

Edgar Filing: BLUEFLY INC - Form SC 13D/A

BLUEFLY INC
Form SC 13D/A
June 03, 2002

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

SCHEDULE 13D

Under the Securities Exchange Act of 1934
(Amendment No. 13)*

BLUEFLY, INC.

(Name of Issuer)

Common Stock, Par Value \$0.01 Per Share

(Title of Class of Securities)

096227103

(CUSIP Number)

Stephen M. Vine, Esq.
Akin, Gump, Strauss, Hauer & Feld, L.L.P.
590 Madison Avenue
New York, New York 10022
(212) 872-1000

(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

June 1, 2002

(Date of Event which Requires Filing
of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of ss.ss.240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box. []

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. Seess.240.13d-7 for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

Continued on following pages

Edgar Filing: BLUEFLY INC - Form SC 13D/A

Page 1 of 12 Pages

SCHEDULE 13D

CUSIP No. 096227103

Page 2 of 12 Pages

- 1 Names of Reporting Persons
I.R.S. Identification Nos. of above persons (entities only).

QUANTUM INDUSTRIAL PARTNERS LDC
- 2 Check the Appropriate Box If a Member of a Group (See Instructions)
a.
b.
- 3 SEC Use Only
- 4 Source of Funds (See Instructions)

Not Applicable
- 5 Check If Disclosure of Legal Proceedings Is Required Pursuant to Items
2(d) or 2(e)
- 6 Citizenship or Place of Organization

Cayman Islands
- | | | |
|--|----|--------------------------------------|
| Number of
Shares
Beneficially
Owned By
Each
Reporting
Person
With | 7 | Sole Voting Power
22,825,650 |
| | 8 | Shared Voting Power
0 |
| | 9 | Sole Dispositive Power
22,825,650 |
| | 10 | Shared Dispositive Power
0 |
- 11 Aggregate Amount Beneficially Owned by Each Reporting Person

22,825,650
- 12 Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See
Instructions)
- 13 Percent of Class Represented By Amount in Row (11)

81.72%
- 14 Type of Reporting Person (See Instructions)

OO; IV

Edgar Filing: BLUEFLY INC - Form SC 13D/A

SCHEDULE 13D

CUSIP No. 096227103

Page 3 of 12 Pages

- 1 Names of Reporting Persons
I.R.S. Identification Nos. of above persons (entities only).

QIH MANAGEMENT INVESTOR, L.P.
- 2 Check the Appropriate Box If a Member of a Group (See Instructions)
a.
b.
- 3 SEC Use Only
- 4 Source of Funds (See Instructions)

Not Applicable
- 5 Check Box If Disclosure of Legal Proceedings Is Required Pursuant to
Items 2(d) or 2(e)
- 6 Citizenship or Place of Organization

Delaware
- | | | |
|--|----|--------------------------------------|
| Number of
Shares
Beneficially
Owned By
Each
Reporting
Person
With | 7 | Sole Voting Power
22,825,650 |
| | 8 | Shared Voting Power
0 |
| | 9 | Sole Dispositive Power
22,825,650 |
| | 10 | Shared Dispositive Power
0 |
- 11 Aggregate Amount Beneficially Owned by Each Reporting Person

22,825,650
- 12 Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See
Instructions)
- 13 Percent of Class Represented By Amount in Row (11)

81.72%
- 14 Type of Reporting Person (See Instructions)

PN; IA

Edgar Filing: BLUEFLY INC - Form SC 13D/A

SCHEDULE 13D

CUSIP No. 096227103

Page 4 of 12 Pages

- 1 Names of Reporting Persons
I.R.S. Identification Nos. of above persons (entities only).

