
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D. C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **August 20, 2008**

ONCOGENEX PHARMACEUTICALS, INC.

(Exact name of small business issuer as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation)

0-21243
(Commission File Number)

95-4343413
(IRS Employer Identification
No.)

1522 217th Place S.E.
Bothell, Washington 98021
(Address of Principal Executive Offices) (Zip Code)

(425) 487-9500
(Registrant's telephone number)

Sonus Pharmaceuticals, Inc.
(Former name, former address and former fiscal year, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4c)
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Section 1 – Registrant's Business and Operations

Item 1.02 Termination of a Material Definitive Agreement.

See Item 2.01

Section 2 – Financial Information

Item 2.01 Completion of Acquisition or Disposition of Assets.

On August 21, 2008, the Company completed its acquisition (the "Arrangement") of OncoGenex Technologies Inc. ("OncoGenex Technologies"), as contemplated by the arrangement agreement between the Company and OncoGenex Technologies dated May 27, 2008. The Company's press release dated August 21, 2008 is attached as Exhibit 99.1.

Reverse Stock Split; Reduction in Authorized Shares; Name Change

Effective August 20, 2008, after the close of the market, the Company amended its certificate of incorporation to:

- effect a reverse stock split (the "Reverse Stock Split") pursuant to which every eighteen (18) shares of the Company's issued and outstanding common stock were, automatically and without any action on the part of the holders thereof, reclassified and changed into one (1) share of the Company's common stock, par value \$0.001 per share (each, a "Share"), thereby reducing the number of issued and outstanding Shares from approximately 37,089,679 Shares to approximately 2,060,538 Shares, before accounting for the elimination of resulting fractional Shares;
- reduce the number of authorized Shares from 75,000,000 to 11,019,930; and
- change the Company's name to "OncoGenex Pharmaceuticals, Inc."

The Arrangement

On August 21, 2008, at 12:01 a.m. (Pacific time) (the "Effective Time"), the Arrangement became effective. Pursuant to the Arrangement, the Company issued approximately 3,449,393 post-split Shares, before accounting for the elimination of resulting fractional Shares (the "Consideration Shares"), to the former shareholders and debentureholders of OncoGenex Technologies in exchange for all of the issued and outstanding shares and debentures of OncoGenex Technologies, and OncoGenex Technologies became a wholly-owned subsidiary of the Company.

The Arrangement Agreement provided that 1,388,875 of the Consideration Shares (the "Escrow Shares") were to be placed in escrow pending the achievement of certain milestones, on the terms and conditions specified in an escrow agreement (the "Escrow Agreement") among the Company, the former shareholders and debentureholders of OncoGenex Technologies, and Computershare Trust Company of Canada, as escrow agent. The Escrow Agreement became effective August 21, 2008. Fractional Escrow Shares resulting from the allocation of the 1,388,875 Escrow Shares among former shareholders and debentureholders of OncoGenex Technologies will be eliminated. On the same date, the board of directors of the Company determined that OncoGenex Technologies had satisfied one of the milestones, the completion of a special protocol assessment on the patient population, study design, trial endpoints, statistical analyses and size of a registration clinical trial with OGX-011, resulting in the release of 25% of the Escrow Shares, or approximately 347,237 Shares, from escrow. The remaining approximately 1,041,638 Escrow Shares will be released from escrow upon the completion of the milestones specified in the Escrow Agreement or, if such milestones have not been satisfied prior to August 21, 2014, any Escrow Shares remaining in escrow at such time will be cancelled.

Immediately after giving effect to the Arrangement and the release of 25% of the Escrow Shares, the former shareholders and debentureholders of OncoGenex Technologies hold approximately 53.9% of the Company's Shares and the stockholders of the Company prior to the Arrangement hold approximately 46.1% of the Company's Shares, excluding the remaining Escrow Shares. If the remaining Escrow Shares are included, the former shareholders and debentureholders of OncoGenex Technologies hold approximately 62.6% of the Company's Shares and the stockholders of the Company prior to the Arrangement hold approximately 37.4% of the Company's Shares.

