

KAIROUZ HABIB
Form 4
February 26, 2010

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)
02/25/2010

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)

See Remarks

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 Ownership (Instr. 4)
Common Stock	02/25/2010		A	V	6,037,192 \$ 1.7	I (1) (2)	See notes (1) (2)

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)

/s/ Jeffrey I. Martin, Authorized Signer	02/26/2010
**Signature of Reporting Person	Date
/s/ Jeffrey I. Martin, Authorized Signer	02/26/2010
**Signature of Reporting Person	Date
/s/ Jeffrey I. Martin, Authorized Signer	02/26/2010
**Signature of Reporting Person	Date
/s/ Jeffrey I. Martin, Authorized Signer	02/26/2010
**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 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.

Remarks:

* On behalf of Rho Ventures, RMV, Rho Capital Partners, Mark Leschly, Habib Kairouz and Joshua Ruch.

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.