

BLUE HOLDINGS, INC.

Form 5

April 29, 2008

**FORM 5****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).Form 3 Holdings  
Reported

Form 4

Transactions

Reported

**ANNUAL 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  
Number: 3235-0362Expires: January 31,  
2005Estimated average  
burden hours per  
response... 1.01. Name and Address of Reporting Person \*  
**FREEMAN GARY**

(Last)

(First)

(Middle)

2. Issuer Name **and** Ticker or Trading  
Symbol  
**BLUE HOLDINGS, INC. [BLUE]**3. Statement for Issuer's Fiscal Year Ended  
(Month/Day/Year)  
**12/31/2007**5. Relationship of Reporting Person(s) to  
Issuer

(Check all applicable)

☒ Director☐ 10% Owner☐ Officer (give title  
below)☐ Other (specify  
below)**C/O BLUE HOLDINGS,  
INC., 5804 EAST SLAUSON  
AVENUE**

(Street)

4. If Amendment, Date Original  
Filed(Month/Day/Year)

6. Individual or Joint/Group Reporting

(check applicable line)

**COMMERCE, CA 90040**

(City)

(State)

(Zip)

☒ 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) (A) or Amount (D) Price	5. Amount of Securities Beneficially Owned at end of Issuer's Fiscal Year (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
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Reminder: Report on a separate line for each class of  
securities beneficially owned directly or indirectly.**Persons who respond to the collection of information  
contained in this form are not required to respond unless  
the form displays a currently valid OMB control number.**SEC 2270  
(9-02)**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned  
(e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative	2. Conversion	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if	4. Transaction	5. Number of Derivative	6. Date Exercisable and Expiration Date	7. Title and Amount of Underlying Securities
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Security (Instr. 3)	or Exercise Price of Derivative Security		any (Month/Day/Year)	Code (Instr. 8)	Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	(Month/Day/Year)		(Instr. 3 and 4)		
					(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Option to Purchase Common Stock	\$ 1.98	05/08/2007	Â	A4	75,000	Â	Â <u>(1)</u>	05/07/2017	Common Stock	75,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
FREEMAN GARY C/O BLUE HOLDINGS, INC. 5804 EAST SLAUSON AVENUE COMMERCE,Â CAAÂ 90040	Â X	Â	Â	Â

## Signatures

/s/ Gary  
Freeman 04/29/2008

\_\_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) The options vest as follows: 1/3 on the date of grant and the remaining 2/3 in equal annual installments over the next two years.

Note: File three copies of this Form, one of which must be manually signed. If space provided 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.