The Arrangement resulted in the following adjustments to the issued and outstanding stock options of the Company and OncoGenex Technologies:

- at the Effective Time, the Company assumed the OncoGenex Technologies Amended and Restated Stock Option Plan (the "Plan") and all of the issued and outstanding options thereunder (the "Assumed Options") pursuant to an assumption, amending and confirmation agreement dated August 21, 2008 between the Company and OncoGenex Technologies. The total option pool assumed under the Plan was 414,709 Shares, of which 324,026 Shares are issuable pursuant to Assumed Options exercisable at exercise prices ranging from \$1.2972 and \$18.9384 per Share, and 90,683 Shares remain available for grant under the Plan;
- the vesting of the outstanding options to purchase Shares under the Company's 2007 Stock Performance Incentive Plan accelerated in accordance with the terms of the plan and such options will remain outstanding until exercised or terminated in accordance with their terms;
- the outstanding stock options to purchase Shares under the Company's 1991 Incentive Stock Option, Nonqualified Stock Option and Restricted Stock Purchase Plan were not subject to accelerated vesting, but will remain outstanding until exercised or terminated in accordance with their terms; and
- all other outstanding options to purchase Shares terminated in accordance with their terms.

Board and Management Changes

Effective at the Effective Time of the Arrangement, the size of the Company's board of directors was increased from five directors to seven directors, George W. Dunbar, Jr. and Robert E. Ivy resigned as directors of the Company, and Scott Cormack, Neil Clendeninn and Patrick R. Brady were appointed to fill three of the vacancies on the Company's board of directors. Prior to the Arrangement, Mr. Cormack and Dr. Clendeninn were directors of OncoGenex Technologies and Mr. Brady was a board observer of OncoGenex Technologies. The Company's directors intend to appoint an independent director to fill the remaining vacancy at a future date, subject to the identification of an appropriate candidate.

Following the Arrangement, the new board reconstituted the board committees as follows:

<u>Audit Committee</u>	<u>Compensation Committee</u>	<u>Nominating and Governance Committee</u>
Michelle G. Burris (Chair)	Dwight Winstead (Chair)	Patrick R. Brady
Patrick R. Brady	Neil Clendeninn	Neil Clendeninn
Dwight Winstead	Michelle G. Burris	Michelle G. Burris
		Dwight Winstead
		Michael Martino

Mr. Martino was appointed to the Nominating and Governance Committee pursuant to a Nasdaq rule which permits the appointment of one non-independent member to the Committee if the board of directors determines that such appointment is in the best interests of the company and its stockholders. Immediately prior to appointing Mr. Martino to the Nominating and Governance Committee, the board of directors determined that his appointment was in the best interests of the Company and its stockholders as a result of his familiarity with the Company's corporate governance policies and the value of continuity to the Company and its stockholders. The board of directors also amended the terms of the Nominating and Governance Committee Charter to expressly permit the appointment of one non-independent member where permitted by Nasdaq and applicable law.

The board of directors resolved to defer the grant of stock options to the newly appointed and continuing directors until the reconstituted Compensation Committee and board of directors has had additional time to evaluate the Company's director compensation policy.

The Company appointed the following persons to serve as the officers of the Company: Scott Cormack as the Company's Chief Executive Officer and President, Stephen Anderson as the Company's Chief Financial Officer and Secretary and Cindy Jacobs, Ph.D, M.D., as the Company's Executive Vice President and Chief Medical Officer. Prior to the Arrangement, each of the foregoing individuals held the same positions with OncoGenex Technologies.

As agreed in the Arrangement Agreement, Michael Martino, the Company's former Chief Executive Officer and President, and Alan Fuhrman, the Company's former Senior Vice President and Chief Financial Officer (the "Former Officers"), have been terminated as officers and employees of the Company. Each of the Former Officers has executed a release of all claims, known and unknown, against the Company. Pursuant to the terms of the Former Officers' change of control/severance agreements, the Company has agreed to make termination payments to Mr. Martino of \$1,125,376.20, plus accrued vacation and executive life and disability premium reimbursement, and to make termination payments to Mr. Fuhrman of \$255,900.00, plus accrued vacation and executive life and disability premium reimbursement. The Company is required to offer the Former Officers continued participation in certain benefit plans. The Company has also accepted the resignation of K.C. Schaaf as Secretary before appointing Mr. Anderson to this position.

