

Hudson Leslie
Form 4
August 02, 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)

3450 MONTE VILLA PARKWAY,
SUITE 101

(Street)

BOTHELL, WA 98021

(City) (State) (Zip)

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

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

07/30/2010

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)
Former CEO / Former 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 Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | Code | V | Amount | (A) or (D) | Price |
| Common Stock | 07/30/2010 | | M ⁽¹⁾ | | 183,486 | A | \$ 1.09 |
| Common Stock | 07/30/2010 | | S ⁽²⁾ | | 50,000 | D | \$ 1.9312 |
| Common Stock | 07/30/2010 | | S ⁽²⁾ | | 18,486 | D | \$ 1.94 |
| Common Stock | 07/30/2010 | | S ⁽²⁾ | | 89,018 | D | \$ 1.93 |
| Common Stock | 07/30/2010 | | S ⁽²⁾ | | 25,982 | D | \$ 1.92 |

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

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(9-02)

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 Amount of Underlying Security (Instr. 3 and 4) | Amount of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|------------------|
| Incentive Stock Option (right to buy) | \$ 1.09 | 07/30/2010 | | M ⁽¹⁾ | 183,486 | 02/08/2009 ⁽²⁾ 02/08/2018 | Common Stock | 183 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|------------|------------|
| | Director | 10% Owner | Officer | Other |
| Hudson Leslie 3450 MONTE VILLA PARKWAY, SUITE 101 BOTHHELL, WA 98021 | | | Former CEO | Former CEO |

Signatures

By: Melinda Miles For: Dr. Leslie Hudson
Date: 08/02/2010

__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 Company originally granted a total of 366,972 options to vest 25% annually over 4 years. On 4/20/2010, the Company accelerated all 183,486 unvested shares.

(2) This transaction is a part of a Same Day Sale Transaction. The optionholder exercised his options and sold the shares on the same day.

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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