**BLUE NILE INC** 

Form 4

December 07, 2010

### FORM 4

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

OMB Number: 3235-0287

Estimated average

Expires:

**OMB APPROVAL** 

Check this box if no longer subject to Section 16.

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

January 31, 2005

Form 4 or Form 5 obligations may continue.

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

**SECURITIES** 

burden hours per response... 0.5

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 BLUE NILE INC [NILE]	5. Relationship of Reporting Person(s) to Issuer		
(Last)  C/O BLUE NO AVENUE S, S		(Middle)	3. Date of Earliest Transaction (Month/Day/Year) 12/03/2010	(Check all applicable)  _X_ Director 10% Owner _X_ Officer (give title Other (specif below)  CEO		
SEATTLE, W	(Street)		4. If Amendment, Date Original Filed(Month/Day/Year)	6. Individual or Joint/Group Filing(Check Applicable Line) _X_ 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)	2. Transaction Date 2A. Deemed (Month/Day/Year) Execution Date, if any (Month/Day/Year)		3. 4. Securities Acquired Transaction(A) or Disposed of Code (D) (Instr. 8) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code V	Amount	(A) or (D)	Price	Reported Transaction(s) (Instr. 3 and 4)		
Common Stock	12/03/2010		M	5,000	A	\$ 8.75	39,383	D	
Common Stock	12/03/2010		S(1)	5,000	D	\$ 52	34,383	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.

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)

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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 (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)	5. Number ction of Derivative Securities 3) Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		of Derivative Expiration Date Securities (Month/Day/Year) Acquired (A) or Disposed of (D) (Instr. 3, 4,		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)	\$ 8.75	12/03/2010		M		5,000	(2)	10/09/2013	Common Stock	5,000

## **Reporting Owners**

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

### **Signatures**

/s/ Lauren Neiswender, Power of Attorney 12/07/2010

\*\*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) 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

(3) Not applicable.

Reporting Owners 2

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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.