Prior to the Effective Time, two amendments were made to the Arrangement Agreement that the Company determined were not material to the Company. In the first amendment, effective August 11, 2008, certain obligations of the Company relating to Canadian securities law matters were waived and amended, subject to the Company being designated a reporting issuer under the *Securities Act* (British Columbia). The Company obtained such reporting issuer status effective August 13, 2008. In addition, the Company had previously agreed that, if requested by OncoGenex Technologies, the Company would use all reasonable commercial efforts to cause its common stock to be listed on the Toronto Stock Exchange prior to the Effective Time. In the first amendment, the Company agreed to use its best commercial efforts to cause its common stock to be listed on the Toronto Stock Exchange by September 23, 2008.

In the second amendment, effective August 15, 2008, the parties agreed to correct a typographical error in the principal amount of certain of the OncoGenex Technologies debentures and to make other related corrections.

Incorporation by Reference

The information set forth in the Company's proxy statement on Schedule 14A dated July 3, 2008 is incorporated herein by reference, except to the extent superseded by the more recent statements set forth in this report.

Item 2.05 Costs Associated With Exit or Disposal Activities.

The Company intends to enact a reduction in workforce effective August 21, 2008 (the "Reduction in Workforce") pursuant to which the combined workforce of the Company and its subsidiaries, including OncoGenex Technologies, will be reduced by approximately 50%, leaving the combined entities with 25 full-time and 2 part-time employees. The Company is undertaking the Reduction in Workforce in order to conserve cash and align its workforce with its anticipated staffing needs.

In connection with the Reduction in Workforce, the Company expects to incur expenses associated with one-time termination benefits of approximately \$1.2 million, including approximately \$1.1 million of severance expenses and \$0.1 million attributable to the continuation of medical insurance benefits. It is currently anticipated that these expenses will be incurred in the third quarter of 2008.

Section 3 – Securities and Trading Markets

Item 3.01 Notice of Delisting or Failure to Satisfy a Continued Listing Rule or Standard; Transfer of Listing.

The Company commenced trading on the Nasdaq Capital Market under the symbol "OGXI" effective at the market opening on August 21, 2008.

Item 3.02 Unregistered Sale of Equity Securities.

The securities issued by the Company pursuant to the Arrangement were issued in reliance upon the exemption from Securities Act registration requirements provided by Section 3(a)(10) of the Act, following a determination by the Supreme Court of British Columbia that the Arrangement, including the issuance of such securities to the securityholders of OncoGenex Technologies, was fair to such securityholders. See Item 2.01.

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Item 3.03 Material Modification to Rights of Security Holders.

See Item 2.01

Section 5 – Corporate Governance and Management

Item 5.01 Changes in Control of Registrant.

See Item 2.01

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

See Item 2.01

Section 9 – Financial Statements and Exhibits

Item 9.01 Financial Statements and Exhibits.

(a) Financial statements of businesses acquired.

Incorporated by reference to the Company's proxy statement on Schedule 14A dated July 3, 2008.

(b) Pro forma financial information.

Incorporated by reference to the Company's proxy statement on Schedule 14A dated July 3, 2008.

(d) Exhibits.

**Exhibit
Number**

Description

99.1	Press Release dated August 21, 2008
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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ONCOGENEX PHARMACEUTICALS, INC.

