

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

SCHEDULE 13D  
Under the Securities Exchange Act of 1934  
(Amendment No. )

AASTROM BIOSCIENCES INC.  
(Name of Issuer)

Common Stock, no par value  
(Title of Class of Securities)

00253U107  
(CUSIP Number)

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

Mr. Roger B. Peikin  
Aletheia Research & Management, Inc.  
100 Wilshire Boulevard, Suite 1960  
Santa Monica, CA 90401  
(310)-899-0800

August 27, 2004  
(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 which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(b) (3) or (4) check the following box .

The information required in 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, as amended (the "Act"), or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act.

CUSIP No. 00253U107

13D

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SCHEDULE 13D

1 NAME OF REPORTING PERSON  
S.S. OR I.R.S. IDENTIFICATION NOS. OF ABOVE PERSON

Aletheia Research & Management, Inc., IRS No.- 95-4647814

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

(a)   
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS\*

WC

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

6 CITIZENSHIP OR PLACE OF ORGANIZATION

United States

7 SOLE VOTING POWER

4,711,474 shares of Common Stock.

8 SHARED VOTING POWER

NUMBER OF  
SHARES  
BENEFICIALLY  
OWNED BY

0

EACH 9 SOLE DISPOSITIVE POWER  
REPORTING PERSON 4,111,474 shares of Common Stock.  
WITH -----  
10 SHARED DISPOSITIVE POWER

0

-----  
11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
4,111,474 shares of Common Stock.  
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12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES\*

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13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  
5.80%  
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14 TYPE OF REPORTING PERSON\*  
CO  
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\*SEE INSTRUCTIONS BEFORE FILLING OUT!

Item 1. Security and Issuer.

This statement relates to the Common Stock, no par value per share (the "Common Stock"), of Aastrom Biosciences Inc., a Michigan corporation (the "Issuer"). The Issuer maintains its principal executive office at 24 Frank Lloyd Wright Dr., PO Box 376, Ann Arbor, MI 48106.

Item 2. Identity and Background.

(a) This statement is filed by Aletheia Research & Management, Inc., a California corporation, ("Aletheia"), with respect to shares of the Issuer's Common Stock held by managed accounts over which Aletheia has discretionary authority and partnerships with respect to which Aletheia serves as general partner.

(b) The business address of Aletheia is 100 Wilshire Boulevard, Suite 1960, Santa Monica, CA 90401.

(c) The principal business of Aletheia is securities investment.

(d) During the past five years, neither Aletheia nor any of its executive officers, directors or control persons has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).

(e) During the past five years, neither Aletheia nor any of its executive officers, directors or control persons has been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction resulting in their being subject to a judgment, decree or final order enjoining any such person from future violations of or prohibiting or mandating activities subject to federal or state securities laws, or finding any violation of such laws by any such person.

(f) Not applicable.

Item 3. Source and Amount of Funds or Other Consideration.

Aletheia owns 4,711,474 shares of the Issuer's Common Stock on behalf of managed accounts and partnerships with respect to which Aletheia serves as general partner. Such managed accounts and partnerships have paid \$5,684,864 from their personal funds or working capital for such shares.

Item 4. Purpose of Transaction.

Aletheia has acquired its shares of the Issuer's Common Stock for investment. Aletheia has no plans or proposals which, other than as expressly set forth below, would relate to or would result in: (a) the acquisition of additional securities of the Issuer or the disposition of presently-owned securities of the Issuer; (b) any extraordinary corporate transaction involving the Issuer; (c) a sale or transfer of a material amount of assets of the Issuer; (d) any change in the present Board of Directors or management of the Issuer; (d) any material change in the present capitalization or dividend policy of the Issuer; (f) any material change in the operating policies or corporate structure of the Issuer; (g) any change in the Issuer's charter or by-laws; (h) the Common Stock of the Issuer ceasing to be authorized to be quoted in the NASDAQ inter-dealer

quotation system; or (i) causing the Issuer becoming eligible for termination of registration pursuant to Section 12(g) (4) of the Securities Exchange Act of 1934. Aletheia however reserves the right, at a later date, to effect one or more of such changes or transactions.

Aletheia may continue to purchase additional shares of the Issuer's Common Stock or sell some or all of its shares of the Issuer's Common Stock in the open market or in privately negotiated transactions from or to one or more sellers or purchasers, as the case may be, provided that, in accordance with its best judgment in light of the circumstances existing at the time, such transactions present an attractive (long or short term) opportunity for profit.

Aletheia further reserves the right to act in concert with any other shareholders of the Issuer, or other persons, for a common purpose should it determine to do so, and/or to recommend courses of action to management and the shareholders of the Issuer.

Item 5. Interest in Securities of the Issuer.

