

BLUEFLY INC
Form 4
July 24, 2008

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 OF SECURITIES

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

(Print or Type Responses)

1. Name and Address of Reporting Person *
SOROS GEORGE

(Last) (First) (Middle)
888 SEVENTH AVE, 33RD FLR
(Street)

NEW YORK, NY 10106

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
BLUEFLY INC [BFLY]

3. Date of Earliest Transaction
(Month/Day/Year)
07/23/2008

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

___ Director ___X___ 10% Owner
___ Officer (give title below) ___ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
X Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

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 Ownership (Instr. 4)
				(A) or (D)	Code V Amount (D) Price		

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 Derivative Security (Instr. 3)	2. Conversion or Exercise Price of	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	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Security (Instr. 3 and 4)

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Derivative Security			Disposed of (D) (Instr. 3, 4, and 5)		Date Exercisable	Expiration Date	Title	An Nu Sha
			Code	V				
Convertible Promissory Note	\$ 3.65 ⁽¹⁾	07/23/2008	P		07/23/2008	07/23/2011	Common Stock	49
				\$ 1,809,480				
Convertible Promissory Note	\$ 3.65 ⁽¹⁾	07/23/2008	P		07/23/2008	07/23/2011	Common Stock	1
				\$ 59,220				

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SOROS GEORGE 888 SEVENTH AVE 33RD FLR NEW YORK, NY 10106		X		

Signatures

/s/ Jay Schoenfarber, Attorney-in-Fact for George Soros
07/24/2008

**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).
- (1) These securities are convertible at the option of the holder (i) into that number of shares of common stock, \$0.01 par value per share, of the issuer equal to the principal amount of the note divided by \$3.65, or (ii) into that number of equity securities of the issuer sold for cash in a future financing ("Subsequent Securities") equal to the principal amount of the note divided by the lowest price paid by any purchaser of the Subsequent Securities (the "Subsequent Conversion Price").
- (2) These securities are convertible at the option of the holder (i) into 495,748 shares of common stock, \$0.01 par value per share, of the issuer, or (ii) into that number of Subsequent Securities equal to the principal amount of the note divided by the Subsequent Conversion Price.
- (3) These securities are held for the benefit of Quantum Industrial Partners LDC, an exempted limited duration company formed under the laws of the Cayman Islands ("QIP"). QIH Management Investor, L.P., an investment advisory firm organized as a Delaware limited partnership ("QIHMI"), is a minority shareholder of, and is vested with investment discretion with respect to portfolio assets held for the account of QIP. The sole general partner of QIHMI is QIH Management LLC, a Delaware limited liability company ("QIH Management"). Soros Fund Management LLC, a Delaware limited liability company ("SFM"), is the sole managing member of QIH Management. The Reporting Person is the chairman of SFM and, in such capacity, may be deemed to have voting and dispositive power over securities held for the benefit of QIP.
- (4) These securities are convertible at the option of the holder (i) into 16,225 shares of common stock, \$0.01 par value per share, of the issuer, or (ii) into that number of Subsequent Securities equal to the principal amount of the note divided by the Subsequent Conversion Price.
- (5) These securities are held for the benefit of SFM Domestic Investments LLC, a Delaware limited liability company ("SFMD"). The Reporting Person may be deemed to have voting and dispositive power over the securities held for the benefit of SFMD.

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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