

RUBASH MARK J  
Form 4  
February 18, 2011

**FORM 4**

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

OMB APPROVAL

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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 \*  
RUBASH MARK J

(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)  
02/16/2011

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)  
SVP & Chief Financial Offi

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)
			Code	V	Amount	(A) or (D)	Price
Common Stock	02/16/2011		M <sup>(1)</sup>		10,500	A	\$ 0
							26,733
Common Stock	02/16/2011		F <sup>(3)</sup>		4,057	D	\$ 43.72
							22,676
Common Stock	02/16/2011		M <sup>(2)</sup>		4,500	A	\$ 0
							27,176
Common Stock	02/16/2011		F <sup>(3)</sup>		1,819	D	\$ 43.72
							25,357

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

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(9-02)

**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. Amount or Number of Shares
Restricted Stock Units	(4)	02/16/2011		M	10,500	(5) (5)	Common Stock	10,500
Restricted Stock Units	(4)	02/16/2011		M	4,500	(5) (5)	Common Stock	4,500

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
RUBASH MARK J C/O SHUTTERFLY, INC. 2800 BRIDGE PARKWAY REDWOOD CITY, CA 94065			SVP & Chief Financial Offi	

## Signatures

/s/ Charlotte Falla, Attorney in Fact 02/18/2011

\*\*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 16, 2010.
- (2) Vesting of restricted stock units granted to the Reporting Person on February 7, 2011.
- (3)

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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 Issuers 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.

- (4) Each restricted stock unit represents a contingent right to receive one share of Issuer's common stock.
- (5) The restricted stock units vest in three equal annual installments beginning February 16, 2011.

### **Remarks:**

This Statement confirms that the undersigned, Mark J. Rubash, has authorized and designated Charlotte Falla and John Kaelle

Date: June 16, 2010

/s/Mark J. Rubash

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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