

**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 24, 2007

Arrowhead Research Corporation

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

0-21898
(Commission File Number)

46-0408024
(I.R.S. Employer
Identification No.)

201 South Lake Avenue, Suite 703 Pasadena, CA
(Address of principal executive offices)

91101
(Zip Code)

Registrant's telephone number, including area code: (626) 304-3400

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:

- 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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Item 1.01 Entry into a Definitive Material Agreement.

On October 24, 2007, Arrowhead Research Corporation (“**Arrowhead**”) and Tego Biosciences Corporation, a wholly-owned subsidiary of Arrowhead (“**Tego**”), entered into a Series A-2 Preferred Stock Purchase Agreement (the “**Purchase Agreement**”), whereby Arrowhead purchased 15,000,000 shares of a newly authorized Series A-2 Preferred Stock in Tego for an aggregate price of \$2.4 million.

The foregoing is intended only as a summary of the terms of the Purchase Agreement and related transactions. Please refer to the Purchase Agreement, filed as Exhibit 10.1 hereto, for the complete terms of such agreement. Also attached is the Company’s press release, released on October 25, 2007, announcing the Company’s investment in Tego and the appointment of Dr. Russ Lebovitz as CEO and President of Tego.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
10.1	Purchase Agreement
99.1	Press Release issued by Company on October 25, 2007

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.

Date: October 30, 2007

ARROWHEAD RESEARCH CORPORATION

By: /s/ Joseph T. Kingsley
Joseph T. Kingsley,
President and Chief Financial Officer

Tego BioSciences Corporation

SERIES A-2 PREFERRED STOCK PURCHASE AGREEMENT

October 24, 2007

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SERIES A-2 PREFERRED STOCK PURCHASE AGREEMENT

THIS SERIES A-2 PREFERRED STOCK PURCHASE AGREEMENT (this "**Agreement**") is made on the 24 day of October, 2007, among Tego BioSciences, a Delaware corporation (the "**Company**"), and Arrowhead Research Corporation, a Delaware corporation ("**Investor**").

THE PARTIES HEREBY AGREE AS FOLLOWS:

1. Purchase and Sale of Stock.

1.1 Sale and Issuance of Series A-2 Preferred Stock.

(a) The Company shall adopt and file with the Secretary of State of the State of Delaware on or before the Closing (as defined below) the Amended and Restated Certificate of Incorporation in the form attached hereto as Exhibit A (the "**Restated Certificate**").

(b) Subject to the terms and conditions of this Agreement, Investor agrees to purchase at the Closing (as defined herein) and the Company agrees to sell and issue to Investor at the Closing, Fifteen Million (15,000,000) shares of the Company's Series A-2 Preferred Stock for a purchase price of \$0.16 per share.

1.2 Closing. The purchase and sale of the Series A-2 Preferred Stock hereunder shall take place at the offices of Arrowhead Research Corporation, 201 South Lake Avenue, Suite 703, Pasadena, California, 91101, at 10:00 A.M. on October 24, 2007, or at such other time and place as the Company and Investor mutually agree upon orally or in writing (which time and place are designated as the "**Closing**"). At the Closing, the Company shall deliver to Investor a certificate representing the Series A-2 Preferred Stock that such Investor is purchasing against payment of the purchase price therefor by wire transfer.

2. Representations and Warranties of Investor. Investor hereby represents, warrants and covenants that:

2.1 Authorization. Such Investor has full power and authority to enter into this Agreement and the Joinder and Amendment (as defined below) and each such agreement constitutes its valid and legally binding obligation, enforceable in accordance with its terms except (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies, and (iii) to the extent the indemnification provisions contained in the Investors' Rights Agreement may be limited by applicable federal or state securities laws.

2.2 Purchase Entirely for Own Account. This Agreement is made with such Investor in reliance upon such Investor's representation to the Company, which by such Investor's execution of this Agreement, such Investor hereby confirms that the Series A-2 Preferred Stock to be received by such Investor and the Common Stock issuable upon conversion thereof (collectively, the "**Securities**") will be acquired for investment for such Investor's own

account, not as a nominee or agent, and not with a view to the resale or distribution of any part thereof, and that such Investor has no present intention of selling, granting any participation in or otherwise distributing the same. By executing this Agreement, such Investor further represents that such Investor does not have any contract, undertaking, agreement or arrangement with any person to sell, transfer or grant participations to such person or to any third person, with respect to any of the Securities.

