

BLUE NILE INC
Form 4
August 14, 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 *
MAUPIN TERRI K

(Last) (First) (Middle)

C/O BLUE NILE, INC., 705 FIFTH AVE. S., STE 900

(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)
08/10/2007

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

___ Director ___ 10% Owner
X Officer (give title below) ___ Other (specify below)

VP of Finance & Controller

6. Individual or Joint/Group Filing(Check Applicable Line)
X 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) | |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|---|
| | | | | (A) or (D) | Price | | | |
| Common Stock | 08/10/2007 | | M | 7,056 | A | \$ 30 | 14,256 | D |
| Common Stock | 08/10/2007 | | S | 7,056 | D | \$ 85.7033 (1) | 7,200 | D |
| Common Stock | 08/10/2007 | | M | 2,944 | A | \$ 31.26 | 10,144 | D |
| Common Stock | 08/10/2007 | | S | 2,944 | D | \$ 86 | 7,200 | D |
| Common Stock | 08/13/2007 | | M | 2,889 | A | \$ 31.26 | 10,089 | D |

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| | | | | | | | |
|--------------|------------|---|-------|---|----------|-------|---|
| Common Stock | 08/13/2007 | S | 2,889 | D | \$ 88 | 7,200 | D |
| Common Stock | 08/13/2007 | M | 2,111 | A | \$ 32.97 | 9,311 | D |
| Common Stock | 08/13/2007 | S | 2,111 | D | \$ 88 | 7,200 | 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 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) | 8. Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|
| Stock Options (Right to Buy) | \$ 30 | 08/10/2007 | 08/10/2007 | M | 7,056 | <u>(2)</u> 07/27/2014 | Common Stock | 7,056 |
| Stock Options (Right to Buy) | \$ 31.26 | 08/10/2007 | 08/10/2007 | M | 2,944 | <u>(4)</u> 05/31/2016 | Common Stock | 2,944 |
| Stock Options (Right to Buy) | \$ 31.26 | 08/13/2007 | 08/13/2007 | M | 2,889 | <u>(4)</u> 05/31/2016 | Common Stock | 2,889 |
| Stock Options (Right to Buy) | \$ 32.97 | 08/13/2007 | 08/13/2007 | M | 2,111 | <u>(5)</u> 08/30/2015 | Common Stock | 2,111 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|----------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| MAUPIN TERRI K C/O BLUE NILE, INC. 705 FIFTH AVE. S., STE 900 SEATTLE, WA 98104 | | | VP of Finance & Controller | |

Signatures

/s/ Terri K
 Maupin

08/14/2007

**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) Represents the weighted average sale price. The highest price at which shares were sold was \$86.43 and the lowest price at which shares were sold was \$84.98.
 - (2) 25% of the option shares vest one year after 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.
 - (4) 25% of the option shares vest one year after June 1, 2006 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, 2005 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.