BLUEFLY INC Form 4 January 29, 2007

FORM 4

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

OMB Number:

Estimated average

Check this box if no longer subject to Section 16.

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES**

3235-0287 January 31, Expires: 2005

OMB APPROVAL

Form 4 or Form 5 obligations may continue. See Instruction

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

burden hours per response... 0.5

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * **SOROS GEORGE**

2. Issuer Name and Ticker or Trading Symbol

5. Relationship of Reporting Person(s) to Issuer

(Last)

(First) (Middle) BLUEFLY INC [BFLY] 3. Date of Earliest Transaction

(Check all applicable)

(Street)

(Month/Day/Year)

_ 10% Owner Director Other (specify Officer (give title

888 SEVENTH AVE, 33RD FLR

01/25/2007

6. Individual or Joint/Group Filing(Check

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

Applicable Line)

X Form filed by One Reporting Person Form filed by More than One Reporting

Person

below)

NEW YORK, NY 10106

(City)	(State) (Zip) Tabl	e I - Non-D	erivative S	Securi	ties Acq	uired, Disposed o	f, or Beneficial	lly Owned
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transactic Code (Instr. 8)	(A) or			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)
Common Stock	01/25/2007		X	24,208	A	\$ 0 (1)	48,601,156 (1)	I	See footnote (2)
Common Stock	01/25/2007		S	22,407	D	\$ 1.21 (1)	48,601,156 (1)	I	See footnote (2)
Common Stock	01/25/2007		X	792	A	\$ 0 (1)	1,590,741 (1)	I	See footnote (3)
Common Stock	01/25/2007		S	733	D	\$ 1.21 (1)	1,590,741 (1)	I	See footnote (3)

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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 Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transactic Code (Instr. 8)	Secur Acqu or Dis (D)	rities ired (A) sposed of : 3, 4,	6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)	
				Code V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Common Stock Warrants	\$ 1.12	01/25/2007		X		24,208	01/28/2003	01/27/2007	Common Stock	24,208 (2)
Common Stock Warrants	\$ 1.12	01/25/2007		X		792	01/28/2003	01/27/2007	Common Stock	792 <u>(3)</u>

Reporting Owners

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

Signatures

/s/ Jay Schoenfarber, Attorney-in-Fact for George Soros 01/29/2007

**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) Reflects the exercise of warrants using a cashless exercise feature.
- (2) 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

Reporting Owners 2

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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.

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. 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.