MANSOUR NED Form 4

February 22, 2011

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB 3235-0287 Number: January 31,

OMB APPROVAL

Expires: 2005 Estimated average

burden hours per response... 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations

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).

(City)

(State)

(Zin)

(Print or Type Responses)

may continue.

See Instruction

1. Name and Address of Reporting Person * MANSOUR NED			2. Issuer Name and Ticker or Trading Symbol BLUE NILE INC [NILE]	5. Relationship of Reporting Person(s) to Issuer (Check all applicable)		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction	(2		
			(Month/Day/Year)	X Director 10% Owner		
C/O BLUE NILE, 705 5TH AVE. S. SUITE 900		H AVE. S.	02/17/2011	Officer (give title Other (specify below)		
	(Street)		4. If Amendment, Date Original	6. Individual or Joint/Group Filing(Check		
			Filed(Month/Day/Year)	Applicable Line) _X_ Form filed by One Reporting Person		
SEATTLE, WA 98104				Form filed by More than One Reporting Person		

(City)	(State) (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 on(A) or Disposed of (D) (Instr. 3, 4 and 5)		5. Amount of Securities Beneficially Owned Following Reported	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)	
			Code V	Amount	or	Price	Transaction(s) (Instr. 3 and 4)		
Common Stock	02/17/2011		M	2,015	A	\$ 26.02	4,015	D	
Common Stock	02/17/2011		S	2,015	D	\$ 55.61 (1)	2,000	D	
Common Stock	02/18/2011		M	2,985	A	\$ 26.02	4,985	D	
Common Stock	02/18/2011		S	2,985	D	\$ 55.5	2,000	D	

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

Edgar Filing: MANSOUR NED - Form 4

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 number.

SEC 1474 (9-02)

> De Sec (In

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. Transactic Code (Instr. 8)	5. Number on f Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exer Expiration D (Month/Day)	ate	7. Title and 2. Underlying S (Instr. 3 and	Securities]
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Stock Options (Right to Buy)	\$ 26.02	02/17/2011	02/17/2011	M	2,015	(2)	12/16/2018	Common Stock	2,015	
Stock Options (Right to Buy)	\$ 26.02	02/18/2011	02/18/2011	M	2,985	(2)	12/16/2018	Common Stock	2,985	

Reporting Owners

Reporting Owner Name / Address	Relationships						
Troporting of their Frances	Director	10% Owner	Officer	Other			
MANSOUR NED C/O BLUE NILE 705 5TH AVE. S. SUITE 900 SEATTLE, WA 98104	X						

Signatures

/s/ Lauren Neiswender, Power of Attorney 02/22/2011

**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)

Reporting Owners 2

Edgar Filing: MANSOUR NED - Form 4

Represents the weighted average sale price. The highest price at which shares were sold was \$55.63 and the lowest price at which shares were sold was \$55.55.

One-thirtieth of the option shares vest monthly for the first twelve months beginning on December 17, 2008 and one-sixtieth of the option shares vest in equal monthly installments over the following thiry-six months.

(3) Not Applicable

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.