

BLUEFLY INC
Form 4
June 28, 2005

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 *
QUANTUM INDUSTRIAL PARTNERS LDC ET AL

(Last) (First) (Middle)

KAYA FLAMBOYAN
9, WILLEMSTAD, CURACAO

(Street)

NETHERLANDS ANTILLES,

(City) (State) (Zip)

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

3. Date of Earliest Transaction (Month/Day/Year)
06/24/2005

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)
___ Form filed by One Reporting Person
X 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 Beneficial 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	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities Acquired (A) or Disposed of (D)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Security (Instr. 3 and 4)
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(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8) Code	(Instr. 3, 4, and 5) V (A) (D)	Date Exercisable	Expiration Date	Title	A N S
Series D Convertible Preferred Stock	\$ 0.76 ⁽¹⁾	06/24/2005	S ⁽²⁾		2,242.057	⁽³⁾	⁽³⁾	Common Stock 2
Series F Convertible Preferred Stock	\$ 2.32 ⁽⁶⁾	06/24/2005	P ⁽²⁾		2,904.6	⁽³⁾	⁽³⁾	Common Stock 1

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
QUANTUM INDUSTRIAL PARTNERS LDC ET AL KAYA FLAMBOYAN 9 WILLEMSTAD, CURACAO NETHERLANDS ANTILLES			X	
QIH MANAGEMENT INVESTOR LP 888 SEVENTH AVENUE 33RD FLOOR NEW YORK, NY 10106			X	
QIH MANAGEMENT LLC 888 SEVENTH AVENUE 33RD FLOOR NEW YORK, NY 10106			X	
SOROS FUND MANAGEMENT LLC 888 SEVENTH AVENUE 33RD FLOOR NEW YORK, NY 10106			X	

Signatures

Jay Schoenfarber, as Attorney-in-Fact for Quantum Industrial Partners LDC 06/28/2005

**Signature of Reporting Person Date

Jay Schoenfarber, as Assistant General Counsel of Soros Fund Management LLC, which is the Managing Member of QIH Management LLC, which is the General Partner of QIH Management Investor, L.P. 06/28/2005

**Signature of Reporting Person Date

Jay Schoenfarber, as Assistant General Counsel of Soros Fund Management LLC, which is the Managing Member of QIH Management LLC 06/28/2005

__Signature of Reporting Person

Date

Jay Schoenfarber, as Assistant General Counsel of Soros Fund Management LLC

06/28/2005

__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) This amount represents the initial conversion price of the Issuer's Series D Convertible Preferred Stock, par value \$0.01 per share ("Series D Preferred Stock"), into the Issuer's Common Stock, par value \$0.01 per share ("Shares"). Each share of Series D Preferred Stock is convertible into a number of Shares equal to the face amount (\$1000) divided by such conversion price. The terms of the Series D Preferred Stock provide for certain anti-dilution adjustments to such initial conversion price.
- (2) The disposition of shares of Series D Preferred Stock and the acquisition of shares of Series F Preferred Stock (defined below) reported hereby occurred simultaneously on June 24, 2005.
- (3) These securities are immediately exercisable and have no expiration date.
- (4) This amount is based upon the initial conversion price of \$0.76 per share and is subject to certain anti-dilution adjustments. In addition, the Series D Preferred Stock is subject to a 12% accruing dividend that is payable upon conversion, redemption or liquidation of the Issuer.
- (5) 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.
- (6) This amount represents the initial conversion price of the Issuer's Series F Convertible Preferred Stock, par value \$0.01 per share ("Series F Preferred Stock") into Shares. Each share of Series F Preferred Stock is convertible into a number of Shares equal to the face amount (\$1000) divided by such conversion price. The terms of the Series F Preferred Stock provide for certain anti-dilution adjustments to such initial conversion price.
- (7) This amount is based upon the initial conversion price of \$2.32 per share and is subject to certain anti-dilution adjustments. In addition, the Series F Preferred Stock is subject to a 7% accruing dividend that is payable upon conversion, redemption or liquidation of the Issuer.

Remarks:

The filing of this statement shall not be deemed an admission that any of the Reporting Persons is the beneficial owner of any

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.