

BLUE NILE INC
Form SC 13D/A
November 20, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 13D

Under the Securities Exchange Act of 1934

(Amendment No. 1)*

Blue Nile, Inc.

(Name of Issuer)

Common Stock, par value \$.001 per share

(Title of Class of Securities)

09578R103

(CUSP Number)

Mark C. Vadon

c/o Blue Nile, Inc.

411 First Avenue South, Suite 700

Seattle, WA 98104

Telephone: (206) 336-6700

(Name, Address and Telephone Number of Person

Authorized to Receive Notices and Communications)

October 30, 2013

(Date of Event Which Requires Filing of This Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box.

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See §240.13d-7 for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSP No. 09578R103

1. Name of Reporting Persons. I.R.S. Identification No(s). of above person(s) (entities only)
Mark Christopher Vadon
Check the Appropriate Box if a Member of a Group (See Instructions)
 2. (a) o
(b) o
 3. SEC USE ONLY
 4. Source of Funds (See Instructions)
SC, PF
 5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) o
 6. Citizenship or Place of Organization
United States of America
- | | | |
|--------------|-----|--------------------------|
| Number of | 7. | Sole Voting Power |
| Shares | | 231,905 ⁽¹⁾ |
| Beneficially | 8. | Shared Voting Power |
| Owned by | | 0 |
| Each | 9. | Sole Dispositive Power |
| Reporting | | 231,905 ⁽¹⁾ |
| Person With: | 10. | Shared Dispositive Power |
| | | 0 |
11. Aggregate Amount Beneficially Owned by Each Reporting Person
231,905 ⁽¹⁾
 12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)
 13. Percent of Class Represented by Amount in Row (11)
1.79%⁽²⁾
 14. Type of Reporting Person (See Instructions)
IN

(1) Includes 128,466 shares of Common Stock, issuable upon the exercise of options that are exercisable within 60 days of November 12, 2013 and 1,164 restricted stock units releasable within 60 days of November 12, 2013 (after this time period, there remains 2,329 unvested restricted stock units ("RSUs")).

(2) This percentage is calculated based upon 12,803,661 shares of the Issuer's Common Stock outstanding, as reported in Issuer's quarterly report on Form 10-Q filed on November 5, 2013.

Explanatory Note: This Amendment No. 1 to Schedule 13D (this “Amendment No. 1”) amends and supplements the Schedule 13D previously filed with the United States Securities and Exchange Commission (the “SEC”) on April 20, 2012 (the “Schedule 13D”). Unless otherwise indicated, each capitalized term used but not defined herein shall have the meaning assigned to such term in the Schedule 13D.

Item 5. Interest in Securities of the Issuer

“Item 5. Interest in Securities of the Issuer” of Schedule 13D is hereby amended and restated as follows:

Mr. Vadon is the beneficial owner of 231,905 shares of Common Stock, representing 1.79% of the outstanding Common Stock. Mr. Vadon’s ownership includes 102,275 shares of Common Stock held directly and 129,630 shares of Common Stock issuable upon the exercise of options and release of RSUs that are exercisable or releasable within 60 days of November 12, 2013. All percentages in this paragraph relating to beneficial ownership (a) of Common Stock are based on 12,803,661 shares of Common Stock outstanding as of October 30, 2013, as reported in Issuer’s quarterly report on Form 10-Q filed on November 5, 2013. The amount of additional shares of Common Stock that Mr. Vadon has the right to acquire within 60 days of November 12, 2013 (129,630 shares) are deemed to be outstanding for purposes of calculating his beneficial ownership percentage.

Mr. Vadon has the sole power to vote and dispose of all 231,905 shares of Common Stock, including the options. (b) However, the shares of Common Stock underlying the options may not be voted unless and until such options are exercised and RSUs released and such shares are issued.

