

SHUTTERFLY INC
Form SC 13D/A
November 05, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

SCHEDULE 13D/A
Under The Securities Exchange Act of 1934
(Amendment No. 2)*

Shutterfly, Inc.
(Name of Issuer)

Common Stock, par value \$0.0001 per share
(Title of Class of Securities)

82568P304
(CUSIP Number)

Mario Cibelli
c/o Marathon Partners Equity Management, LLC
One Grand Central Place
60 East 42nd Street, Suite 2306
New York, New York 10165
(212) 490-0399
(Name, Address and Telephone Number of Person Authorized to Receive
Notices and Communications)

11/04/2014
(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 ss.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 Rule 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).

CUSIP
82568P304
No.

NAME OF
1. REPORTING
PERSONS
I.R.S.
IDENTIFICATION
NOS. OF
ABOVE
PERSONS
(ENTITIES
ONLY)

Marathon
Partners
Equity
Management,
LLC

CHECK THE
APPROPRIATE
2. BOX IF A
MEMBER OF A
GROUP*

(a)
(b)

3. SEC USE
ONLY

SOURCE
4. OF
FUNDS*

AF

CHECK
BOX IF
DISCLOSURE
OF LEGAL
PROCEEDINGS
5. IS
REQUIRED
PURSUANT
TO ITEMS
2(d) OR 2(e)

6. CITIZENSHIP
OR PLACE
OF
ORGANIZATION

Delaware

NUMBER OF
SHARES
BENEFICIALLY
OWNED BY EACH
REPORTING
PERSON WITH

7. SOLE
VOTING
POWER

0

8. SHARED
VOTING
POWER

2,130,000

9. SOLE
DISPOSITIVE
POWER

0

10. SHARED
DISPOSITIVE
POWER

2,130,000

11. AGGREGATE
AMOUNT
BENEFICIALLY
OWNED
BY EACH
REPORTING
PERSON

2,130,000

12. CHECK
BOX IF
THE

AGGREGATE
AMOUNT
IN ROW
(11)
EXCLUDES
CERTAIN
SHARES*

PERCENT
OF CLASS
REPRESENTED

13. BY
AMOUNT
IN ROW
(11)

5.50%

TYPE OF
14. REPORTING
PERSON*

IA

CUSIP No. 82568P304

1. NAME OF REPORTING PERSONS

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Mario Cibelli

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

(a)

(b)

3. SEC USE ONLY

4. SOURCE OF FUNDS*

AF, PF

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)

6. CITIZENSHIP OR PLACE OF ORGANIZATION

USA

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

7. SOLE VOTING POWER

4800

8. SHARED VOTING POWER

2,130,000

9. SOLE DISPOSITIVE POWER

4800

10. SHARED DISPOSITIVE POWER

2,130,000

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

2,134,800

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

5.51%

14. TYPE OF REPORTING PERSON*

IN

CUSIP No. 82568P304

Item 1. Security and Issuer.

The name of the issuer is Shutterfly, Inc., a Delaware corporation (the "Issuer"). The address of the Issuer's office is 2800 Bridge Parkway, Redwood City, California. This Schedule 13D/A relates to the Issuer's Common Stock, par value \$0.0001 per share (the "Shares").

Item 2. Identity and Background.

(a, f) This Schedule 13D/A is being filed jointly by Marathon Partners Equity Management, LLC and Mario Cibelli (collectively, the "Reporting Persons"). Marathon Partners Equity Management, LLC beneficially owns 5.50% of the Shares and Mario Cibelli beneficially own 5.51% of the Shares.

(b) The principal business address of the Reporting Persons is One Grand Central Place, 60 East 42nd Street, Suite 2306, New York, New York 10165.

(c) Mario Cibelli is the managing member of Marathon Partners Equity Management, LLC, an investment management firm that serves as the investment adviser to certain private investment funds.

(d) None of the Reporting Persons has, during the last five years, been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).

(e) None of the Reporting Persons has, during the last five years, been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, Federal or state securities laws or finding any violation with respect to such laws.

Item 3. Source and Amount of Funds or Other Consideration.

As of the date hereof, Marathon Partners Equity Management, LLC and Mario Cibelli each beneficially own 2,130,000 Shares held by one or more private investment funds managed by Marathon Partners Equity Management, LLC (the "Funds") and Mario Cibelli beneficially owns 4,800 Shares held in his personal accounts and in the accounts of his family members. The Shares owned directly by Mr. Cibelli were acquired with personal funds. The funds for the purchase of the Shares held by the Funds came from the working capital of the advisory clients over which the Reporting Persons exercise investment discretion and no borrowed funds were used to purchase the Shares other than any borrowed funds used for working capital purposes in the ordinary course of business.

