
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): October 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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Appointment of Officer

Effective October 27, 2010, Mr. Rod Kenley was appointed by the Board of Directors of Aethlon Medical, Inc. (the "Company") to serve as the Company's President. As previously announced by the Company, Mr. Kenley was elected by the Board of Directors to serve as a Director of the Company effective as of October 18, 2010. Mr. Kenley is 60 years old.

In connection with his appointment as President, Mr. Kenley has accepted an offer of employment ("Offer of Employment") containing the following terms and conditions: (i) Mr. Kenley will have annualized salary of \$240,000, and (ii) Mr. Kenley has been granted options to purchase one million shares of common stock ("Options") at a price per share of \$0.25, of which 250,000 Options vest on October 28, 2011 and 20,833 Options will vest monthly thereafter. In addition, Mr. Kenley will be entitled to benefits customarily provided by the Company to its employees, including health insurance and reimbursement of expenses. This description of the Offer of Employment does not purport to be complete and is qualified in its entirety by the Offer of Employment attached hereto as Exhibit 10.1, which is incorporated herein by reference.

Mr. Kenley has 33 years of experience in healthcare, most of which have been spent in the extracorporeal blood purification arena. Mr. Kenley held several positions at Baxter Healthcare (Travenol) from 1977 through 1990 including International Marketing Manager, Business Unit Manager for Peritoneal and Hemodialysis products, Manager of New Business Development, Director of Worldwide Product Planning, Director of Advanced Product Development, and Vice President of Electronic Drug Infusion. During this tenure at Travenol he helped to develop and manage the launch of several new products that have been highly commercially successful including the HomeChoice peritoneal dialysis cyclor. In 1991, Mr. Kenley founded Aksys Ltd. to develop and commercialize a daily home hemodialysis system which was launched in 2002 as the PHD system. In 2004, Mr. Kenley initiated the development of a second generation home hemodialysis system in partnership with DEKA Research & Development Corporation in Manchester, New Hampshire. In 2007, the assets of Aksys Ltd. were acquired by DEKA where Mr. Kenley is now employed and continues work on the second generation home hemodialysis system along with several other new dialysis products. Mr. Kenley is the author of over 30 patents and has been a frequent presenter at international symposia regarding the provision of dialysis, the design of dialysis equipment, designing medical equipment according to FDA guidelines as well as lecturing at the Kellogg School of Management and other business schools in the area of entrepreneurship.

There are no family relationships between Mr. Kenley and any executive officer or Director of the Company.

On October 28, 2010, the Company issued a press release announcing the appointment of Mr. Kenley to the office of President. The full text of the press release is set forth in Exhibit 99 attached hereto.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.
(d) EXHIBITS

EXHIBIT NO.	DESCRIPTION
10.1	Offer of Employment for Mr. Rodney Kenley dated October 27, 2010
10.2	Stock Option Agreement with Mr. Rodney Kenley dated October 28, 2010
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: November 1, 2010

EXHIBIT INDEX

EXHIBIT NO.	DESCRIPTION
10.1	Consulting Agreement with Rod Henley dated September 15, 2010
99	Press Release dated September 28, 2010



8910 University Center Lane, Suite 660
San Diego, CA 92122
858-459-7800
858-272-2738 (fax)

October 25, 2010

Mr. Rodney S. Kenley
1402 Pearson Road
Libertyville, Illinois 60048

Dear Mr. Kenley:

It is my pleasure to extend the following offer of employment to you on behalf of Aethlon Medical, Inc. ("Aethlon" or the "Company"). This offer is contingent upon freeing yourself from any conflicts with DEKA Research and upon final approval by the Aethlon Medical Board of Directors.

Title: President

Base Salary: Will be paid in semi-monthly installments of \$10,000, which is equivalent to \$240,000 on an annual basis, and subject to deductions for taxes and other withholdings as required by law or the policies of the company.

Confidentiality Agreement: Our standard confidentiality agreement must be signed prior to start.

Benefits: The current, standard company health, life, and dental insurance coverage are generally supplied per company policy. Employee contribution to payment for benefit plans is determined annually.

