

AVI BIOPHARMA INC  
Form 8-K  
February 08, 2007

**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): **February 6, 2007**

**AVI BioPharma, Inc.**

(Exact name of registrant as specified in its charter)

|  |   |  |
|--|---|--|
| <b>Oregon</b><br>(State or other jurisdiction of<br>incorporation or organization) | <b>0-22613</b><br>(Commission<br>File Number) | <b>93-0797222</b><br>(IRS Employer<br>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 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

On February 6, 2007, after consideration of presentations and recommendations of management and the Compensation Committee and such other matters and information as deemed appropriate, the Board of Directors of AVI BioPharma, Inc. ( Company ) accepted and ratified the conclusions and recommendations of the Company s Compensation Committee (the Committee ) with respect to the following actions:

*Fiscal 2007 Base Salaries.* The base salary levels, effective January 1, 2007, of the persons who are anticipated to be the Company s named executive officers for 2007 were set as follows:

|                                   |  | 2007 Base  | 2006 Base  |
|-----------------------------------|--|------------|------------|
| Name                              | Title  | Salary     | Salary     |
| Denis R. Burger, Ph.D.            | Chief Executive Officer  | \$ 375,000 | \$ 375,000 |
| Alan P. Timmins                   | President and Chief Operating Officer                                | \$ 300,000 | \$ 300,000 |
| Patrick L. Iversen, Ph.D.         | Senior Vice President of Research and Development                    | \$ 260,000 | \$ 250,000 |
| Dwight D. Weller, Ph.D.           | Senior Vice President of Chemistry and Manufacturing                 | \$ 240,000 | \$ 230,000 |
| Peter D. O Hanley, Ph.D,<br>M.D., | Senior Vice President of Clinical Development and Regulatory Affairs | \$ 260,000 | \$ 250,000 |
| Mark M. Webber                    | Chief Financial Officer  | \$ 235,000 | \$ 225,000 |

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*2007 Cash Bonus.* The following bonuses were proposed for persons who are anticipated to be among the Company's named executive officers for 2007:

| <b>Name</b>                    | <b>Title</b>   | <b>Proposed 2007 Bonus</b> |
|--------------------------------|--|----------------------------|
| Patrick L. Iversen, Ph.D.      | Senior Vice President of Research and Development                    | \$ 75,000                  |
| Dwight D. Weller, Ph.D.        | Senior Vice President of Chemistry and Manufacturing                 | \$ 50,000                  |
| Peter D. O Hanley, Ph.D., M.D. | Senior Vice President of Clinical Development and Regulatory Affairs | \$ 50,000                  |
| Mark M. Webber                 | Chief Financial Officer  | \$ 50,000                  |

*Stock Option Awards.* Incentive stock option for the purchase of the Company's common stock were granted to the persons who are anticipated to be among the named executive officers of the Company for 2007, pursuant to the Company's 2002 Equity Incentive Plan (the 2002 Plan) as follows:

| <b>Name</b>                    | <b>Title</b>   | <b>Shares Subject to Option Grant</b> |
|--------------------------------|--|---------------------------------------|
| Patrick L. Iversen, Ph.D.      | Senior Vice President of Research and Development                    | 125,000                               |
| Dwight D. Weller, Ph.D.        | Senior Vice President of Chemistry and Manufacturing                 | 75,000                                |
| Peter D. O Hanley, Ph.D., M.D. | Senior Vice President of Clinical Development and Regulatory Affairs | 75,000                                |
| Mark M. Webber                 | Chief Financial Officer  | 75,000                                |

The stock options granted become exercisable starting twelve months after the grant date, with one-third of the options becoming exercisable at that time and an additional one-third of the options becoming exercisable on the second and third anniversary dates of the option grant, respectively. The options are subject to the terms of the 2002 Plan and the individual award agreements, the form of which is attached hereto as Exhibit 99.1. The exercise price per share of the shares subject to the option grants is \$3.00, the reported closing price on the Nasdaq Stock Market on February 6, 2007 (the grant date).

**Item 7.01 Regulation FD Disclosure**

The information set forth above is incorporated by reference herein.

**Item 8.01 Other Events**

The information set forth above is incorporated by reference herein.

**Item 9.01 Financial Statements and Exhibits**

(b) Exhibits

99.1 Form of ISO Stock Option Agreement

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4

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**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 February 8, 2007.

AVI BioPharma, Inc.

By: /s/ ALAN P. TIMMINS

Alan P. Timmins  
*President and Chief Operating Officer*

*(Principal Operating Officer)*

EXHIBIT INDEX

99.1 Form of ISO Stock Option Agreement

6

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