

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	A	See notes (1) (2)
					\$ 1.7		
					8,823,529	I (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)

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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
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Date Exercisable	Expiration Date	Title	Amount or Number of Shares
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Code V (A) (D)

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		See Remarks
Rho Capital Partners LLC 152 WEST 57TH STREET, 23RD FLOOR NEW YORK, NY 10019	X	X		See Remarks
RMV VI, L.L.C. 152 WEST 57TH STREET, 23RD FLOOR NEW YORK, NY 10019	X	X		See Remarks
RUCH JOSHUA 152 WEST 57TH STREET, 23RD FLOOR NEW YORK, NY 10019	X	X		See Remarks
KAIROUZ HABIB 152 WEST 57TH STREET, 23RD FLOOR NEW YORK, NY 10019	X	X		See Remarks
LESCHLY MARK 152 WEST 57TH STREET, 23RD FLOOR NEW YORK, NY 10019	X	X		See Remarks

Signatures

/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

/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.

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