(c) Since April 30, 2012, the filing date of his prior Schedule 13D, Mr. Vadon has effected the following transactions in the Common Stock:

| Date of Transaction | Type of Transaction | Quantity | Price Per Share (excluding commissions) (1)(\$) | How Effected |
|---------------------|------------------------------------|----------|--|--------------|
| 5/18/2012 | Grant of Options | 11,519 | N/A | N/A |
| 5/22/2013 | Grant of Restricted Stock Units | 4,657 | N/A | N/A |
| 8/13/2013 | Exercise of stock options | 585 | N/A | N/A |
| 8/13/2013 | Sale | 585 | 38.5184 | Open Market |
| 8/14/2013 | Exercise of stock options | 1,784 | N/A | N/A |
| 8/14/2013 | Sale | 1,784 | 38.5773 | Open Market |
| 8/15/2013 | Exercise of stock options | 32,009 | N/A | N/A |
| 8/15/2013 | Sale | 32,009 | 38.5012 | Open Market |
| 8/20/2013 | Exercise of stock options | 2,840 | N/A | N/A |
| 8/20/2013 | Sale | 2,840 | 38.4062 | Open Market |
| 8/21/2013 | Exercise of stock options | 9,003 | N/A | N/A |
| 8/21/2013 | Sale | 9,003 | 38.5191 | Open Market |
| 8/22/2013 | Exercise of stock options | 23,843 | N/A | N/A |
| 8/22/2013 | Sale | 23,843 | 38.2915 | Open Market |
| 8/22/2013 | Vest of Restricted Stock Units | 1,164 | N/A | N/A |

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|-----------|---------------------------|-------|-----|-----|
| 8/26/2013 | Exercise of stock options | 7,500 | N/A | N/A |
|-----------|---------------------------|-------|-----|-----|

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| Date of Transaction | Type of Transaction | Quantity | Price Per Share (excluding commissions) (1)(\$) | How Effected |
|---------------------|------------------------------|----------|--|--------------|
| 8/26/2013 | Sale | 7,500 | 37.4648 | Open Market |
| 8/27/2013 | Exercise of stock options | 1,801 | N/A | N/A |
| 8/27/2013 | Sale | 1,801 | 37.0634 | Open Market |
| 8/28/2013 | Exercise of stock options | 2,501 | N/A | N/A |
| 8/28/2013 | Sale | 2,501 | 37.4218 | Open Market |
| 8/29/2013 | Exercise of stock options | 13,194 | N/A | N/A |
| 8/29/2013 | Sale | 13,194 | 37.1978 | Open Market |
| 8/30/2013 | Exercise of stock options | 800 | N/A | N/A |
| 8/30/2013 | Sale | 800 | 37.0479 | Open Market |
| 9/16/2013 | Exercise of stock options | 7,200 | N/A | N/A |
| 9/16/2013 | Sale | 7,200 | 38.6969 | 10b5-1Plan |
| 9/16/2013 | Exercise of stock options | 6,500 | N/A | N/A |
| 9/16/2013 | Sale | 6,500 | 38.6908 | 10b5-1Plan |
| 9/17/2013 | Exercise of stock options | 7,200 | N/A | N/A |
| 9/17/2013 | Sale | 7,200 | 38.7196 | 10b5-1Plan |
| 9/17/2013 | Exercise of stock options | 6,500 | N/A | N/A |
| 9/17/2013 | Sale | 6,500 | 38.723 | 10b5-1Plan |
| 9/18/2013 | Exercise of stock options | 7,200 | N/A | N/A |
| 9/18/2013 | Sale | 7,200 | 39.2055 | 10b5-1Plan |
| 9/18/2013 | Exercise of stock options | 6,500 | N/A | N/A |
| 9/18/2013 | Sale | 6,500 | 39.1965 | 10b5-1Plan |
| 9/18/2013 | Exercise of stock options | 12,000 | N/A | N/A |
| 9/18/2013 | Sale | 12,000 | 40.0418 | 10b5-1Plan |
| 9/19/2013 | Exercise of stock options | 7,200 | N/A | N/A |
| 9/19/2013 | Sale | 7,200 | 39.635 | 10b5-1Plan |
| 9/19/2013 | Exercise of stock options | 6,500 | N/A | N/A |
| 9/19/2013 | Sale | 6,500 | 39.6246 | 10b5-1Plan |
| 9/19/2013 | Exercise of stock options | 4,400 | N/A | N/A |
| 9/19/2013 | Sale | 4,400 | 39.8102 | 10b5-1Plan |
| 9/20/2013 | Exercise of stock options | 7,200 | N/A | N/A |

