

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 13G

Under the Securities Exchange Act of 1934

AVI BIOPHARMA, INC.
(Name of Issuer)

COMMON

(Title of Class of Securities)

637184-10-8

(CUSIP Number)

JUNE 8, 1999

(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

/ Rule 13d-1(b)

/ Rule 13d-1(c)

/ Rule 13d-1(d)

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 control number.

CUSIP No. 037184-10-8

1. Names of Reporting Persons.
I.R.S. Identification Nos. of above persons (entities only).

PAULSON INVESTMENT COMPANY, INC. - I.R.S. IDENTIFICATION NO. 93-0789804

2. Check the Appropriate Box if a Member of a Group
(a) /X/
(b) / /

3. SEC Use Only

4. Citizenship or Place of Organization
U.S.A.

| | | |
|-----------------------------------------------------------------------------|-----------------------------|---------|
| Number of Shares Beneficially Owned by Each Reporting Person With: | 5. Sole Voting Power | 564,956 |
| | 6. Shared Voting Power | 0 |
| | 7. Sole Dispositive Power | 793,309 |
| | 8. Shared Dispositive Power | 0 |

9. Aggregate Amount Beneficially Owned by Each Reporting Person
1,048,969

10. Check if the Aggregate Amount in Row (11) Excludes Certain Shares
/ /

11. Percent of Class Represented by Amount in Row (11)
7.8%

12. Type of Reporting Person
BD, IC, CO

1. Names of Reporting Persons.
I.R.S. Identification Nos. of above persons (entities only).

CHESTER L. F. PAULSON

2. Check the Appropriate Box if a Member of a Group
(a) /X/
(b) / /

3. SEC Use Only

4. Citizenship or Place of Organization

U.S.A.

| | | |
|----------------------------|-----------------------------|---------|
| | 5. Sole Voting Power | 0 |
| Number of Shares | ----- | |
| Beneficially Owned by Each | 6. Shared Voting Power | 106,820 |
| Reporting Person With: | ----- | |
| | 7. Sole Dispositive Power | 0 |
| | ----- | |
| | 8. Shared Dispositive Power | 132,020 |

9. Aggregate Amount Beneficially Owned by Each Reporting Person

1,048,969

10. Check if the Aggregate Amount in Row (11) Excludes Certain Shares
/ /

11. Percent of Class Represented by Amount in Row (11)

7.8%

12. Type of Reporting Person

IN

1. Names of Reporting Persons.
I.R.S. Identification Nos. of above persons (entities only).

ERICK J. C. PAULSON

2. Check the Appropriate Box if a Member of a Group
(a) /X/
(b) / /

3. SEC Use Only

4. Citizenship or Place of Organization

U.S.A.

Number of Shares
Beneficially Owned by Each
Reporting Person With:

| | |
|-----------------------------|--------|
| 5. Sole Voting Power | 13,640 |
| 6. Shared Voting Power | 0 |
| 7. Sole Dispositive Power | 13,640 |
| 8. Shared Dispositive Power | 0 |

9. Aggregate Amount Beneficially Owned by Each Reporting Person

1,048,969

10. Check if the Aggregate Amount in Row (11) Excludes Certain Shares
/ /

11. Percent of Class Represented by Amount in Row (11)

7.8%

12. Type of Reporting Person

IN

1. Names of Reporting Persons.
I.R.S. Identification Nos. of above persons (entities only).

WAYNE M. HAMERSLY

2. Check the Appropriate Box if a Member of a Group
(a) /X/
(b) / /

3. SEC Use Only

4. Citizenship or Place of Organization

U.S.A.

| | | |
|----------------------------|-----------------------------|---------|
| | 5. Sole Voting Power | 50,000 |
| Number of Shares | | |
| Beneficially Owned by Each | 6. Shared Voting Power | 50,000 |
| Reporting Person With: | | |
| | 7. Sole Dispositive Power | 100,000 |
| | | |
| | 8. Shared Dispositive Power | 0 |

9. Aggregate Amount Beneficially Owned by Each Reporting Person

1,048,969

10. Check if the Aggregate Amount in Row (11) Excludes Certain Shares
/ /

11. Percent of Class Represented by Amount in Row (11)

7.8%

12. Type of Reporting Person

IN, IA

1. Names of Reporting Persons.
I.R.S. Identification Nos. of above persons (entities only).

JACQUELINE M. PAULSON

2. Check the Appropriate Box if a Member of a Group
(a) /X/
(b) / /

3. SEC Use Only

4. Citizenship or Place of Organization

U.S.A.

