

BLUE NILE INC
Form 3
September 09, 2005

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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INITIAL STATEMENT OF 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 *		2. Date of Event Requiring Statement	3. Issuer Name and Ticker or Trading Symbol	
Â GASTON DWIGHT		(Month/Day/Year)	BLUE NILE INC [NILE]	
(Last)	(First)	09/01/2005		
C/O BLUE NILE, INC.,Â 705 FIFTH AVENUE S, STE 900			4. Relationship of Reporting Person(s) to Issuer	5. If Amendment, Date Original Filed(Month/Day/Year)
(Street)			(Check all applicable)	
SEATTLE,Â WAÂ 98104			<input type="checkbox"/> Director <input type="checkbox"/> 10% Owner	6. Individual or Joint/Group Filing(Check Applicable Line)
(City)	(State)	(Zip)	<input checked="" type="checkbox"/> Officer <input type="checkbox"/> Other	<input checked="" type="checkbox"/> Form filed by One Reporting Person
			(give title below) (specify below)	<input type="checkbox"/> Form filed by More than One Reporting Person
			Senior VP	

Table I - Non-Derivative Securities Beneficially Owned

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Common Stock	22,800	D	Â
Common Stock	2,691	I	By Wife

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly. SEC 1473 (7-02)

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.

Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)	3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)	4. Conversion or Exercise Price of	5. Ownership Form of Derivative	6. Nature of Indirect Beneficial Ownership (Instr. 5)
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	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	Derivative Security	Security: Direct (D) or Indirect (I) (Instr. 5)	
Option (right to buy)	07/15/2001 ⁽¹⁾	02/24/2012	Common Stock	1,600	\$ 0.25	D	Â
Option (right to buy)	02/21/2006 ⁽²⁾	07/26/2014	Common Stock	18,000	\$ 30	D	Â
Option (right to buy)	05/17/2000 ⁽³⁾	06/25/2009	Common Stock	22,500	\$ 0.5	D	Â
Option (right to buy)	08/26/2002 ⁽⁴⁾	02/24/2012	Common Stock	9,600	\$ 0.25	D	Â
Option (right to buy)	08/26/2003 ⁽⁵⁾	10/14/2012	Common Stock	4,800	\$ 0.25	D	Â
Option (right to buy)	08/26/2004 ⁽⁶⁾	10/08/2013	Common Stock	27,200	\$ 8.75	D	Â

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
GASTON DWIGHT C/O BLUE NILE, INC. 705 FIFTH AVENUE S, STE 900 SEATTLE, WA 98104	Â	Â	Â Senior VP	Â

Signatures

/s/ Dwight
Gaston

09/09/2005

**Signature of
Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 5(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) 25% of the option shares vest one year after July 15, 2000 and one-forty-eighth of the option shares vest in equal monthly installments over the following thirty-six months.
 - (2) 25% of the option shares vest one year after February 21, 2005 and one-forty-eighth of the option shares vest in equal monthly installments over the following thirty-six months.
 - (3) 25% of the option shares vest one year after May 17, 1999 and one-forty-eighth of the option shares vest in equal monthly installments over the following thirty-six months.
 - (4) 25% of the option shares vest one year after August 26, 2001 and one-forty-eighth of the option shares vest in equal monthly installments over the following thirty-six months.
 - (5) 25% of the option shares vest one year after August 26, 2002 and one-forty-eighth of the option shares vest in equal monthly installments over the following thirty-six months.

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- (6) 25% of the option shares vest one year after August 26, 2003 and one-forty-eighth of the option shares vest in equal monthly installments over the following thirty-six months.

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.