

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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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 \*  
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)
			Code	V	Amount	(A) or (D)	Price
Common Stock	08/10/2007		M		7,056	A	\$ 30
Common Stock	08/10/2007		S		7,056	D	\$ 85.7033 (1)
Common Stock	08/10/2007		M		2,944	A	\$ 31.26
Common Stock	08/10/2007		S		2,944	D	\$ 86
Common Stock	08/13/2007		M		2,889	A	\$ 31.26

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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.