

BLUE NILE INC

Form 4

December 12, 2011

**FORM 4**
**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

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

## OMB APPROVAL

OMB  
Number: 3235-0287  
Expires: January 31,  
2005  
Estimated average  
burden hours per  
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(Print or Type Responses)

1. Name and Address of Reporting Person \*  
**IRVINE DIANE M**

(Last) (First) (Middle)

**C/O BLUE NILE, INC., 411 FIRST  
AVENUE S, STE 700**

(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)  
**12/08/2011**

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 \_\_\_\_\_ Other (specify  
below) below)  
Former CEO

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<br>Security<br>(Instr. 3) | 2. Transaction Date<br>(Month/Day/Year) | 2A. Deemed<br>Execution Date, if<br>any<br>(Month/Day/Year) | 3. Transaction<br>Code<br>(Instr. 8) | 4. Securities Acquired (A)<br>or Disposed of (D)<br>(Instr. 3, 4 and 5) | 5. Amount of<br>Securities<br>Beneficially<br>Owned<br>Following<br>Reported<br>Transaction(s)<br>(Instr. 3 and 4) | 6. Ownership<br>Form:<br>Direct (D)<br>or Indirect<br>(I)<br>(Instr. 4) | 7. Nature of<br>Indirect<br>Beneficial<br>Ownership<br>(Instr. 4) |
|---------------------------------------|-----------------------------------------|-------------------------------------------------------------|--------------------------------------|-------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|-------------------------------------------------------------------|
| Common<br>Stock                       | 12/08/2011                              |                                                             | M                                    | 3,000                                                                   | A \$ 30                                                                                                            | 51,489                                                                  | D                                                                 |
| Common<br>Stock                       | 12/08/2011                              |                                                             | S <sup>(1)</sup>                     | 3,000                                                                   | D \$<br>39.4192                                                                                                    | 48,489                                                                  | D                                                                 |
| Common<br>Stock                       | 12/09/2011                              |                                                             | M                                    | 10,000                                                                  | A \$ 21.22                                                                                                         | 58,489                                                                  | D                                                                 |
| Common<br>Stock                       | 12/09/2011                              |                                                             | S <sup>(1)</sup>                     | 10,000                                                                  | D \$<br>40.0631                                                                                                    | 48,489                                                                  | D                                                                 |
|                                       | 12/09/2011                              |                                                             | M                                    | 3,000                                                                   | A \$ 30                                                                                                            | 51,489                                                                  | D                                                                 |

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Common  
Stock

|                 |            |                  |       |   |               |        |   |
|-----------------|------------|------------------|-------|---|---------------|--------|---|
| Common<br>Stock | 12/09/2011 | S <sup>(1)</sup> | 3,000 | D | \$<br>40.2401 | 48,489 | D |
|-----------------|------------|------------------|-------|---|---------------|--------|---|

|                 |  |  |  |  |  |       |   |        |
|-----------------|--|--|--|--|--|-------|---|--------|
| Common<br>Stock |  |  |  |  |  | 1,160 | I | By Son |
|-----------------|--|--|--|--|--|-------|---|--------|

|                 |  |  |  |  |  |       |   |                |
|-----------------|--|--|--|--|--|-------|---|----------------|
| Common<br>Stock |  |  |  |  |  | 1,160 | I | By<br>Daughter |
|-----------------|--|--|--|--|--|-------|---|----------------|

|                 |  |  |  |  |  |       |   |                |
|-----------------|--|--|--|--|--|-------|---|----------------|
| Common<br>Stock |  |  |  |  |  | 1,160 | I | By<br>Daughter |
|-----------------|--|--|--|--|--|-------|---|----------------|

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)

| 1. Title of<br>Derivative<br>Security<br>(Instr. 3) | 2. Conversion<br>or Exercise<br>Price of<br>Derivative<br>Security | 3. Transaction Date<br>(Month/Day/Year) | 3A. Deemed<br>Execution Date, if<br>any<br>(Month/Day/Year) | 4. Transaction<br>Code<br>(Instr. 8) | 5. Number of<br>Derivative<br>Securities<br>Acquired (A)<br>or Disposed of<br>(D)<br>(Instr. 3, 4,<br>and 5) | 6. Date Exercisable and<br>Expiration Date<br>(Month/Day/Year) | 7. Title and Amount of<br>Underlying Securities<br>(Instr. 3 and 4) | 8. Amount<br>or<br>Number<br>of Shares |
|-----------------------------------------------------|--------------------------------------------------------------------|-----------------------------------------|-------------------------------------------------------------|--------------------------------------|--------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|---------------------------------------------------------------------|----------------------------------------|
| Stock<br>Options<br>(Right to<br>Buy)               | \$ 30                                                              | 12/08/2011                              |                                                             | M                                    | 3,000                                                                                                        | <sup>(4)</sup> 07/26/2014                                      | Common<br>Stock                                                     | 3,000                                  |
| Stock<br>Options<br>(Right to<br>Buy)               | \$ 21.22                                                           | 12/09/2011                              |                                                             | M                                    | 10,000                                                                                                       | <sup>(6)</sup> 02/22/2019                                      | Common<br>Stock                                                     | 10,000                                 |
| Stock<br>Options<br>(Right to<br>Buy)               | \$ 30                                                              | 12/09/2011                              |                                                             | M                                    | 3,000                                                                                                        | <sup>(4)</sup> 07/26/2014                                      | Common<br>Stock                                                     | 3,000                                  |

## Reporting Owners

| Reporting Owner Name / Address                                                            | Relationships |           |            |       |
|-------------------------------------------------------------------------------------------|---------------|-----------|------------|-------|
|                                                                                           | Director      | 10% Owner | Officer    | Other |
| IRVINE DIANE M<br>C/O BLUE NILE, INC.<br>411 FIRST AVENUE S, STE 700<br>SEATTLE, WA 98104 |               |           | Former CEO |       |

## Signatures

/s/ Lauren Neiswender, Power of Attorney

12/12/2011

\_\_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) Any short-swing profits will be paid to the company as required by Rule 16(b) of the Securities and Exchange Act of 1934.
- (2) Represents the weighted average sale price. The highest price at which shares were sold was \$39.46 and lowest price at which shares were sold was \$39.4116.
- (3) Represents the weighted average sale price. The highest price at which shares were sold was \$40.26 and lowest price at which shares were sold was \$40.00.
- (4) 25% of the option shares vested on August 26, 2005 and one-forty-eighth of the option shares vested in equal monthly installments over the following thirty-six months. As of November 11, 2011, all unvested options were canceled.
- (5) Not applicable.
- (6) 25% of the option shares vested on February 23, 2010 and one-forty-eighth of the option shares vested in equal monthly installments over the following thirty-six months. As of November 11, 2011, all unvested options were canceled.

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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