Item 4. Purpose of Transaction.

The Reporting Persons acquired their Shares of the Issuer for investment purposes.

The Reporting Persons have no plans or proposals which, other than as expressly set forth below, would relate to or would result in: (a) any extraordinary corporate transaction involving the Issuer; (b) a sale or transfer of a material amount of assets of the Issuer; (c) any change in the present Board of Directors or management of the Issuer; (d) any material change in the present capitalization or dividend policy of the Issuer; (e) any material change in the operating policies or corporate structure of the Issuer; (f) any change in the Issuer's charter or by-laws; (g) the Shares of the

Issuer ceasing to be authorized to be quoted in the over-the-counter security markets; or (h) causing the Issuer becoming eligible for termination of registration pursuant to Section 12(g)(4) of the Securities Exchange Act of 1934. The Reporting Persons, however, reserve the right, at a later date, to effect one or more of such changes or transactions in the number of shares they may be deemed to beneficially own.

The Reporting Persons have been and may continue to be in contact with members of the Issuer's management, the Issuer's Board of Directors, other significant shareholders and others regarding alternatives that the Issuer could employ to improve shareholder value.

On November 4, 2014, the Reporting Persons sent a letter to the Board of Directors of the Issuer. The Reporting Persons recommended new strategies to enhance shareholder value in light of the Board's decision to remain independent.

Item 5. Interest in Securities of the Issuer.

(a-e) As of the date hereof, Marathon Partners Equity Management, LLC may be deemed to be the beneficial owner of 2,130,000 Shares (5.50%) of the Issuer and Mario Cibelli may be deemed to be the beneficial owner of 2,134,800 Shares (5.51%) of the Issuer, based upon the 38,748,851 Shares outstanding as of October 31, 2014 as reported in the Issuer's 10-Q.

Marathon Partners Equity Management, LLC has the sole power to vote or direct the vote of 0 Shares; has the shared power to vote or direct the vote of 2,130,000 Shares; has the sole power to dispose or direct the disposition of 0 Shares; and has the shared power to dispose or direct the disposition of 2,130,000 Shares.

Mario Cibelli has the sole power to vote or direct the vote of 4800 Shares; has the shared power to vote or direct the vote of 2,130,000 Shares; has the sole power to dispose or direct the disposition of 4800 Shares; and has the shared power to dispose or direct the disposition of 2,130,000 Shares.

The transactions by the Reporting Persons in the securities of the Issuer since their most recent 13D filing are set forth in Exhibit B.

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

The Reporting Persons have purchased call option contracts relating to the Common Stock with an expiration date of January 17, 2015 that give the Reporting Persons the right to purchase 225,000 Shares at a strike price of \$40.00 and the Reporting Persons have purchased call option contracts relating to the Common Stock with an expiration date of December 20, 2014 that give the Reporting Persons the right to purchase 35,000 Shares at a strike price of \$45.00 and 50,000 Shares at a strike price of \$50.00.

Except as otherwise disclosed in this Item 6, the Reporting Persons do not have any contract, arrangement, understanding or relationship with any person with respect to the Shares.

Item 7. Material to be Filed as Exhibits.

Exhibit A Joint Filing Statement

Exhibit B

Schedule of Transactions in the Shares of the Issuer

SIGNATURE

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.

11/05/2014
(Date)

Marathon Partners Equity Management, LLC

/s/ Mario D. Cibelli
By: Mario D. Cibelli
Title: Managing Member

/s/ Mario D. Cibelli

Attention: Intentional misstatements or omissions of fact constitute Federal criminal violations (see 18 U.S.C. 1001).

Exhibit A

The undersigned agree that this Schedule 13D/A dated 11/05/2014, relating to the Common Stock, par value \$0.0001 per share of Shutterfly, Inc. shall be filed on behalf of the undersigned.

11/05/2014
(Date)

Marathon Partners Equity Management, LLC

/s/ Mario D. Cibelli
By: Mario D. Cibelli
Title: Managing Member

/s/ Mario D. Cibelli

Exhibit B

Transactions in Call Options by the Reporting Persons since their most recent 13D filing

Date of Transaction	Number of Call Options Purchased	Price Per Share
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Transactions in Common Stock, par value 0.0001 per share,
by the Reporting Persons since their most recent 13D filing

Date of Transaction	Number of Shares Purchased	Price Per Share
10/13/2014	60,000	42.5534
10/16/2014	5,000	41.2815
10/30/2014	25,000	39.4657
11/04/2014	10,000	40.8482