
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT PURSUANT
TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): January 1, 2007

Shutterfly, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of Incorporation)

001-33031
(Commission File Number)

99-3330068
(IRS Employer Identification No.)

2800 Bridge Parkway, Suite 101, Redwood
City, California
(Address of Principal Executive Offices)

94065
(Zip Code)

(650) 610-5200
(Registrant's Telephone Number, Including Area Code)

(Former Name or Former Address, If Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2)
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 5.02. Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers; Compensatory Arrangements of Certain Officers.

On January 1, 2007, James H. Clark resigned as a member of the Board of Directors of Shutterfly, Inc. (the “Company”). Mr. Clark served as the Chairman of the Board and a member of the Compensation Committee. His resignation did not involve disagreement with the Company relating to the Company’s operations, policies or practices. A copy of Mr. Clark’s resignation correspondence is attached as an exhibit hereto.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

<u>Number</u>	<u>Description</u>
99.01	Resignation correspondence for James H. Clark, dated as of January 1, 2007.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SHUTTERFLY, INC.

By: /s/ Stephen E. Recht _____
Stephen E. Recht
Chief Financial Officer

Date: January 8, 2007

EXHIBIT INDEX

<u>Number</u>	<u>Description</u>
99.01	Resignation correspondence for James H. Clark, dated as of January 1, 2007.

Dear Jeff,

Please forward this to the other board members, as I do not have their addresses with me.

After considerable thought over the holidays, I've decided effective today, January 1, 2007, to resign from the Board of Directors of Shutterfly. My reasons are twofold: 1) as a technologist, I feel there is little that I can offer to guide what has become a manufacturing company, and 2) because of the constraints imposed by Sarbanes-Oxley on my having any significant role on the board.

As I understand it, Sarbox dictates that I not Chair any committee due to the size of my holdings, not be on the compensation committee because of the loan I once made to the company, not be on the governance committee, and it even dictates that some other board member must carry out the perfunctory duties of the Chairman. What's left is liability and constraints on stock transactions, neither of which excite me.

It seems pretty clear to me that lawmakers have gone too far in considering a large shareholder to be inappropriate in the roles, but it is equally clear that I have no ability to change this in the near term. My only solution is to become an outsider. I wish to be treated as such effective immediately.

I want to congratulate you and the team for what you have accomplished. You are doing a great job in a very competitive market, and I have no doubt that Shutterfly will continue to do well under your leadership. I will continue to recommend your service to all.

Sincerely,
Jim Clark
Chairman of the Board
Shutterfly