

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

<b>OMB APPROVAL</b>	
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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**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person* <u>WHITE JAMES N</u>  (Last) (First) (Middle) 755 PAGE MILL ROAD, SUITE A-200  (Street) PALO ALTO CA 943041005  (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>SHUTTERFLY INC [ SFLY ]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director 10% Owner Officer (give title below) Other (specify below)
	3. Date of Earliest Transaction (Month/Day/Year) 10/04/2006	
4. If Amendment, Date of Original Filed (Month/Day/Year)		

**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	10/04/2006		C		1,684	A	(1)	1,684	I	By 401(k) <sup>(2)</sup>
Common Stock	10/04/2006		C		1,010,276	A	(1)	1,144,546	I	By Ltd Partnership (SHV) <sup>(3)</sup>
Common Stock	10/04/2006 <sup>(4)</sup>		P		59,659 <sup>(4)</sup>	A	\$10.25	1,204,205	I	By Ltd Partnership (SHV) <sup>(3)</sup>
Common Stock	10/04/2006 <sup>(4)</sup>		P		99 <sup>(4)</sup>	A	\$10.25	323	I	By Trust <sup>(5)</sup>

**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 Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date						Title
Series F Convertible Preferred Stock	(1)	10/04/2006		C			1,684	(1)	(1)	Common Stock	1,684	(1)	0	I	By 401(k) <sup>(2)</sup>
Series F Convertible Preferred Stock	(1)	10/04/2006		C			1,010,276	(1)	(1)	Common Stock	1,010,276	(1)	0	I	By Ltd Partnership (SHV) <sup>(3)</sup>

**Explanation of Responses:**

- The issuer's preferred stock converts automatically into common stock without consideration on a one-for-one basis immediately upon the completion of the issuer's initial public offering.
- Shares held by SHV Profit Sharing Plan, a retirement trust, for the benefit of the reporting person.
- Shares held by Sutter Hill Ventures, A California Limited Partnership. The reporting person is a Managing Director of the General Partner of Sutter Hill Ventures, A California Limited Partnership. The reporting person disclaims beneficial ownership in these shares except as to the reporting person's pecuniary interest in the partnership.
- Shares set forth here were previously reported on Form 3 and were acquired within 6 months prior to the initial public offering which triggered the required reporting on this Form 4. Actual purchase date of the common stock was May 3, 2006.
- Shares held by a trust of which the reporting person is a trustee. The reporting person disclaims beneficial ownership in these shares except as to the reporting person's pecuniary interest in the trust.

**Remarks:**

By: Robert Yin, by power of attorney 10/04/2006

\*\* Signature of Reporting Person Date

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

\* 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).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.**

POWER OF ATTORNEY

Know all by these presents, that the undersigned hereby authorizes David E. Sweet, Robert Yin, Patricia Tom, David L. Anderson, G. Leonard Baker, Jr., Tench Coxe, James C. Gaither, Gregory P. Sands, or William H. Younger, Jr. to execute for and on behalf of the undersigned Forms 3, 4, and 5, and any Amendments thereto for Shutterfly, Inc. ("the Company"), and cause such form(s) to be filed with the United States Securities and Exchange Commission pursuant to Section 16(a) of the Securities Act of 1934, relating to the undersigned's beneficial ownership of securities in the Company. The undersigned hereby grants to each such attorney-in-fact full power and authority to do and perform any and every act and thing whatsoever requisite, necessary, or proper to be done in the exercise of any of the rights and powers herein granted, as fully to all intents and purposes as the undersigned might or could do if personally present, with full power of substitution or revocation, hereby ratifying and confirming all that such attorney-in-fact, or such attorney-in-fact's substitute or substitutes, shall lawfully do or cause to be done by virtue of this power of attorney and the rights and powers herein granted. The undersigned acknowledges that the foregoing attorneys-in-fact, in serving in such a capacity at the request of the undersigned, are not assuming, nor is the Company assuming, any of the undersigned's responsibilities to comply with Section 16 of the Securities Exchange Act of 1934.

This Power of Attorney shall remain in full force and effect until the undersigned is no longer required to file Forms 3, 4, and 5 with respect to the undersigned's holdings of, and transactions in, securities issued by the Company, unless earlier revoked by the undersigned in a signed writing delivered to the foregoing attorneys-in-fact.

In witness whereof, the undersigned has caused this Power of Attorney to be executed as of this 25th day of September, 2006.

/s/ James N. White