Stock Options: Options to purchase one million shares of common stock ("Options") at a \$0.25 strike price. 250,000 Options vest one year from the date this letter is signed bilaterally and 20,833 Options vest monthly thereafter.

Vacation and Personal Emergency Time Off: Vacation is accrued at 3.33 hours per pay period, which is equivalent to two weeks on an annual basis. Personal emergency days are generally accrued per company policy.

Start Date: Upon Approval by the Aethlon Medical Board of Directors

Car/Phone/Travel Expenses: Normal and reasonable expenses will be reimbursed on a monthly basis per company policy.

Your employment with Aethlon is at-will and either party can terminate the relationship at any time with or without cause and with or without notice. You acknowledge that this offer letter represents the entire agreement between you and Aethlon and that no verbal or written agreements, promises or representations that are not specifically stated in this offer, are or will be binding upon Aethlon.

If you are in agreement with the above outline, please sign below. This offer is in effect for five business days.

Signatures:

/s/ James A. Joyce

James A. Joyce
Chairman
Aethlon Medical, Inc.

Date: October 25, 2010

/s/ Rodney S. Kenley

Rodney S. Kenley

Date: October 27, 2010

AETHLON MEDICAL, INC.
NOTICE OF GRANT OF STOCK OPTION

Notice is hereby given of the following grant of an option to purchase shares of the Common Stock of Aethlon Medical, Inc., a Nevada corporation (the "Company"):

<u>Optionee:</u>	Rodney S. Kenley
<u>Grant Date:</u>	October 27, 2010
<u>Exercise Price:</u>	\$0.25 per share
<u>Number of Option Shares:</u>	1,000,000
<u>Expiration Date:</u>	October 27, 2020
<u>Type of Option:</u>	Nonqualified Stock Option
<u>Vesting Schedule:</u>	250,000 shall vest on October 27, 2011, 20,833 shall vest on a monthly basis thereafter for thirty five months and 20,835 shall vest on October 27, 2014.

Optionee agrees to be bound by the terms of the Stock Option Agreement attached hereto as Exhibit A.

No Employment or Service Contract. Nothing in this Notice or in the attached Stock Option Agreement shall confer upon Optionee any right to continue in service in any capacity, including as an employee, for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Company (or any Parent or Subsidiary employing or retaining Optionee) or of Optionee, which rights are hereby expressly reserved by each, to terminate Optionee's service and/or employment at any time for any reason, with or without cause.

Definitions. All capitalized terms in this Notice shall have the meaning assigned to them in this Notice or the Company's 2010 Stock Incentive Plan.

Dated as of: October 27, 2010

Aethlon Medical, Inc.

By: /s/ James A. Joyce
Name: James A. Joyce
Chairman and Chief Executive Officer

OPTIONEE

By: /s/ Rodney S. Kenley
Name: Rodney S. Kenley

Address: 1402 Pearson Road
Libertyville, IL 60048

ATTACHMENTS

Exhibit A - Stock Option Agreement

EXHIBIT A
AETHLON MEDICAL, INC.
STOCK OPTION AGREEMENT

RECITALS

The Board of Directors of Aethlon Medical, Inc. (the "Company"), in a telephonic Board Meeting held October 27, 2010, has deemed it fair and in the best interest of the Company and its stockholders that the Company issue to Rodney S. Kenley (the "Optionee") an option to acquire an aggregate of 1,000,000 shares of restricted Common Stock of the Company.

All capitalized terms in this Agreement not defined herein shall have the meaning assigned to them in the attached Appendix or in the Company's 2010 Stock Incentive Plan (the "Plan").

AGREEMENT

NOW, THEREFORE, it is hereby agreed as follows:

