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AVI BIOPHARMA INC Form 3 June 02, 2009 FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549 OMB APPROVAL OMB 3235-0104

INITIAL STATEMENT OF 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 <u>*</u> EASTBOURNE CAPITAL MANAGEMENT LLC/CA			2. Date of Event Requiring Statement3. Issuer Name and Ticker or Trading Syn AVI BIOPHARMA INC [AVII](Month/Day/Year)05/31/2009				
(Last)	(First)	(Middle)		4. Relationshi Person(s) to Is	elationship of Reporting on(s) to Issuer		5. If Amendment, Date Original Filed(Month/Day/Year)
1101 FIFTH 370	I AVENUE	E, SUITE		(Check	all applicable)		
(Street) SAN RAFAEL, CA 94901			DirectorX10% Owner Officer Other (give title below) (specify below)			 f. Individual or Joint/Group Filing(Check Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting Person 	
(City)	(State)	(Zip)	Table I - N	Non-Derivat	ive Securiti	es Be	neficially Owned
1.Title of Secu (Instr. 4)	rity		2. Amount o Beneficially (Instr. 4)		3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nat Owne (Instr.	*
Common St	ock (1) (2)		14,224,133	8	D	Â	
Reminder: Rep owned directly			ch class of securities benefic	ially SI	EC 1473 (7-02)	
	Perso inforn requir	ns who resp nation conta red to respo	pond to the collection of ained in this form are not nd unless the form displ MB control number.	t			
1	Coble II De-					•	······································

Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security	2. Date Exercisable and	3. Title and Amount of	4.	5.	6. Nature of Indirect
(Instr. 4)	Expiration Date	Securities Underlying	Conversion	Ownership	Beneficial Ownership
	(Month/Day/Year)	Derivative Security	or Exercise	Form of	(Instr. 5)
		(Instr. 4)	Price of	Derivative	
			Derivative	Security:	

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Date	Expiration	Title	Amount or	Security	Direct (D)
Exercisable	Date		Number of		or Indirect
			Shares		(I)
					(Instr. 5)

Reporting Owners

Reporting Person

			Relationships				
Reporting	Director	10% Owner	Officer	Other			
EASTBOURNE CAPITAL MANAGEMENT LLC/CA 1101 FIFTH AVENUE SUITE 370 SAN RAFAEL, CA 94901			ÂX	Â	Â		
Signatures							
Eric Sippel	06/02/2009						
<u>**</u> Signature of	Date						

Explanation of Responses:

- If the form is filed by more than one reporting person, see Instruction 5(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).

Eastbourne Capital Management, L.L.C. ("Eastbourne") is the general partner or manager and investment adviser of investment funds that hold these securities directly on behalf of those funds' investors. Richard Jon Barry is Eastbourne's manager and controlling person. Eastbourne and Mr. Barry hold these securities indirectly in their capacity as investment adviser and control person, respectively.

(1) Eastbourne is filing this Form 3 on behalf of itself and Mr. Barry, jointly, but not as members of a group, and each of them disclaims membership in a group, within the meaning of Rule 13d-5(b) under the Securities Exchange Act of 1934, as amended. In addition, each of them disclaims beneficial ownership of such securities, except to the extent of its pecuniary interest therein

Eastbourne Capital Management, L.L.C. is the beneficial owner of more than 10 percent of the outstanding common stock of Avi BioPharma, Inc. Under a Letter Agreement Regarding Board of Director Representation dated as of January 30, 2009, between

(2) Eastbourne Capital Management, L.L.C. and Avi BioPharma, Inc., Avi BioPharma, Inc. agreed to take all necessary actions to have one designee of Eastbourne Capital Management, L.L.C. nominated to Avi BioPharma, Inc.'s Board of Directors. Pursuant to this agreement, Dr. Kathleen Behrens currently serves on the Board of Directors of Avi BioPharma, Inc.

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.