Black Dwayne A Form 4 February 18, 2011

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

burden hours per

Section 16. 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

response... 0.5

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * Black Dwayne A			2. Issuer Name and Ticker or Trading Symbol SHUTTERFLY INC [SFLY]	5. Relationship of Reporting Person(s) to Issuer (Check all applicable)		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction	(check all applicable)		
			(Month/Day/Year)	Director 10% Owner		
2800 BRIDGE PARKWAY		AY	02/16/2011	X Officer (give title Other (specify below) SVP, Operations		
	(Street)		4. If Amendment, Date Original	6. Individual or Joint/Group Filing(Check		
			Filed(Month/Day/Year)	Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting		
REDWOOD CITY, CA 94065				Person		

(City)	(State) (Zip) Tabl	e I - Non-D	erivative	Secur	ities Acq	uired, Disposed o	f, or Beneficial	ly Owned
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. 4. Securities Acquired Transaction(A) or Disposed of (D Code (Instr. 3, 4 and 5) (Instr. 8) (A) or			d of (D)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
C			Code V	Amount		Price	(Instr. 3 and 4)		
Common Stock	02/16/2011		M <u>(1)</u>	8,167	A	\$ 0	17,226	D	
Common Stock	02/16/2011		F(3)	2,792	D	\$ 43.72 (3)	14,434	D	
Common Stock	02/16/2011		M(2)	3,500	A	\$ 0	17,934	D	
Common Stock	02/16/2011		F(3)	1,270	D	\$ 43.72 (3)	16,664	D	

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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)

S	. Title of Derivative ecurity (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. Transacti Code (Instr. 8)	Secu Acqu (A) o Disp (D)	urities uired or oosed of rr. 3, 4,	vative Expiration Date ies (Month/Day/Year) ed ed of		Underlying Securities (Instr. 3 and 4)		8. Pr Deriv Secu (Instr
					Code V		(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
S	Restricted Stock Units	<u>(4)</u>	02/16/2011		M		8,167	<u>(5)</u>	<u>(5)</u>	Common Stock	8,167	\$
S	Restricted Stock Units	<u>(4)</u>	02/16/2011		M		3,500	<u>(5)</u>	<u>(5)</u>	Common Stock	3,500	\$

Reporting Owners

Reporting Owner Name / Address	Relationships							
Reporting 6 wher Funite / Funitess	Director	10% Owner	Officer	Other				
Black Dwayne A 2800 BRIDGE PARKWAY REDWOOD CITY, CA 94065			SVP, Operations					

Signatures

/s/ Charlotte Falla, Attorney
in Fact

**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) Vesting of restricted stock units granted to the Reporting Person on February 16, 2010.
- (2) Vesting of restricted stock units granted to the Reporting Person on February 7, 2011.

Reporting Owners 2

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- Exempt transaction pursuant to Section 16b-3(e) payment of tax liability by withholding securities incident to the vesting of a security issued in accordance with Rule 16b-3. All of the shares reported as disposed of in this Form 4 were relinquished by the reporting
- (3) person in exchange for the Issuers agreement to pay federal and state tax withholding obligations of the Reporting Person resulting from the vesting of restricted stock units. The reporting person did not sell or otherwise dispose of any of the shares reported on this Form 4 for any reason other than to cover required taxes.
- (4) Each restricted stock unit represents a contingent right to receive one share of Issuer's common stock.
- (5) The restricted stock units vest in three equal annual installments beginning February 16, 2011.

Remarks:

This Statement confirms that the undersigned, Dwayne A. Black, has authorized and designated Charlotte Falla and John Kael

Date: June 15, 2010

/s/Dwayne A. Black

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.