1. **Grant of Option.** The Company hereby grants to the Optionee, as of the Grant Date, an option to purchase up to the number of Option Shares specified in the Grant Notice. The Option Shares shall be purchasable from time to time during the option term specified in Paragraph 2 at the Exercise Price. Except as otherwise provided herein, this option shall be subject to the terms and conditions of the Plan.
2. **Option Term.** This option shall expire at the close of business on the Expiration Date, unless sooner terminated in accordance with Paragraph 5.
3. **Limited Transferability.** During Optionee's lifetime, this option shall be exercisable only by Optionee and shall not be assignable or transferable other than by will or by the laws of descent and distribution following Optionee's death.
4. **Dates of Exercise.** This option shall become exercisable for the Option Shares as specified in the Vesting Schedule.
5. **Cessation of Service.** The exercise of this option shall be subject to the provisions of Section 6.6 of the Plan with respect to exercise after Termination of the Optionee; provided that, for the avoidance of doubt, no previously unexercisable portion of this option shall become exercisable after such Termination.
6. **Stockholder Rights.** The holder of this option shall not have any rights as a stockholder of the Company with respect to the Option Shares until such person shall have exercised the option, paid the Exercise Price and become a holder of record of the purchased shares.

7. **Manner of Exercising Option.**

- (a) In order to exercise this option with respect to all or any part of the Option Shares for which this option is at the time exercisable, the Optionee (or any other person or persons exercising the option) must take the following actions:
- (i) Execute and deliver to the Company a written notice setting forth the number of Option Shares for which the option is exercised;
 - (ii) Pay the aggregate Exercise Price for the purchased shares in cash or in one or more of the following forms:
 - (A) by cancellation of indebtedness of the Company to the Optionee;
 - (B) if approved by the Board, by surrender of shares that either: (1) have been owned by the Optionee for more than one year and have been paid for within the meaning of Rule 144 promulgated under the Securities Act (and, if such shares were purchased from the Company by use of a promissory note, such note has been fully paid with respect to such shares); or (2) were obtained by the Optionee in the public market;
 - (C) if approved by the Board, by waiver of compensation due or accrued to the Optionee for services rendered;
 - (D) with respect only to purchases upon exercise of an option, and provided that a public market for the Company's stock exists:
 - (1) through a "same day sale" commitment from the Optionee and a broker-dealer that is a member of the Financial Industry Regulatory Authority (a "FINRA Dealer") whereby the Optionee irrevocably elects to exercise the option and to sell a portion of the shares so purchased to pay for the Exercise Price, and whereby the FINRA Dealer irrevocably commits upon receipt of such shares to forward the Exercise Price directly to the Company; or
 - (2) through a "margin" commitment from the Optionee and an FINRA Dealer whereby the Optionee irrevocably elects to exercise the option and to pledge the Shares so purchased to the FINRA Dealer in a margin account as security for a loan from the FINRA Dealer in the amount of the Exercise Price, and whereby the FINRA Dealer irrevocably commits upon receipt of such Shares to forward the Exercise Price directly to the Company; or
 - (E) by any combination of the foregoing. Except to the extent the sale and remittance procedure is utilized in connection with the option exercise, payment of the Exercise Price must accompany the written notice delivered to the Company in connection with the option exercise;

(iii) Furnish to the Company appropriate documentation that the person or persons exercising the option (if other than Optionee) have the right to exercise this option;

(iv) Execute and deliver to the Company such written representations as may be requested by the Company in order for it to comply with the applicable requirements of federal and state securities laws; and

(v) Make appropriate arrangements with the Company for the satisfaction of all federal, state and local income and employment tax withholding requirements applicable to the option exercise.

(b) As soon as practical after the Exercise Date, the Company shall issue to or on behalf of the Optionee (or any other person or persons exercising this option) a certificate for the purchased Option Shares, with the appropriate legends affixed thereto.

(c) In no event may this option be exercised for any fractional shares.

8. Compliance with Laws and Regulations.

(a) The exercise of this option and the issuance of the Option Shares upon such exercise shall be subject to compliance by the Company and the Optionee with all applicable requirements of law relating thereto and with all applicable regulations of any stock exchange (or the OTC Bulletin Board, if applicable) on which the Common Stock may be listed for trading (or quoted) at the time of such exercise and issuance.

(b) The inability of the Company to obtain approval from any regulatory body having authority deemed by the Company to be necessary to the lawful issuance and sale of any Common Stock pursuant to this option shall relieve the Company of any liability with respect to the non-issuance or sale of the Common Stock as to which such approval shall not have been obtained. The Company, however, shall use its best efforts to obtain all such approvals.

