Navin Peter
Form 4
February 22, 2011

FORM 4

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

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

OMB APPROVAL

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(Print or Type Responses)

1. Name and Address of Reporting Person *
Navin Peter

(Last) (First) (Middle)

2800 BRIDGE PARKWAY

(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)
02/17/2011

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
SVP, Human Resources

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ 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	(A) or (D)	Price			
Common Stock	02/17/2011		M (1)		17,500	A	$ 0	19,647	D	
Common Stock	02/17/2011		F (5)		7,616	D	$ 42.846 (5)	12,031	D	
Common Stock	02/17/2011		M (1)		1,500	A	$ 0	13,531	D	
Common Stock	02/17/2011		F (5)		710	D	$ 42.846 (5)	12,821	D	
	02/17/2011		M (2)		1,500	A	$ 0	14,321	D	

Common Stock									
Common Stock	02/17/2011		F[(5)]	710	D	$ 42.846 [(5)]	13,611	D	
Common Stock	02/17/2011		M[(3)]	1,500	A	$ 0	15,111	D	
Common Stock	02/17/2011		F[(5)]	558	D	$ 42.846 [(5)]	14,553	D	
Common Stock	02/17/2011		M[(4)]	3,000	A	$ 0	17,553	D	
Common Stock	02/17/2011		F[(5)]	1,420	D	$ 42.846 [(5)]	16,133	D	

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

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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)		8. I De Sec (In
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Restricted Stock Units	(6)	02/17/2011		M			17,500	(7)	(7)	Common Stock	17,500	
Restricted Stock Units	(6)	02/17/2011		M			1,500	(7)	(7)	Common Stock	1,500	
Restricted Stock Units	(6)	02/17/2011		M			1,500	(7)	(7)	Common Stock	1,500	
	(6)	02/17/2011		M			1,500	(7)	(7)		1,500	

Restricted Stock Units							Common Stock	
Restricted Stock Units	(6)	02/17/2011	M	3,000	(7)	(7)	Common Stock	3,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Navin Peter 2800 BRIDGE PARKWAY REDWOOD CITY, CA 94065			SVP, Human Resources	

Signatures

/s/ Charlotte Falla, Attorney in Fact	02/22/2011
**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) Vesting of restricted stock units granted to the Reporting Person on February 17, 2009.

(2) Vesting of restricted stock units granted to the Reporting Person on April 16, 2009.

(3) Vesting of restricted stock units granted to the Reporting Person on July 15, 2009.

(4) Vesting of restricted stock units granted to the Reporting Person on October 14, 2009.

(5) Exempt transaction pursuant to Section 16b-3(e) payment of tax liability by withholding securities incident to the vesting of a security issued in accordance with Rule 16b-3. All of the shares reported as disposed of in this Form 4 were relinquished by the reporting person in exchange for the Issuer's agreement to pay federal and state tax withholding obligations of the Reporting Person resulting from the vesting of restricted stock units. 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.

(6) Each restricted stock unit represents a contingent right to receive one share of Issuer's common stock.

(7) The restricted stock units vest in three equal annual installments beginning February 17, 2010.

Remarks:

This Statement confirms that the undersigned, Peter A. Navin, has authorized and designated Charlotte Falla and John Kaelle t

Date: June 14, 2010

/s/Peter A. Navin

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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