

BLUE NILE INC
Form 4
February 17, 2017

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 *
KANTER HARVEY S

(Last) (First) (Middle)
C/O BLUE NILE, INC., 411 1ST AVE. S. STE 700

(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)
02/15/2017

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)
CEO, Chairman and President

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 Indirect Beneficial Ownership (Instr. 4)
Common Stock	02/15/2017		F	5,403 ⁽¹⁾ D	\$ 40.72 168,316 ⁽²⁾ D	D	
Common Stock	02/17/2017		D	168,316 D ⁽³⁾	0 ⁽⁴⁾ D	D	

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

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SEC 1474 (9-02)

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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)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount or Number of Shares
Stock Option (Right to Buy)	\$ 31.31	02/17/2017		D	26,774	(5) 02/14/2023	Common Stock 26,774
Stock Option (Right to Buy)	\$ 33.3	02/17/2017		D	154,500	(5) 03/29/2022	Common Stock 154,500
Stock Option (Right to Buy)	\$ 33.25	02/17/2017		D	33,130	(5) 02/14/2024	Common Stock 33,130

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
KANTER HARVEY S C/O BLUE NILE, INC. 411 1ST AVE. S. STE 700 SEATTLE, WA 98104	X		CEO, Chairman and President	

Signatures

/s/ Lauren Neiswender, Power of Attorney
02/17/2017
Date

**Signature of Reporting Person

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) The reported shares were withheld to cover the reporting person's tax liability in connection with the vesting of restricted stock units previously reported. These shares were not issued to or sold by the reporting person.
- (2) Includes vested and unvested units of restricted stock.
- (3) Pursuant to the agreement and plan of merger dated as of November 6, 2016 ("Merger Agreement"), by and among the issuer, Blue Nile, Inc., a Delaware corporation, BC Cyan Parent Inc., a Delaware corporation, and BC Cyan Acquisition Inc., a Delaware corporation and a

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wholly-owned subsidiary of BC Cyan Parent Inc., at the Effective Time (as defined in the Merger Agreement), each outstanding share of common stock and restricted stock unit owned by the reporting person was cancelled and converted into the right to receive \$40.75 (the "Per Share Price") less any required withholding taxes.

- (4) The reporting person will receive an additional amount in cash equivalent to 21.16 shares due to dividend equivalents.

- Pursuant to the Merger Agreement, at the Effective Time, each outstanding stock option owned by the reporting person that has an exercise price per share of common stock underlying the stock option that is less than the Per Share Price will be cancelled and converted into the right to receive an amount in cash, less any required withholding taxes, determined by multiplying (a) the excess of the Per Share Price over the exercise price of such stock option by (b) the number of shares of common stock underlying the stock option.
- (5)

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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