

BLUE NILE INC

Form 4

February 17, 2017

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

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

OMB APPROVAL

OMB
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(Print or Type Responses)

1. Name and Address of Reporting Person *
Sainsbury Jon

(Last) (First) (Middle)

C/O BLUE NILE, INC., 411 FIRST
AVE. 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)
02/15/2017

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)

Chief Revenue Officer

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)
Common Stock	02/15/2017		F	(A) or (D) D	1,540 (1) \$ 40.72	28,706 (2)	D
Common Stock					0 (3)	I	By wife
Common Stock	02/17/2017		D	28,706 D	(3) 0 (4)	D	

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

**Persons who respond to the collection of
information contained in this form are not
required to respond unless the form
displays a currently valid OMB control**

SEC 1474
(9-02)

number.

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. L	9. S	10. (I
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Stock Options (Right to Buy)	\$ 21.22	02/17/2017		D	14,000	<u>(5)</u>	02/22/2019	Common Stock	14,000	
Stock Options (Right to Buy)	\$ 33.45	02/17/2017		D	15,000	<u>(5)</u>	11/15/2021	Common Stock	15,000	
Stock Options (Right to Buy)	\$ 31.31	02/17/2017		D	8,800	<u>(5)</u>	02/14/2023	Common Stock	8,800	
Stock Option (Right to Buy)	\$ 33.25	02/17/2017		D	5,989	<u>(5)</u>	02/14/2024	Common Stock	5,989	
Stock Option (Right to Buy)	\$ 30.2	02/17/2017		D	1,847	<u>(5)</u>	05/14/2024	Common Stock	1,847	

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
Sainsbury Jon C/O BLUE NILE, INC. 411 FIRST AVE. S. STE 700 SEATTLE, WA 98104	Chief Revenue Officer

Signatures

/s/ Lauren Neiswender, Power of
Attorney

02/17/2017

__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) The reported shares were withheld to cover the reporting person's tax liability in connection with the vesting of restricted stock units previously reported. These shares were not issued to or sold by the reporting person.
- (2) Includes vested and unvested units of restricted stock.

Pursuant to the agreement and plan of merger dated as of November 6, 2016 ("Merger Agreement"), by and among the issuer, Blue Nile, Inc., a Delaware corporation, BC Cyan Parent Inc., a Delaware corporation, and BC Cyan Acquisition Inc., a Delaware corporation and a
- (3) wholly-owned subsidiary of BC Cyan Parent Inc., at the Effective Time (as defined in the Merger Agreement), each outstanding share of common stock and restricted stock unit owned by the reporting person was cancelled and converted into the right to receive \$40.75 (the "Per Share Price") less any required withholding taxes.
- (4) The reporting person will receive an additional amount in cash equivalent to 18.12 shares due to dividend equivalents.

Pursuant to the Merger Agreement, at the Effective Time, each outstanding stock option owned by the reporting person that has an
- (5) exercise price per share of common stock underlying the stock option that is less than the Per Share Price will be cancelled and converted into the right to receive an amount in cash, less any required withholding taxes, determined by multiplying (a) the excess of the Per Share Price over the exercise price of such stock option by (b) the number of shares of common stock underlying the stock option.

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.