

BLUE NILE INC
Form 4/A
January 20, 2010

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 *
VADON MARK C

(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)
01/04/2010

4. If Amendment, Date Original Filed (Month/Day/Year)
01/06/2010

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | Code | V | Amount | (D) | Price |
| Common Stock | 01/04/2010 | | M | | 31,700 | A | \$ 0.275 403,090 |
| Common Stock | 01/04/2010 | | S ⁽¹⁾ | | 31,700 | D | \$ 63.2358 371,390 ⁽²⁾ |
| Common Stock | 01/05/2010 | | M | | 45,071 | A | \$ 0.275 416,461 |
| Common Stock | 01/05/2010 | | S ⁽¹⁾ | | 45,071 | D | \$ 62.4645 371,390 ⁽³⁾ |
| | 01/06/2010 | | M | | 18,700 | A | \$ 0.275 390,090 |

Common
Stock

| | | | | | | | | |
|-----------------|------------|--|-------------------------|--------|---|-----------------------------|---------|---|
| Common Stock | 01/06/2010 | | <u>S</u> ⁽¹⁾ | 18,700 | D | \$ 62.1196 <u>(4)</u> | 371,390 | 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.

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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 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 Option (Right to Buy) | \$ 0.275 | 01/04/2010 | | M | 31,700 | <u>(5)</u> 02/25/2012 | Common Stock | 31,700 |
| Stock Option (Right to Buy) | \$ 0.275 | 01/05/2010 | | M | 45,071 | <u>(5)</u> 02/25/2012 | Common Stock | 45,071 |
| Stock Option (Right to Buy) | \$ 0.275 | 01/06/2010 | | M | 18,700 | <u>(5)</u> 02/25/2012 | Common Stock | 18,700 |

Reporting Owners

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

Signatures

/s/ Lauren Neiswender, Power of
Attorney

01/20/2010

__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) This sale was affected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person.
- (2) Represents the weighted average sale price. The highest price at which shares were sold was \$64.38 and the lowest price at which shares were sold was \$62.64.
- (3) Represents the weighted average sale price. The highest price at which shares were sold was \$63.00 and the lowest price at which shares were sold was \$62.00.
- (4) Represents the weighted average sale price. The highest price at which shares were sold was \$63.01 and the lowest price at which shares were sold was \$62.00.
- (5) 25% of the option shares vest on August 26, 2002 and one-forty-eighth of the option shares vest in equal monthly installments over the following thirty-six months.
- (6) Not applicable.

Remarks:

The reporting person filed a Form 4 on January 6, 2010 reporting sales of common stock on January 4, 5 and 6, 2010, but failed to file a Form 4 on January 6, 2010.

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.