5. Sole Voting Power 0

| | |
|-----------------------------|---------|
| Number of Shares | ----- |
| Beneficially Owned by Each | ----- |
| Reporting Person With: | ----- |
| 6. Shared Voting Power | 106,820 |
| 7. Sole Dispositive Power | 0 |
| 8. Shared Dispositive Power | 132,020 |

9. Aggregate Amount Beneficially Owned by Each Reporting Person

1,048,969

10. Check if the Aggregate Amount in Row (11) Excludes Certain Shares
/ /

11. Percent of Class Represented by Amount in Row (11)

7.8%

12. Type of Reporting Person

IN

1. Names of Reporting Persons.
I.R.S. Identification Nos. of above persons (entities only).

SCOTT T. WEBER

2. Check the Appropriate Box if a Member of a Group
(a) /X/
(b) / /

3. SEC Use Only

4. Citizenship or Place of Organization

U.S.A.

| | | |
|----------------------------|-----------------------------|--------|
| | 5. Sole Voting Power | 0 |
| Number of Shares | | |
| Beneficially Owned by Each | 6. Shared Voting Power | 10,000 |
| Reporting Person With: | | |
| | 7. Sole Dispositive Power | 0 |
| | 8. Shared Dispositive Power | 10,000 |

9. Aggregate Amount Beneficially Owned by Each Reporting Person

1,048,969

10. Check if the Aggregate Amount in Row (11) Excludes Certain Shares
/ /

11. Percent of Class Represented by Amount in Row (11)

7.8%

12. Type of Reporting Person

IN

ITEM 1.

- (a) Name of Issuer:
AVI BIOPHARMA, INC.
- (b) Address of Issuer's Principal Executive Offices:
ONE S.W. COLUMBIA STREET, STE. 1105
PORTLAND, OREGON 97258

ITEM 2.

- (a) Name of Person Filing:

SEE 1 ON PAGE 2 (COVER SHEET)
- (b) Address of Principal Business Office or, if none, Residence:
PAULSON INVESTMENT COMPANY, INC.
811 S.W. NAITO PARKWAY, SUITE 200
PORTLAND, OREGON 97204
- (c) Citizenship:

SEE 4 ON PAGE 2 (COVER SHEET)
- (d) Title of Class of Securities:

COMMON
- (e) CUSIP Number:

037184-10-8

ITEM 3. IF THIS STATEMENT IS FILED PURSUANT TO Sections 240.13D-1(b) OR 240.13d-2(b) OR (c), CHECK WHETHER THE PERSON FILING IS A:

SEE # 12 ON PAGE 2 (COVER SHEET)

- (a) / / Broker or dealer registered under section 15 of the Act (15 U.S.C. 78o).
- (b) / / Bank as defined in section 3(a)(6) of the Act (15 U.S.C. 78c).
- (c) / / Insurance company as defined in section 3(a)(19) of the Act (15 U.S.C. 78c).
- (d) / / Investment company registered under section 8 of the Investment Company Act of 1940 (15U.S.C. 80a-8).
- (e) / / An investment adviser in accordance with Section 240.13d-1(b)(1)(ii)(E);
- (f) / / An employee benefit plan or endowment fund in accordance with Section 240.13d-1(b)(1)(ii)(F);
- (g) / / A parent holding company or control person in accordance Section 240.13d-1(b)(1)(ii)(G);
- (h) / / A savings associations as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);
- (i) / / A church plan that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3);

(j) Group, in accordance with Section 240.13d-1(b)(1)(ii)(J).

ITEM 4. OWNERSHIP.

- (a) Amount beneficially owned: 1,048,969
- (b) Percent of class: 7.8%
- (c) Number of shares as to which the person has:
 - (i) Sole power to vote or direct the vote SEE 5 ON PAGE 2 (COVER SHEET).
 - (ii) Shared power to vote or to direct the vote SEE 6 ON PAGE 2 (COVER SHEET).
 - (iii) Sole power to dispose or to direct the disposition of SEE 7 ON PAGE 2 (COVER SHEET).
 - (iv) Shared power to dispose or to direct the disposition of SEE # 8 ON PAGE 2 (COVER SHEET).

ITEM 5. OWNERSHIP OF FIVE PERCENT OR LESS OF A CLASS.

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following / /.

ITEM 6. OWNERSHIP OF MORE THAN FIVE PERCENT ON BEHALF OF ANOTHER PERSON.

NOT APPLICABLE

ITEM 7. IDENTIFICATION AND CLASSIFICATION OF THE SUBSIDIARY WHICH ACQUIRED THE SECURITY BEING REPORTED ON BY THE PARENT HOLDING COMPANY

NOT APPLICABLE

ITEM 8. IDENTIFICATION AND CLASSIFICATION OF MEMBERS OF THE GROUP

SEE EXHIBIT ITEM 8

ITEM 9. NOTICE OF DISSOLUTION OF GROUP

NOT APPLICABLE

10. CERTIFICATION

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of

changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

PAULSON INVESTMENT COMPANY, INC.

By: /s/ CHESTER L. F. PAULSON

/s/ ERICK J. C. PAULSON

Chester L. F. Paulson, President

ERICK J. C. PAULSON, Individually

/s/ JACQUELINE M. PAULSON

/s/ WAYNE M. HAMERSLY

JACQUELINE M. PAULSON, Individually

WAYNE M. HAMERSLY, Individually

/s/ CHESTER L. F. PAULSON

/s/ SCOTT T. WEBER

CHESTER L. F. PAULSON, Individually

SCOTT T. WEBER, Individually

EXHIBITS

ITEM 8:

Paulson Investment Company, Inc.

Chester L. F. Paulson

Jacqueline M. Paulson

Erick J. C. Paulson

Wayne M. Hamersly

Scott T. Weber