

ODonnell Kathleen M
Form 4
January 16, 2007

FORM 4

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).

**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

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(Print or Type Responses)

1. Name and Address of Reporting Person *
ODonnell Kathleen M

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)

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

01/10/2007

____ Director ____X____ 10% Owner
____ Officer (give title below) ____ Other (specify below)

C/O MCCABE &
O'DONNELL, 3101 NORTH
CENTRAL AVENUE, SUITE 700

(Street)

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

6. Individual or Joint/Group Filing(Check
Applicable Line)

__X__ Form filed by One Reporting Person
____ Form filed by More than One Reporting
Person

PHOENIX, AZ 85012

(City) (State) (Zip)

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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	01/10/2007		C		341,176	A	\$ 0 <u>(1)</u>	3,652,756	I	By HCG LLC <u>(2)</u>
Common Stock	01/10/2007		A		59,226 <u>(3)</u>	A	\$ 2.68	3,711,982	I	By HCG LLC <u>(2)</u>
Common Stock								167,500	I	Held by trust <u>(4)</u>
Common Stock								4,577	D	

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

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(9-02)

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

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 Amount of Underlying Securities (Instr. 3 and 4)	8. Pr Deriv Secur (Instr
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Warrants	\$ 6.3					06/24/2003	06/24/2007	Common Stock	5,000

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

O'Donnell Kathleen M
C/O MCCABE & O'DONNELL
3101 NORTH CENTRAL AVENUE, SUITE 700
PHOENIX, AZ 85012

X

Signatures

/s/Kathleen M.
O'Donnell

01/12/2007

**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) 341,176 shares of the Series B Convertible Stock were converted into 341,176 shares of common stock of the Issuer. No other consideration was paid.

(2) Owned by Hopkins Capital Group II, LLC, which is one third owned by the Francis E. O'Donnell Irrevocable Trust #1, of which the reporting party is Trustee.

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- (3) Reporting Person acquired 59,226 shares of common stock pursuant to the conversion of dividends accrued upon the Series B Convertible Stock.
- (4) Held by Francis E. O'Donnell Irrevocable Trust #1, of which the reporting party is Trustee.

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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