

# SHUTTERFLY INC

Reported by  
**LAYNEY TRACY**

## FORM 4

(Statement of Changes in Beneficial Ownership)

Filed 06/19/17 for the Period Ending 06/15/17

Address	2800 BRIDGE PARKWAY REDWOOD CITY, CA 94065
Telephone	650-610-5200
CIK	0001125920
Symbol	SFLY
SIC Code	7384 - Photofinishing Laboratories
Industry	Other Specialty Retailers
Sector	Consumer Cyclical
Fiscal Year	12/31

# FORM 4

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

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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 or  
Section 30(h) of the Investment Company Act of 1940

<b>1. Name and Address of Reporting Person *</b>  <b>LAYNEY TRACY</b>  (Last) (First) (Middle)  <b>C/O SHUTTERFLY, INC., 2800 BRIDGE PARKWAY</b>  (Street)  <b>REDWOOD CITY, CA 94065</b>  (City) (State) (Zip)	<b>2. Issuer Name and Ticker or Trading Symbol</b>  <b>SHUTTERFLY INC [ SFLY ]</b>	<b>5. Relationship of Reporting Person(s) to Issuer</b> (Check all applicable)  <input type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> <b>X</b> Officer (give title below) <input type="checkbox"/> Other (specify below) <b>SVP, Chief HR Officer</b>
<b>3. Date of Earliest Transaction (MM/DD/YYYY)</b>  <p align="center"><b>6/15/2017</b></p>		<b>6. Individual or Joint/Group Filing (Check Applicable Line)</b>  <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person
<b>4. If Amendment, Date Original Filed (MM/DD/YYYY)</b>		

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Trans. Date	2A. Deemed Execution Date, if any	3. Trans. 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	6/15/2017		M (1)		10875	A	\$0	43500	D	
Common Stock	6/16/2017		S		9133 (2)	D	\$48.5	34367	D	
Common Stock	6/19/2017		S (3)		12617	D	\$48.6665	21750	D	

**Table II - Derivative Securities Beneficially Owned ( e.g. , puts, calls, warrants, options, convertible securities)**

1. Title of Derivate Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Trans. Date	3A. Deemed Execution Date, if any	4. Trans. 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		7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Restricted Stock Units	(4)	6/15/2017		M (1)		10875		(5)	(5)	Common Stock	10875	\$0	21750	D	

**Explanation of Responses:**

- (1) Vesting of restricted stock units ("RSUs") earned by the Reporting Person on February 10, 2016.
- (2) Represents shares sold to cover taxes due upon vesting and settlement of RSUs.
- (3) This transaction was effected pursuant to a Rule 10b5-1 trading plan previously adopted by the Reporting Person.
- (4) Each RSU represents a contingent right to receive one (1) share of Issuer common stock under the Issuer's 2015 Equity Incentive Plan.
- (5) The RSUs vest in 4 equal annual installments, subject to the Reporting Person's continuous service to the Issuer through each such vesting date, with the first installment vesting on June 15, 2016. Vested shares shall be settled within 30 days of the vesting date as set forth in the RSU Award Agreement. These RSUs will expire upon the earlier of the date: (i) when all are settled or (ii) when the Reporting Person ceases to provide services to the Issuer.

**Reporting Owners**

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
<b>LAYNEY TRACY C/O SHUTTERFLY, INC. 2800 BRIDGE PARKWAY REDWOOD CITY, CA 94065</b>			<b>SVP, Chief HR Officer</b>	

**Signatures**

/s/ Jason Sebring, Attorney-in-Fact

6/19/2017

\*\*Signature of Reporting Person

Date

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

\* 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).

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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