

**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**

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* <b>ARNOLD SCOTT</b>			2. Issuer Name and Ticker or Trading Symbol <b>SHUTTERFLY INC [ SFLY ]</b>			5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <b>Pres., Shutterfly Enterprise</b>			
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year) <b>06/30/2019</b>			6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person Form filed by More than One Reporting Person			
C/O SHUTTERFLY, INC. 2800 BRIDGE PARKWAY			4. If Amendment, Date of Original Filed (Month/Day/Year)						
(Street)	(City)	(State)	(Zip)						
REDWOOD CITY	CA		94065						

**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	06/30/2019		M <sup>(1)</sup>		12,543	A	\$0.00	12,543	D	
Common Stock	07/01/2019		S		4,362 <sup>(2)</sup>	D	\$50.74	8,181	D	
Common Stock	07/02/2019		S <sup>(3)</sup>		8,181	D	\$50.5102 <sup>(4)</sup>	0	D	

**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						Amount or Number of Shares
Restricted Stock Units	(5)	06/30/2019		M <sup>(1)</sup>			12,543	(6)	(6)	Common Stock	12,543	\$0.00	25,084	D	

**Explanation of Responses:**

- Vesting of restricted stock units ("RSUs") granted to the Reporting Person on June 30, 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 the RSU's. The Reporting Person did not sell or otherwise dispose of any of the shares reported on this line for any reason other than to cover required taxes.
- This transaction was effected pursuant to a Rule 10b5-1 trading plan previously adopted by the Reporting Person.
- Represents the weighted average sales price per share. These shares were sold in multiple transactions at prices ranging from \$50.49 to \$50.55 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 set forth in this footnote.
- 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 June 30, 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.

/s/ Antonio Birbeck-Herrera,  
Attorney-in-Fact for Scott Arnold      07/02/2019

\*\* 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.

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