

BLUEFLY INC

Form 4

October 02, 2007

FORM 4
UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

OMB APPROVAL

OMB
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(Print or Type Responses)

1. Name and Address of Reporting Person *
PAYNER MELISSA

(Last) (First) (Middle)

C/O BLUEFLY, INC., 42 WEST
39TH STREET

(Street)

NEW YORK, NY 10018

(City) (State) (Zip)

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

3. Date of Earliest Transaction
(Month/Day/Year)
10/01/2007

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)

Chief Executive Officer

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)
Common Stock	10/01/2007		M	(A) or (D) Amount 1,400,611 (1)	Price \$ 0	1,991,867	D
Common Stock	10/01/2007		F	(A) or (D) Amount 660,388 (2)	\$ 0.92	1,331,479	D

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

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(9-02)

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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
Deferred Stock Units	\$ 0	10/01/2007		M		1,400,611		<u>(3)</u>	<u>(4)</u>	Common Stock	1,400,611

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
PAYNER MELISSA C/O BLUEFLY, INC. 42 WEST 39TH STEET NEW YORK,, NY 10018	X Chief Executive Officer

Signatures

/s/ Melissa
Payner-Gregor 10/01/2007
 **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) Represents shares of Common Stock distributed in respect of Deferred Stock Units ("DSUs") on October 1, 2007.
- (2) Represents shares of Common Stock retained by Bluefly, Inc. for tax withholding purposes in connection with the distribution of shares of Common Stock in respect of DSUs.
 On November 13, 2006, the reporting person was granted 4,201,832 DSUs under the Bluefly Inc. 2005 Stock Incentive Plan. Such DSUs vest as follows: (i) one-third vest in four equal quarterly installments commencing on October 1, 2006 (the "One-Year DSUs"), (ii) one-third vest in eight equal quarterly installments commencing on October 1, 2006 (the "Two-Year DSUs") and (iii) one-third vest in twelve equal quarterly installments commencing on October 1, 2006 (the "Three-Year DSUs"). The shares of Common Stock underlying such DSUs are generally distributable on the following dates: (i) with respect to the One-Year DSUs only, October 1, 2007, (ii) with respect to the Two-Year DSUs only, October 1, 2008 and (iii) with respect to the Three-Year DSUs only, October 1, 2009.
- (4) Not applicable.

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.