

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): September 27, 2010

AETHLON MEDICAL, INC.
(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction
of incorporation)

000-21846
(Commission File Number)

13-3632859
(IRS Employer
Identification Number)

8910 University Center Lane, Suite 660
San Diego, California
(Address of principal executive offices)

92122
(Zip Code)

Registrant's telephone number, including area code: (858) 459-7800

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 (see General Instruction A.2 below):

- 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))
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FORWARD-LOOKING STATEMENTS

This Form 8-K and other reports filed by Registrant from time to time with the Securities and Exchange Commission (collectively the "Filings") contain or may contain forward-looking statements and information that are based upon beliefs of, and information currently available to, Registrant's management as well as estimates and assumptions made by Registrant's management. When used in the Filings, the words "anticipate," "believe," "estimate," "expect," "future," "intend," "plan" or the negative of these terms and similar expressions as they relate to Registrant or Registrant's management identify forward-looking statements. Such statements reflect the current view of Registrant with respect to future events and are subject to risks, uncertainties, assumptions and other factors relating to Registrant's industry, Registrant's operations and results of operations and any businesses that may be acquired by Registrant. Should one or more of these risks or uncertainties materialize, or should the underlying assumptions prove incorrect, actual results may differ significantly from those anticipated, believed, estimated, expected, intended or planned.

Although Registrant believes that the expectations reflected in the forward-looking statements are reasonable, Registrant cannot guarantee future results, levels of activity, performance or achievements. Except as required by applicable law, including the securities laws of the United States, Registrant does not intend to update any of the forward-looking statements to conform these statements to actual results.

ITEM 5.02 DEPARTURE OF DIRECTORS OR CERTAIN OFFICERS; ELECTION OF DIRECTORS; APPOINTMENT OF CERTAIN OFFICERS; COMPENSATORY ARRANGEMENTS OF CERTAIN OFFICERS.

Appointment of Chief Financial Officer

On September 27, 2010, Mr. James B. Frakes, Senior Vice President – Finance of Aethlon Medical, Inc. (the "Company"), was appointed to the office of Chief Financial Officer ("CFO") of the Company, to serve until his resignation or the appointment of a successor to his position. Mr. Frakes, age 53, joined the Company as Senior Vice President – Finance in January 2008 and brought 16 consecutive years of financial responsibility for publicly traded companies, as well as specific knowledge and experience in equity and debt transactions, acquisitions, public reporting and Sarbanes-Oxley section 404 internal control requirements. Previously, he served as the CFO for Left Behind Games Inc., a start-up video game company. Prior to 2006, he served as CFO of NTN Buzztime, Inc., an interactive entertainment company with \$40 million in sales, where he played a key role in acquisitions that doubled the company's revenue. Additionally, he was involved in NTN Buzztime, Inc.'s registered direct offering and subsequent private placements.

As CFO, Mr. Frakes will receive an annual salary of \$180,000. In addition, in connection with his appointment as CFO, on September 27, 2010, the Company's Board of Directors approved the grant to Mr. Frakes of an option to acquire an aggregate of 500,000 shares of the Company's common stock at an exercise price of \$0.25 per share, the closing price of the Company's common stock on the date of grant. The option vested as to 250,000 shares on the grant date and will vest as to the remaining 250,000 shares one year from the grant date. Unless earlier exercised or terminated, the option will expire September 27, 2020. Prior to being appointed CFO, Mr. Frakes was employed on a part-time basis as the Company's Senior Vice President – Finance under an arrangement with Tatum, LLC.

Due to the appointment of Mr. Frakes as his successor to the position of CFO, Mr. James A. Joyce, the Company's Chairman, Chief Executive Officer, President and Secretary, resigned from his position as the Company's CFO effective September 27, 2010.

On September 28, 2010, the Company issued a press release announcing the appointment of Mr. Frakes as the Company's CFO. The full text of the press release is set forth in Exhibit 99 attached hereto.

