

Lokuge Ishantha
Form 4
February 19, 2019

FORM 4

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

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

OMB APPROVAL

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(Print or Type Responses)

1. Name and Address of Reporting Person *
Lokuge Ishantha

(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)
02/14/2019

4. If Amendment, Date Original
Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

____ Director ____ 10% Owner
__X__ Officer (give title below) ____ Other (specify below)

SVP and Chief Product Officer

6. Individual or Joint/Group Filing(Check
Applicable Line)
__X__ 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	(A) or (D)	Price			
Common Stock	02/14/2019		M ⁽¹⁾		3,000	A	\$ 0	3,000	D	
Common Stock	02/15/2019		S		1,137 ⁽²⁾	D	\$ 45.93	1,863	D	
Common Stock	02/15/2019		M ⁽³⁾		4,055	A	\$ 0	5,918	D	
Common Stock	02/15/2019		M ⁽⁴⁾		4,055	A	\$ 0	9,973	D	
Common Stock	02/15/2019		M ⁽⁵⁾		2,695	A	\$ 0	12,668	D	

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Common Stock	02/17/2019	M ⁽⁶⁾	1,500	A	\$ 0	14,168	D
Common Stock	02/17/2019	M ⁽⁷⁾	1,500	A	\$ 0	15,668	D
Common Stock	02/19/2019	S	4,837 ⁽²⁾	D	\$ 46.3621	10,831	D
Common Stock	02/19/2019	S ⁽⁸⁾	1,863	D	\$ 46.2694 ⁽⁹⁾	8,968	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)

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 Value of Underlying Securities (Instr. 3 and 4)		
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Restricted Stock Units	(10)	02/14/2019		M ⁽¹⁾		3,000		(11)	(11)	Common Stock	3,000	\$
Restricted Stock Units	(10)	02/15/2019		M ⁽³⁾		4,055		(12)	(12)	Common Stock	4,055	\$
Restricted Stock Units	(10)	02/15/2019		M ⁽⁴⁾		4,055		(12)	(12)	Common Stock	4,055	\$
Restricted Stock Units	(10)	02/15/2019		M ⁽⁵⁾		2,695		(13)	(13)	Common Stock	2,695	\$
Restricted Stock Units	(10)	02/17/2019		M ⁽⁶⁾		1,500		(14)	(14)	Common Stock	1,500	\$

Restricted									
Stock	(10)	02/17/2019	M ⁽⁷⁾	1,500	(14)	(14)	Common	1,500	\$
Units							Stock		

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
Lokuge Ishantha C/O SHUTTERFLY, INC. 2800 BRIDGE PARKWAY REDWOOD CITY, CA 94065	SVP and Chief Product Officer

Signatures

/s/ Jason Sebring,
Attorney-in-Fact

02/19/2019

__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 14, 2017.
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 RSUs. 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.
- (2) Vesting of RSUs granted to the Reporting Person on February 10, 2016.
- (3) Vesting of RSUs that were earned by the Reporting Person on February 14, 2017.
- (4) Vesting of RSUs granted to the Reporting Person on February 28, 2018.
- (5) Vesting of RSUs granted to the Reporting Person on February 13, 2015.
- (6) Vesting of RSUs that were earned by the Reporting Person on February 16, 2016.
- (7) This transaction was effected pursuant to a Rule 10b5-1 trading plan previously adopted by the Reporting Person.
Represents a weighted average sales price per share. These shares were sold in multiple transactions at prices ranging from \$45.85 to \$46.60 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.
- (8) Each of these RSUs represents a contingent right to receive one (1) share of Issuer common stock upon settlement for no consideration.
The RSUs vest in 4 equal annual installments, subject to the Reporting Person's continuous service to the Issuer through each such vesting date, with the first installment vesting on February 14, 2018. 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.
- (9) These RSUs vest in 4 equal annual installments, subject to the Reporting Person's continuous service to the Issuer through each such vesting date, with the first installment vesting on February 15, 2017. 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.
- (10) The RSUs vest in 4 equal annual installments, subject to the Reporting Person's continuous service to the Issuer through each such vesting date, with the first installment to vest on February 15, 2019. 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

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Reporting Person ceases to provide services to the Issuer.

- (14) 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.

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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