BLUE NILE INC Form 4

February 15, 2012

## FORM 4

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

OMB Number: 3235-0287

**OMB APPROVAL** 

Check this box if no longer subject to Section 16.

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Expires: January 31, 2005 Estimated average

Form 4 or Form 5 obligations may continue. See Instruction

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

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1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * IRVINE DIANE M			2. Issuer Name <b>and</b> Ticker or Trading Symbol BLUE NILE INC [NILE]	5. Relationship of Reporting Person(s) to Issuer  (Check all applicable)		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction	(2 un applicable)		
			(Month/Day/Year)	Director 10% Owner		
C/O BLUE NILE, INC., 411 FIRST AVENUE S, STE 700			02/13/2012	X Officer (give title Other (specify below) Former CEO		
(Street)			4. If Amendment, Date Original	6. Individual or Joint/Group Filing(Check		
SEATTLE, V	VA 98104		Filed(Month/Day/Year)	Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting		
OLITICE, V	V11 7010 <del>1</del>			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)	Code (Instr. 8)	(A) or			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	02/13/2012		Code V M	Amount 5,830	(D)	Price \$ 32.97	27,217	D	
Common Stock	02/13/2012		S <u>(1)</u>	5,830	D	\$ 43.11	21,387	D	
Common Stock							1,160	I	By Son
Common Stock							1,160	I	By Daughter
Common Stock							1,160	I	By Daughter

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

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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 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. Transactic Code (Instr. 8)	Transaction Derivative Code Securities		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)	
				Code V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Options (Right to Buy)	\$ 32.97	02/13/2012		M		5,830	(2)	08/30/2015 <u>(3)</u>	Common Stock	5,830

## **Reporting Owners**

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

IRVINE DIANE M C/O BLUE NILE, INC. 411 FIRST AVENUE S, STE 700 SEATTLE, WA 98104

Former CEO

## **Signatures**

/s/ Lauren Neiswender, Power of Attorney

02/15/2012

\*\*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) 25% of the option shares vested on August 26, 2006 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.
- (3) Ms. Irvine resigned on November 11, 2011. Her vested and exercisable options will expire on May 11, 2012.

Reporting Owners 2

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#### (4) 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. 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.