

BLUE HOLDINGS, INC.
Form 4
May 28, 2008

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 *
Guez Elizabeth

(Last) (First) (Middle)

C/O BLUE HOLDINGS, INC., 5804
E. SLAUSON AVENUE

(Street)

COMMERCE, CA 90040

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
BLUE HOLDINGS, INC. [BLUE]

3. Date of Earliest Transaction
(Month/Day/Year)
05/23/2008

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 Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| Common Stock | | | | | 3,758,500 | D ⁽¹⁾ | |
| Common Stock | 05/23/2008 | | J ⁽²⁾ | 1,750,000 A | \$ 0.8 17,778,757 | I ^{(2) (3)} | By Paul Guez, Spouse |
| Common Stock | | | | | 117,382 | I ⁽⁴⁾ | By Paul and Beth Guez Living Trust |

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

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(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 (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. Number of Derivative Securities Beneficially Owned (Instr. 5) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|--|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| Guez Elizabeth C/O BLUE HOLDINGS, INC. 5804 E. SLAUSON AVENUE COMMERCE, CA 90040 | | X | | |

Signatures

/s/ Elizabeth Guez 05/28/2008

**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) Includes 1,750,000 shares jointly held by the Reporting Person and the Reporting Person's spouse.
- (2) On May 23, 2008 the Reporting Person's spouse rescinded the sale of 1,750,000 shares of common stock which originally occurred on May 9, 2008.
- (3) The Reporting Person may be deemed to beneficially own 16,028,757 of the shares directly held by the Reporting Person's spouse, but disclaims beneficial ownership in such securities, except to the extent of the Reporting Person's pecuniary interest therein.
- (4) Each of the Reporting Person and Paul Guez are Co-Trustees of the Living Trust and have voting and dispositive control of the securities held by the Trust and accordingly may be deemed to beneficially own such securities. The Reporting Person disclaims beneficial ownership of such securities, except to the extent of the Reporting Person's pecuniary interest therein.

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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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