

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

| OMB APPROVAL                                 |           |
|--|-----------|
| OMB Number:                                  | 3235-0287 |
| Estimated average burden hours per response: | 0.5       |

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

|  |                  |           |  |        |  |   |  |  |         |
|--|------------------|-----------|--|--------|--|---|--|--|---------|
| 1. Name and Address of Reporting Person*<br><b>IVERSEN PATRICK L</b> |                  |           | 2. Issuer Name and Ticker or Trading Symbol<br><b>AVI BIOPHARMA INC [ AVII ]</b> |        |  | 5. Relationship of Reporting Person(s) to Issuer (Check all applicable)<br>Director 10% Owner<br><input checked="" type="checkbox"/> Officer (give title below) Other (specify below)<br><b>Sr VP of Research &amp; Development</b> |  |  |         |
| (Last)   | (First)          | (Middle)  | 3. Date of Earliest Transaction (Month/Day/Year)<br><b>02/09/2010</b>            |        |  | 6. Individual or Joint/Group Filing (Check Applicable Line)<br><input checked="" type="checkbox"/> Form filed by One Reporting Person<br>Form filed by More than One Reporting Person   |  |  |         |
| 4575 SW RESEARCH WAY, SUITE 200                                      |                  |           | 4. If Amendment, Date of Original Filed (Month/Day/Year)                         |        |  |   |  |  |         |
| (Street)   | <b>CORVALLIS</b> | <b>OR</b> | <b>97333</b>   | (City) |  |   |  |  | (State) |

**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                    |                                      |  |                                |   |   |            |       | 86,303  | D  |   |
| Common Stock                    |                                      |  |                                |   |   |            |       | 3,000   | I  | by Spouse   |
| Common Stock                    |                                      |  |                                |   |   |            |       | 6,000   | I  | by Trust  |

**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 Securities Underlying Derivative Security (Instr. 3 and 4) |                            | 8. Price of Derivative Security (Instr. 5) | 9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4) | 10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|-----|--|-----------------|---|----------------------------|--|--|---|--|
|  |  |                                      |  | Code                           | V | (A)  | (D) | Date Exercisable   | Expiration Date | Title   | Amount or Number of Shares |  |  |   |  |
| Incentive Stock Option (right to buy)      | \$1.45   | 02/09/2010                           |  | A                              |   | 103,850  |     | 02/09/2011 <sup>(1)</sup>                                | 02/09/2020      | Common Stock  | 103,850                    | \$0 <sup>(2)</sup>                         | 103,850  | D   |  |
| Non-Qualified Stock Option (right to buy)  | \$1.45   | 02/09/2010                           |  | A                              |   | 16,150   |     | 02/09/2011 <sup>(1)</sup>                                | 02/09/2020      | Common Stock  | 16,150                     | \$0 <sup>(2)</sup>                         | 16,150   | D   |  |
| Incentive Stock Option (right to buy)      | \$0.92   |                                      |  |                                |   |  |     | 02/10/2010 <sup>(1)</sup>                                | 02/10/2019      | Common Stock  | 66,667                     |  | 66,667   | D   |  |
| Incentive Stock Option (right to buy)      | \$1.39   |                                      |  |                                |   |  |     | 02/28/2009 <sup>(1)</sup>                                | 02/28/2018      | Common Stock  | 25,000                     |  | 25,000   | D   |  |
| Incentive Stock Option (right to buy)      | \$2.53   |                                      |  |                                |   |  |     | 02/22/2006 <sup>(1)</sup>                                | 02/22/2015      | Common Stock  | 75,000                     |  | 75,000   | D   |  |
| Incentive Stock Option (right to buy)      | \$3  |                                      |  |                                |   |  |     | 02/06/2009 <sup>(1)</sup>                                | 02/06/2017      | Common Stock  | 33,334                     |  | 33,334   | D   |  |
| Incentive Stock Option (right to buy)      | \$5.35   |                                      |  |                                |   |  |     | 12/05/2004 <sup>(1)</sup>                                | 12/05/2012      | Common Stock  | 37,382                     |  | 37,382   | D   |  |
| Incentive Stock Option (right to buy)      | \$5.75   |                                      |  |                                |   |  |     | 01/03/2001 <sup>(1)</sup>                                | 01/03/2010      | Common Stock  | 25,960                     |  | 25,960   | D   |  |

**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 Securities Underlying Derivative Security (Instr. 3 and 4) |                            | 8. Price of Derivative Security (Instr. 5) | 9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4) | 10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|-----|--|-----------------|---|----------------------------|--|--|---|--|
|  |  |                                      |  | Code                           | V | (A)  | (D) | Date Exercisable   | Expiration Date | Title   | Amount or Number of Shares |  |  |   |  |
| Incentive Stock Option (right to buy)      | \$7.35   |                                      |  |                                |   |  |     | 02/16/2007 <sup>(1)</sup>                                | 02/16/2016      | Common Stock  | 23,605                     |  | 23,605   | D   |  |
| Non-Qualified Stock Option (right to buy)  | \$0.92   |                                      |  |                                |   |  |     | 02/10/2010 <sup>(1)</sup>                                | 02/10/2019      | Common Stock  | 33,333                     |  | 33,333   | D   |  |
| Non-Qualified Stock Option (right to buy)  | \$1.39   |                                      |  |                                |   |  |     | 02/28/2009 <sup>(1)</sup>                                | 02/28/2018      | Common Stock  | 50,000                     |  | 50,000   | D   |  |
| Non-Qualified Stock Option (right to buy)  | \$3  |                                      |  |                                |   |  |     | 02/06/2008 <sup>(1)</sup>                                | 02/06/2017      | Common Stock  | 91,666                     |  | 91,666   | D   |  |
| Non-Qualified Stock Option (right to buy)  | \$5.35   |                                      |  |                                |   |  |     | 12/05/2003 <sup>(1)</sup>                                | 12/05/2012      | Common Stock  | 55,018                     |  | 55,018   | D   |  |
| Non-Qualified Stock Option (right to buy)  | \$5.75   |                                      |  |                                |   |  |     | 01/03/2001 <sup>(1)</sup>                                | 01/03/2010      | Common Stock  | 58,040                     |  | 58,040   | D   |  |
| Non-Qualified Stock Option (right to buy)  | \$7.35   |                                      |  |                                |   |  |     | 02/16/2007 <sup>(1)</sup>                                | 02/16/2016      | Common Stock  | 51,395                     |  | 51,395   | D   |  |

**Explanation of Responses:**

- 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.
- Price not required on initial report of stock option granted.

Patrick L. Iversen

02/11/2010

\*\* Signature of Reporting Person

Date

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

\* 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).

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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