

BIODELIVERY SCIENCES INTERNATIONAL INC

Form 3

August 31, 2006

FORM 3

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

OMB APPROVAL

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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

(Print or Type Responses)

| | | | | | |
|---|---------|----------|--------------------------------------|--|--|
| 1. Name and Address of Reporting Person * | | | 2. Date of Event Requiring Statement | 3. Issuer Name and Ticker or Trading Symbol | |
| Â ELLIOTT ASSOCIATES, L.P. | | | (Month/Day/Year) | BIODELIVERY SCIENCES INTERNATIONAL INC [BDSI] | |
| (Last) | (First) | (Middle) | 08/21/2006 | 4. Relationship of Reporting Person(s) to Issuer | 5. If Amendment, Date Original Filed(Month/Day/Year) |
| 712 FIFTH AVE | | | | (Check all applicable) | 6. Individual or Joint/Group Filing(Check Applicable Line) |
| (Street) | | | | <input type="checkbox"/> Director <input checked="" type="checkbox"/> 10% Owner | <input checked="" type="checkbox"/> Form filed by One Reporting Person |
| NEW YORK,Â NYÂ 10019 | | | | <input type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below) | <input type="checkbox"/> Form filed by More than One Reporting Person |
| (City) | (State) | (Zip) | | | |

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) |
|---------------------------------|---|--|---|
| Common Stock | 175,230 | I | See <u>(1)</u> |
| Common Stock | 2,000,000 | I | See <u>(2)</u> |

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

SEC 1473 (7-02)

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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 | 5. Ownership Form of Derivative | 6. Nature of Indirect Beneficial Ownership (Instr. 5) |
|--|--|---|------------------------------------|---------------------------------|---|
|--|--|---|------------------------------------|---------------------------------|---|

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| | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | Derivative Security | Security: Direct (D) or Indirect (I) (Instr. 5) | |
|---------------------------------------|------------------|-----------------|--------------|----------------------------|---------------------|---|---------|
| Stock Purchase Warrant (right to buy) | 02/15/2006 | Â (3) | Common Stock | 601,120 | \$ 2.91 | I | See (2) |
| Stock Purchase Warrant (right to buy) | 11/16/2006 | Â (4) | Common Stock | 904,000 | \$ 3 | I | See (2) |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| ELLIOTT ASSOCIATES, L.P. 712 FIFTH AVE NEW YORK, NY 10019 | Â | Â X | Â | Â |

Signatures

Elliot Greenberg, VP of Braxton Associates, Inc., as GP of Elliott Capital Advisors, L.P., as GP of Elliott Associates, L.P.

08/31/2006

__Signature of Reporting Person

Date

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) Elliott Associates, L.P. ("Elliott") indirectly owns 175,230 shares of Common Stock through its subsidiary, The Liverpool Limited Partnership, a Bermuda limited partnership.

- (2) Elliott, through its subsidiary, Manchester Securities Corp., a New York corporation, has an indirect pecuniary interest in the 2,000,000 shares of common stock and warrants exercisable for 1,505,120 shares of common stock, owned by CDC IV, LLC ("CDC IV"). Elliott owns a majority of the equity interest of CDC IV (but not a controlling interest), and therefore disclaims beneficial ownership of the reportable securities owned by CDC IV, and pursuant to Rule 16a-1(4) promulgated under the Securities Exchange Act of 1934, as amended, Elliott states that the filing of this Form 3 and the statements made herein shall not be deemed an admission that Elliott is the beneficial owner of any of the securities covered by this Form except to the extent of its pecuniary interest therein.

- (3) According to the Form 3 filed on June 12, 2006 by CDC IV and CDC Operations LLC, CDC IV's manager (the "CDC Form 3"), the warrant shall be void after the earlier of (i) the second anniversary after the approval of the first NDA approved by the FDA under that certain Clinical Development and License Agreement, dated July 14, 2005, by and between CDC IV, as successor in interest to Clinical Development Capital LLC, BioDelivery Sciences International, Inc. ("BDSI") and Arius Pharmaceuticals, Inc., (ii) the closing of the BDSI sale of all or substantially all of its assets or the acquisition of the company by another entity by means of merger or other transaction as a result of which stockholders of BDSI immediately prior to such acquisition possess a minority of the voting power of the acquiring entity immediately following the acquisition, or (iii) any liquidation or winding up of BDSI.

- (4) According to the CDC Form 3, the warrant shall be void after the earlier of: (i) November 16, 2011, (ii) the closing of the BDSI's sale of all or substantially all of its assets or the acquisition of the company by another entity by means of merger or other transaction as a result of which stockholders of BDSI immediately prior to such acquisition possess a minority of the voting power of the acquiring entity immediately following the acquisition, or (iii) any liquidation or winding up of BDSI.

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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