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|-----------|---------------------------|--------|---------|------------|
| 9/20/2013 | Sale | 7,200 | 39.8028 | 10b5-1Plan |
| 9/20/2013 | Exercise of stock options | 6,500 | N/A | N/A |
| 9/20/2013 | Sale | 6,500 | 39.7991 | 10b5-1Plan |
| 9/20/2013 | Exercise of stock options | 10,402 | N/A | N/A |
| 9/20/2013 | Sale | 10,402 | 39.9606 | 10b5-1Plan |
| 9/23/2013 | Exercise of stock options | 7,200 | N/A | N/A |
| 9/23/2013 | Sale | 7,200 | 40.6073 | 10b5-1Plan |
| 9/23/2013 | Exercise of stock options | 6,500 | N/A | N/A |
| 9/23/2013 | Sale | 6,500 | 40.6183 | 10b5-1Plan |
| 9/23/2013 | Exercise of stock options | 12,500 | N/A | N/A |
| 9/23/2013 | Sale | 12,500 | 40.614 | 10b5-1Plan |
| 9/24/2013 | Exercise of stock options | 7,200 | N/A | N/A |
| 9/24/2013 | Sale | 7,200 | 39.9349 | 10b5-1Plan |
| 9/24/2013 | Exercise of stock options | 6,500 | N/A | N/A |
| 9/24/2013 | Sale | 6,500 | 39.9339 | 10b5-1Plan |
| 9/24/2013 | Exercise of stock options | 12,500 | N/A | N/A |
| 9/24/2013 | Sale | 12,500 | 39.9963 | 10b5-1Plan |

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| Date of Transaction | Type of Transaction | Quantity | Price Per Share (excluding commissions) (1)(\$) | How Effected |
|---------------------|---------------------------|----------|--|--------------|
| 9/25/2013 | Exercise of stock options | 7,200 | N/A | N/A |
| 9/25/2013 | Sale | 7,200 | 39.9616 | 10b5-1Plan |
| 9/25/2013 | Exercise of stock options | 6,500 | N/A | N/A |
| 9/25/2013 | Sale | 6,500 | 39.9459 | 10b5-1Plan |
| 9/25/2013 | Exercise of stock options | 3,198 | N/A | N/A |
| 9/25/2013 | Sale | 3,198 | 40.0044 | 10b5-1Plan |
| 9/26/2013 | Gift | 25,000 | N/A | N/A |
| 9/26/2013 | Exercise of stock options | 2,400 | N/A | N/A |
| 9/26/2013 | Sale | 2,400 | 41.6312 | 10b5-1Plan |
| 9/26/2013 | Exercise of stock options | 4,800 | N/A | N/A |
| 9/26/2013 | Sale | 4,800 | 41.6312 | 10b5-1Plan |
| 9/26/2013 | Exercise of stock options | 6,500 | N/A | N/A |
| 9/26/2013 | Sale | 6,500 | 41.6276 | 10b5-1Plan |
| 9/26/2013 | Exercise of stock options | 2,500 | N/A | N/A |
| 9/26/2013 | Sale | 2,500 | 41.5817 | 10b5-1Plan |
| 9/27/2013 | Exercise of stock options | 6,719 | N/A | N/A |
| 9/27/2013 | Sale | 6,719 | 41.0226 | 10b5-1Plan |
| 9/27/2013 | Exercise of stock options | 481 | N/A | N/A |
| 9/27/2013 | Sale | 481 | 41.0226 | 10b5-1Plan |
| 9/27/2013 | Exercise of stock options | 6,500 | N/A | N/A |
| 9/27/2013 | Sale | 6,500 | 41.0174 | 10b5-1Plan |
| 9/27/2013 | Exercise of stock options | 2,500 | N/A | N/A |
| 9/27/2013 | Sale | 2,500 | 41.0317 | 10b5-1Plan |
| 9/30/2013 | Exercise of stock options | 7,200 | N/A | N/A |
| 9/30/2013 | Sale | 7,200 | 40.4776 | 10b5-1Plan |
| 9/30/2013 | Exercise of stock options | 6,500 | N/A | N/A |
| 9/30/2013 | Sale | 6,500 | 40.4709 | 10b5-1Plan |
| 9/30/2013 | Exercise of stock options | 2,500 | N/A | N/A |
| 9/30/2013 | Sale | 2,500 | 40.4334 | 10b5-1Plan |
| 10/1/2013 | Exercise of stock options | 7,200 | N/A | N/A |

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|-----------|---------------------------|-------|---------|------------|
| 10/1/2013 | Sale | 7,200 | 40.2219 | 10b5-1Plan |
| 10/1/2013 | Exercise of stock options | 6,500 | N/A | N/A |
| 10/1/2013 | Sale | 6,500 | 40.228 | 10b5-1Plan |
| 10/1/2013 | Exercise of stock options | 2,500 | N/A | N/A |
| 10/1/2013 | Sale | 2,500 | 40.2166 | 10b5-1Plan |
| 10/2/2013 | Exercise of stock options | 7,200 | N/A | N/A |
| 10/2/2013 | Sale | 7,200 | 39.5538 | 10b5-1Plan |
| 10/2/2013 | Exercise of stock options | 5,000 | N/A | N/A |
| 10/2/2013 | Sale | 5,000 | 39.5611 | 10b5-1Plan |
| 10/2/2013 | Exercise of stock options | 1,500 | N/A | N/A |
| 10/2/2013 | Sale | 1,500 | 39.5567 | 10b5-1Plan |
| 10/3/2013 | Exercise of stock options | 7,200 | N/A | N/A |
| 10/3/2013 | Sale | 7,200 | 39.2387 | 10b5-1Plan |
| 10/3/2013 | Exercise of stock options | 6,500 | N/A | N/A |
| 10/3/2013 | Sale | 6,500 | 39.2345 | 10b5-1Plan |
| 10/4/2013 | Exercise of stock options | 7,200 | N/A | N/A |
| 10/4/2013 | Sale | 7,200 | 39.3818 | 10b5-1Plan |