9. Successors and Assigns. Except to the extent otherwise provided in Paragraph 3, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the Company and its successors and assigns and the Optionee, the Optionee's assigns and the legal representatives, heirs and legatees of the Optionee's estate.

10. Notices. Any notice required to be given or delivered to the Company under the terms of this Agreement shall be in writing and addressed to the Company at its principal corporate offices. Any notice required to be given or delivered to the Optionee shall be in writing and addressed to the Optionee at the address indicated below the Optionee's signature line on the Grant Notice. All notices shall be deemed effective upon personal delivery or upon deposit in the U.S. mail, postage prepaid and properly addressed to the party to be notified.

11. Governing Law. The interpretation, performance and enforcement of this Agreement shall be governed by the laws of the State of California without resort to the conflict-of-laws rules thereof.

IN WITNESS WHEREOF, the undersigned have duly executed this Agreement as of October 27, 2010.

Aethlon Medical, Inc., a Nevada corporation

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

Optionee

By: /s/ Rodney S. Kenley
Rodney S. Kenley

APPENDIX A

The following definitions shall be in effect under the Agreement:

1. **Agreement** shall mean this Stock Option Agreement.
2. **Common Stock** shall mean the Company's common stock.
3. **Exercise Date** shall mean the date on which the option shall have been exercised in accordance with Paragraph 7 of the Agreement.
4. **Exercise Price** shall mean the exercise price payable per Option Share as specified in the Grant Notice.
5. **Expiration Date** shall mean the date on which the option expires as specified in the Grant Notice.
6. **Grant Date** shall mean the date of grant of the option as specified in the Grant Notice.
7. **Grant Notice** shall mean the Notice of Grant of Stock Option accompanying the Agreement, pursuant to which Optionee has been informed of the basic terms of the option evidenced hereby.
8. **Option Shares** shall mean the number of shares of Common Stock subject to the option.
9. **Vesting Schedule** shall mean the vesting schedule specified in the Grant Notice pursuant to which the Option Shares shall become exercisable.



Aethlon Medical Names Rod Kenley President

San Diego, CA. – October 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 named Rod Kenley to be President of Aethlon Medical. Aethlon Chairman and CEO, Jim Joyce previously also held the title of President. Mr. Kenley recently joined Aethlon’s Board of Directors and will retain his Board seat as an inside director.

“We are extremely pleased to have Rod become a full-time member of our team,” stated Jim Joyce. “As referenced when he joined our board, Rod has been instrumental in commercializing some of the most important advances in the dialysis industry. He is among the best in industry talent, whose full focus towards our endeavors will immediately impact our business and improve our efficiency in advancing established and future opportunities.”

Mr. Kenley has 33 years of experience in healthcare, most of which have been spent in the extracorporeal blood purification arena. Mr. Kenley held several positions at Baxter Healthcare (Travenol) from 1977 through 1990 including International Marketing Manager, Business Unit Manager for Peritoneal and Hemodialysis products, Manager of New Business Development, Director of Worldwide Product Planning, Director of Advanced Product Development, and VP of Electronic Drug Infusion. During this tenure he conceived of and managed the launch of several new products that have been highly commercially successful including the HomeChoice peritoneal dialysis cyclor.

Mr. Kenley founded Aksys Ltd. in January 1991 to develop and commercialize his concept of a daily home hemodialysis system which was commercially launched in 2002 as the PHD system. In 2004, Mr. Kenley initiated the development of a second-generation home hemodialysis system in partnership with DEKA Research & Development Corporation in Manchester, New Hampshire. In 2007, the assets of Aksys Ltd. were acquired by DEKA, where Mr. Kenley was employed prior to joining Aethlon.

Mr. Kenley is the recipient of over 30 patents and has been a frequent presenter at international symposia regarding the provision of dialysis, the design of dialysis equipment, designing medical equipment according to FDA guidelines as well as lecturing at Kellogg and other business schools in the area of entrepreneurship.

Mr. Kenley received his Bachelor of Arts degree in Biology and Chemistry from the Wabash College, a Masters of Science degree in Molecular Biology from Northwestern University and a Masters of Management from the Kellogg Graduate School of Management, also at Northwestern University.

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.
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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.

Contacts:

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