

FORREST K MICHAEL  
Form 4  
May 21, 2009

**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 \*  
**FORREST K MICHAEL**

(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)  
05/19/2009

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)  
Outside Director

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	05/19/2009		A	5,000 (1)	\$ 0 15,000	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
Non-Qualified Stock Option (right to buy)	\$ 1.1	05/19/2009		A	20,000	06/19/2009 <sup>(2)</sup>	05/19/2019	Common Stock
Incentive Stock Option (right to buy)	\$ 2.45					04/27/2007 <sup>(2)</sup>	03/27/2017	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 1.55					06/20/2008 <sup>(2)</sup>	05/20/2018	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 2.24					06/15/2005 <sup>(2)</sup>	05/18/2015	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 2.45					04/27/2007 <sup>(2)</sup>	03/27/2017	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 2.64					03/04/2006 <sup>(4)</sup>	03/04/2015	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 4.64					06/24/2006 <sup>(2)</sup>	05/24/2016	Common Stock

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
FORREST K MICHAEL 4575 SW RESEARCH WAY, SUITE 200 CORVALLIS, OR 97333	X		Outside Director	

## Signatures

K. Michael  
Forrest 05/21/2009

\*\*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 5/19/2009 to active non-employee Director. Award vests one year from date of grant and will be released provided the Director still is an active member of the Board.
- (2) Option Grant vests monthly until all shares are vested one year from date of grant.
- (3) Price not required on initial report of stock option granted.
- (4) Vesting: 25% of the shares vest each year from the date of grant with all shares vesting in four years.

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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