Date: August 21, 2008

/s/ Scott Cormack

Scott Cormack

President, Chief Executive Officer and Director



**SONUS PHARMACEUTICALS AND ONCOGENEX TECHNOLOGIES
COMPLETE BUSINESS COMBINATION; ONCOGENEX
PHARMACEUTICALS TO COMMENCE TRADING ON NASDAQ CAPITAL
MARKET TODAY**

Satisfies initial listing requirements with NASDAQ; Stock Symbol 'OGXI'

*Implements immediate restructuring program, which extends cash runway while
focusing on clinical pipeline programs*

BOTHELL, Washington – August 21, 2008 – OncoGenex Pharmaceuticals, Inc. (formerly Sonus Pharmaceuticals, Inc.) (NASDAQ: OGXI) (the “Company”) announced that the Company has completed its acquisition of OncoGenex Technologies and NASDAQ has approved the commencement of trading in Company’s common stock on The NASDAQ Capital Market under the stock symbol ‘OGXI’ effective today, August 21, 2008, when the market opens. Prior to completing the acquisition, the Company changed its name to OncoGenex Pharmaceuticals, amended its authorized share capital and effected a one-for-eighteen reverse stock split.

“Clearly the shareholders of both companies, Sonus Pharmaceuticals and OncoGenex Technologies, strongly favored this transaction and our efforts to maintain a NASDAQ listing,” said Scott Cormack, President and Chief Executive Officer of OncoGenex Pharmaceuticals. “On August 19th, a very strong percentage of Sonus’ shareholders voted in favor of the transaction and voted in favor of a reverse stock split. One hundred percent of OncoGenex Technologies’ shareholders voted in favor of the transaction.”

Additionally, as announced on August 20th, the Company has implemented cost-saving measures to preserve cash while focusing on its highest potential product development programs. The Company will reduce workforce by approximately 49%. As a result of these actions, the Company will incur approximately \$1.2 million in charges in the third quarter of 2008, associated with employee severance costs. Management estimates that the restructuring announced today extends the Company’s current runway by an additional quarter. Following the restructuring, the Company will have 27 full and part-time

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employees. As of June 30, 2008, OncoGenex and Sonus on a combined basis held \$26 million in cash, cash equivalents and short term investments.

“We have chosen to swiftly implement the restructuring we deem necessary to effectively utilize cash assets while maintaining the resources to advance our priority clinical programs,” added Cormack. “We continue to retain a highly qualified clinical and regulatory team with impressive experience bringing oncology drug candidates to the FDA and to market.”

The combined company has a strong oncology pipeline addressing distinct unmet needs in the treatment of cancer, including three candidates in various stages of clinical development. The Company’s lead candidate, OGX-011, is being evaluated in five Phase 2 clinical trials, each of which has completed patient enrollment. Interim study results have previously been presented for each of the five clinical trials. Details on the pipeline follow:

- OGX-011, also known as custirsen sodium, inhibits the production of clusterin, a protein that is associated with treatment resistance in a number of solid tumors, including prostate, breast, non-small cell lung, ovarian, and bladder cancers. It has potential applicability as a therapeutic in a broad number of cancers at different stages and can potentially be used in combination with a variety of commonly used cancer treatments, including chemotherapy, radiation therapy, and hormone ablation therapy. Recently announced preliminary data in a Phase 2 clinical trial evaluating OGX-011 in combination with second-line chemotherapy in patients with hormone refractory prostate cancer has shown that retreatment with docetaxel in combination with OGX-011 may reverse docetaxel resistance and improve patient survival. In July 2008, OncoGenex Technologies reached an agreement with the U.S. Food and Drug Administration (FDA) on the design of a Phase 3 registration trial of OGX-011 via the Special Protocol Assessment (SPA) process;
- OGX-427 is designed to reduce production of Hsp27, a protein that is over-produced in response to many cancer treatments including hormone ablation therapy, chemotherapy and radiation therapy. Hsp27 production has been shown

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to inhibit cell death in tumor cells through a variety of mechanisms. OGX-427 is in a Phase 1 clinical trial for the treatment of solid tumors including prostate, non-small cell lung, breast, ovarian, and bladder cancers. The Company anticipates that the safety profile for OGX-427 as a single agent will be completed in the second half of 2008, and for OGX-427 in combination with chemotherapy in the first half of 2009. Phase 2 clinical development will begin in 2009. Like OGX-011, this product candidate has potential as a treatment in a broad number of cancers;