QIH MANAGEMENT, INC.
- 2 Check the Appropriate Box If a Member of a Group (See Instructions)
a.
b.
- 3 SEC Use Only
- 4 Source of Funds (See Instructions)

Not Applicable
- 5 Check If Disclosure of Legal Proceedings Is Required Pursuant to Items
2(d) or 2(e)
- 6 Citizenship or Place of Organization

Delaware
- | | | |
|--|----|--------------------------------------|
| Number of
Shares
Beneficially
Owned By
Each
Reporting
Person
With | 7 | Sole Voting Power
22,825,650 |
| | 8 | Shared Voting Power
0 |
| | 9 | Sole Dispositive Power
22,825,650 |
| | 10 | Shared Dispositive Power
0 |
- 11 Aggregate Amount Beneficially Owned by Each Reporting Person

22,825,650
- 12 Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See
Instructions)
- 13 Percent of Class Represented By Amount in Row (11)

81.72%
- 14 Type of Reporting Person (See Instructions)

CO

SCHEDULE 13D

Edgar Filing: BLUEFLY INC - Form SC 13D/A

CUSIP No. 096227103

Page 5 of 12 Pages

- 1 Names of Reporting Persons
I.R.S. Identification Nos. of above persons (entities only).

SOROS FUND MANAGEMENT LLC
- 2 Check the Appropriate Box If a Member of a Group (See Instructions)
a.
b.
- 3 SEC Use Only
- 4 Source of Funds (See Instructions)

Not Applicable
- 5 Check If Disclosure of Legal Proceedings Is Required Pursuant to Items
2(d) or 2(e)
- 6 Citizenship or Place of Organization

Delaware
- | | | |
|--|----|--------------------------------------|
| Number of
Shares
Beneficially
Owned By
Each
Reporting
Person
With | 7 | Sole Voting Power
22,825,650 |
| | 8 | Shared Voting Power
0 |
| | 9 | Sole Dispositive Power
22,825,650 |
| | 10 | Shared Dispositive Power
0 |
- 11 Aggregate Amount Beneficially Owned by Each Reporting Person

22,825,650
- 12 Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See
Instructions)
- 13 Percent of Class Represented By Amount in Row (11)

81.72%
- 14 Type of Reporting Person (See Instructions)

OO; IA

SCHEDULE 13D

CUSIP No. 096227103

Page 6 of 12 Pages

- 1 Names of Reporting Persons

Edgar Filing: BLUEFLY INC - Form SC 13D/A

I.R.S. Identification Nos. of above persons (entities only).

SFM DOMESTIC INVESTMENTS LLC

2 Check the Appropriate Box If a Member of a Group (See Instructions)
a.
b.

3 SEC Use Only

4 Source of Funds (See Instructions)

Not Applicable

5 Check If Disclosure of Legal Proceedings Is Required Pursuant to Items
2(d) or 2(e)

6 Citizenship or Place of Organization

Delaware

Number of Shares Beneficially Owned By Each Reporting Person With	7	Sole Voting Power 746,885
	8	Shared Voting Power 0
	9	Sole Dispositive Power 746,885
	10	Shared Dispositive Power 0

11 Aggregate Amount Beneficially Owned by Each Reporting Person
746,885

12 Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See
Instructions)

13 Percent of Class Represented By Amount in Row (11)
6.81%

14 Type of Reporting Person (See Instructions)
OO

SCHEDULE 13D

CUSIP No. 096227103

Page 7 of 12 Pages

1 Names of Reporting Persons
I.R.S. Identification Nos. of above persons (entities only).

Edgar Filing: BLUEFLY INC - Form SC 13D/A

GEORGE SOROS (in the capacity described herein)

2 Check the Appropriate Box If a Member of a Group (See Instructions)
a. []
b. [X]

3 SEC Use Only

4 Source of Funds (See Instructions)

Not Applicable

5 Check If Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) []

6 Citizenship or Place of Organization

United States

7 Sole Voting Power 23,572,535
8 Shared Voting Power 0
9 Sole Dispositive Power 23,572,535
10 Shared Dispositive Power 0

11 Aggregate Amount Beneficially Owned by Each Reporting Person 23,572,535

12 Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) []

13 Percent of Class Represented By Amount in Row (11) 82.70%

14 Type of Reporting Person (See Instructions)

IA

This Amendment No. 13 to Schedule 13D relates to shares of Common Stock, \$0.01 par value per share (the "Shares"), of Bluefly, Inc. (the "Issuer"). This Amendment No. 13 supplementally amends the initial statement on Schedule 13D, dated August 6, 1999, and all amendments thereto (collectively, the "Initial Statement"), filed by the Reporting Persons (as defined herein). This Amendment No. 13 is being filed by the Reporting Persons to report, among other things, certain adjustments to the numbers and percentages of Shares that QIP (as defined herein), SFM Domestic Investments (as defined herein) and certain other Reporting Persons may be deemed to beneficially own. These adjustments reflect (1) the effect of anti-dilution adjustments triggered by the purchase of Shares and warrants to purchase Shares pursuant to the Purchase

