

FORM 8-K
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **November 14, 2005**

AVI BioPharma, Inc.

(Exact name of registrant as specified in its charter)

Oregon
(State or other jurisdiction of
incorporation or organization)

0-22613
(Commission
File Number)

93-0797222
(IRS Employer
Identification Number)

One S.W. Columbia, Suite 1105
Portland, OR 97258
(Address of principal executive offices)

(503) 227-0554
Registrant's telephone number, including area code

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01. Entry into a Material Definitive Agreement

AVI BioPharma, Inc. (Nasdaq: AVII), on November 14, 2005 announced that it had entered into definitive agreements with several institutional investors for the purchase of 6,941,715 shares of its common stock at \$3.26 per share in a direct equity placement for gross proceeds to the company of \$22,630,000. The company also entered into a definitive common stock purchase warrant with its placement agent as partial compensation for services rendered in connection with the offering. The warrants are exercisable for 485,920 shares at \$5.00 per share, commencing May 14, 2006 and ending on May 14, 2010. The sale of the 6,941,715 shares of common stock and the issuance of the warrant closed November 14, 2005. Effective the same date, the company entered into a letter agreement with its placement agent, Rodman & Renshaw, Inc. A copy of that agreement is attached and incorporated by reference in Exhibit 1.1

The securities are being sold pursuant to the company's effective shelf registration statement.

Rodman & Renshaw, Inc., acted as the exclusive placement agent on the transaction. The placement agent will receive a sales commission of 7% of the amount raised, expense reimbursement of \$15,000 and a Purchase Warrant equal to 7% of the number of shares sold in the offering up to 485,920 shares.

As part of the transaction the Company entered into a Securities Purchase Agreement and common stock Purchase Warrant containing customary representations and warranties and undertakings regarding the securities issued.

Item 7. Regulation FD Disclosure

The information set forth above is incorporated by reference herein.

Item 8. Other Events

The information set forth above is incorporated by reference herein.

Item 9. Financial Statements, Pro Forma Financial Information and Exhibits.

(c) Exhibits

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Portland, State of Oregon, on November 18, 2005.

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AVI BioPharma, Inc.

By: /s/ ALAN P. TIMMINS

Alan P. Timmins
President and Chief Operating Officer
(Principal Operating Officer)

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Document Description</u>
1.1	Letter Agreement dated November 14, 2005

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November 14, 2005

Denis Burger, Ph.D.
 Chairman and CEO
 AVI BioPharma, Inc.
 One S.W. Columbia Street, Suite 1105
 Portland, OR 97258

Dear Dr. Burger:

The purpose of this letter agreement (the "Agreement") is to set forth the terms and conditions pursuant to which Rodman & Renshaw, LLC. ("R&R") shall introduce AVI BioPharma, Inc. (the "Company") to one or more investors in connection with the proposed offering (the "Offering") of securities (the "Securities") of the Company. The gross proceeds from the Offering will be up to \$27,000,000. The terms of such Offering and the Securities shall be mutually agreed upon by the Company and the investor(s). R&R's engagement under this Agreement shall be exclusive until the earlier of (i) the completion of the Offering or (ii) December 31, 2005. The identities of the investors to which R&R introduces the Company shall be proprietary information of R&R and shall not be divulged to third parties by the Company, nor used by the Company outside the scope of R&R's engagement as described herein.

The parties hereto hereby agree that the Company shall pay to R&R the fees and compensation set forth below if there is any financing of equity or debt (including without limitation the Offering) or other capital raising activity of the Company (a "Financing") within 18 months of the date of expiration or termination of this Agreement with any investors to whom the Company was introduced by R&R pursuant to this Agreement.

In consideration of the services rendered by R&R under this Agreement, the Company agrees to pay R&R the following fees and other compensation:

- (a) A cash fee payable immediately upon the closing of any portion of any Financing (including without limitation the Offering) and equal to 7% of the aggregate proceeds raised.
- (b) 7% Warrant Coverage.
- (c) \$15,000 legal expense allowance.

This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to conflicts of law principles. Any dispute arising out of this Agreement shall be adjudicated in the courts of the State of New York or in the federal courts sitting in the Southern District of New York, and each of the parties hereto agrees that service of process upon it by registered or certified mail at its address set forth herein shall be deemed adequate and lawful. The Company shall indemnify R&R against any liabilities arising under the Securities Act of 1933, as amended, attributable to any information supplied or omitted to be supplied to any investor by the Company pursuant to this Agreement.

This Agreement constitutes the entire understanding and agreement between the parties hereto with respect to its subject matter and there are no agreements or understandings with respect to the subject matter hereof which are not contained in this Agreement. This Agreement may be modified only in writing signed by the party to be charged hereunder.

If the foregoing correctly sets forth our agreement, please confirm this by signing and returning to us the duplicate copy of this letter.

Very truly yours,

RODMAN & RENSHAW, LLC.

Agreed to and accepted
 as of the date first written above:

AVI BIOPHARMA, INC.

By: /s/ Alan Timmins
 Name: Alan Timmins
 Title: President and Chief Operating Officer

By: /s/
 Name:
 Title: