

JIMENEZ JOSEPH
Form 4
May 22, 2007

FORM 4

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

OMB APPROVAL

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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

(Print or Type Responses)

1. Name and Address of Reporting Person *
JIMENEZ JOSEPH

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

3. Date of Earliest Transaction (Month/Day/Year)
05/18/2007

Director 10% Owner
 Officer (give title below) Other (specify below)

(Street)

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

6. Individual or Joint/Group Filing (Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

SEATTLE, WA 98104

(City) (State) (Zip)

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)
			Code	V	Amount (A) or (D) Price		
Common Stock	05/18/2007		M		10,000 A \$ 0.25	15,671	D
Common Stock	05/18/2007		S		10,000 D \$ 53.7867 (1)	5,671	D
Common Stock	05/18/2007		M		10,000 A \$ 0.25	15,671	D
Common Stock	05/18/2007		S		10,000 D \$ 53.0719 (2)	5,671	D

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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 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. Amount or Number of Shares
Stock Options (Right to Buy)	\$ 0.25	05/18/2007	05/18/2007	M	10,000	⁽³⁾ 02/25/2012	Common Stock	10,000
Stock Options (Right to Buy)	\$ 0.25	05/18/2007	05/18/2007	M	10,000	⁽⁵⁾ 02/25/2012	Common Stock	10,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
JIMENEZ JOSEPH C/O BLUE NILE, INC. 705 FIFTH AVENUE S, STE 900 SEATTLE, WA 98104	X			

Signatures

/s/ Diane Irvine, Power of Attorney
Date: 05/22/2007

**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) Represents the weighted average sale price. The highest price at which shares were sold was \$54.31 and the lowest price at which shares were sold was \$53.21.

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- (2) Represents the weighted average sale price. The highest price at which shares were sold was \$53.21 and the lowest price at which shares were sold was \$53.00.
- (3) One thirty sixth of the option shares vest in equal monthly installments over thirty six months starting August 26, 2001.
- (4) Not applicable.
- (5) One thirty sixth of the option shares vest in equal monthly installments over thirty six months starting August 2, 2000.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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