Edgar Filing: BLUEFLY INC - Form SC 13D/A

Agreement (as defined herein) and (2) that the Issuer has not, as of the date hereof, issued Shares or warrants to purchase Shares pursuant to the Purchase Agreement other than to QIP and SFM Domestic Investments. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Initial Statement. The Initial Statement is supplementally amended as follows.

Item 2. Identity and Background

This Statement is being filed on behalf of each of the following persons (collectively, the "Reporting Persons"):

- (i) Quantum Industrial Partners LDC ("QIP");
- (ii) QIH Management Investor, L.P. ("QIHMI");
- (iii) QIH Management, Inc. ("QIH Management");
- (iv) Soros Fund Management LLC ("SFM LLC");
- (v) SFM Domestic Investments LLC ("SFM Domestic Investments"); and
- (vi) Mr. George Soros ("Mr. Soros").

This Statement relates to the Shares held for the accounts of QIP and SFM Domestic Investments.

Item 5. Interest in Securities of the Issuer

The text of Item 5 included in Schedule 13D Amendment No. 12 is deleted in its entirety and is replaced with the following:

(a) (i) Each of QIP, QIHMI, QIH Management and SFM LLC may be deemed the beneficial owner of 22,825,650 Shares (approximately 81.72% of the total number of Shares outstanding assuming the exercise and conversion of all of the securities held for the account of QIP). This number consists of A) 5,287,082 Shares, B) 3,806,923 Shares issuable upon the conversion of 445,410 shares of Series A Preferred Stock, C) 12,829,524 Shares issuable upon the conversion of 8,607,843 shares of Series B Preferred Stock, D) 363,113 Shares issuable upon the exercise of warrants held for the account of QIP, E) 96,830 Shares issuable upon the exercise of Warrant No. 11 held for the account of QIP, F) 58,098 Shares issuable upon the exercise of Warrant No. 13 held for the account of QIP, G) 96,830 Shares issuable upon the exercise of Warrant No. 15 held for the account of QIP, and H) 287,250 Shares issuable upon the exercise of Warrant No. 17 held for the account of QIP.

(ii) SFM Domestic Investments may be deemed the beneficial owner of 746,885 Shares (approximately 6.81% of the total number of Shares outstanding assuming the exercise and conversion of all of the securities held for its account). This number consists of A) 172,995 Shares, B) 124,701 Shares issuable upon the conversion of 14,590 shares of Series A

Page 9 of 12 Pages

Preferred Stock held for its account, C) 419,666 Shares issuable upon the conversion of 281,571 shares of Series B Preferred Stock held for its account, D) 11,887 Shares issuable upon the exercise of warrants held for its account, E) 3,170 Shares issuable upon the exercise of Warrant No. 12 held for its account,

Edgar Filing: BLUEFLY INC - Form SC 13D/A

F) 1,902 Shares issuable upon the exercise of Warrant No. 14 held for its account, G) 3,170 Shares issuable upon the exercise of Warrant No. 16 held for its account, and H) 9,394 Shares issuable upon the exercise of Warrant No. 18 held for its account.