2.3 Disclosure of Information. Such Investor believes it has received all the information it considers necessary or appropriate for deciding whether to purchase the Series A-2 Preferred Stock. Such Investor further represents that it has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the offering of the Series A-2 Preferred Stock and the business, properties, prospects and financial condition of the Company.

2.4 Investment Experience. Such Investor is an investor in securities of companies in the development stage and acknowledges that it is able to fend for itself, can bear the economic risk of its investment, and has such knowledge and experience in financial or business matters that it is capable of evaluating the merits and risks of the investment in the Series A-2 Preferred Stock. If other than an individual, such Investor also represents it has not been organized for the purpose of acquiring the Series A-2 Preferred Stock.

2.5 Accredited Investor. Such Investor is an “accredited investor” within the meaning of SEC Rule 501 of Regulation D, as presently in effect.

2.6 Restricted Securities. Such Investor understands that the Securities it is purchasing are characterized as “restricted securities” under the federal securities laws inasmuch as they are being acquired from the Company in a transaction not involving a public offering and that under such laws and applicable regulations such Securities may be resold without registration under the Securities Act of 1933, as amended (the “**Act**”), only in certain limited circumstances. In the absence of an effective registration statement covering the Securities or an available exemption from registration under the Act, the Series A-2 Preferred Stock (and any Common Stock issued on conversion thereof) must be held indefinitely.

2.7 Legends. It is understood that the certificates evidencing the Securities may bear one or all of the following legends:

(a) “These securities have not been registered under the Securities Act of 1933, as amended. They may not be sold, offered for sale, pledged or hypothecated in the absence of a registration statement in effect with respect to the securities under such Act or an opinion of counsel satisfactory to the Company that such registration is not required or unless sold pursuant to Rule 144 of such Act.”

(b) Any legend required by applicable laws.

3. Conditions of Investor's Obligations at Closing. The obligations of Investor under Section 1.1(b) of this Agreement are subject to the fulfillment on or before the Closing of each of the following conditions:

3.1 Performance. The Company shall have performed and complied with all agreements, obligations and conditions contained in this Agreement that are required to be performed or complied with by it on or before the Closing.

3.2 Compliance Certificate. The President of the Company shall deliver to Investor at the Closing a certificate stating that the conditions specified in Section 3.1 has been fulfilled.

3.3 Qualifications. All authorizations, approvals or permits, if any, of any governmental authority or regulatory body of the United States or of any state that are required in connection with the lawful issuance and sale of the Securities in the Closing pursuant to this Agreement shall be duly obtained and effective as of the Closing, other than such authorizations, approvals or permits or other filings which may be timely made after the Closing.

3.4 Proceedings and Documents. All corporate and other proceedings in connection with the transactions contemplated at the Closing and all documents incident thereto shall be reasonably satisfactory in form and substance to the Investor, and it shall have received all such counterpart original and certified or other copies of such documents as it may reasonably request.

3.5 Restated Certificate. The Restated Certificate of the Company shall have been filed with the Secretary of State of the State of Delaware and shall continue to be in full force and effect as of the Closing.

3.6 Investors' Rights Agreement. The Company and Investor shall have entered into the Joinder and Amendment to Investors' Rights Agreement in the form attached hereto as Exhibit B (the "**Joinder and Amendment**").

4. Conditions of the Company's Obligations. The obligations of the Company to Investor under this Agreement in connection with the Closing are subject to the fulfillment on or before the Closing of each of the following conditions:

4.1 Representations and Warranties. The representations and warranties of Investor contained in Section 2 shall be true on and as of the Closing with the same effect as though such representations and warranties had been made on and as of the Closing.

4.2 Payment of Purchase Price. Investor shall have delivered to the Company the purchase price specified in Section 1.1(b) on or prior to the Closing.

4.3 Qualifications. All authorizations, approvals or permits, if any, of any governmental authority or regulatory body of the United States or of any state that are required in connection with the lawful issuance and sale of the Securities in the Closing pursuant to this Agreement shall be duly obtained and effective as of the Closing, other than such authorizations, approvals or permits or other filings which may be timely made after the Closing.

