

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, DC 20549

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**FORM 8-K**

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**CURRENT REPORT**

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

**Date of Report (Date of earliest event reported): December 13, 2011**

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**AVI BioPharma, Inc.**

(Exact name of registrant as specified in its charter)

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**Oregon**  
(State or other jurisdiction  
of incorporation)

**001-14895**  
(Commission  
File Number)

**93-0797222**  
(IRS Employer  
Identification No.)

**3450 Monte Villa Parkway, Suite 101  
Bothell, WA 98021**  
(Address of principal executive offices, including zip code)

**(425) 354-5038**  
(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

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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 (see General Instruction A.2. below):

- 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))

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**Item 3.01 Notice of Delisting or Failure to Satisfy a Continued Listing Rule or Standard; Transfer of Listing.**

On December 13, 2011, AVI BioPharma, Inc. (the "Company") received a letter from the listing qualifications department staff of The NASDAQ Stock Market LLC ("NASDAQ"), notifying the Company that for the last 30 consecutive business days the bid price of the Company's common stock had closed below \$1.00 per share, the minimum closing bid price required by the continued listing requirements of NASDAQ set forth in Listing Rule 5450(a)(1) (the "Rule").

In accordance with Listing Rule 5810(c)(3)(A), the Company has 180 calendar days, or until June 11, 2012, to regain compliance with the Rule (the "Compliance Period"). To regain compliance, the closing bid price of the Company's common stock must be at least \$1.00 per share for a minimum of ten consecutive business days during the Compliance Period.

If the Company does not regain compliance by June 11, 2012, NASDAQ will provide written notification to the Company that its common stock may be delisted. At that time, the Company may appeal NASDAQ's decision to a Listing Qualifications Panel, which will stay the delisting until a decision is rendered subsequent to the appeal hearing. Alternatively, the Company may submit an application on or before June 11, 2012 to transfer its securities to The NASDAQ Capital Market. Following submission of the application, the Company may be eligible for an additional 180-day period to regain compliance if it meets the continued listing requirement for market value of publicly held shares and all other initial listing standards, with the exception of the bid price requirement, for The NASDAQ Capital Market, and provides written notice to NASDAQ of its intention to cure the deficiency during the second compliance period by effecting a reverse stock split if necessary.

On December 14, 2011, the Company issued a press release announcing its receipt of NASDAQ's letter. A copy of the press release is attached as Exhibit 99.1 and is incorporated herein by reference.

**Item 9.01 Financial Statements and Exhibits.****(d) Exhibits.**

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press release dated December 14, 2011.

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**AVI BioPharma, Inc.**

By: /s/ Christopher Garabedian  
Christopher Garabedian  
President and Chief Executive Officer

Date: December 14, 2011

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**EXHIBIT INDEX**

**Exhibit  
Number**

**Description**

99.1

Press release dated December 14, 2011.



AVI Media and Investor Contact:  
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AVI Media Contact:  
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### **AVI BioPharma Receives NASDAQ Notice of Minimum Bid Price Non-Compliance**

**BOTHELL, WA, Dec 14, 2011 –**

AVI BioPharma, Inc. (NASDAQ: AVII), a developer of RNA-based therapeutics, announced today that it received a letter from the listing qualifications department staff of The NASDAQ Stock Market LLC, notifying AVI that for the last 30 consecutive business days the bid price of its common stock had closed below \$1.00 per share, the minimum closing bid price required by the continued listing requirements set forth in Listing Rule 5450(a)(1). The notice has no effect at this time on the listing of AVI's common stock, which will continue to trade under the symbol "AVII".

Pursuant to Listing Rule 5810(c)(3)(A), AVI has 180 calendar days, or until June 11, 2012, to regain compliance with the minimum bid price requirement. If at any time before this date AVI's common stock has a closing bid price of \$1.00 or more for a minimum of 10 consecutive business days, NASDAQ staff will notify AVI that it has regained compliance.

If AVI cannot demonstrate compliance with Rule 5450(a)(1) by June 11, 2012, NASDAQ will provide notice to AVI that its securities may be delisted. At that time, AVI may appeal NASDAQ's decision to a Listing Qualifications Panel. Alternatively, AVI may submit an application to transfer its securities to The NASDAQ Capital Market. Following submission of the application, AVI may be eligible for an additional 180-day period to regain compliance with the minimum bid price requirement if it meets the continued listing requirement for market value of publicly held shares and all other initial listing standards, with the exception of the bid price requirement, for The NASDAQ Capital Market.

#### **About AVI BioPharma**

AVI BioPharma is focused on the discovery and development of novel RNA-based therapeutics for rare and infectious diseases, as well as other select disease targets. Applying pioneering technologies developed and optimized by AVI, the Company is able to target a broad range of diseases and disorders through distinct RNA-based mechanisms of action. Unlike other RNA-based approaches, AVI's technologies can be used to directly target both messenger RNA

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(mRNA) and precursor messenger RNA (pre-mRNA) to either down-regulate (inhibit) or up-regulate (promote) the expression of targeted genes or proteins. By leveraging its highly differentiated RNA-based technology platform, AVI has built a pipeline of potentially transformative therapeutic agents, including eteplirsen, which is in clinical development for the treatment of Duchenne muscular dystrophy, and multiple drug candidates that are in clinical development for the treatment of infectious disease. For more information, please visit [www.avibio.com](http://www.avibio.com).

#### **Forward-Looking Statements and Information**

*In order to provide AVI's investors with an understanding of its current results and future prospects, this press release contains statements that are forward-looking. Any statements contained in this press release that are not statements of historical fact may be deemed to be forward-looking statements. Words such as "believes," "anticipates," "plans," "expects," "will," "intends," "potential," "possible" and similar expressions are intended to identify forward-looking statements. These forward-looking statements include statements about AVI's ability to regain compliance with the listing standards of The NASDAQ Global Market or obtain listing on The NASDAQ Capital Market.*

*These forward-looking statements involve risks and uncertainties, many of which are beyond AVI's control. Known risk factors include, among others: AVI may not regain compliance with the listing standards of The NASDAQ Global Market or be able to obtain listing on The NASDAQ Capital Market.*

*Any of the foregoing risks could materially and adversely affect AVI's business, results of operations and the trading price of AVI's common stock. For a detailed description of risks and uncertainties AVI faces, you are encouraged to review the official corporate documents filed with the Securities and Exchange Commission. AVI does not undertake any obligation to publicly update its forward-looking statements based on events or circumstances after the date hereof.*