

SHUTTERFLY INC
Form 4
November 21, 2007

FORM 4

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

OMB APPROVAL

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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

(Print or Type Responses)

1. Name and Address of Reporting Person *
Galen Douglas J

(Last) (First) (Middle)

C/O SHUTTERFLY INC, 2800
BRIDGE PARKWAY SUITE 101

(Street)

REDWOOD CITY, CA 94065

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
SHUTTERFLY INC [SFLY]

3. Date of Earliest Transaction
(Month/Day/Year)
11/21/2007

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)
SR VP, BUS & CORP DEVELOPMENT

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 Ownership (Instr. 4)
			Code	V	Amount (A) or (D) Price		
Common Stock	11/21/2007		M		3,750 A \$ 5.5	3,750	D
Common Stock	11/21/2007		S ⁽¹⁾		100 D \$ 26.67	3,650	D
Common Stock	11/21/2007		S ⁽¹⁾		100 D \$ 26.74	3,550	D
Common Stock	11/21/2007		S ⁽¹⁾		100 D \$ 26.75	3,450	D
Common Stock	11/21/2007		S ⁽¹⁾		100 D \$ 26.8	3,350	D

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Common Stock	11/21/2007	<u>S⁽¹⁾</u>	200	D	\$ 26.81	3,150	D
Common Stock	11/21/2007	<u>S⁽¹⁾</u>	100	D	\$ 26.82	3,050	D
Common Stock	11/21/2007	<u>S⁽¹⁾</u>	100	D	\$ 26.83	2,950	D
Common Stock	11/21/2007	<u>S⁽¹⁾</u>	100	D	\$ 26.88	2,850	D
Common Stock	11/21/2007	<u>S⁽¹⁾</u>	100	D	\$ 26.9	2,750	D
Common Stock	11/21/2007	<u>S⁽¹⁾</u>	100	D	\$ 26.93	2,650	D
Common Stock	11/21/2007	<u>S⁽¹⁾</u>	950	D	\$ 27	1,700	D
Common Stock	11/21/2007	<u>S⁽¹⁾</u>	100	D	\$ 27.02	1,600	D
Common Stock	11/21/2007	<u>S⁽¹⁾</u>	100	D	\$ 27.03	1,500	D
Common Stock	11/21/2007	<u>S⁽¹⁾</u>	300	D	\$ 27.05	1,200	D
Common Stock	11/21/2007	<u>S⁽¹⁾</u>	100	D	\$ 27.06	1,100	D
Common Stock	11/21/2007	<u>S⁽¹⁾</u>	100	D	\$ 27.09	1,000	D
Common Stock	11/21/2007	<u>S⁽¹⁾</u>	200	D	\$ 27.12	800	D
Common Stock	11/21/2007	<u>S⁽¹⁾</u>	300	D	\$ 27.25	500	D
Common Stock	11/21/2007	<u>S⁽¹⁾</u>	500	D	\$ 27.84	0	D

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	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	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. D S (1)
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Derivative Security			(A) or Disposed of (D)		Date Exercisable	Expiration Date	Title	Amount or Number of Shares
			(A)	(D)				
Employee Stock Option (Right to Buy)	\$ 5.5	11/21/2007	M	3,750	(2)	03/31/2016	Common Stock	3,750

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Galen Douglas J C/O SHUTTERFLY INC 2800 BRIDGE PARKWAY SUITE 101 REDWOOD CITY, CA 94065			SR VP, BUS & CORP DEVELOPMENT	

Signatures

/s/ Douglas Appleton
Attorney-in-fact
11/21/2007

**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) The sales reported on this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on August 3, 2007.
- (2) Option vests as to 25% of the shares subject to the grant on March 31, 2006, and as to an additional 1/48th of the total number of shares subject to the grant at the end of each full month thereafter.

Remarks:

This Statement confirms that the undersigned, Douglas J. Galen, has authorized and designated John A. Kaelle and Douglas A.

/s/ Douglas J. Galen

Date: November 19, 2007

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