4.4 Investors' Rights Agreement. The Company and Investor shall have entered into the Joinder and Amendment.

5. Miscellaneous.

5.1 Survival. The warranties, representations and covenants of the Company and Investor contained in or made pursuant to this Agreement shall survive the execution and delivery of this Agreement and the Closing and shall in no way be affected by any investigation of the subject matter thereof made by or on behalf of Investor or the Company.

5.2 Successors and Assigns. Except as otherwise provided herein, the terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties (including transferees of any Securities). Nothing in this Agreement, express or implied, is intended to confer upon any party, other than the parties hereto or their respective successors and assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

5.3 Governing Law. This Agreement shall be governed by and construed under the laws of the State of California as applied to agreements among California residents entered into and to be performed entirely within California.

5.4 Titles and Subtitles. The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

5.5 Notices. All notices required or permitted hereunder shall be in writing and shall be deemed effectively given: (i) upon personal delivery to the party to be notified, (ii) when sent by confirmed telex or facsimile if sent during normal business hours of the recipient, if not, then on the next business day; (iii) five days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (iv) one day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent to the address as set forth on the signature page hereof or at such other address as such party may designate by ten days' advance written notice to the other parties hereto.

5.6 Finder's Fee. Each party represents that it neither is nor will be obligated for any finders' fee or commission in connection with this transaction. Investor agrees to indemnify and to hold harmless the Company from any liability for any commission or compensation in the nature of a finders' fee (and the costs and expenses of defending against such liability or asserted liability) for which such Investor or any of its officers, partners, employees or representatives is responsible. The Company agrees to indemnify and hold harmless Investor from any liability for any commission or compensation in the nature of a finders' fee (and the costs and expenses of defending against such liability or asserted liability) for which the Company or any of its officers, employees or representatives is responsible.

5.7 Amendments and Waivers. Any term of this Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively), only with the written consent of

the Company and the holders of a majority of the Common Stock that is issuable or issued upon conversion of the Series A-2 Preferred Stock sold pursuant to this Agreement. Any amendment or waiver effected in accordance with this Section 5.7 shall be binding upon each holder of any securities purchased under this Agreement at the time outstanding (including securities into which such securities are convertible), each future holder of all such securities and the Company.

5.8 Severability. If one or more provisions of this Agreement are held to be unenforceable under applicable law, such provision shall be excluded from this Agreement and the balance of the Agreement shall be interpreted as if such provision were so excluded and shall be enforceable in accordance with its terms.

5.9 Aggregation of Stock. All shares of the Series A-2 Preferred Stock or Common Stock issued upon conversion thereof held or acquired by affiliated entities or persons shall be aggregated together for the purpose of determining the availability of any rights under this Agreement.

5.10 Entire Agreement. This Agreement and the documents referred to herein constitute the entire agreement among the parties and no party shall be liable or bound to any other party in any manner by any warranties, representations or covenants except as specifically set forth herein or therein.

5.11 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

COMPANY:

TEGO BIOSCIENCES, INC.
a Delaware corporation

By: _____
President

Address: 201 South Lake Avenue, Suite 703
Pasadena, CA 91101
Fax No. (626) 304-3401

INVESTOR:

ARROWHEAD RESEARCH CORPORATION
a Delaware corporation

By: _____
R. Bruce Stewart
Chief Executive Officer

Address: 201 South Lake Avenue, Suite 703
Pasadena, CA 91101
Fax No. (626) 792-5554

[SIGNATURE PAGE TO SERIES A-2 PREFERRED STOCK PURCHASE AGREEMENT]

EXHIBIT A

AMENDED AND RESTATED CERTIFICATE OF INCORPORATION

EXHIBIT B

JOINDER AND AMENDMENT TO INVESTORS' RIGHTS AGREEMENT



October 25, 2007
7:00 AM ET

**ARROWHEAD RESEARCH CORPORATION INJECTS CAPITAL INTO
SUBSIDIARY TEGO BIOSCIENCES CORPORATION**

PASADENA, Calif.—October 25, 2007—Arrowhead Research Corporation (Nasdaq: ARWR), announced today that it has provided \$2.4 million in additional capital to wholly-owned subsidiary, Tego Biosciences Corporation. Tego is developing and commercializing therapeutics and other products based on the antioxidant properties of modified fullerenes. Dr. Russ Lebovitz has been appointed CEO to chart the strategic direction and guide the operations of the new nano-biotechnology company. Dr. Lebovitz served previously as CEO of C Sixty, Inc., the company that pioneered the technology now owned by Tego.