- SN2310 is a novel prodrug of SN-38, which is a potent anti-cancer drug belonging to the class of topoisomerase I inhibitors. SN2310 is designed to enhance the delivery and exposure of SN-38 to the tumor by providing greater prodrug conversion and a longer half-life than achieved with irinotecan. It is currently in a Phase 1 trial and progress is being made to determine its safety and pharmacokinetic profile, in addition to the maximum tolerated dose;
- CSP-9222 is a caspase activator presently in pre-clinical development. Caspase activators consist of small molecules that have been identified in preclinical research as activators of programmed cell death. Unlike normal cells, many tumor cell types have lost the ability to undergo the normal process of programmed cell death, known as apoptosis. CSP-9222 has demonstrated anti-tumor activity in a range of pre-clinical animal tumor models, including taxane-resistant tumors, following both intravenous and oral administration. The Company expects to move this compound into Phase 1 clinical development within 12-18 months. The caspase program was in-licensed in August 2008 through an exclusive agreement with Bayer HealthCare LLC; and
- OGX-225 aims to reduce the production of both Insulin-Like Growth Factor Binding Protein -2 and Insulin-Like Growth Factor Binding Protein -5 with a single product to enhance treatment sensitivity and delay tumor progression. IGFBP-2 and IGFBP-5 are both hormones that make an alternate hormone, IGF-1, available to the tumor that facilitates continued tumor growth. Employing OGX-225 as a single product to simultaneously inhibit the production of both IGFBP-2 and IGFBP-5 has the potential to delay disease progression in a number

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of cancers that are dependent upon IGF-1 for tumor growth. OGX-225 is in pre-clinical development and has completed pre-clinical pharmacology.

About OncoGenex Pharmaceuticals, Inc.

OncoGenex Pharmaceuticals is a biopharmaceutical company committed to the development and commercialization of new cancer therapies that address unmet needs in the treatment of cancer. OncoGenex has a deep oncology pipeline, with each product candidate having a distinct mechanism of action and representing a unique opportunity for cancer drug development. OGX-011, the lead candidate currently completing five Phase 2 clinical studies in prostate, lung and breast cancers, is designed to inhibit the production of a specific protein associated with treatment resistance; OGX-427 and SN2310 are in Phase 1 clinical development; and CSP-9222 and OGX-225 are currently in pre-clinical development. More information is available at www.oncogenex.com.

This press release contains forward-looking statements within the meaning of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995, including statements concerning the Company’s common stock listing, restructuring, anticipated clinical and preclinical activities and product potential. These statements are based on management’s current expectations and beliefs and are subject to a number of risks, uncertainties and assumptions that could cause actual results to differ materially from those described in the forward-looking statements. All statements other than statements of historical fact are statements that could be deemed forward-looking statements. For example, statements of expected synergies, the strength of the combined oncology product pipeline, the timing of clinical trials and development efforts, the results of clinical and pre-clinical studies, the timing of closing, execution of integration plans and management and organizational structure are all forward-looking statements. The potential risks and uncertainties include, among others, the possibility that costs savings will not be achieved or that the Company is unable to successfully execute its integration strategy, the timing and costs of clinical trials and regulatory approvals, risks that clinical trials will not be successful, risks associated with obtaining funding from third parties or completing a financing necessary to support the costs and expenses of clinical studies as well as research and development activities, risks that the combined company will not be able to maintain listing on NASDAQ, as well as other risks relating to the development, safety and efficacy of therapeutic drugs and potential applications for these products. A more complete discussion of risks and uncertainties that may affect forward-looking statements is included in the Company’s filings with the Securities and Exchange Commission, including its Annual Report on Form 10-K for fiscal year 2007, and its Quarterly Report on Form 10-Q for the first quarter of 2008. No assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what impact they will have on the results of operations or financial condition of the Company. The Company undertakes no obligation to update the forward-looking statements contained herein or to reflect events or circumstances occurring after the date hereof.

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