

McCormick Dan
Form 4
February 17, 2012

FORM 4

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

OMB APPROVAL

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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 *
McCormick Dan

(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)
02/15/2012

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, Products & Services

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	02/15/2012		M ⁽¹⁾	8,575	A \$ 0	8,575	D
Common Stock	02/15/2012		F ⁽⁴⁾	3,378	D \$ 27.176	5,197	D
Common Stock	02/16/2012		M ⁽²⁾	8,867	A \$ 0	14,064	D
Common Stock	02/16/2012		F ⁽⁴⁾	3,298	D \$ 27.245	10,766	D
	02/16/2012		M ⁽³⁾	3,800	A \$ 0	14,566	D

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Common
Stock

Common Stock	02/16/2012	F ⁽⁴⁾	1,414	D	\$ 27.245	13,152	D
					<u>(4)</u>		

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)	Amount or Number of Shares
				Code V	(A) (D)	Date Exercisable Expiration Date	Title	
Restricted Stock Units	<u>(5)</u>	02/15/2012		M	8,575	<u>(6)</u> <u>(6)</u>	Common Stock	8,575
Restricted Stock Units	<u>(5)</u>	02/16/2012		M	8,867	<u>(7)</u> <u>(7)</u>	Common Stock	8,867
Restricted Stock Units	<u>(5)</u>	02/16/2012		M	3,800	<u>(7)</u> <u>(7)</u>	Common Stock	3,800
Restricted Stock Units	<u>(5)</u>	02/15/2012		A	50,000	<u>(8)</u> <u>(8)</u>	Common Stock	50,000

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

McCormick Dan
2800 BRIDGE PARKWAY
REDWOOD CITY, CA 94065

SVP, Products & Services

Signatures

/s/ Charlotte Falla, Attorney
in Fact

02/17/2012

__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 15, 2011.
- (2) Vesting of restricted stock units granted to the Reporting Person on February 16, 2010.
- (3) Vesting of restricted stock units granted to the Reporting Person on February 7, 2011.

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) 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.
- (5) Each restricted stock unit represents a contingent right to receive one share of Issuer's common stock.
- (6) The restricted stock units vest in four equal annual installments beginning February 15, 2012.
- (7) The restricted stock units vest in three equal annual installments beginning February 16, 2011.
- (8) The restricted stock units vest in three equal annual installments beginning February 15, 2013.

Remarks:

This Statement confirms that the undersigned, Dan McCormick, has authorized and designated Charlotte Falla and Brian Man

Date: May 17, 2011

/s/ Dan McCormick

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.