

Hudson Leslie  
 Form 4  
 February 11, 2010

**FORM 4**

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

OMB APPROVAL

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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

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
 Hudson Leslie

(Last) (First) (Middle)

4575 SW RESEARCH WAY,  
 SUITE 200

(Street)

CORVALLIS, OR 97333

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
 AVI BIOPHARMA INC [AVII]

3. Date of Earliest Transaction  
 (Month/Day/Year)  
 02/09/2010

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 \_\_\_\_ Officer (give title below)  Other (specify below)  
 CEO

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 \_\_\_\_ Form filed by More than One Reporting Person

**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 Ownership (Instr. 4)
				(A) or (D) Price			
Common Stock				V	457,324	D	

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

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SEC 1474 (9-02)

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

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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 Underlying Security (Instr. 3 and 4)			
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title
Incentive Stock Option (right to buy)	\$ 1.45	02/09/2010		A		68,965		02/09/2011 <sup>(1)</sup>	02/09/2020	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 1.45	02/09/2010		A		531,035		02/09/2011 <sup>(1)</sup>	02/09/2020	Common Stock
Incentive Stock Option (right to buy)	\$ 1.09							02/08/2009 <sup>(3)</sup>	02/08/2018	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 0.92							02/10/2010 <sup>(1)</sup>	02/10/2019	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 1.09							02/08/2009 <sup>(1)</sup>	02/08/2018	Common Stock

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Hudson Leslie 4575 SW RESEARCH WAY, SUITE 200 CORVALLIS, OR 97333				CEO

## Signatures

Dr. Leslie  
Hudson

02/11/2010

          
\*\*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) The Stock Option Grant vest as follows: 1/3 vest one year from date of grant and 1/3 each year thereafter until all shares vest three years from grant date.
  - (2) Price not required on initial report of stock option granted.
  - (3) Option Grant vests 25% per year on grant date with all shares vesting four years from date of grant.

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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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