

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* CLARK JAMES H (Last) (First) (Middle) 1700 SEAPORT BLVD., 4TH FLOOR (Street) REDWOOD CITY CA 94063 (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol SHUTTERFLY INC [SFLY]	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director <input checked="" type="checkbox"/> 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⁾		1,500,000	A	\$0	1,532,478	I	See Footnote ⁽²⁾
Common Stock	10/04/2006		C ⁽³⁾		322,652	A	\$0	1,855,130	I	See Footnote ⁽⁴⁾
Common Stock	10/04/2006		C ⁽⁵⁾		382,012	A	\$0	2,237,142	I	See Footnote ⁽⁶⁾
Common Stock	10/04/2006		C ⁽⁷⁾		1,730,879	A	\$0	3,968,021	I	See Footnote ⁽⁸⁾
Common Stock	10/04/2006		C ⁽⁹⁾		3,139,671	A	\$0	7,107,692	I	See Footnote ⁽¹⁰⁾

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	Amount or Number of Shares				
Series A Preferred Stock	\$0	10/04/2006		C ⁽¹⁾			1,500,000	(11)	(11)	Common Stock	1,500,000	\$0	0	I	See Footnote ⁽¹²⁾
Series B Preferred Stock	\$0	10/04/2006		C ⁽³⁾			322,652	(11)	(11)	Common Stock	322,652	\$0	0	I	See Footnote ⁽¹³⁾
Series C Preferred Stock	\$0	10/04/2006		C ⁽⁵⁾			382,012	(11)	(11)	Common Stock	382,012	\$0	0	I	See Footnote ⁽¹²⁾
Series D Preferred Stock	\$0	10/04/2006		C ⁽⁷⁾			1,730,879	(11)	(11)	Common Stock	1,730,879	\$0	0	I	See Footnote ⁽¹²⁾
Series E Preferred Stock	\$0	10/04/2006		C ⁽⁹⁾			3,139,671	(11)	(11)	Common Stock	3,139,671	\$0	0	I	See Footnote ⁽¹⁴⁾

1. Name and Address of Reporting Person*		
<u>CLARK JAMES H</u>		
(Last)	(First)	(Middle)
1700 SEAPORT BLVD., 4TH FLOOR		
(Street)		
REDWOOD CITY	CA	94063
(City)	(State)	(Zip)
1. Name and Address of Reporting Person*		
<u>Clark Ventures, Inc.</u>		
(Last)	(First)	(Middle)
777 EAST WILLIAM STREET #201		
(Street)		
CARSON CITY	NV	89701
(City)	(State)	(Zip)
1. Name and Address of Reporting Person*		
<u>Monaco Partners, L.P.</u>		
(Last)	(First)	(Middle)
777 EAST WILLIAM STREET #201		
(Street)		
CARSON CITY	NV	89701
(City)	(State)	(Zip)
1. Name and Address of Reporting Person*		
<u>JHC Investments, LLC</u>		
(Last)	(First)	(Middle)
777 EAST WILLIAM STREET #201		
(Street)		
CARSON CITY	NV	89701
(City)	(State)	(Zip)

Explanation of Responses:

1. Each share of Series A Preferred Stock automatically converted into one share of Common Stock upon the closing of the Issuer's initial public offering, which occurred on October 4, 2006 (the "IPO")
2. Represents shares held by Monaco Partners, L.P. ("Monaco Partners"). The general partner of Monaco Partners is Clark Ventures ("Clark Ventures"), an entity controlled by James H. Clark.
3. Each share of Series B Preferred Stock automatically converted into one share of Common Stock upon the closing of the IPO.
4. Includes (i) 1,713,130 shares held by Monaco Partners, (ii) 17,000 shares held by JHC Investments 2000, LLC ("JHC 2000 LLC"), of which Clark Ventures is the managing member, and (iii) 125,000 shares held by Woodside Ventures Limited Partnership ("Woodside Ventures"), the general partner of which is Monaco Partners.
5. Each share of Series C Preferred Stock automatically converted into one share of Common Stock upon the closing of the IPO.
6. Includes (i) 2,095,142 shares held by Monaco Partners, (ii) 17,000 shares held by JHC 2000 LLC and (iii) 125,000 shares held by Woodside Ventures.
7. Each share of Series D Preferred Stock automatically converted into one share of Common Stock upon the closing of the IPO.
8. Includes (i) 3,826,021 shares held by Monaco Partners, (ii) 17,000 shares held by JHC 2000 LLC and (iii) 125,000 shares held by Woodside Ventures.
9. Each share of Series E Preferred Stock automatically converted into one share of Common Stock upon the closing of the IPO.
10. Includes (i) 5,018,610 shares held by Monaco Partners, (ii) 17,000 shares held by JHC 2000 LLC, (iii) 125,000 shares held by Woodside Ventures and (iv) 1,947,082 shares held by JHC Investments, LLC ("JHC LLC"), of which Monaco Partners is the sole member.
11. Each share is immediately convertible into one share of Common Stock upon the closing of the IPO and has no expiration date.
12. Represents shares held by Monaco Partners.
13. Includes (i) 180,652 shares held by Monaco Partners, (ii) 17,000 shares held by JHC 2000 LLC and (iii) 125,000 shares held by Woodside Ventures.
14. Includes (i) 1,192,589 shares held by Monaco Partners and (ii) 1,947,082 shares held by JHC LLC.

/s/ Harvey L. Armstrong,
Authorized Signer

10/05/2006

** 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.

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