

ARROWHEAD RESEARCH CORP  
 Form 4/A  
 January 31, 2007

**FORM 4**

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN 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 \*  
 KNOTT DAVID M

2. Issuer Name and Ticker or Trading Symbol  
 ARROWHEAD RESEARCH CORP  
 [ARWR]

5. Relationship of Reporting Person(s) to Issuer  
 (Check all applicable)

(Last) (First) (Middle)  
 485 UNDERHILL BLVD, STE 205  
 (Street)

3. Date of Earliest Transaction  
 (Month/Day/Year)  
 08/16/2006

\_\_\_\_ Director  
 \_\_\_\_ Officer (give title below)  
 10% Owner  
 \_\_\_\_ Other (specify below)

SYOSSET, NY 11791-3419  
 (City) (State) (Zip)

4. If Amendment, Date Original Filed(Month/Day/Year)  
 08/18/2006

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |           |   |                                    |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|-----------|---|------------------------------------|
|                                 |                                      |  | Code                           | V   | Amount  | (A) or (D)   | Price   |           |   |                                    |
| Common Stock                    | 08/16/2006                           |  | P                              |   | 19,000  | A  | \$ 4.88   | 752,800   | I | By Shoshone Partners, L.P. (1) (3) |
| Common Stock                    | 08/16/2006                           |  | P                              |   | 4,300   | A  | \$ 4.88   | 4,300     | I | By Mulsanne Partners, L.P. (1) (3) |
| Common Stock                    | 08/16/2006                           |  | P                              |   | 74,450  | A  | \$ 4.88   | 1,813,631 | I | By Knott Partners Offshore Master  |

|              |            |   |       |   |         |        |   |  |
|--------------|------------|---|-------|---|---------|--------|---|--|
| Common Stock | 08/16/2006 | P | 4,500 | A | \$ 4.88 | 44,800 | I | Fund, L.P.<br>(1) (3) (4)<br>By<br>Managed<br>Account (2)<br>(3) |
|--------------|------------|---|-------|---|---------|--------|---|--|

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

**Persons who 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.**

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(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | 8. Price of Derivative Security (Instr. 5) | 9. Number of Derivative Securities Owned Beneficially (Instr. 5) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|--|
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|--|

## Reporting Owners

| Reporting Owner Name / Address   | Relationships |           |         |       |
|--|---------------|-----------|---------|-------|
|  | Director      | 10% Owner | Officer | Other |
| KNOTT DAVID M<br>485 UNDERHILL BLVD<br>STE 205<br>SYOSSET, NY 11791-3419 |               | X         |         |       |

## Signatures

/s/ David M. Knott  
01/23/2007  
\*\*Signature of Reporting Person Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, *see* Instruction 4(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).

(1) The Reporting Person is the managing member of Knott Partners, Management, LLC, which is the sole general partner of Shoshone Partners, Knott Partners Offshore Master Fund, L.P. and Mulsanne Partners, L.P.

(2) The entry represents securities of the issuer held by a managed account for which Dorset Management Corporation provides investment management services (the "Managed Account").

As a result of the Reporting Person's interests in Knott Partners Management, LLC and in Dorset Management Corporation, the Reporting Person has investment discretion and control of the securities represented in this entry. The Reporting Person may be deemed to beneficially own an indirect pecuniary interest in the securities represented in this entry as a result of its performance-related fee. Except

(3) with respect to Shoshone Partners, L.P., in which the Reporting Person owns a beneficial interest, the Reporting Person disclaims beneficial ownership therein except to the extent ultimately realized. Each of Shoshone Partners, L.P., Mulsanne Partners, L.P., Knott Partners Offshore Master Fund, L.P., and the Managed Account disclaims beneficial ownership of securities reported as owned by any other party.

This amendment filing is being made to reflect the transfer by Matterhorn Offshore Fund Limited to Knott Partners Offshore Master

(4) Fund, L.P. of record ownership of the securities reported in this entry. This amendment does not reflect any change of any pecuniary interest in these securities.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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