(iii) Mr. Soros may be deemed the beneficial owner of 23,572,535 Shares (approximately 82.70% of the total number of Shares outstanding assuming the exercise and conversion of all of the securities held for the accounts of QIP and SFM Domestic Investments). This number consists of A) 5,287,082 Shares held for the account of QIP, B) 3,806,923 Shares issuable upon the conversion of 445,410 shares of Series A Preferred Stock held for the account of QIP, C) 12,829,524 Shares issuable upon the conversion of 8,607,843 shares of Series B Preferred Stock held for the account of QIP, D) 363,113 Shares issuable upon the exercise of warrants held for the account of QIP, E) 96,830 Shares issuable upon the exercise of Warrant No. 11 held for the account of QIP, F) 58,098 Shares issuable upon the exercise of Warrant No. 13 held for the account of QIP, G) 96,830 Shares issuable upon the exercise of Warrant No. 15 held for the account of QIP, H) 287,250 Shares issuable upon the exercise of Warrant No. 17 held for the account of QIP, I) 172,995 Shares held for the account of SFM Domestic Investments, J) 124,701 Shares issuable upon the conversion of 14,590 shares of Series A Preferred Stock held for the account of SFM Domestic Investments, K) 419,666 Shares issuable upon the conversion of 281,571 shares of Series B Preferred Stock held for the account of SFM Domestic Investments, L) 11,887 Shares issuable upon the exercise of warrants held for the account of SFM Domestic Investments, M) 3,170 Shares issuable upon the exercise of the Warrant No. 12 held for the account of SFM Domestic Investments, N) 1,902 Shares issuable upon the exercise of Warrant No. 14 held for the account of SFM Domestic Investments, O) 3,170 Shares issuable upon the exercise of the Warrant No. 16 held for the account of SFM Domestic Investments, and P) 9,394 Shares issuable upon the exercise of Warrant No. 18 held for the account of SFM Domestic Investments.

(b) (i) Each of QIP, QIHMI, QIH Management and SFM LLC (by virtue of the QIP contract) may be deemed to have the sole power to direct the voting and disposition of the 22,825,650 Shares held for the account of QIP (assuming the conversion of all of the Series A Preferred Stock and the Series B Preferred Stock, and the exercise of the warrants and Warrant No. 11, Warrant No. 13, Warrant No. 15 and Warrant No. 17 held for the account of QIP).

(ii) SFM Domestic Investments may be deemed to have the sole power to direct the voting and disposition of the 746,885 Shares held for its account (assuming the conversion of all of the Series A Preferred Stock and the Series B Preferred Stock, and the exercise of the warrants and Warrant No. 12, Warrant No. 14, Warrant No. 16 and Warrant No. 18 held for its account).

(iii) Mr. Soros (as a result of his position with SFM LLC and in his capacity as the sole managing member of SFM Domestic Investments) may be deemed to have the sole power to direct the voting and disposition of 23,572,535 Shares held for the accounts of QIP and SFM Domestic Investments. This number consists of A) 22,825,650 Shares held for the account of QIP (assuming the conversion of all of the Series A Preferred Stock and the Series B Preferred Stock, and the exercise of the warrants and Warrant No. 11, Warrant No. 13, Warrant No. 15 and Warrant No. 17 held for the account of QIP) and B) 746,885 Shares held for the account of SFM Domestic Investments (assuming the conversion of all of the Series A Preferred Stock and the Series B Preferred Stock, and the exercise of the warrants and Warrant No. 12, Warrant No. 14, Warrant No. 16 and Warrant No. 18 held for the account of SFM Domestic Investments).

Edgar Filing: BLUEFLY INC - Form SC 13D/A

(c) Except for the transactions described in Item 6 below, which were effected in a privately negotiated transaction, there have been no transactions effected with respect to the Shares since the date of the last filing on Schedule 13D by any of the Reporting Persons.

(d) (i) The shareholders of QIP, including Quantum Industrial Holdings, Ltd., a British Virgin Islands international business company, have the right to participate in the receipt of dividends from, or proceeds from the sales of, the securities held for the account of QIP in accordance with their ownership interests in QIP.

(ii) Certain members of SFM Domestic Investments have the right to participate in the receipt of dividends from, or proceeds from the sale of, the securities held for the account of SFM Domestic Investments.

(e) Not applicable.

