

QUANTUM INDUSTRIAL PARTNERS LDC ET AL  
 Form 4  
 January 29, 2007

**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)

ANTILLES, P7

(City) (State) (Zip)

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

3. Date of Earliest Transaction (Month/Day/Year)  
 01/25/2007

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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
|                                 |                                      |  | Code                           | V   | Amount  | (A) or (D)   | Price                             |
| Common Stock                    | 01/25/2007                           |  | X                              |   | 24,208  | A  | \$ 0<br>(1)                       |
| Common Stock                    | 01/25/2007                           |  | S                              |   | 22,407  | D  | \$ 1.21<br>(1)                    |
|                                 |                                      |  |                                |   | 48,601,156  |  | (1) (2)                           |
|                                 |                                      |  |                                |   | 48,601,156  |  | (1) (2)                           |

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

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 (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. 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 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 <u>(2)</u>                                |

## Reporting Owners

| Reporting Owner Name / Address   | Relationships |           |         |       |
|--|---------------|-----------|---------|-------|
|  | Director      | 10% Owner | Officer | Other |
| QUANTUM INDUSTRIAL PARTNERS LDC ET AL<br>KAYA FLAMBOYAN 9<br>WILLEMSTAD, CURACAO<br>ANTILLES, P7 |               | X         |         |       |
| QIH MANAGEMENT INVESTOR LP<br>888 SEVENTH AVENUE<br>33RD FLOOR<br>NEW YORK, NY 10106             |               | X         |         |       |
| QIH MANAGEMENT LLC<br>888 SEVENTH AVENUE<br>33RD FLOOR<br>NEW YORK, NY 10106                     |               | X         |         |       |
| SOROS FUND MANAGEMENT LLC<br>888 SEVENTH AVENUE<br>33RD FLOOR<br>NEW YORK, NY 10106              |               | X         |         |       |

## Signatures

/s/ Jay Schoenfarber, Attorney-in-Fact for Quantum Industrial Partners  
LDC

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.

These securities are held for the account 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.

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.