

BLUEFLY INC  
Form 4  
December 23, 2009

**FORM 4** UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

OMB APPROVAL

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**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 AVENUE, 33RD FLOOR

(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)  
12/21/2009

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 Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
|                                 |                                      |  | Code V                         | Amount  | (A) or (D) Price  |  |   |
| Common Stock                    | 12/21/2009                           |  | J(1)(2)                        | 1,064,400   | A \$ 1.7 5,924,515  | I  | See Footnote (3)                                      |
| Common Stock                    | 12/21/2009                           |  | J(1)(4)                        | 34,835  | A \$ 1.7 193,909  | I  | See Footnote (5)                                      |

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

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**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 Underlying Security (Instr. 3 and 4) |              |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--------------|
|  |  |                                      |  | Code                           | V (A) (D)   | Date Exercisable   | Expiration Date                                   | Title        |
| Convertible Promissory Note                | \$ 3.65 <sup>(1)</sup>                                 | 12/21/2009                           |  | J <sup>(1)(2)</sup>            | \$ 1,809,480  | 07/23/2008   | 07/23/2011  | Common Stock |
| Convertible Promissory Note                | \$ 3.65 <sup>(1)</sup>                                 | 12/21/2009                           |  | J <sup>(1)(4)</sup>            | \$ 59,220   | 07/23/2008   | 07/23/2011  | Common Stock |

## Reporting Owners

| Reporting Owner Name / Address                                       | Relationships |           |         |       |
|--|---------------|-----------|---------|-------|
|  | Director      | 10% Owner | Officer | Other |
| SOROS GEORGE<br>888 SEVENTH AVENUE, 33RD FLOOR<br>NEW YORK, NY 10106 |               |           | X       |       |

## Signatures

/s/ Jay Schoenfarber, Attorney-in-Fact for George Soros  
Date: 12/23/2009

\_\_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) The Convertible Promissory Note is 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 in 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) On December 21, 2009, Quantum Industrial Partners LDC, an exempted limited duration company formed under the laws of the Cayman Islands ("QIP") converted the Convertible Promissory Note into shares of the issuer's common stock, \$0.01 par value per share ("Common Stock"), at a conversion price of \$1.70 per share in accordance with clause (ii) of footnote 1, resulting in the issuance to QIP of 1,064,400 shares of common stock.
- (3) These securities are held for the benefit of 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.

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- On December 21, 2009, SFM Domestic Investments LLC, a Delaware limited liability company ("SFMD") converted the Convertible
- (4) Promissory Note into shares of the issuer's Common Stock, \$0.01 par value per share at a conversion price of \$1.70 per share in accordance with clause (ii) of footnote 1, resulting in the issuance to SFMD of 34,835 shares of common stock.
  - (5) These securities are held for the benefit of 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. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.