Stock Option Grants to Directors and Executive Officers

As a part of the Company's ongoing strategy to attract, retain and motivate key employees and other persons who make or may make significant contributions toward the success of the Company, on September 27, 2010, the Company's Board of Directors approved the following grants of options to officers and directors of the Company:

In recognition of his leadership and focused determination to develop market applications for the Hemopurifier, the Company's Board of Directors approved the grant to Mr. Joyce of an option to acquire an aggregate of 2,500,000 shares of the Company's common stock at an exercise price of \$0.25 per share, the closing price of the Company's common stock on the date of grant. The option vested as to 1,000,000 shares on the grant date and will vest as to the remaining 1,500,000 shares one-third each year over three years on each anniversary of the grant date. Unless earlier exercised or terminated, the option will expire September 27, 2020.

For his continued hands-on direction of the Hemopurifier's research and development applications and management of the Company's laboratory and clinical studies, the Company's Board of Directors approved the grant to Dr. Richard H. Tullis, Vice President, Chief Science Officer and a director of the Company, of an option to acquire an aggregate of 1,000,000 shares of the Company's common stock at an exercise price of \$0.25 per share, the closing price of the Company's common stock on the date of grant. The option vested as to 500,000 shares on the grant date and will vest as to the remaining 500,000 shares one year from the grant date. Unless earlier exercised or terminated, the option will expire September 27, 2020.

In consideration for his dedicated service as a director, the Company's Board of Directors approved the grant to Mr. Franklyn S. Barry, Jr., one of the Company's non-employee directors, of an option to acquire an aggregate of 500,000 shares of the Company's common stock at an exercise price of \$0.25 per share, the closing price of the Company's common stock on the date of grant. The option vested as to 250,000 shares on the grant date and will vest as to the remaining 250,000 shares one-third each year over three years on each anniversary of the grant date. Unless earlier exercised or terminated, the option will expire September 27, 2020.

For his continued service as the longest-serving director of the Company, the Company's Board of Directors approved the grant to Mr. Edward G. Broenniman, another of the Company's non-employee directors, of an option to acquire an aggregate of 600,000 shares of the Company's common stock at an exercise price of \$0.25 per share, the closing price of the Company's common stock on the date of grant. The option vested as to 300,000 shares on the grant date and will vest as to the remaining 300,000 shares one-third each year over three years on each anniversary of the grant date. Unless earlier exercised or terminated, the option will expire September 27, 2020.

All of the option grants discussed herein were approved and recommended by the Company's Compensation Committee prior to approval by the Board of Directors.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.
(d) EXHIBITS

EXHIBIT NO.	DESCRIPTION
99	Press Release dated September 28, 2010

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AETHLON MEDICAL, INC.

By: /s/ James A. Joyce
James A. Joyce
Chief Executive Officer

Dated: October 1, 2010

EXHIBIT INDEX

EXHIBIT NO.	DESCRIPTION
99	Press Release dated September 28, 2010



Aethlon Medical Appoints Jim Frakes as Chief Financial Officer

San Diego, CA. - September 28, 2010 – Aethlon Medical, Inc. (OTCBB:AEMD), the pioneer in developing therapeutic filtration devices to address infectious disease and cancer, announced today that it has appointed Jim Frakes, currently serving as Senior Vice President-Finance, as Chief Financial Officer.

Mr. Frakes initially joined the company in January 2008 in a part-time role as Senior Vice President-Finance. Prior to joining Aethlon, Mr. Frakes served as the Chief Financial Officer of four public companies over a sixteen year period.

"Over the last two years, Jim has become a trusted and important member of the Aethlon Medical team", stated James A. Joyce, Chief Executive Officer. "It is now appropriate to expand his role as we plan new clinical programs and strategically advance technology applications of our Hemopurifier® and other pipeline products."

"I am excited to take on this additional responsibility at this pivotal time in the development of Aethlon Medical. I look forward to guiding Aethlon with its growing clinical programs and its commercialization opportunities." Mr. Frakes stated. The Chief Financial Officer title was previously held by company Chairman and CEO, James A. Joyce.

