BLUE NILE INC Form 4

February 25, 2010

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB APPROVAL

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if no longer subject to Section 16. Form 4 or Form 5

Check this box

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

(Print or Type Responses)

1(b).

(Last)

1. Name and Address of Reporting Person *
BELL SUSAN S

(First)

(Street)

(Ctata)

2. Issuer Name **and** Ticker or Trading Symbol

Issuer

BLUE NILE INC [NILE]

(Middle) 3. Date of Earliest Transaction

(Month/Day/Year) 02/23/2010

C/O BLUE NILE, INC., 705 FIFTH AVENUE S, STE 900

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to

(Check all applicable)

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

below) below)
Senior VP

6. Individual or Joint/Group Filing(Check

Applicable Line)

X Form filed by One Reporting Person ___ Form filed by More than One Reporting Person

SEATTLE, WA 98104

(City)	(State)	(Zip) Tab	le I - Non-l	Derivativ	e Secu	rities Acqui	red, Disposed of,	or Beneficial	y 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)		sed of 4 and (A) or	` '	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	02/23/2010		M	471	A	\$ 0	471	D	
Common Stock	02/23/2010		S	127	D	\$ 49.8201	344	D	

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

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SEC 1474

(9-02)

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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. Transacti Code (Instr. 8)	5. Number on f 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)	
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Restricted Stock Units	\$ 0 (1)	02/23/2010		M	471	02/23/2010(2)	02/23/2011	Common Stock	471

Reporting Owners

Relationships Reporting Owner Name / Address

> Director 10% Owner Officer Other

BELL SUSAN S

C/O BLUE NILE, INC.

Senior VP 705 FIFTH AVENUE S, STE 900

SEATTLE, WA 98104

Signatures

/s/ Lauren Neiswender, Power of Attorney

02/25/2010

**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).
- Each restricted stock unit is converted to one share of Blue Nile common stock at the vest date.
- (2) The restricted stock units vest, and converts into common stock in two equal annual installments beginning on February 23, 2010.

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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