

INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934
or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person* <u>KNOTT DAVID M</u> (Last) (First) (Middle) 485 UNDERHILL BLVD SUITE 205 (Street) SYOSSET NY 11791 (City) (State) (Zip)	2. Date of Event Requiring Statement (Month/Day/Year) 01/24/2006	3. Issuer Name and Ticker or Trading Symbol <u>ARROWHEAD RESEARCH CORP [ARWR]</u> 4. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director <input checked="" type="checkbox"/> 10% Owner Officer (give title below) Other (specify below)	5. If Amendment, Date of Original Filed (Month/Day/Year) 6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person Form filed by More than One Reporting Person
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Table I - Non-Derivative Securities Beneficially Owned

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Common stock, \$0.001 par value per share	40,300	I	By Anno, L.P. ⁽¹⁾
Common stock, \$0.001 par value per share	160,200	I	By Commonfund Hedged Equity Company ⁽¹⁾
Common stock, \$0.001 par value per share	45,600	I	By Good Steward Trading Company SPC ⁽¹⁾
Common stock, \$0.001 par value per share	1,330,500	I	By Knott Partners, L.P. ⁽¹⁾
Common stock, \$0.001 par value per share	1,739,181	I	By Matterhorn Offshore Fund Limited ⁽¹⁾
Common stock, \$0.001 par value per share	733,800	I	By Shoshone Partners, LP ⁽¹⁾

Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)		3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)	4. Conversion or Exercise Price of Derivative Security	5. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)	
	Date Exercisable	Expiration Date					Amount or Number of Shares
Warrant to purchase Common Stock, \$0.001 par value per share	07/25/2006	01/24/2011	Common Stock, \$0.001 par value per share	3,075	4.5	I	By Anno, L.P. ⁽¹⁾
Warrant to purchase Common Stock, \$0.001 par value per share	07/25/2006	01/24/2011	Common Stock, \$0.001 par value per share	12,075	4.5	I	By Commonfund Hedged Equity Company ⁽¹⁾
Warrant to purchase Common Stock, \$0.001 par value per share	07/25/2006	01/24/2011	Common Stock, \$0.001 par value per share	3,450	4.5	I	By Good Steward Trading Company SPC ⁽¹⁾
Warrant to purchase Common Stock, \$0.001 par value per share	07/25/2006	01/24/2011	Common Stock, \$0.001 par value per share	108,475	4.5	I	By Knott Partners, L.P. ⁽¹⁾
Warrant to purchase Common Stock, \$0.001 par value per share	07/25/2006	01/24/2011	Common Stock, \$0.001 par value per share	161,688	4.5	I	By Matterhorn Offshore Fund Limited ⁽¹⁾
Warrant to purchase Common Stock, \$0.001 par value per share	07/25/2006	01/24/2011	Common Stock, \$0.001 par value per share	68,400	4.5	I	By Shoshone Partners, LP ⁽¹⁾

Explanation of Responses:

1. The Reporting Person is the managing member of Knott Partners Management, LLC, which is the sole General Partner of Shoshone Partners, L.P. and managing general partner of Knott Partners, L.P. In addition, the Reporting Person is the sole shareholder, director and president of Dorset Management Corporation, which provides investment management services to those entities listed in Table I(3). As a result of the Reporting Person's interests in Knott Partners Management, LLC and Dorset Management Corporation, the Reporting Person has investment discretion and control in the securities in Table I(2). The Reporting Person may be deemed to beneficially own indirect pecuniary interest in securities in Table I(2) as a result of a performance related fee. The Reporting Person disclaims beneficial ownership therein except to the extent ultimately realized.

David M. Knott

01/30/2006

** Signature of Reporting Person

Date

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

* If the form is filed by more than one reporting person, see Instruction 5 (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).

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

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 Number.