

BLUE NILE INC

Form 4

February 13, 2012

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
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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)
02/09/2012

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 below) ____ 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 Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	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	02/09/2012		S ⁽¹⁾	10,000 D	\$ 42.67 (2)	21,387	D
Common Stock	02/10/2012		M	18,000 A	\$ 32.97	39,387	D
Common Stock	02/10/2012		S ⁽¹⁾	18,000 D	\$ 43.71 (3)	21,387	D
Common Stock						1,160	I By Son
						1,160	I

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Common Stock				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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(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. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	Amount or Number of Shares
Stock Options (Right to Buy)	\$ 32.97	02/10/2012		M	18,000	<u>(4)</u> 08/30/2015 <u>(5)</u>	Common Stock	18,000

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 02/13/2012

**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).

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- (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 \$42.70 and lowest price at which shares were sold was \$42.67.
- (3) Represents the weighted average sale price. The highest price at which shares were sold was \$44.01 and lowest price at which shares were sold was \$43.50.
- (4) 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.
- (5) Ms. Irvine resigned on November 11, 2011. Her vested and exercisable options will expire on May 11, 2012.
- (6) 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.

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