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| Date of Transaction | Type of Transaction | Quantity | Price Per Share (excluding commissions) (1)(\$) | How Effected |
|---------------------|---------------------------|----------|--|--------------|
| 10/4/2013 | Exercise of stock options | 6,500 | N/A | N/A |
| 10/4/2013 | Sale | 6,500 | 39.3836 | 10b5-1Plan |
| 10/7/2013 | Exercise of stock options | 7,200 | N/A | N/A |
| 10/7/2013 | Sale | 7,200 | 39.1493 | 10b5-1Plan |
| 10/7/2013 | Exercise of stock options | 6,500 | N/A | N/A |
| 10/7/2013 | Sale | 6,500 | 39.1487 | 10b5-1Plan |
| 10/8/2013 | Exercise of stock options | 7,200 | N/A | N/A |
| 10/8/2013 | Sale | 7,200 | 37.8947 | 10b5-1Plan |
| 10/8/2013 | Exercise of stock options | 2,816 | N/A | N/A |
| 10/8/2013 | Sale | 2,816 | 38.2995 | 10b5-1Plan |
| 10/9/2013 | Exercise of stock options | 7,200 | N/A | N/A |
| 10/9/2013 | Sale | 7,200 | 37.05 | 10b5-1Plan |
| 10/10/2013 | Exercise of stock options | 3,400 | N/A | N/A |
| 10/10/2013 | Sale | 3,400 | 37.2374 | 10b5-1Plan |
| 10/10/2013 | Exercise of stock options | 3,800 | N/A | N/A |
| 10/10/2013 | Sale | 3,800 | 37.4119 | 10b5-1Plan |
| 10/11/2013 | Exercise of stock options | 7,200 | N/A | N/A |
| 10/11/2013 | Sale | 7,200 | 37.2962 | 10b5-1Plan |
| 10/14/2013 | Exercise of stock options | 7,200 | N/A | N/A |
| 10/14/2013 | Sale | 7,200 | 37.4168 | 10b5-1Plan |
| 10/15/2013 | Exercise of stock options | 3,641 | N/A | N/A |
| 10/15/2013 | Sale | 3,641 | 37.0942 | 10b5-1Plan |
| 10/16/2013 | Exercise of stock options | 7,200 | N/A | N/A |
| 10/16/2013 | Sale | 7,200 | 37.4512 | 10b5-1Plan |
| 10/16/2013 | Exercise of stock options | 87 | N/A | N/A |
| 10/16/2013 | Sale | 87 | 38 | 10b5-1Plan |
| 10/17/2013 | Exercise of stock options | 7,200 | N/A | N/A |
| 10/17/2013 | Sale | 7,200 | 38.0542 | 10b5-1Plan |
| 10/17/2013 | Exercise of stock options | 6,500 | N/A | N/A |
| 10/17/2013 | Sale | 6,500 | 38.1234 | 10b5-1Plan |

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|------------|---------------------------|-------|---------|------------|
| 10/18/2013 | Exercise of stock options | 7,200 | N/A | N/A |
| 10/18/2013 | Sale | 7,200 | 39.205 | 10b5-1Plan |
| 10/18/2013 | Exercise of stock options | 6,500 | N/A | N/A |
| 10/18/2013 | Sale | 6,500 | 39.1978 | 10b5-1Plan |
| 10/21/2013 | Exercise of stock options | 7,200 | N/A | N/A |
| 10/21/2013 | Sale | 7,200 | 39.9274 | 10b5-1Plan |
| 10/21/2013 | Exercise of stock options | 6,500 | N/A | N/A |
| 10/21/2013 | Sale | 6,500 | 39.934 | 10b5-1Plan |
| 10/22/2013 | Exercise of stock options | 7,200 | N/A | N/A |
| 10/22/2013 | Sale | 7,200 | 40.3336 | 10b5-1Plan |
| 10/22/2013 | Exercise of stock options | 6,500 | N/A | N/A |
| 10/22/2013 | Sale | 6,500 | 40.3346 | 10b5-1Plan |
| 10/23/2013 | Exercise of stock options | 7,200 | N/A | N/A |
| 10/23/2013 | Sale | 7,200 | 40.2127 | 10b5-1Plan |
| 10/23/2013 | Exercise of stock options | 2,097 | N/A | N/A |
| 10/23/2013 | Sale | 2,097 | 40.1926 | 10b5-1Plan |
| 10/24/2013 | Exercise of stock options | 7,200 | N/A | N/A |

