, and 5)		•	Title	Amount or Number of Shares		

Reporting Owners

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

Signatures

/s/ Mark C.
Vadon

**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 \$94.47 and the lowest price at which shares were sold was \$90.00.
- (2) Represents the weighted average sale price. The highest price at which shares were sold was \$87.29 and the lowest price at which shares were sold was \$85.00.
- (3) Represents the weighted average sale price. The highest price at which shares were sold was \$90.45 and the lowest price at which shares were sold was \$86.30.

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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