(a) The number of shares of the Issuer's Common Stock and the percentage of the outstanding shares (based upon 81,127,735 shares of Common Stock outstanding as reported in the Issuer's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2004) directly or indirectly beneficially owned by the Reporting Person is as follows:

Name	Number of Shares	Percentage of Outstanding Shares
Aletheia	4,711,474	5.80%

(b) Aletheia has sole power to vote and sole power to dispose or to direct the disposition of 4,711,474 shares of the Issuer's Common Stock.

(c) See Appendix 1 annexed hereto.

(d) Certain persons have the right to receive dividends from or the proceeds of sale of certain of the shares of the Issuer's Common Stock included in this statement. No such person individually has the right to receive dividends or proceeds relating to shares of the Issuer's Common Stock constituting more than 5% of the class of the Issuer's Common Stock.

(e) Not Applicable.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer.

Aletheia may be deemed to have beneficial ownership and control of the shares of the Issuer's Common Stock held by managed accounts and partnerships over which Aletheia has discretionary authority. Aletheia disclaims beneficial ownership of all of such shares.

Other than as set forth above, Aletheia has no contracts, arrangements, understandings or relationships (legal or otherwise) with any other persons with respect to the shares of the Issuer's Common Stock.

Item 7. Material to be Filed as Exhibits.

None

Signatures

After reasonable inquiry and to the best of our knowledge and belief, the undersigned certifies that the information set forth in this statement is true, complete and correct.

Dated: September 7, 2004

ALETHEIA RESEARCH & MANAGEMENT, INC.

By: /s/ Roger B. Peikin

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Roger B. Peikin,  
Executive Vice President

TRANSACTIONS IN AASTROM BIOSCIENCES INC.  
COMMON STOCK WITHIN THE  
PAST 60 DAYS

## 1. Aletheia Hyperion, L.P.

TRADE DATE	NO. OF SHARES	PURCHASE OR SALE	PRICE	TOTAL COST OR SALES PRICE
7/02/2004	30,000	SELL	0.88	\$25,679.38
7/20/2004	10,000	SELL	0.84	8,139.77
7/21/2004	5,000	SELL	0.85	4,099.85
7/23/2004	5,000	SELL	0.85	4,099.89
7/29/2004	15,000	SELL	0.80	11,509.69
7/30/2004	12,000	SELL	0.80	9,009.77
8/27/2004	17,000	BUY	0.80	13,949.08
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	94,000			\$76,487.43

## 2. Aletheia Metron, L.P.

TRADE DATE	NO. OF SHARES	PURCHASE OR SALE	PRICE	TOTAL COST OR SALES PRICE
7/21/2004	5,000	SELL	0.84	\$4,049.90
7/26/2004	4,000	SELL	0.83	3,199.92
9/01/2004	2,000	BUY	0.92	1,889.54
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	11,000			\$9,139.36

## 3. Aletheia Insider Index, L.P.

TRADE DATE	NO. OF SHARES	PURCHASE OR SALE	PRICE	TOTAL COST OR SALES PRICE
7/01/2004	15,161	SELL	0.89	\$13,341.36
8/02/2004	21,985	BUY	0.80	17,807.85
8/19/2004	38,328	BUY	0.75	29,094.28
8/19/2004	30,000	BUY	0.76	23,004.00
9/01/2004	17,312	BUY	0.94	16,446.40
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	122,786			\$99,693.89

