

SCHOENDORF NANCY J
 Form 4
 May 19, 2010

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
 Expires: January 31, 2005
 Estimated average burden hours per response... 0.5

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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, 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 *
 SCHOENDORF NANCY J

(Last) (First) (Middle)

C/O MDV - MOHR DAVIDOW VENTURES, 3000 SAND HILL ROAD, BLDG 3, STE. 290

(Street)

MENLO PARK, CA 94025

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
 SHUTTERFLY INC [SFLY]

3. Date of Earliest Transaction
 (Month/Day/Year)
 05/17/2010

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)

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 Ownership (Instr. 4)
				(A) or (D) Price			
Common Stock	05/17/2010		M ⁽¹⁾	2,423 A \$ 0	33,923	D	

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

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SEC 1474 (9-02)

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

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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. Price or Amount of Derivative Security (Instr. 3 and 4)
Restricted Stock Units	\$ 0 ⁽²⁾	05/17/2010		M ⁽¹⁾	2,423	⁽³⁾ ⁽³⁾	Common Stock	2,423

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SCHOENDORF NANCY J C/O MDV - MOHR DAVIDOW VENTURES 3000 SAND HILL ROAD, BLDG 3, STE. 290 MENLO PARK, CA 94025	X			

Signatures

/s/ John Kaelle,
attorney-in-fact

05/19/2010

**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 May 15, 2009.
- (2) Each restricted stock unit represents a contingent right to receive one share of SFLY common stock.
- (3) The restricted stock units vest in three equal annual installments beginning May 15, 2010.

Remarks:

This Statement confirms that the undersigned, Nancy Schoendorf, has authorized and designated John A. Kaelle and Douglas

/s/Nancy Schoendorf

May 18, 2009

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.