“We are pleased to welcome Russ to Tego and the Arrowhead family,” said R. Bruce Stewart, Arrowhead’s Chairman. “His unique blend of business and technical skill, coupled with his intimate knowledge of Tego’s technology and the field of fullerene therapeutics will give Tego a key advantage as it implements its business plan.”

“Tego’s fullerene-based drug technology represents a potential breakthrough in the treatment of acute and chronic degenerative diseases throughout the body, since the company’s pharmaceutical candidates clearly block apoptotic cell death in both cell culture and animal models,” said Dr. Lebovitz. “Tego’s efforts to establish a premier product pipeline are greatly enhanced by our association with Arrowhead, which gives us ongoing financial stability, access to growth capital and a corporate track record in developing cutting-edge products and novel materials.”

Fullerenes are a highly structured, nanoscale form of carbon, similar to carbon nanotubes. Roughly one nanometer in diameter, the molecules are composed of 60 carbon atoms and have the symmetry of soccer balls. The spherical shape, hollow interior, and 60 carbon atoms of the molecule allow drug designers the opportunity to attach therapeutic and targeting chemical groups in many configurations.

Tego has a patent protected fullerene platform that forms the basis for several products. The company is initially focused on developing products to reduce oxidative damage caused by sun exposure, radiation therapy and chemotherapy, and mitigate complications associated with organ transplantation and tissue engineering. For other applications of derivatized fullerenes such as MRI imaging or central nervous system disorders, Tego plans to partner and license its intellectual property to third parties.

During the last decade, Dr. Lebovitz has managed global projects for a number of Fortune 100 technology companies including Royal Dutch Shell, Nextel, Cingular Wireless, Johnson & Johnson, Compaq Computer and JPMorganChase, as well as leading venture capital and investment banking firms. He has helped raise over \$100 million for early and intermediate stage pharmaceutical and biomedical device companies. Prior to these business activities, Dr. Lebovitz worked for over fifteen years as a successful senior scientist and research physician. He earned his B.A. from the University of Michigan, and his M.D. and Ph.D. degrees from Washington University in

St. Louis. Russ served on the faculty of Baylor College of Medicine in Houston and The Fox Chase Cancer Center in Philadelphia.

About Arrowhead Research Corporation

Arrowhead Research Corporation (www.arrowheadresearch.com) (NASDAQ:ARWR) is a publicly-traded nanotechnology company commercializing new technologies in the areas of life sciences, electronics, and energy. Arrowhead is building value for shareholders through the progress of majority owned subsidiaries founded on nanotechnologies originally developed at universities. The company works closely with universities to source early stage deals and to generate rights to intellectual property covering promising new nanotechnologies. Currently, Arrowhead has five subsidiaries commercializing nanotech products and applications, including anti-cancer drugs, RNAi therapeutics, fullerene anti-oxidants, carbon-based electronics and compound semiconductor materials.

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995:

This news release contains forward-looking statements within the meaning of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995. These statements are based upon our current expectations and speak only as of the date hereof. Our actual results may differ materially and adversely from those expressed in any forward-looking statements as a result of various factors and uncertainties, including the recent economic slowdown affecting technology companies, the future success of our scientific studies, our ability to successfully develop products, rapid technological change in our markets, changes in demand for our future products, legislative, regulatory and competitive developments and general economic conditions. Our latest Annual Report on Form 10-K, recent and forthcoming Quarterly Reports on Form 10-Q, recent Current Reports on Forms 8-K, our Registration Statements on Form S-3, and other SEC filings discuss some of the important risk factors that may affect our business, results of operations and financial condition. We undertake no obligation to revise or update publicly any forward-looking statements for any reason.

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