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| Date of Transaction | Type of Transaction | Quantity | Price Per Share (excluding commissions) (1)(\$) | How Effected |
|---------------------|------------------------------|----------|--|--------------|
| 10/24/2013 | Sale | 7,200 | 40.5637 | 10b5-1Plan |
| 10/25/2013 | Exercise of stock options | 7,200 | N/A | N/A |
| 10/25/2013 | Sale | 7,200 | 40.244 | 10b5-1Plan |
| 10/28/2013 | Exercise of stock options | 7,200 | N/A | N/A |
| 10/28/2013 | Sale | 7,200 | 40.4299 | 10b5-1Plan |
| 10/29/2013 | Exercise of stock options | 7,200 | N/A | N/A |
| 10/29/2013 | Sale | 7,200 | 41.2742 | 10b5-1Plan |
| 10/30/2013 | Exercise of stock options | 7,200 | N/A | N/A |
| 10/30/2013 | Sale | 7,200 | 41.1013 | 10b5-1Plan |
| 10/31/2013 | Exercise of stock options | 7,200 | N/A | N/A |
| 10/31/2013 | Sale | 7,200 | 41.3233 | 10b5-1Plan |
| 11/1/2013 | Exercise of stock options | 7,200 | N/A | N/A |
| 11/1/2013 | Sale | 7,200 | 40.6039 | 10b5-1Plan |
| 11/11/2013 | Exercise of stock options | 16,967 | N/A | N/A |
| 11/11/2013 | Sale | 16,967 | 44.0575 | Open Market |
| 11/12/2013 | Exercise of stock options | 5,692 | N/A | N/A |
| 11/12/2013 | Sale | 5,692 | 44.0536 | Open Market |
| 11/12/2013 | Exercise of stock options | 1,559 | N/A | N/A |
| 11/12/2013 | Sale | 1,559 | 44.0993 | Open Market |

(1) Represents the weighted average sale price of all shares sold on such date.

Since November 12, 2013, Mr. Vadon has not effected any transactions in the Common Stock.

(a) No other person is known to Mr. Vadon to have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, the shares of Common Stock covered by this Statement.

(b) As of October 30, 2013, Mr. Vadon ceased to be the beneficial owner of more than 5 percent of the Common Stock.

Item 6. Contracts, Arrangements, Understandings or Relationships With Respect to Securities of the Issuer.

The following table summarizes the terms of all outstanding options and awards that the Issuer has granted to Mr. Vadon since the Schedule 13D.

| Total Number of Shares in Grant | No. of Shares | Exercise Price | Expiration Date |
|---------------------------------|---------------|----------------|-----------------|
|---------------------------------|---------------|----------------|-----------------|

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|--------|--------|---------|-----------|
| 11,519 | 11,519 | \$29.67 | 5/17/2022 |
| 4,657 | 4,657 | N/A | N/A |

Item 7. Material to be Filed as Exhibits.

- (1) 2004 Equity Incentive Plan (incorporated by reference to Exhibit 10.4.1 to the Issuer's Registration Statement on Form S-1/A, as filed with the SEC on April 19, 2004).
 - (2) Form of Stock Option Agreement pursuant to the 2004 Equity Incentive Plan (incorporated by reference to Exhibit 10.4.2 to the Issuer's Annual Report on Form 10-K, as filed with the SEC on March 25, 2005).
 - (3) Form of Stock Grant Notice pursuant to the 2004 Equity Incentive Plan (incorporated by reference to Exhibit 10.1 to the Issuer's Current Report on Form 8-K, as filed with the SEC on December 23, 2004).
 - (4) 2013 Equity Incentive Plan (incorporated by reference to Exhibit 99.1.1 to the Issuer's Current Report on Form S-8, as filed with the SEC on May 21, 2013).
- Form of Restricted Stock Unit Grant Notice-Non-Employee Director under the Blue Nile, Inc. 2013 Equity
- (5) Incentive Plan (incorporated by reference to Exhibit 99.1.6 to the Issuer's Current Report on Form S-8, as filed with the SEC on May 21, 2013).
 - (6) Form of Restricted Unit Award Agreement under the Blue Nile, Inc. 2013 Equity Incentive Plan (incorporated by reference to Exhibit 99.1.7 to the Issuer's Current Report on Form S-8, as filed with the SEC on May 21, 2013).
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Signatures

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: November 19, 2013

/s/ Mark C. Vadon

Mark C. Vadon