

BIODELIVERY SCIENCES INTERNATIONAL INC  
 Form 4  
 March 15, 2007

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
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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 \*  
 Finn Andrew L

2. Issuer Name and Ticker or Trading Symbol  
 BIODELIVERY SCIENCES INTERNATIONAL INC [BDSI]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
 C/O ARIUS PHARMACEUTICALS, INC., 3100 STONE GAP COURT

3. Date of Earliest Transaction (Month/Day/Year)  
 03/13/2007

\_\_\_\_ Director  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
 Executive Vice President

(Street)  
 RALEIGH, NC 27612

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

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 Ownership (Instr. 4)
				(A) or (D)	Price		
				Code	V	Amount	

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

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SEC 1474 (9-02)

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

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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 Underlying Security (Instr. 3 and 4)		
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title
Series A Preferred	\$ 4.25 <sup>(1)</sup>	03/13/2007		D		797,414		<sup>(1)</sup>	<sup>(3)</sup>	Common Stock
Series C Preferred	\$ 4.25 <sup>(1)</sup>	03/13/2007		A		797,414		<sup>(1)</sup>	<sup>(3)</sup>	Common Stock
Options	\$ 2.94							07/28/2006	07/28/2016	Common Stock
Options	\$ 3.4							10/21/2006	10/21/2016	Common Stock

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Finn Andrew L C/O ARIUS PHARMACEUTICALS, INC. 3100 STONE GAP COURT RALEIGH, NC 27612			Executive Vice President	

## Signatures

/s/ Andrew L.  
Finn  
Date: 03/14/2007

\*\*Signature of Reporting Person

## 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).

- The sole purpose of the transactions reported herein is to report the exchange of shares of the Series A Preferred Stock of the Company for an equal number of shares of Series C Preferred Stock of the Company. The rights associated with the Series C Preferred Stock are identical to those associated with the Series A Preferred Stock in all material respects except that the Series C Preferred Stock has different terms of conversion into shares of the Company's common stock. Shares of Series C Preferred Stock are convertible into shares of the Company's common stock upon the earlier to occur of: (i) the public announcement by the Issuer of positive outcome of the Issuer's Phase III efficacy trial (FEN-201) for its BEMA Fentanyl product, with the term "positive outcome" meaning a statistically significant difference (p less than or equal to 0.05) in the primary efficacy endpoint comparing active to placebo; or (ii) August 24, 2009. For additional information see Item 7.01 and 8.01
- (1) of the Company's common stock upon the earlier to occur of: (i) the public announcement by the Issuer of positive outcome of the Issuer's Phase III efficacy trial (FEN-201) for its BEMA Fentanyl product, with the term "positive outcome" meaning a statistically significant difference (p less than or equal to 0.05) in the primary efficacy endpoint comparing active to placebo; or (ii) August 24, 2009. For additional information see Item 7.01 and 8.01
  - (2) The original issuance price of the Series A Preferred Stock is \$4.25. The Series A Preferred Stock was exchanged into the Series C Preferred Stock on a one for one basis.
  - (3) N/A

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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