

SHUTTERFLY INC

Form 4

May 21, 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 *
KELLER ERIC J

(Last) (First) (Middle)

**C/O SHUTTERFLY, INC., 2800
 BRIDGE PARKWAY SUITE 101**

(Street)

REDWOOD CITY, CA 94065

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading
 Symbol
SHUTTERFLY INC [SFLY]

3. Date of Earliest Transaction
 (Month/Day/Year)
05/17/2007

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)

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)
			Code	V	Amount	(D)	Price

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

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SEC 1474
 (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	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	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)
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(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8)	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 OPTION (RIGHT TO BUY)	\$ 17.75	05/17/2007	A		10,000		<u>(1)</u>	05/16/2017	COMMON STOCK		10,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
KELLER ERIC J C/O SHUTTERFLY, INC. 2800 BRIDGE PARKWAY SUITE 101 REDWOOD CITY, CA 94065		X		

Signatures

/S/ DOUGLAS APPLETON
ATTORNEY-IN-FACT
05/21/2007

__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) COMMENCING JUNE 17, 2007, THE OPTION VESTS MONTHLY AS TO 1/36TH OF THE TOTAL NUMBER OF SHARES SUBJECT TO THE GRANT.

Remarks:

CONFIRMING STATEMENT:
THIS STATEMENT CONFIRMS THAT THE UNDERSIGNED, ERIC J. KELLER, HAS AUTHORIZED AND DESIGNATED
DATE: SEPTEMBER 28, 2006
/S/ ERIC J. KELLER

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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