BLUE NILE INC
Form 4
January 07, 2005

FORM 4

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

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

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).

(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)
01/05/2005

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
VP of Operations

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ 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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	01/05/2005		M		200	A	$ 0.5	25,691	D	
Common Stock (1)	01/05/2005		S(1)		200 (1)	D	$ 25.95	25,491	D	
Common Stock	01/05/2005		M		67	A	$ 0.5	25,558	D	
Common Stock (1)	01/05/2005		S(1)		67 (1)	D	$ 25.54	25,491	D	
Common Stock	01/05/2005		M		99	A	$ 0.5	25,590	D	

Common Stock (1)	01/05/2005	S(1)	99 (1)	D	$ 25.58	25,491	D	
Common Stock	01/05/2005	M	100	A	$ 0.5	25,591	D	
Common Stock (1)	01/05/2005	S(1)	100 (1)	D	$ 25.56	25,491	D	
Common Stock	01/05/2005	M	34	A	$ 0.5	25,525	D	
Common Stock (1)	01/05/2005	S(1)	34 (1)	D	$ 25.75	25,491	D	

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

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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. 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. Pri Deriv Secur (Instr
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Stock Options (Right to Buy)	$ 0.5	01/05/2005		M			200	(2)	06/26/2009	Common Stock	200	
Stock Options (Right to Buy)	$ 0.5	01/05/2005		M			67	(2)	06/26/2009	Common Stock	67	
Stock Options (Right to Buy)	$ 0.5	01/05/2005		M			99	(2)	06/26/2009	Common Stock	99	
	$ 0.5	01/05/2005		M			100	(2)	06/26/2009		100	

Stock Options (Right to Buy)								Common Stock		
Stock Options (Right to Buy)	$ 0.5	01/05/2005		M	34	(2)	06/26/2009	Common Stock	34	(2)

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/ Dwight Gaston	01/07/2005
**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.
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