

KAIROUZ HABIB  
Form 4  
September 09, 2011

**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 \*  
RHO Ventures VI LP

(Last) (First) (Middle)

152 WEST 57TH STREET, 23RD FLOOR,

(Street)

NEW YORK, NY 10019

(City) (State) (Zip)

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

3. Date of Earliest Transaction (Month/Day/Year)  
09/07/2011

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

6. Individual or Joint/Group Filing(Check Applicable Line)  
 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	09/07/2011		A		2,777,777	A	\$ 1.8
					11,601,306	I	(1) (2) (3)

See Footnotes (1) (2) (3)

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)**

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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)	8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Own Follo Repo Trans (Instr
				Code V (A) (D)		Date Exercisable Expiration Date	Title Number of Shares		

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
RHO Ventures VI LP 152 WEST 57TH STREET, 23RD FLOOR NEW YORK, NY 10019	X	X		
RMV VI, L.L.C. 152 WEST 57TH STREET, 23RD FLOOR NEW YORK, NY 10019	X	X		
RUCH JOSHUA 152 WEST 57TH STREET, 23RD FLOOR NEW YORK, NY 10019	X	X		
KAIROUZ HABIB 152 WEST 57TH STREET, 23RD FLOOR NEW YORK, NY 10019	X	X		
LESCHLY MARK C/O RHO CAPITAL PARTNERS, INC. 152 WEST 57TH STREET, 23RD FLOOR NEW YORK, NY 10019	X	X		
Rho Capital Partners LLC 152 WEST 57TH STREET, 23RD FLOOR NEW YORK, NY 10019	X	X		

## Signatures

/s/ Jeffrey I. Martin,  
Attorney-in-fact 09/09/2011

\*\*Signature of Reporting Person Date

/ s/ Jeffrey I. Martin,  
Attorney-in-fact 09/09/2011

__Signature of Reporting Person	Date
s/ Jeffrey I. Martin Attorney-In-Fact	09/09/2011

__Signature of Reporting Person	Date
/s/ Jeffrey I. Martin Attorney-in-fact	09/09/2011

__Signature of Reporting Person	Date
/s/Jeffrey I. Martin, Attorney-in-fact	09/09/2011

__Signature of Reporting Person	Date
s/ Jeffrey I. Martin Atty In Fact	09/09/2011

__Signature of Reporting Person	Date
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## 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 reported shares (the "Shares") are owned directly by Rho Ventures VI, L.P. ("Rho Ventures"). RMV VI, L.L.C. ("RMV") is the general partner of Rho Ventures, Rho Capital Partners LLC ("Rho Capital Partners") is the managing member of RMV, and Mark Leschly, Habib Kairouz and Joshua Ruch are managing members of Rho Capital Partners. RMV disclaims beneficial ownership of the Shares, except to the extent of its pecuniary interest, if any, in the Shares by virtue of its general partner interest in Rho Ventures. Rho Capital Partners disclaims beneficial ownership of the Shares, except to the extent of its pecuniary interest, if any, in the Shares by virtue of its membership interest in RMV. (Continued to footnote 2)

(2) Each of Mark Leschly, Habib Kairouz and Joshua Ruch disclaims beneficial ownership of the Shares, except to the extent of his pecuniary interest, if any, in the Shares by virtue of his membership interest in Rho Capital Partners and, as applicable, direct or indirect limited partner interest in Rho Ventures. The reporting persons may be deemed to be members of a Section 13(d) group owning more than 10% of the issuer's outstanding common stock, based upon Rho Ventures being party to that certain Amended and Restated Voting Agreement, dated December 21, 2009. Pursuant to that agreement, Rho Ventures has certain rights, including the right to designate two representatives on the board of directors of the issuer and has designated Habib Kairouz as its representative. (Continued to footnote 3)

(3) The Shares reported in column 5 of Table I above do not include 1,875 shares beneficially owned and previously reported by Mr. Kairouz as a result of the vesting in full on February 2, 2011 of restricted stock granted to Mr. Kairouz in connection with his appointment as a member of the board of directors of the issuer on December 21, 2009.

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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