

BLUE NILE INC
Form 4
March 18, 2005

FORM 4

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

OMB APPROVAL

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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 *
GASTON DWIGHT

(Last) (First) (Middle)

C/O BLUE NILE, INC., 705 FIFTH AVENUE 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)
03/16/2005

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)

VP of Operations

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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | Code | V | Amount (A) or (D) Price | | |
| Common Stock | 03/16/2005 | | M | | 401 A \$ 0.5 | D | |
| Common Stock | | | | | 2,691 | I | By Wife |
| Common Stock ⁽¹⁾ | 03/16/2005 | | S ⁽¹⁾ | | 401 ⁽¹⁾ D \$ 30.21 | D | |
| Common Stock | | | | | 2,691 | I | By Wife |
| Common Stock | 03/16/2005 | | M | | 100 A \$ 0.5 | D | |

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| | | | | | | | | |
|-----------------------------|------------|------------------|--------------------|---|----------|--------|---|---------|
| Common Stock | | | | | | 2,691 | I | By Wife |
| Common Stock ⁽¹⁾ | 03/16/2005 | S ⁽¹⁾ | 100 ⁽¹⁾ | D | \$ 30.27 | 22,800 | D | |
| Common Stock | | | | | | 2,691 | I | By Wife |
| Common Stock | 03/16/2005 | M | 100 | A | \$ 0.5 | 22,900 | D | |
| Common Stock | | | | | | 2,691 | I | By Wife |
| Common Stock ⁽¹⁾ | 03/16/2005 | S ⁽¹⁾ | 100 ⁽¹⁾ | D | \$ 30.29 | 22,800 | D | |
| Common Stock | | | | | | 2,691 | I | By Wife |
| Common Stock | 03/16/2005 | M | 153 | A | \$ 0.5 | 22,953 | D | |
| Common Stock | | | | | | 2,691 | I | By Wife |
| Common Stock ⁽¹⁾ | 03/16/2005 | S ⁽¹⁾ | 153 ⁽¹⁾ | D | \$ 30.3 | 22,800 | D | |
| Common Stock | | | | | | 2,691 | I | By Wife |
| Common Stock | 03/16/2005 | M | 246 | A | \$ 0.5 | 23,046 | D | |
| Common Stock | | | | | | 2,691 | I | By Wife |
| Common Stock ⁽¹⁾ | 03/16/2005 | S ⁽¹⁾ | 246 ⁽¹⁾ | D | \$ 30.31 | 22,800 | D | |
| Common Stock | | | | | | 2,691 | I | By Wife |

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 | 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 | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | 8. Pri Deriv Secur (Instr |
|--|------------------------------------|--------------------------------------|--|--------------------------------|------------------------------------|--|---|---------------------------|
|--|------------------------------------|--------------------------------------|--|--------------------------------|------------------------------------|--|---|---------------------------|

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| Derivative Security | | Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
|------------------------------|--------|--|------|---|-----|-----|------------------|-----------------|-------|----------------------------|
| | | | | | | | | | | |
| Stock Options (Right to Buy) | \$ 0.5 | 03/16/2005 | M | | 100 | (2) | 06/26/2009 | Common Stock | 100 | |
| Stock Options (Right to Buy) | \$ 0.5 | 03/16/2005 | M | | 100 | (2) | 06/26/2009 | Common Stock | 100 | |
| Stock Options (Right to Buy) | \$ 0.5 | 03/16/2005 | M | | 153 | (2) | 06/26/2009 | Common Stock | 153 | |
| Stock Options (Right to Buy) | \$ 0.5 | 03/16/2005 | M | | 246 | (2) | 06/26/2009 | Common Stock | 246 | |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|------------------|-------|
| | Director | 10% Owner | Officer | Other |
| GASTON DWIGHT C/O BLUE NILE, INC. 705 FIFTH AVENUE S, STE 900 SEATTLE, WA 98104 | | | VP of Operations | |

Signatures

/s/ Diane M. Irvine, Power of Attorney
03/18/2005

**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) This sale was affected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person.
- (2) 25% of the option shares vest one year after May 17, 1999 and one-forty-eighth of the option shares vest in equal monthly installments over the following thirty-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.