BLUE NILE INC Form 4

February 11, 2011

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

OMB 3235-0287 Number:

OMB APPROVAL

January 31, Expires: 2005

Estimated average burden hours per response... 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5

SECURITIES Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,

obligations Section 17(a) of the Public Utility Holding Company Act of 1935 or Section may continue. 30(h) of the Investment Company Act of 1940 See Instruction

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * IRVINE DIANE M				2. Issuer Name and Ticker or Trading Symbol			5. Relationship of Reporting Person(s) to Issuer		
			BI	LUE N	ILE INC	[NILE]	(Che	ck all applicable	e)
	(Last)	(First) (M	iddle) 3.]	Date of I	Earliest Tra	nsaction			
	C/O BLUE N AVENUE S,	NILE, INC., 705 I STE 900	,	Ionth/Da 2/09/20	•		_X_ Director _X_ Officer (gives below)	ve title Oth below) CEO	
		(Street)	4.]	If Amen	dment, Dat	e Original	6. Individual or 3	Joint/Group Fili	ng(Check
			File	led(Montl	h/Day/Year)		Applicable Line) _X_ Form filed by	1 0	
SEATTLE, WA 98104							Form filed by More than One Reporting Person		
	(City)	(State) (Zip)	Table	I - Non-De	erivative Securities Ac	quired, Disposed	of, or Beneficia	lly Owned
	1.Title of	2. Transaction Date	2A. Deemed	i	3.	4. Securities	5. Amount of	6. Ownership	7. Nature of
	Security	(Month/Day/Year)	Execution D	ate, if	Transactio	nAcquired (A) or	Securities	Form: Direct	Indirect
	(Instr. 3)		any		Code	Disposed of (D)	Beneficially	(D) or	Beneficial
			(Month/Day	/Year)	(Instr 8)	(Instr. 3, 4 and 5)	Owned	Indirect (I)	Ownership

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transacti Code (Instr. 8)	ransactionAcquired (A) or ode Disposed of (D)		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	02/09/2011		Code V	Amour 250	t (D)	Price \$ 0	34,633	D	
Common Stock							1,160	I	By Son
Common Stock							1,160	I	By Daughter
Common Stock							1,160	I	By Daughter

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

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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	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	Execution Date, if any	Transaction of Code Derivative		Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8 I
(Instr. 3)	Price of Derivative Security		(Month/Day/Year)	(Instr. 8)	Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)					(
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Restricted Stock Units	\$ 0 (1)	02/09/2011		M	250	02/09/2011(2)	(2)	Common Stock	250	

Reporting Owners

Reporting Owner Name / Address	Relationships					
<u>.</u>	Director	10% Owner	Officer	Other		
IRVINE DIANE M						
C/O BLUE NILE, INC.	v		CEO			
705 FIFTH AVENUE S, STE 900	X		CEO			
SEATTLE, WA 98104						

Signatures

Reporting Person

/s/ Diane M.
Irvine

**Signature of 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) Each restricted stock unit is converted to one share of Blue Nile common stock at the vest date.
- (2) The restricted stock units vest in four equal annual installments beginning on February 9, 2011, subject to continued service to Blue Nile on the applicable vesting date.

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

Reporting Owners 2

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