

BLUE NILE INC
Form 4
May 21, 2008

FORM 4

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

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 Address of Reporting Person *
JIMENEZ JOSEPH

(Last) (First) (Middle)

C/O BLUE NILE, INC., 705 FIFTH AVENUE S, STE 900

(Street)

SEATTLE, WA 98104

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
BLUE NILE INC [NILE]

3. Date of Earliest Transaction (Month/Day/Year)
05/19/2008

4. If Amendment, Date Original Filed (Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)

6. Individual or Joint/Group Filing (Check Applicable Line)

Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, 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. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	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)			
				(A) or (D)	Price					
				Code	V	Amount				
Common Stock	05/19/2008		M		5,000	A	\$ 18.5	10,671	D	
Common Stock	05/19/2008		S		5,000	D	\$ 53.9574 (1)	5,671	D	
Common Stock	05/19/2008		M		4,000	A	\$ 31.74	9,671	D	
Common Stock	05/19/2008		S		4,000	D	\$ 54.6512 (2)	5,671	D	
	05/19/2008		M		4,000	A	\$ 30.18	9,671	D	

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Common Stock							
Common Stock	05/19/2008	S	4,000	D	\$ 54.0997 (3)	5,671	D
Common Stock	05/20/2008	M	1,000	A	\$ 18.5	6,671	D
Common Stock	05/20/2008	S	1,000	D	\$ 52.5452 (4)	5,671	D

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

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(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. Transaction Code (Instr. 8)	5. Number of Derivative 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. Amount or Number of Shares
Stock Options (Right to Buy)	\$ 18.5	05/19/2008	05/19/2008	M	5,000	(5) 04/27/2014	Common Stock	5,000
Stock Options (Right to Buy)	\$ 31.74	05/19/2008	05/19/2008	M	4,000	(7) 05/24/2015	Common Stock	4,000
Stock Options (Right to Buy)	\$ 30.18	05/19/2008	05/19/2008	M	4,000	(8) 05/24/2016	Common Stock	4,000
Stock Options (Right to Buy)	\$ 18.5	05/20/2008	05/20/2008	M	1,000	(5) 04/27/2014	Common Stock	1,000

Buy)

Reporting Owners

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

Signatures

/s/ Diane M. Irvine, Power of Attorney 05/21/2008

__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 \$54.11 and the lowest price at which shares were sold was \$53.91.
- (2) Represents the weighted average sale price. The highest price at which shares were sold was \$54.99 and the lowest price at which shares were sold was \$54.36.
- (3) Represents the weighted average sale price. The highest price at which shares were sold was \$54.47 and the lowest price at which shares were sold was \$53.99.
- (4) Represents the weighted average sale price. The highest price at which shares were sold was \$52.57 and the lowest price at which shares were sold was \$52.51.
- (5) One forty eighth of the option shares vest in equal monthly installments over forty eight months starting April 27, 2004.
- (6) Not applicable.
- (7) One twelfth of the option shares vest in equal monthly installments over twelve months starting May 24, 2005.
- (8) One twelfth of the option shares vest in equal monthly installments over twelve months starting May 24, 2006.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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