## 4 Aletheia I-Fund, L.P.

TRADE DATE	NO. OF SHARES	PURCHASE OR SALE	PRICE	TOTAL COST OR SALES PRICE
8/20/2004	25,000	BUY	0.78	\$19,439.80

## 5 Managed Accounts

TRADE DATE	NO. OF SHARES	PURCHASE OR SALE	PRICE	TOTAL COST OR SALES PRICE
6/29/2004	500	BUY	0.89	\$ 469.80
6/30/2004	500	BUY	0.90	474.80
6/30/2004	500	BUY	0.90	474.80
6/30/2004	4,000	SOLD	0.89	3,540.11
7/01/2004	2,000	SOLD	0.87	1,720.15
7/02/2004	30,000	BUY	0.90	27,604.80
7/02/2004	250	BUY	0.90	249.80
7/06/2004	250	BUY	0.87	242.30
7/07/2004	1,000	BUY	0.87	898.36
7/07/2004	1,000	BUY	0.87	898.36
7/08/2004	3,000	SOLD	0.85	2,485.14
7/08/2004	40,500	SOLD	0.84	34,106.43
7/09/2004	10,000	BUY	0.87	8,732.30
7/12/2004	8,000	BUY	0.89	7,139.80
7/13/2004	6,485	BUY	0.90	6,024.84
7/15/2004	4,000	BUY	0.92	3,734.80
7/15/2004	4,000	SOLD	0.91	3,616.11
7/15/2004	150	SOLD	0.91	106.69
7/16/2004	10,000	BUY	0.89	9,104.80
7/16/2004	1,000	BUY	0.89	919.80
7/16/2004	5,000	SOLD	0.89	4,430.09
7/20/2004	5,000	SOLD	0.84	4,165.10
7/21/2004	10,000	SOLD	0.83	8,095.00
7/22/2004	3,000	SOLD	0.85	2,530.14
7/23/2004	12,000	SOLD	0.83	9,939.96
7/26/2004	10,000	SOLD	0.82	7,995.00
7/26/2004	10,000	SOLD	0.82	7,895.00
7/26/2004	10,000	SOLD	0.82	7,895.00
7/30/2004	10,000	SOLD	0.78	7,605.01
8/04/2004	5,000	SOLD	0.76	3,780.11
8/04/2004	8,000	SOLD	0.76	6,060.05
8/05/2004	2,000	SOLD	0.77	1,520.16
8/06/2004	2,500	SOLD	0.71	1,770.15
8/12/2004	75,000	BUY	0.72	55,129.80
8/12/2004	25,000	BUY	0.72	18,504.80
8/12/2004	10,000	BUY	0.72	7,304.80
8/16/2004	10,000	BUY	0.72	7,165.68
8/16/2004	7,500	BUY	0.72	5,664.75
8/16/2004	7,500	BUY	0.71	5,664.75
8/17/2004	5,000	BUY	0.70	3,580.80
8/18/2004	50,000	BUY	0.72	37,004.80
8/19/2004	5,000	BUY	0.74	3,724.80
8/19/2004	500	BUY	0.75	399.86
8/19/2004	40,000	BUY	0.75	30,409.72
8/20/2004	3,000	BUY	0.77	2,334.80
8/23/2004	2,000	BUY	0.82	1,664.80
8/24/2004	10,000	BUY	0.83	8,544.40
8/24/2004	7,010	BUY	0.79	5,647.49
8/24/2004	15,000	BUY	0.83	12,809.40
8/25/2004	2,990	BUY	0.79	2,386.90
8/25/2004	3,990	BUY	0.79	3,181.90

8/26/2004	500	SOLD	0.77	365.19
8/26/2004	9,000	BUY	0.78	7,087.09
8/27/2004	6,000	BUY	0.80	4,928.00
8/27/2004	2,500	BUY	0.79	1,999.80
8/27/2004	5,000	BUY	0.80	4,107.47
8/27/2004	5,000	BUY	0.80	4,107.47
8/27/2004	34,000	BUY	0.80	27,237.96
8/30/2004	6,800	BUY	0.83	5,792.21
8/30/2004	50,000	BUY	0.83	42,559.25
8/30/2004	50,000	BUY	0.83	42,559.25
8/30/2004	10,000	BUY	0.83	8,515.69
8/30/2004	15,000	BUY	0.83	12,771.14
8/30/2004	10,000	BUY	0.83	8,515.69
8/30/2004	8,200	BUY	0.83	6,819.73
8/31/2004	2,000	BUY	0.90	1,845.96
8/31/2004	50,000	BUY	0.90	46,033.85
8/31/2004	30,000	BUY	0.90	27,622.23
8/31/2004	25,000	BUY	0.90	23,019.33
8/31/2004	30,000	BUY	0.90	27,622.23
8/31/2004	15,000	BUY	0.90	13,813.52
8/31/2004	20,000	BUY	0.90	18,416.42
8/31/2004	50,000	BUY	0.90	46,033.85
8/31/2004	50,000	BUY	0.90	46,033.85
8/31/2004	5,000	BUY	0.90	4,607.71
8/31/2004	1,500	BUY	0.90	1,385.67
8/31/2004	1,500	BUY	0.90	1,385.67
8/31/2004	35,000	BUY	0.90	32,220.34
8/31/2004	30,000	BUY	0.90	27,022.23
8/31/2004	55,500	BUY	0.87	49,611.45
9/01/2004	10,000	BUY	0.92	9,452.50
9/01/2004	25,000	BUY	0.92	23,624.05
9/01/2004	12,000	BUY	0.92	11,342.04
9/01/2004	20,000	BUY	0.92	18,900.20
9/01/2004	10,000	BUY	0.92	9,452.50
9/01/2004	11,000	BUY	0.92	10,397.27
9/01/2004	10,000	BUY	0.92	9,452.50
9/02/2004	4,000	BUY	0.92	3,792.39
9/02/2004	900	BUY	0.92	864.01
9/02/2004	900	BUY	0.92	864.01
9/02/2004	1,000	BUY	0.92	939.80
9/02/2004	15,000	BUY	0.94	14,089.80
9/02/2004	500	BUY	0.92	479.80

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1,231,925

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\$1,055,040.13