

SHUTTERFLY INC

Reported by
BLACK DWAYNE A

FORM 4

(Statement of Changes in Beneficial Ownership)

Filed 02/16/17 for the Period Ending 02/14/17

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

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

1. Name and Address of Reporting Person *			2. Issuer Name and Ticker or Trading Symbol			5. Relationship of Reporting Person(s) to Issuer (Check all applicable)		
Black Dwayne A			SHUTTERFLY INC [SFLY]			<input type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below) SVP, Operations		
(Last) (First) (Middle)			3. Date of Earliest Transaction (MM/DD/YYYY)					
2800 BRIDGE PARKWAY			2/14/2017					
(Street)			4. If Amendment, Date Original Filed (MM/DD/YYYY)			6. Individual or Joint/Group Filing (Check Applicable Line)		
REDWOOD CITY, CA 94065						<input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person		
(City) (State) (Zip)								

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	2/15/2017		M (1)		6214	A	\$0	40999	D	
Common Stock	2/15/2017		M (2)		6214	A	\$0	47213	D	
Common Stock	2/16/2017		S		4400 (3)	D	\$47.3539	42813	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)	2/14/2017		A		16000		(5)	(5)	Common Stock	16000	\$0	16000	D	
Employee Stock Option (right to buy)	\$44.75	2/14/2017		A		53631		(6)	2/13/2024	Common Stock	53631	\$0	53631	D	
Restricted Stock Units	(4)	2/14/2017		A		24856 (7)		(8)	(8)	Common Stock	24856	\$0	24856	D	
Restricted Stock Units	(4)	2/15/2017		M (2)			6214	(8)	(8)	Common Stock	6214	\$0	18642	D	
Restricted Stock Units	(4)	2/15/2017		M (1)			6214	(8)	(8)	Common Stock	6214	\$0	18642	D	

Explanation of Responses:

- (1) Vesting of restricted stock units ("RSUs") granted to the Reporting Person on February 10, 2016.
- (2) Vesting of RSUs that were earned by the Reporting Person on February 14, 2017.
- (3) Represents the aggregate number of shares of the Issuer's common stock sold by the Reporting Person to cover taxes due upon the release and settlement of the RSU's. The Reporting Person did not sell or otherwise dispose of any of the shares reported on this Form 4 for any reason other than to cover required taxes.
- (4) Each of these RSUs 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 to vest on February 14, 2018. 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.
- (6) The stock option vests and becomes exercisable as to 1/4th of the shares subject to the option on February 14, 2018, and thereafter vests as to 1/48th of the shares in equal monthly installments, until such time as the option is 100% vested, subject to the continuing employment of the Reporting Person on each

vesting date.

- (7) These RSUs represent performance-based RSUs previously awarded to the Reporting Person that were earned upon the satisfaction of certain performance criteria on February 14, 2017.
- (8) These RSUs vest in 4 equal annual installments, subject to the Reporting Person's continuous service to the Issuer through each such vesting date. The first installment vested on February 15, 2017. 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
Black Dwayne A 2800 BRIDGE PARKWAY REDWOOD CITY, CA 94065			SVP, Operations	

Signatures

/s/ Ray Amanquah, Attorney-in-Fact

2/16/2017

**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.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.