STOLZMAN MARC D

Form 4

February 25, 2009

FORM 4

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

OMB Number:

response...

3235-0287 January 31,

2005

0.5

Check this box if no longer

subject to Section 16. STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES**

Expires: Estimated average burden hours per

OMB APPROVAL

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 Address of Reporting Person *

STOLZMAN MARC D

2. Issuer Name and Ticker or Trading

Symbol

BLUE NILE INC [NILE]

5. Relationship of Reporting Person(s) to Issuer

(Last)

Security

(Instr. 3)

(First)

(Middle)

3. Date of Earliest Transaction

(Month/Day/Year)

(Check all applicable)

C/O BLUE NILE, INC., 705 FIFTH

AVENUE S. STE 900

02/23/2009

Director 10% Owner X_ Officer (give title Other (specify

below) below)

CFO

(Street)

4. If Amendment, Date Original

(Instr. 8)

Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check

Applicable Line)

X Form filed by One Reporting Person

Form filed by More than One Reporting

(Instr. 4)

Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

SEATTLE, WA 98104

(City) (State) (Zip) 1. Title of

(Month/Day/Year)

2. Transaction Date 2A. Deemed

Execution Date, if

(Month/Day/Year)

3. 4. Securities TransactionAcquired (A) or Code Disposed of (D)

(Instr. 3, 4 and 5)

5. Amount of Securities Beneficially Owned

6. Ownership 7. Nature of Form: Direct Indirect (D) or Indirect Beneficial Ownership (T)

(A)

Reported Transaction(s)

Following

(Instr. 3 and 4) Code V Amount (D) Price

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

(Instr. 4)

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

1. Title of Derivative Security

Conversion or Exercise

3. Transaction Date 3A. Deemed (Month/Day/Year)

Execution Date, if any

4. 5. Number of **Transaction**Derivative Code Securities

6. Date Exercisable and **Expiration Date** (Month/Day/Year)

7. Title and Amount of **Underlying Securities** (Instr. 3 and 4)

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(Instr. 3)	Price of Derivative Security		(Month/Day/Year)	(Instr.	ŕ	Acquired (or Dispose (D) (Instr. 3, 4 and 5)	ed of				
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Option (Right to Buy)	\$ 21.22	02/23/2009		A		45,000		<u>(1)</u>	02/22/2019	Common Stock	45,000
Restricted Stock Units	<u>(2)</u>	02/23/2009		A		1,413		(3)	(3)	Common Stock	1,413

Reporting Owners

Reporting Owner Name / Address	Relationships						
Troporting O Wher France, France,	Director	10% Owner	Officer	Other			
STOLZMAN MARC D							
C/O BLUE NILE, INC.			CFO				
705 FIFTH AVENUE S, STE 900			CFO				
SEATTLE, WA 98104							

Signatures

/s/ Marc D.

Stolzman 02/25/2009

**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) 25% of the option shares vest on February 23, 2010 and one-forty-eighth of the option shares vest in equal monthly installments over the following thirty-six months.
- (2) Each restricted stock unit represents a contingent right to receive one share of Blue Nile common stock.

The restricted stock units vest in two equal annual installments commencing on February 23, 2010, subject to continued service to Blue Nile on the applicable vesting date. Vested shares will be delivered to the reporting person on the vesting date, provided that delivery may

(3) Nile on the applicable vesting date. Vested shares will be delivered to the reporting person on the vesting date, provided that delivery may be delayed pursuant to the terms of the award agreement.

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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