

Hudson Leslie  
 Form 4  
 February 12, 2009

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
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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

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
 ONE SW COLUMBIA, SUITE 1105

3. Date of Earliest Transaction (Month/Day/Year)  
 02/08/2008

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

(Street)  
 PORTLAND, OR 97258

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

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

(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 Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock	02/08/2008		A		333,000	A	\$ 0 333,000
Common Stock	02/10/2009		A		124,324 (1)	A	\$ 0 457,324

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

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SEC 1474  
 (9-02)

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**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 Underlying Security (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title
Incentive Stock Option (right to buy)	\$ 1.09	02/08/2008		A	366,972	02/08/2009 <sup>(2)</sup> 02/08/2018	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 0.92	02/10/2009		A	350,000	02/10/2010 <sup>(4)</sup> 02/10/2019	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 1.09	02/08/2008		A	300,028	02/08/2009 <sup>(4)</sup> 02/08/2018	Common Stock

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Hudson Leslie ONE SW COLUMBIA, SUITE 1105 PORTLAND, OR 97258				CEO

## Signatures

Dr. Leslie  
Hudson

02/12/2009

\*\*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) Restricted Stock Award granted on 2/10/2009 vests 100% at grant.

(2) Option Grant vests 25% per year on grant date with all shares vesting four years from date of grant.

(3) Price not required on initial report of stock option granted.

(4) 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.

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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