SHUTTERFLY INC

Form 4

November 16, 2007

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB Number:

3235-0287 January 31,

Expires:

Form filed by More than One Reporting

Person

2005

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OMB APPROVAL

Check this box if no longer subject to Section 16. Form 4 or

Form 5 obligations may continue.

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 See Instruction

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person ** KAELLE JOHN A			2. Issuer Name and Ticker or Trading Symbol	5. Relationship of Reporting Person(s) to Issuer		
			SHUTTERFLY INC [SFLY]	(Check all applicable)		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction			
			(Month/Day/Year)	Director 10% Owner		
C/O SHUTT	ERFLY INC	, 2800	11/14/2007	X Officer (give title Other (specify		
BRIDGE PA				below) below) VP, FINANCE		
	(Street)		4. If Amendment, Date Original	6. Individual or Joint/Group Filing(Check		
			Filed(Month/Day/Year)	Applicable Line) _X_ Form filed by One Reporting Person		

REDWOOD CITY, CA 94065

(City)	(State) (Zip) Table	e I - Non-D	erivative	Secur	ities Acq	uired, Disposed o	f, or Beneficial	ly Owned
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. 4. Securities Acquired Transaction(A) or Disposed of (D) Code (Instr. 3, 4 and 5) (Instr. 8)			5. Amount of Securities Beneficially Owned Following Reported	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	Transaction(s) (Instr. 3 and 4)		
Common Stock	11/14/2007		S(1)	500	D	\$ 30.96	18,531	D	
Common Stock	11/14/2007		S <u>(1)</u>	100	D	\$ 30.05	18,431	D	
Common Stock	11/14/2007		S <u>(1)</u>	100	D	\$ 30.45	18,331	D	
Common Stock	11/14/2007		S <u>(1)</u>	200	D	\$ 30.42	18,131	D	
Common Stock	11/14/2007		S <u>(1)</u>	100	D	\$ 30.35	18,031	D	

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Common Stock	11/14/2007	S <u>(1)</u>	100	D	\$ 30.32	17,931	D
Common Stock	11/14/2007	S <u>(1)</u>	100	D	\$ 30.15	17,831	D
Common Stock	11/14/2007	S(1)	150	D	\$ 29.85	17,681	D
Common Stock	11/14/2007	S(1)	100	D	\$ 29.78	17,581	D
Common Stock	11/14/2007	S <u>(1)</u>	100	D	\$ 29.7	17,481	D
Common Stock	11/14/2007	S <u>(1)</u>	200	D	\$ 29.65	17,281	D
Common Stock	11/14/2007	S <u>(1)</u>	50	D	\$ 29.64	17,231	D
Common Stock	11/14/2007	S <u>(1)</u>	100	D	\$ 29.56	17,131	D
Common Stock	11/14/2007	S <u>(1)</u>	100	D	\$ 29.53	17,031	D
Common Stock	11/14/2007	S <u>(1)</u>	100	D	\$ 29.49	16,931	D
Common Stock	11/14/2007	S <u>(1)</u>	100	D	\$ 29.38	16,831	D
Common Stock	11/14/2007	S <u>(1)</u>	100	D	\$ 29.37	16,731	D
Common Stock	11/14/2007	S <u>(1)</u>	75	D	\$ 29.35	16,656	D
Common Stock	11/14/2007	S <u>(1)</u>	125	D	\$ 29.3	16,531	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	2.	3. Transaction Date	3A. Deemed	4.	5.	6. Date Exercisable and	7. Title and	8. Price of	9. Nu
Derivative	Conversion	(Month/Day/Year)	Execution Date, if	Transaction	orNumber	Expiration Date	Amount of	Derivative	Deriv
Security	or Exercise		any	Code	of	(Month/Day/Year)	Underlying	Security	Secui
(Instr. 3)	Price of		(Month/Day/Year)	(Instr. 8)	Derivativ	re	Securities	(Instr. 5)	Bene
	Derivative				Securities	S	(Instr. 3 and 4)		Own
	Security				Acquired				Follo
					(A) or				Repo

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Disposed of (D) (Instr. 3, 4, and 5)

Code V (A) (D) Date

Exercisable

Expiration Title Amount Date

or

Trans

(Insti

Number of Shares

Reporting Owners

Relationships Reporting Owner Name / Address

> Director 10% Owner Officer Other

KAELLE JOHN A C/O SHUTTERFLY INC 2800 BRIDGE PARKWAY SUITE 101 REDWOOD CITY, CA 94065

VP, FINANCE

Signatures

/s/ Douglas Appleton Attorney-in-fact

11/16/2007

**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).
- The sales reported in this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on August 3, (1) 2007.

Remarks:

This Statement confirms that the undersigned, John A. Kaelle, has authorized and designated Stephen E. Recht and Douglas A

/s/John A. Kaelle

Date: September 28, 2006

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.

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