

BIODELIVERY SCIENCES INTERNATIONAL INC  
Form SC 13D/A  
September 01, 2006

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

**SCHEDULE 13D**

**Under the Securities Exchange Act of 1934**  
**(Amendment No. 2)<sup>1</sup>**

BIODELIVERY SCIENCES INTERNATIONAL, INC.

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(Name of Issuer)

Common Stock, \$0.001 par value per share

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(Title of Class of Securities)

09060J106

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(CUSIP Number)

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David R. Ramsay

CDC IV, LLC

47 Hulfish Street, Suite 310

Princeton, New Jersey 08542

609-683-8300

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(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

August 30, 2006

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(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box. "

**Note:** Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See §240.13d-7 for other parties to whom copies are to be sent.

<sup>1</sup> The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page. The information required on the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934 ( Act ) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, *see the Notes*).

**1 NAMES OF REPORTING PERSONS.**

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

CDC IV, LLC

**2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\***

- (a)
- (b)

**3 SEC USE ONLY**

**4 SOURCE OF FUNDS\* (SEE INSTRUCTIONS)**

AF

**5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)**

**6 CITIZENSHIP OR PLACE OF ORGANIZATION**

State of Delaware

**7 SOLE VOTING POWER**

NUMBER OF  
SHARES 0

**8 SHARED VOTING POWER**

BENEFICIALLY

OWNED BY 3,541,120

**9 SOLE DISPOSITIVE POWER**

EACH

REPORTING  
PERSON 0

**10 SHARED DISPOSITIVE POWER**

WITH

3,541,120

**11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON**

3,541,120 shares of common stock comprised of: (i) a warrant to purchase 601,120 shares of the Issuer's common stock, issued in February 2006; and (ii) 2,000,000 shares of the Issuer's common stock and a warrant to purchase 940,000 shares of the Issuer's common stock, issued in May, 2006.

**12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)\***

**13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)**

26.3%

**14 TYPE OF REPORTING PERSON\***

OO

1 NAMES OF REPORTING PERSONS.

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

CDC Operating LLC

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\*

- (a) ..
- (b) ..

3 SEC USE ONLY

4 SOURCE OF FUNDS\* (SEE INSTRUCTIONS)

AF

5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e) ..

6 CITIZENSHIP OR PLACE OF ORGANIZATION

State of Delaware

7 SOLE VOTING POWER

NUMBER OF SHARES 0

8 SHARED VOTING POWER

BENEFICIALLY

OWNED BY EACH 3,541,120

9 SOLE DISPOSITIVE POWER

REPORTING PERSON WITH 0

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14 TYPE OF REPORTING PERSON\*

OO

1 NAMES OF REPORTING PERSONS.

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

David R. Ramsay

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- (a) ..
- (b) ..

3 SEC USE ONLY

4 SOURCE OF FUNDS\* (SEE INSTRUCTIONS)

AF

5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e) ..

6 CITIZENSHIP OR PLACE OF ORGANIZATION

United States of America

7 SOLE VOTING POWER

NUMBER OF SHARES 0

8 SHARED VOTING POWER

BENEFICIALLY

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REPORTING PERSON 0

10 SHARED DISPOSITIVE POWER

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14 TYPE OF REPORTING PERSON\*

IN

**1 NAMES OF REPORTING PERSONS.**

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Argeris Karabelas

**2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\***

- (a)
- (b)

**3 SEC USE ONLY**

**4 SOURCE OF FUNDS\* (SEE INSTRUCTIONS)**

AF

**5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)**

**6 CITIZENSHIP OR PLACE OF ORGANIZATION**

United States of America

**7 SOLE VOTING POWER**

NUMBER OF  
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BENEFICIALLY

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PERSON 0

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26.3%

**14 TYPE OF REPORTING PERSON\***

IN

**1 NAMES OF REPORTING PERSONS.**

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Jan Leschly

**2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\***

- (a)
- (b)

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AF

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United States of America

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NUMBER OF  
SHARES 0

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**13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)**

26.3%

**14 TYPE OF REPORTING PERSON\***

IN

**EXPLANATORY NOTE**

This Amendment No. 2 to the Schedule 13D amends and supplements Items 4 and 7 of the Schedule 13D, filed June 12, 2006, by CDC IV, LLC, a Delaware limited liability company ( CDC IV ) relating to the Common Stock, \$0.001 par value per share, of BioDelivery Sciences International, Inc., a Delaware corporation (the Issuer ) and Amendment No. 1 to the Schedule 13D, filed August 22, 2006, by CDC IV relating to the Common Stock, \$0.001 par value per share, of Issuer.

**Item 4. Purpose of Transaction**

On August 30, 2006, CDC IV sent Issuer a Notice of Breach and Termination (the Notice ) advising Issuer of several material breaches by Issuer under the Clinical Development and License Agreement, dated as of July 14, 2005, among the Issuer, CDC IV, as successor in interest to Clinical Development Capital LLC, and Arius Pharmaceuticals, Inc., as amended (the CDLA ), and advising Issuer of CDC IV s termination of the CDLA. A copy of this Notice is attached hereto as Exhibit G.

Additionally, CDC IV sent a letter to the members of Issuer s Board of Directors (the Letter ) expressing CDC IV s continued belief in the potential of Issuer s BEMA Fentanyl product and, despite CDC IV s dissatisfaction with current operations and management and Issuers material breaches under the CDLA, CDC IV s willingness to provide further funding for such development, subject to a change in management. A copy of this Letter is attached hereto as Exhibit H.

**Item 7. Material to Be Filed as Exhibits**

<b>Exhibit</b>	<b>Name</b>
G	Notice of Breach and Termination, dated as of August 30, 2006, from CDC IV, LLC to BioDelivery Sciences International, Inc.
H	Letter from CDC IV, LLC to the Members of the Board of Directors of BioDelivery Sciences International, Inc., dated as of August 30, 2006



**SIGNATURE**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct. The undersigned hereby express our agreement that this Schedule 13D/A is filed on behalf of each of us pursuant to Rule 13d-1(k) under the Securities Exchange Act.

Dated: September 1, 2006

CDC IV, LLC

By: /s/ David R. Ramsay  
Name: David R. Ramsay  
Title: Authorized Signatory

Dated: September 1, 2006

CDC OPERATING LLC

By: /s/ David R. Ramsay  
Name: David R. Ramsay  
Title: Authorized Signatory

Dated: September 1, 2006

/s/ David R. Ramsay  
David R. Ramsay

Dated: September 1, 2006

/s/ Argeris Karabelas  
Argeris Karabelas

Dated: September 1, 2006

/s/ Jan Leschly  
Jan Leschly

**Attention: Intentional misstatements or omissions of fact constitute Federal criminal violations**

**(See 18 U.S.C. 1001)**