

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 *
SFM DOMESTIC INVESTMENTS LLC

(Last) (First) (Middle)

888 SEVENTH AVENUE, 33RD FLOOR

(Street)

NEW YORK, NY 10106

(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 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 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	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)
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(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8)	Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Series D Convertible Preferred Stock	\$ 0.76 ⁽¹⁾	06/24/2005	S ⁽²⁾				73.4		⁽³⁾	⁽³⁾	Common Stock	96,579 ⁽⁴⁾
Series F Convertible Preferred Stock	\$ 2.32 ⁽⁵⁾	06/24/2005	P ⁽²⁾				95.4		⁽³⁾	⁽³⁾	Common Stock	41,121 ⁽⁶⁾

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SFM DOMESTIC INVESTMENTS LLC 888 SEVENTH AVENUE 33RD FLOOR NEW YORK, NY 10106		X		

Signatures

Jay Schoenfarber, as
Attorney-in-Fact

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) 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.

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- (6) 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.

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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