BLUE NILE INC Form 4 March 05, 2007

FORM 4

OMB APPROVAL

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

OMB 3235-0287 Number:

Check this box if no longer subject to Section 16.

January 31, Expires: 2005

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES**

Estimated average burden hours per response... 0.5

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

1(b).

(Print or Type Responses)

1. Name and Addi	*	ing Person *	2. Issuer Name and Ticker or Trading Symbol BLUE NILE INC [NILE]	5. Relationship of Reporting Person(s) to Issuer				
(Last)	(First)	(Middle)	3. Date of Earliest Transaction	(Check all applicable)				
C/O BLUE NILE, INC., 705 FIFTH AVENUE S, STE 900			(Month/Day/Year) 03/01/2007	_X_ Director 10% Owner _X_ Officer (give title Other (specify below) President and CFO				
	(Street)		4. If Amendment, Date Original	6. Individual or Joint/Group Filing(Check				
SEATTLE, WA 98104			Filed(Month/Day/Year)	Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting Person				
(City)	(State)	(Zin)						

(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)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transacti Code (Instr. 8)	4. Securi oror Dispo (Instr. 3,	sed of 4 and (A) or	Price	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 (1)	03/01/2007		S <u>(1)</u>	3,500 (1)	D	\$ 38.8571 (2)	94,102	D		
Common Stock							1,160	I	By Son	
Common Stock							1,160	I	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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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1.	Title of	2.	3. Transaction Date	3A. Deemed	4.	5.	6. Date Exerc	cisable and	7. Titl	e and	8. Price of	9. Nu
D	erivative	Conversion	(Month/Day/Year)	Execution Date, if	Transacti	orNumber	Expiration D	ate	Amou	nt of	Derivative	Deriv
Se	ecurity	or Exercise		any	Code	of	(Month/Day/	Year)	Under	lying	Security	Secui
(I	nstr. 3)	Price of		(Month/Day/Year)	(Instr. 8)	Derivative	e		Securi	ities	(Instr. 5)	Bene
		Derivative				Securities			(Instr.	3 and 4)		Owne
		Security				Acquired						Follo
						(A) or						Repo
						Disposed						Trans
						of (D)						(Instr
						(Instr. 3,						
						4, and 5)						
										Amount		
							Date	Expiration		or Number		
							Exercisable Date	Date	e.			
					Codo V	(A) (D)				of Charac		
					Code v	(A) (D)				Shares		

Reporting Owners

Reporting Owner Name / Address	Relationships					
	Director	10% Owner	Officer	Other		

IRVINE DIANE M C/O BLUE NILE, INC.

X President and CFO 705 FIFTH AVENUE S, STE 900

SEATTLE, WA 98104

Signatures

/s/ Diane M. 03/05/2007 Irvine

**Signature of Date Reporting Person

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.
- Represents the weighted average sale price. The highest price at which shares were sold was \$39.22 and the lowest price at which shares **(2)** were sold was \$38.15.

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.

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