

SHUTTERFLY INC  
Form 4  
February 22, 2017

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
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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 \*  
**BLACKWOOD-KAPRAL LISA**

(Last) (First) (Middle)

**C/O SHUTTERFLY, INC., 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)  
**02/17/2016**

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)  
**Chief Accounting Officer**

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 or Price		
Common Stock	02/17/2017		M <sup>(1)</sup>		1,575 A \$ 0	2,694	D
Common Stock	02/17/2017		M <sup>(2)</sup>		675 A \$ 0	3,369	D
Common Stock	02/17/2017		S <sup>(3)</sup>		1,119 D \$ 47.6688	2,250	D
Common Stock	02/18/2017		M <sup>(5)</sup>		840 A \$ 0	3,090	D
Common Stock	02/18/2017		M <sup>(6)</sup>		360 A \$ 0	3,450	D

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Common Stock      02/21/2017      S      845 <sup>(7)</sup> D      \$ 47.6063      2,605      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)	Amount or Number of Shares			
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	
Restricted Stock Units	<u>(8)</u>	02/17/2016		A		2,025	<u>(9)</u>	<u>(10)</u>	<u>(10)</u>	Common Stock	2,025
Restricted Stock Units	<u>(8)</u>	02/17/2017		M <sup>(2)</sup>		675		<u>(10)</u>	<u>(10)</u>	Common Stock	675
Restricted Stock Units	<u>(8)</u>	02/17/2017		M <sup>(1)</sup>		1,575		<u>(10)</u>	<u>(10)</u>	Common Stock	1,575
Restricted Stock Units	<u>(8)</u>	02/18/2017		M <sup>(5)</sup>		840		<u>(11)</u>	<u>(11)</u>	Common Stock	840
Restricted Stock Units	<u>(8)</u>	02/18/2017		M <sup>(6)</sup>		360		<u>(11)</u>	<u>(11)</u>	Common Stock	360

## Reporting Owners

Reporting Owner Name / Address	Relationships
	Director    10% Owner    Officer    Other
BLACKWOOD-KAPRAL LISA C/O SHUTTERFLY, INC. 2800 BRIDGE PARKWAY	Chief Accounting Officer

REDWOOD CITY, CA 94065

## Signatures

/s/ Jason Sebring,  
Attorney-in-Fact

02/22/2017

\_\_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 ("RSUs") granted to the Reporting Person on February 23, 2015.
- (2) Vesting of RSUs that were earned by the Reporting Person on February 16, 2016.
- (3) This transaction was effected pursuant to a Rule 10b5-1 trading plan previously adopted by the reporting person.
- (4) Represents a weighted average sales price per share. These shares were sold in multiple transactions at prices ranging from \$47.22 to \$48.00 per share. The Reporting Person has provided to the Issuer, and undertakes to provide to the staff of the Securities and Exchange Commission or any security holder of the Issuer, upon request, full information regarding the number of shares purchased at each separate price within the range.
- (5) Vesting of RSUs granted to the Reporting Person on February 15, 2014.
- (6) Vesting of RSUs that were earned by the Reporting Person on February 18, 2015.
- (7) 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.
- (8) 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.
- (9) These RSUs represent performance-based RSUs previously awarded to the Reporting Person that were earned upon the satisfaction of certain performance criteria on February 16, 2016.
- (10) 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 17, 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.
- (11) 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 18, 2015. 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.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.