

Gallagher James G  
 Form 3  
 December 04, 2012

**FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

OMB APPROVAL

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**INITIAL STATEMENT OF 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 * |         | 2. Date of Event Requiring Statement | 3. Issuer Name <b>and</b> Ticker or Trading Symbol                         |  |
| Gallagher James G                         |         | (Month/Day/Year)                     | BLUEFLY INC [BFLY]   |  |
| (Last)                                    | (First) | (Middle)                             | 11/30/2012   |  |
| C/O BLUEFLY, INC., 42                     |         |                                      | 4. Relationship of Reporting Person(s) to Issuer                           | 5. If Amendment, Date Original Filed(Month/Day/Year)                   |
| WEST 39TH STREET                          |         |                                      |  |  |
| (Street)                                  |         |                                      | (Check all applicable)   |  |
| NEW YORK, NY 10018                        |         |                                      | <input type="checkbox"/> Director <input type="checkbox"/> 10% Owner       | 6. Individual or Joint/Group Filing(Check Applicable Line)             |
| (City)                                    | (State) | (Zip)                                | <input checked="" type="checkbox"/> Officer <input type="checkbox"/> Other | <input checked="" type="checkbox"/> Form filed by One Reporting Person |
|   |         |                                      | (give title below) (specify below)   | <input type="checkbox"/> Form filed by More than One Reporting Person  |
|   |         |                                      | Chief Financial Officer  |  |

**Table I - Non-Derivative Securities Beneficially Owned**

|                                    |  |   |  |
|------------------------------------|--|---|--|
| 1. Title of Security<br>(Instr. 4) | 2. Amount of Securities Beneficially Owned<br>(Instr. 4) | 3. Ownership Form:<br>Direct (D)<br>or Indirect (I)<br>(Instr. 5) | 4. Nature of Indirect Beneficial Ownership<br>(Instr. 5) |
|------------------------------------|--|---|--|

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

SEC 1473 (7-02)

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**Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

|   |   |  |  |  |  |
|---|---|--|--|--|--|
| 1. Title of Derivative Security<br>(Instr. 4) | 2. Date Exercisable and Expiration Date<br>(Month/Day/Year) | 3. Title and Amount of Securities Underlying Derivative Security<br>(Instr. 4) | 4. Conversion or Exercise Price of Derivative Security | 5. Ownership Form of Derivative Security:<br>Direct (D)<br>or Indirect (I) | 6. Nature of Indirect Beneficial Ownership<br>(Instr. 5) |
|   | Date Exercisable      Expiration Date                       | Title      Amount or Number of Shares  |  |  |  |

(Instr. 5)

|                             |       |            |              |         |         |   |   |
|-----------------------------|-------|------------|--------------|---------|---------|---|---|
| Stock Option (Right to Buy) | Â (1) | 11/30/2022 | Common Stock | 400,000 | \$ 0.74 | D | Â |
|-----------------------------|-------|------------|--------------|---------|---------|---|---|

## Reporting Owners

| Reporting Owner Name / Address   | Relationships |           |                           |       |
|--|---------------|-----------|---------------------------|-------|
|  | Director      | 10% Owner | Officer                   | Other |
| Gallagher James G<br>C/O BLUEFLY, INC.<br>42 WEST 39TH STREET<br>NEW YORK,, NY 10018 | Â             | Â         | Â Chief Financial Officer | Â     |

## Signatures

|                        |            |
|------------------------|------------|
| /s/ James<br>Gallagher | 12/04/2012 |
|------------------------|------------|

|                                    |      |
|------------------------------------|------|
| **Signature of<br>Reporting Person | Date |
|------------------------------------|------|

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 5(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).

The Stock Options vest with respect to 50,000 shares on the six-month anniversary of the date of grant, and vest with respect to the remainder of the shares in 42 equal monthly installments, with the first such installment vesting on the seven-month anniversary of the date of grant. Notwithstanding the foregoing, in the event a Change of Control (as defined in Mr. Gallagher's Employment Agreement) occurs during the term of Mr. Gallagher's employment, one half of any unvested stock options that have not vested as of the date of such Change of Control shall be deemed fully vested as of such date, and the remaining unvested stock options shall vest on the earlier of (a) the scheduled vesting date or (b) 12 months from the date of such Change of Control, subject, in each case, to Mr. Gallagher's continued employment with the Company as of such date.

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.