The foregoing reflects adjustments made to the numbers and percentages previously reported in Schedule 13D Amendment No. 12 to reflect (1) the effect of anti-dilution adjustments triggered by the purchase of Shares and warrants to purchase Shares and (2) that the Issuer has not, as of the date hereof, issued Shares or warrants to purchase Shares pursuant to the Purchase Agreement (as defined herein) other than to QIP and SFM Domestic Investments.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer

The text of Item 6 included in Schedule 13D Amendment No. 12 is deleted in its entirety and is replaced with the following:

On May 24, 2002, the Issuer entered into a Common Stock and Warrant Purchase Agreement (the "Purchase Agreement") with certain investors of the Issuer, including QIP and SFM Domestic Investments (a copy of which was previously filed as Exhibit DDD to Schedule 13D Amendment No. 12 and is incorporated herein by reference in response to this Item 6). Pursuant to the Purchase Agreement, QIP purchased 1,148,998 Shares for an aggregate purchase price of \$1,803,926.75 and SFM Domestic Investments purchased 37,575 Shares for an aggregate purchase price of \$58,992.75. Also pursuant to the Purchase Agreement, QIP purchased warrants ("Warrant No. 17") to subscribe for and purchase up to 287,250 Shares for an aggregate purchase price of \$35,906.25 and SFM Domestic Investments purchased warrants ("Warrant No. 18") to subscribe for and purchase up to 9,394 Shares for an aggregate purchase price of \$1,174.25. Warrant No. 17 and Warrant No. 18 are exercisable at any time after May 24, 2002 at a price per share equal to \$1.88. A copy of the form of Warrants No. 17 and No. 18 is contained in Exhibit A to the Purchase Agreement (a copy of which was previously filed as Exhibit DDD to Schedule 13D Amendment No. 12 and is incorporated herein by reference in response to this Item 6).

The Purchase Agreement requires the Issuer to file within 45 days, and to use commercially reasonable efforts to cause to be declared effective within 90 days, a registration statement under the Securities Act of 1933, as amended, covering the Shares (as defined in the Purchase Agreement) and the Warrant Shares (as defined in the Purchase Agreement) purchased pursuant to the Purchase Agreement.

In addition, with respect to the issuance of any additional Shares or securities of the Issuer convertible into Shares in connection with the Standby Commitment (a copy of which was

Edgar Filing: BLUEFLY INC - Form SC 13D/A

previously filed as Exhibit YY to Schedule 13D Amendment No. 11 and is incorporated herein by reference in response to this Item 6), QIP and SFM Domestic Investments have agreed with the Issuer to waive the anti-dilution provisions contained in Section 5.8.6. of the Issuer's Certificate of Incorporation (a copy of which was previously filed as Exhibit RR to Schedule 13D Amendment No. 8 and is incorporated herein by reference in response to this Item 6), but only if there are no purchasers of securities in such financing other than QIP and SFM Domestic Investments or their respective affiliates.

The foregoing descriptions of the Purchase Agreement, Warrant No. 17, Warrant No. 18, the Standby Commitment and the Certificate of Incorporation do not purport to be complete and are qualified in their entirety by the terms of those documents, each of which is incorporated herein by reference.

Except as set forth herein, the Reporting Persons do not have any contracts, arrangements, understandings or relationships with respect to any securities of the Issuer.

Page 12 of 12 Pages

SIGNATURES

After reasonable inquiry and to the best of my knowledge and belief, the undersigned certifies that the information set forth in this Statement is true, complete and correct.

Date: June 3, 2002

QUANTUM INDUSTRIAL PARTNERS LDC

By: /s/ Richard D. Holahan, Jr.

Richard D. Holahan, Jr.
Attorney-in-Fact

QIH MANAGEMENT INVESTOR, L.P.

By: QIH Management, Inc.,
its General Partner

By: /s/ Richard D. Holahan, Jr.

Richard D. Holahan, Jr.
Vice President

QIH MANAGEMENT, INC.

By: /s/ Richard D. Holahan, Jr.

Richard D. Holahan, Jr.
Vice President

SOROS FUND MANAGEMENT LLC

Edgar Filing: BLUEFLY INC - Form SC 13D/A

By: /s/ Richard D. Holahan, Jr.

Richard D. Holahan, Jr.
Assistant General Counsel

SFM DOMESTIC INVESTMENTS LLC

By: George Soros
Its Managing Member

By: /s/ Richard D. Holahan, Jr.

Richard D. Holahan, Jr.
Attorney-in-Fact

GEORGE SOROS

By: /s/ Richard D. Holahan, Jr.

Richard D. Holahan, Jr.
Attorney-in-Fact