

AVI BIOPHARMA INC
Form 8-K
May 08, 2007

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of Earliest Event Reported): **May 2, 2007**

AVI BioPharma, Inc.

(Exact name of Company as specified in its charter)

Oregon
(State or other
jurisdiction of
incorporation)

0-22613
(Commission File No.)

93-0797222
(I.R.S. Employer
Identification No.)

One S.W. Columbia, Suite 1105

Portland, OR 97258

(Address of principal executive offices)

(503) 227-0554

Registrant's telephone number, including area code

Not Applicable

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

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)

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- o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Section 1 Registrant's Business and Operations

Item 1.01. Entry into a Material Definitive Agreement

On May 2, 2007, AVI BioPharma, Inc. (Nasdaq: AVII) ("AVI") entered into a cross-license and collaboration agreement with Ercole Biotech, Inc. ("Ercole") to identify and develop drugs that may prove effective in treating the genetic diseases Duchenne muscular dystrophy (DMD) and beta thalassemia, and a stock purchase agreement in connection therewith. On May 2, 2007, AVI issued a press release in connection with this transaction.

Under the terms of the collaboration agreement, which follows a similar agreement made in December 2006, each party granted the other rights under its respective patents for RNA splice-altering technologies. AVI and Ercole will each select a set of specific gene targets and take the respective lead in investigating the potential therapeutic effects of shifting splicing of those genes. The agreement also contains customary provisions regarding indemnification and confidentiality.

Under the terms of the stock purchase agreement, AVI issued 73,607 shares of AVI common stock (at \$2.72 per share) in exchange for 200,000 shares of Ercole's Series A-2 preferred stock.

Section 7 Regulation FD

Item 7.01 Regulation FD Disclosure

A copy of AVI's press release concerning the Ercole transaction is attached as Exhibit 99.1 to this Current Report on Form 8-K. Pursuant to the rules and regulations of the Securities and Exchange Commission, such exhibit and the information set forth therein are deemed to have been furnished and shall not be deemed to be filed under the Securities Exchange Act of 1934.

Section 9 Financial Statements and Exhibits

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits

99.1 Press Release, dated May 2, 2007.

2

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 May 8, 2007.

AVI BioPharma, Inc.

By:

/s/ ALAN P. TIMMINS

Alan P. Timmins

*President and Chief Operating Officer (Principal
Operating Officer)*