

Finn Andrew L
Form 3
March 03, 2005

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

OMB APPROVAL

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

OMB
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(Print or Type Responses)

1. Name and Address of Reporting
Person *

Å Finn Andrew L

(Last) (First) (Middle)

C/O ARIUS
PHARMACEUTICALS,
INC., Å 3100 STONE GAP
COURT

(Street)

RALEIGH, Å NC Å 27612

(City) (State) (Zip)

2. Date of Event Requiring
Statement

(Month/Day/Year)
08/25/2004

3. Issuer Name **and** Ticker or Trading Symbol

BIODELIVERY SCIENCES INTERNATIONAL INC
[BDSI]

4. Relationship of Reporting
Person(s) to Issuer

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

(Check all applicable)

____ Director ____ 10% Owner
X Officer ____ Other
(give title below) (specify below)
Executive Vice President

6. Individual or Joint/Group
Filing(Check Applicable Line)
X Form filed by One Reporting
Person
____ Form filed by More than One
Reporting Person

Table I - Non-Derivative Securities Beneficially Owned

1. Title of Security
(Instr. 4)

2. Amount of Securities
Beneficially Owned
(Instr. 4)

3. Ownership
Form:
Direct (D)
or Indirect
(I)
(Instr. 5)

4. Nature of Indirect Beneficial
Ownership
(Instr. 5)

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

SEC 1473 (7-02)

**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.**

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

1. Title of Derivative Security
(Instr. 4)

2. Date Exercisable and
Expiration Date
(Month/Day/Year)

3. Title and Amount of
Securities Underlying
Derivative Security
(Instr. 4)

4. Conversion
or Exercise
Price of
Derivative

5. Ownership
Form of
Derivative
Security:

6. Nature of Indirect
Beneficial Ownership
(Instr. 5)

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| | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | Security | Direct (D) or Indirect (I) (Instr. 5) | |
|----------------------------|---------------------|--------------------|-----------------|----------------------------------|-------------|--|---|
| Series A Convertible Stock | Â (3) | Â (1) | Common Stock | 797,414 | \$ 4.25 (2) | D | Â |

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 | Â | Â | Â Executive Vice President | Â |

Signatures

Andrew L. Finn 08/25/2004

__Signature of Date
Reporting Person

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).

(1) Not Applicable

(2) One share of common stock for one share of preferred stock

The Series A Preferred will be convertible into shares of the Company's common stock (the "Common Stock") on a one for one basis. The Series A Preferred is eligible for conversion upon the earlier to occur of: (i) FDA approval of Arius' first proposed product (ii) 30 days notice to the Company of a Conversion Event (hereinafter defined) or (iii) five years from the closing date of the Transaction. The

(3) term "Conversion Event" is defined in the Certificate of Designation of the Series A Preferred to mean the failure of the Company to provide at least \$3,000,000 to Arius as required to: (i) pay Atrix Laboratories, Inc. ("Atrix") \$1,000,000 by August 24, 2004 pursuant to the terms of a license agreement between Arius and Atrix and (ii) fund, in a total amount of no less than \$2,000,000, the operations of Arius.

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.