

Kaye Edward M. MD  
 Form 4  
 April 25, 2012

**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 \*  
 Kaye Edward M. MD

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
 3450 MONTE VILLA PARKWAY,  
 SUITE 101  
 (Street)

3. Date of Earliest Transaction  
 (Month/Day/Year)  
 04/24/2012

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
 SVP & Chief Medical Officer

BOTHELL, WA 98021  
 (City) (State) (Zip)

4. If Amendment, Date Original Filed(Month/Day/Year)

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)                                                        | Code                                                                                          | V                                                        | Amount                            | (D) | Price |

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)**

| 1. Title of Derivative Security | 2. Conversion or Exercise | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any | 4. Transaction Code | 5. Number of Derivative Securities | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) |
|---------------------------------|---------------------------|--------------------------------------|-----------------------------------|---------------------|------------------------------------|----------------------------------------------------------|---------------------------------------------------------------|
|---------------------------------|---------------------------|--------------------------------------|-----------------------------------|---------------------|------------------------------------|----------------------------------------------------------|---------------------------------------------------------------|

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| (Instr. 3)                           | Price of<br>Derivative<br>Security | (Month/Day/Year) | (Instr. 8) | Acquired (A)<br>or Disposed of<br>(D)<br>(Instr. 3, 4,<br>and 5) | Code | V | (A) | (D) | Date<br>Exercisable | Expiration<br>Date | Title           | Amount<br>or<br>Number<br>of Shares |
|--------------------------------------|------------------------------------|------------------|------------|------------------------------------------------------------------|------|---|-----|-----|---------------------|--------------------|-----------------|-------------------------------------|
| Stock<br>Option<br>(right to<br>buy) | \$ 0.9                             | 04/24/2012       | A          | 68,110                                                           |      |   |     |     | <u>(1)</u>          | 04/24/2022         | Common<br>Stock | 68,110                              |

## Reporting Owners

| Reporting Owner Name / Address                                                | Relationships |           |                             |       |
|-------------------------------------------------------------------------------|---------------|-----------|-----------------------------|-------|
|                                                                               | Director      | 10% Owner | Officer                     | Other |
| Kaye Edward M. MD<br>3450 MONTE VILLA PARKWAY, SUITE 101<br>BOTHELL, WA 98021 |               |           | SVP & Chief Medical Officer |       |

## Signatures

By: Michael Jacobsen For: Edward M.  
Kaye 04/25/2012

\*\*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) This option is exercisable at the rate of 25% of the shares on April 24, 2013 and 1/48th of the total granted shares on each monthly anniversary thereafter, such that the option will be fully exercisable on April 24, 2016.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.