

BLUE NILE INC  
Form 4  
September 30, 2013

**FORM 4** UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**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 \*  
VADON MARK C

(Last) (First) (Middle)

C/O BLUE NILE, INC., 411 FIRST AVENUE S, STE 700

(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)

09/26/2013

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)

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 Indirect Beneficial Ownership (Instr. 4)	
				(A) or (D)	Price			
				Code	V	Amount		
Common Stock	09/26/2013		M		2,400	A	\$ 21.22 133,168	D
Common Stock	09/26/2013		S		2,400	D	\$ 41.6312 130,768	D
							(1)	
Common Stock	09/26/2013		M		4,800	A	\$ 29.67 135,568	D
Common Stock	09/26/2013		S		4,800	D	\$ 41.6312 130,768	D
							(1)	
	09/26/2013		M		6,500	A	\$ 31.26 137,268	D

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Common Stock							
Common Stock	09/26/2013	S	6,500	D	\$ 41.6276 <u>(2)</u>	130,768	D
Common Stock	09/26/2013	M	2,500	A	\$ 32.97	133,268	D
Common Stock	09/26/2013	S	2,500	D	\$ 41.5817 <u>(3)</u>	130,768	D
Common Stock	09/27/2013	M	6,719	A	\$ 29.67	137,487	D
Common Stock	09/27/2013	S	6,719	D	\$ 41.0226 <u>(4)</u>	130,768	D
Common Stock	09/27/2013	M	481	A	\$ 30	131,249	D
Common Stock	09/27/2013	S	481	D	\$ 41.0226 <u>(4)</u>	130,768	D
Common Stock	09/27/2013	M	6,500	A	\$ 31.26	137,268	D
Common Stock	09/27/2013	S	6,500	D	\$ 41.0174 <u>(5)</u>	130,768	D
Common Stock	09/27/2013	M	2,500	A	\$ 32.97	133,268	D
Common Stock	09/27/2013	S	2,500	D	\$ 41.0317 <u>(6)</u>	130,768	D
Common Stock	09/30/2013	M	7,200	A	\$ 30	137,968	D
Common Stock	09/30/2013	S	7,200	D	\$ 40.4776 <u>(7)</u>	130,768	D
Common Stock	09/30/2013	M	6,500	A	\$ 31.26	137,268	D
Common Stock	09/30/2013	S	6,500	D	\$ 40.4709 <u>(8)</u>	130,768	D
Common Stock	09/30/2013	M	2,500	A	\$ 32.97	133,268	D

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Common Stock      09/30/2013      S      2,500      D      \$ 40.4334      130,768      D      (9)

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 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)	\$ 21.22	09/26/2013	09/26/2013	M	2,400	<u>(10)</u> 02/22/2019	Common Stock	2,400
Stock Options (Right to Buy)	\$ 29.67	09/26/2013	09/26/2013	M	4,800	<u>(12)</u> 05/17/2022	Common Stock	4,800
Stock Options (Right to Buy)	\$ 31.26	09/26/2013	09/26/2013	M	6,500	<u>(13)</u> 05/31/2016	Common Stock	6,500
Stock Options (Right to Buy)	\$ 32.97	09/26/2013	09/26/2013	M	2,500	<u>(14)</u> 08/30/2015	Common Stock	2,500
Stock Options (Right to Buy)	\$ 29.67	09/27/2013	09/27/2013	M	6,719	<u>(12)</u> 05/17/2022	Common Stock	6,719
Stock Options	\$ 30	09/27/2013	09/27/2013	M	481	<u>(15)</u> 07/26/2014	Common Stock	481

(Right to Buy)

Stock Options (Right to Buy)	\$ 31.26	09/27/2013	09/27/2013	M	6,500	<u>(13)</u>	05/31/2016	Common Stock	6,500
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Stock Options (Right to Buy)	\$ 32.97	09/27/2013	09/27/2013	M	2,500	<u>(14)</u>	08/30/2015	Common Stock	2,500
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Stock Options (Right to Buy)	\$ 30	09/30/2013	09/30/2013	M	7,200	<u>(15)</u>	07/26/2014	Common Stock	7,200
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Stock Options (Right to Buy)	\$ 31.26	09/30/2013	09/30/2013	M	6,500	<u>(13)</u>	05/31/2016	Common Stock	6,500
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Stock Options (Right to Buy)	\$ 32.97	09/30/2013	09/30/2013	M	2,500	<u>(14)</u>	08/30/2015	Common Stock	2,500
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## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
VADON MARK C C/O BLUE NILE, INC. 411 FIRST AVENUE S, STE 700 SEATTLE, WA 98104	X			

## Signatures

/s/ Lauren Neiswender, Power of Attorney

09/30/2013

\*\*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 \$42.31 and the lowest price at which shares were sold was \$40.40.
- (2) Represents the weighted average sale price. The highest price at which shares were sold was \$42.23 and the lowest price at which shares were sold was \$40.66.
- (3)

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Represents the weighted average sale price. The highest price at which shares were sold was \$42.15 and the lowest price at which shares were sold was \$40.41.

- (4) Represents the weighted average sale price. The highest price at which shares were sold was \$41.51 and the lowest price at which shares were sold was \$40.70.
- (5) Represents the weighted average sale price. The highest price at which shares were sold was \$41.48 and the lowest price at which shares were sold was \$40.73.
- (6) Represents the weighted average sale price. The highest price at which shares were sold was \$41.45 and the lowest price at which shares were sold was \$40.66.
- (7) Represents the weighted average sale price. The highest price at which shares were sold was \$40.92 and the lowest price at which shares were sold was \$39.47.
- (8) Represents the weighted average sale price. The highest price at which shares were sold was \$40.98 and the lowest price at which shares were sold was \$39.47.
- (9) Represents the weighted average sale price. The highest price at which shares were sold was \$40.93 and the lowest price at which shares were sold was \$39.52.
- (10) 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.
- (11) Not applicable.
- (12) One fourth of the option shares vests every three months from May 18, 2012 for one (1) year.
- (13) 25% of the option shares vest on June 1, 2007 and one-forty-eighth of the option shares vest in equal monthly installments over the following thirty-six months.
- (14) 25% of the option shares vest on August 26, 2006 and one-forty-eighth of the option shares vest in equal monthly installments over the following thirty-six months.
- (15) 25% of the option shares vest on 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.

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