

BLUE NILE INC
Form 4
November 08, 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

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
C/O BLUE NILE, INC., 705 FIFTH AVENUE S, STE 900

3. Date of Earliest Transaction (Month/Day/Year)
11/04/2010

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

(Street)
SEATTLE, WA 98104

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

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

(City) (State) (Zip)

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 Ownership (Instr. 4)	
			Code	V	Amount	Price		
Common Stock	11/04/2010		M		40,866	\$ 8.75	400,799	D
Common Stock	11/04/2010		S ⁽¹⁾		40,866	\$ 45.08	359,933	D
Common Stock	11/04/2010		S ⁽¹⁾		9,134	\$ 45.17	350,799	D
Common Stock	11/05/2010		S ⁽¹⁾		240,866	\$ 48.65	109,933	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)	\$ 8.75	11/04/2010		M	40,866	<u>(5)</u> 10/09/2013	Common Stock	40,866

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 11/08/2010

__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 \$45.50 and the lowest price at which shares were sold was \$45.00.

(3) Represents the weighted average sale price. The highest price at which shares were sold was \$45.475 and the lowest price at which shares were sold was \$45.00.

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- (4) Represents the weighted average sale price. The highest price at which shares were sold was \$50.07 and the lowest price at which shares were sold was \$47.00.
- (5) 25% of the option shares vest on August 26, 2004 and one-forty-eighth of the option shares vest in equal monthly installments over the following thirty-six months.
- (6) Not applicable.

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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