About Aethlon Medical

At Aethlon Medical, we create revolutionary devices to address infectious disease and cancer. Our devices are designed to be novel platform solutions that fill therapeutic voids or aid in disease diagnosis and monitoring.

Our Hemopurifier® is the first medical device to selectively target the removal of infectious viruses and immunosuppressive proteins from the entire circulatory system. We recently discovered that our Hemopurifier® captures tumor-secreted exosomes that suppress the immune system of those afflicted with cancer. Prior to this discovery, a therapeutic strategy to directly inhibit or reverse the immunosuppressive destruction caused by exosomes did not exist in cancer care. By eliminating this mechanism, we believe our Hemopurifier® can fill an unmet clinical need and provide the benefit of an immune-based therapy without adding drug toxicity or interaction risks to established and emerging treatment strategies.

Human studies have documented the ability of our Hemopurifier® to safely reduce viral load in both Hepatitis-C virus (HCV) and Human Immunodeficiency Virus (HIV) infected patients without the administration of antiviral drugs. However, our initial clinical and commercialization focus is to establish our Hemopurifier® as an adjunct therapy to enhance the benefit of both infectious disease and cancer treatment regimens. In this regard, we plan to commercialize our Hemopurifier® in India as we advance our clinical strategies in the United States and the European Union. *In vitro* studies conducted by government and non-government research institutes have also verified that our Hemopurifier® has broad-spectrum capabilities against bioterror and emerging pandemic threats. These studies have confirmed the capture of Dengue Hemorrhagic Virus, Ebola Hemorrhagic Virus, Lassa Hemorrhagic Virus, West Nile Virus, H5N1 Avian Influenza Virus, 2009 H1N1 Influenza Virus, the reconstructed Spanish Flu of 1918 Virus, and Monkeypox Virus, which serves as a model for human Smallpox infection.

As a therapeutic device, the Hemopurifier® provides us with a pipeline into four significant market opportunities:

1. Cancer: A treatment candidate to improve patient responsiveness to established cancer therapies by removing immunosuppressive exosomes from circulation.
2. Hepatitis-C Virus (HCV): As an adjunct therapy to accelerate viral load reduction at the outset of standard of care drug regimens.
3. Human Immunodeficiency Virus (HIV): Provides a potential therapeutic option for HIV-infected individuals to manage disease progression once they become resistant to antiviral drug regimens.
4. Bioterror and Pandemic Threats: Represents the most advanced broad-spectrum strategy to address untreatable bioterror and emerging pandemic threats.

The Hemopurifier® is an expansive multi-patented platform technology whose mechanism of action can be leveraged to provide therapeutic, diagnostic, and biomarker discovery solutions. As a therapeutic, the Hemopurifier® is a single-use disposable cartridge designed for implementation within the established infrastructure of dialysis machines and other blood circulatory pumps already located in hospitals and clinics worldwide.

In design, our Hemopurifier® is a selective filtration device containing affinity agents that tightly bind to high-mannose structures unique to the surface of exosomes produced by cancer and glycoproteins residing on the envelope of viruses. These agents are immobilized around approximately 2800 porous hollow fibers that run the interior length of our device. The resulting design provides us the novel ability to separate both exosome and viral targets away from blood cells so they can then be selectively and permanently removed from the circulatory system. In application, blood circulation is established into the Hemopurifier® via a catheter or other blood access device. Once blood flow has been established, treatment benefit is immediate as the entire circulatory system can pass through the Hemopurifier® in as little as 15 minutes.

Our wholly owned subsidiary, Exosome Sciences, Inc. (ESI) is focused on the development of exosome-targeted products and services that improve cancer diagnosis, provide post-treatment cancer surveillance, and aid in the discovery of biomarkers that allow doctors to optimize patient therapy. Additional information regarding Aethlon Medical and Exosome Sciences can be accessed online at www.aethlonmedical.com.

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