

SHUTTERFLY INC
Form 3
September 28, 2006

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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INITIAL STATEMENT OF 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 *		2. Date of Event Requiring Statement	3. Issuer Name and Ticker or Trading Symbol	
Â Galen Douglas J		(Month/Day/Year)	SHUTTERFLY INC [SFLY]	
(Last)	(First)	(Middle)	09/28/2006	
C/O SHUTTERFLY INC,Â 2800				4. Relationship of Reporting Person(s) to Issuer
BRIDGE PARWAY SUITE 101				5. If Amendment, Date Original Filed(Month/Day/Year)
(Street)				(Check all applicable)
REDWOOD				<input type="checkbox"/> Director <input type="checkbox"/> 10% Owner
CITY,Â CAÂ 94065				<input checked="" type="checkbox"/> Officer <input type="checkbox"/> Other
(City)	(State)	(Zip)	(give title below) (specify below)	
			SR VP, BUS & CORP DEVELOPMENT	
				6. Individual or Joint/Group Filing(Check Applicable Line)
				<input checked="" type="checkbox"/> Form filed by One Reporting Person
				<input type="checkbox"/> Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Beneficially Owned

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
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Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

SEC 1473 (7-02)

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.

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

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)	3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)	4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct (D) or Indirect (I)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	

(Instr. 5)

EMPLOYEE STOCK OPTION (RIGHT TO BUY)	Â (1)(2)	03/15/2015	COMMON STOCK	200,000	\$ 5.5	D	Â
EMPLOYEE STOCK OPTION (RIGHT TO BUY)	Â (1)(3)	05/08/2016	COMMON STOCK	50,000	\$ 10.39	D	Â

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Galen Douglas J C/O SHUTTERFLY INC 2800 BRIDGE PARWAY SUITE 101 REDWOOD CITY, CA 94065	Â	Â	Â SR VP, BUS & CORP DEVELOPMENT	Â

Signatures

/S/ DOUGLAS J.
GALEN 09/28/2006

Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 5(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) IMMEDIATELY EXERCISABLE.
OPTION VESTS AS TO 25% OF THE SHARES SUBJECT TO THE GRANT ON MARCH 31, 2006, AND AS TO AN
(2) ADDITIONAL 1/48TH OF THE TOTAL NUMBER OF SHARES SUBJECT TO THE GRANT AT THE END OF EACH FULL MONTH THEREAFTER.
OPTION VESTS AS TO 25% OF THE SHARES SUBJECT TO THE GRANT ON MAY 9, 2007, AND AS TO AN ADDITIONAL
(3) 1/48TH OF THE TOTAL NUMBER OF SHARES SUBJECT TO THE GRANT AT THE END OF EACH FULL MONTH THEREAFTER.

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Remarks:

CONFIRMINGÂ STATEMENT

THISÂ STATEMENTÂ CONFIRMSÂ THATÂ THEÂ UNDERSIGNED,Â DOUGLASÂ J.Â GALEN,Â HASÂ AUTHORI

DATE:Â Â SEPTEMBERÂ 28,Â 2006

/S/Â DOUGLASÂ J.Â GALEN

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.