

**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): December 1, 2007

Arrowhead Research Corporation

(Exact name of registrant as specified in its charter)

0-21898

(Commission File Number)

Delaware

(State or other jurisdiction of incorporation)

46-0408024

(IRS Employer Identification No.)

201 South Lake Avenue, Suite 703, Pasadena , California 91101

(Address of principal executive offices) (Zip Code)

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

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))

Item 5.02. Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers

Effective December 1, 2007, Dr. Christopher Anzalone (age 38) was appointed Chief Executive Officer and President of Arrowhead Research Corporation (the “Company”). Dr. Anzalone was also elected to the Board of Directors of the Company.

Dr. Anzalone will be paid a base salary of \$400,000 and is eligible to receive bonuses based on the performance of the Company and individual performance objectives. Dr. Anzalone was also granted an option to purchase 2,000,000 shares of Arrowhead common stock with an exercise price of \$3.92 per share, which is equal to the closing price of Arrowhead’s common stock on NASDAQ Global Market on the date of grant, December 3, 2007. The option will vest as follows: 250,000 shares vest on the six month anniversary of Mr. Anzalone’s date of hire and the balance of the shares vest in 42 equal installments on the first of each successive month. These options were granted outside of Arrowhead’s current equity incentive plans.

Dr. Anzalone will also be reimbursed up to \$100,000 in relocation expenses and the Company has agreed to provide supplemental life insurance to bring his life insurance benefit up to \$2,000,000. If the Company terminates Dr. Anzalone’s employment without cause, the Company will pay Dr. Anzalone his base salary and benefits for twelve months. The Company and Dr. Anzalone expect to enter into an employment agreement to further clarify the terms of his employment at the Company.

From 2005 until the present, Dr. Anzalone was CEO and principal in the Benet Group LLC, a private equity firm focused on creating and building new nanobiotechnology companies from university generated science. While at Benet Group, Dr. Anzalone was founding CEO in two portfolio companies, Nanotope Inc., a tissue regeneration company, and Leonardo Biosystems Inc., a cancer drug delivery company. Prior to his tenure at Benet Group, from 1999 until 2003, he was a partner at the Washington DC-based private equity firm Galway Partners, LLC. There, he was in charge of sourcing, structuring, and building new business ventures and was founding CEO of NanoInk, Inc., a leading nanolithography company. He continued as CEO of NanoInk until 2004. Dr. Anzalone holds a Ph.D. and M.A. in Biology from UCLA and a B.A. in Government from Lawrence University.

Dr. Anzalone succeeds R. Bruce Stewart, who previously served as Chief Executive Officer of the Company and Joseph T. Kingsley, who previously served as Interim President and Chief Financial Officer. Mr. Stewart will continue to serve the Company as Executive Chairman and Mr. Kingsley will continue to serve as Chief Financial Officer.

Item 9.01 Exhibits

10.1 Offer Letter

99.1 Press release dated December 3, 2007

November 28, 2007

VIA EMAIL & FEDERAL EXPRESS

Mr. Christopher Anzalone
4955 Linnean Ave, NW
Washington, DC 20008

Dear Chris,

I am pleased to offer you full-time employment as the President and CEO of Arrowhead Research Corporation ("Arrowhead") under the following terms:

1. You will report to the Board of Directors of Arrowhead and will have such duties and responsibilities as are typically associated with being the President and CEO of a publicly traded company.
2. Upon joining the Company, a recommendation will be made to the Board of Directors for you to become a member of the Board of Directors.
3. Your gross base salary will be \$7,692 per week (which equates to \$400,000 per year). Arrowhead's payroll is paid on a bi-weekly basis. It is expected that your start date will be on or before December 1, 2007 unless mutually agreed by both parties to a later date. The Company will withhold all applicable taxes and voluntary deductions in accordance with its normal procedures. You will be eligible for salary review based upon merit on an annual basis, commencing December 1, 2008. You will be eligible to receive bonuses, based on performance of the Company and individual performance objectives. All bonus objectives will be determined prior to the start of each fiscal year. Bonus objectives for the current fiscal year will be determined by January 1, 2008.
4. A recommendation will be made to the Board of Directors for the grant of an option to purchase 2,000,000 shares of Arrowhead common stock. The recommended vesting will be as follows: 250,000 shares vesting on the six month anniversary of your date of hire and 41,667 vesting on the first of each month in 42 successive equal installments thereafter. The option strike price will be at the fair market value of the common stock of Arrowhead on the later of your date of grant or your date of hire. The option will be granted outside Arrowhead's existing stock option plans.

5. You will be eligible to participate in the various employee benefit plans and programs offered by Arrowhead (health, dental, life, and disability insurance and Arrowhead's 401(k) Plan) in accordance with the provisions of those plans and programs. A benefit summary is attached. The Company will provide you with its normal short and long term disability programs and will pay premiums during your employment period to bring your total life insurance benefit to \$2 million for the benefit of your assigned beneficiaries. The obligation to provide additional life insurance beyond Arrowhead's standard plans will expire ten years from your date of hire.
6. Your employment relationship is "at will", subject to the satisfaction of management of Arrowhead, which means that either you or Arrowhead may terminate your employment at any time and for any reason or for no reason with or without notice. During the term of your employment with the Company, if your employment is terminated by the Board of Directors without cause, the Company will provide to you 12 months of base salary and benefits.
7. In order to provide funds for the transition of you and your family to the Pasadena area, the Company will reimburse you for up to \$100,000 in relocation expenses upon the presentation of receipts.
8. This offer is contingent upon the satisfactory outcome of a background check.
9. All other matters concerning your employment which are not specifically described in this offer letter shall be in accordance with Arrowhead's standard practices and procedures.

Your offer is also contingent upon (1) signing the Arrowhead, At-Will, Confidential Information and Invention Assignment Agreement (modified for the Severance Agreement noted above), and (2) agreeing to abide by the Arrowhead Research Code of Corporate Conduct and Insider Trading Policy, (3) establishing your identity and authorization to work as required by the Immigration Reform and Control Act of 1986 and (4) acceptance of the offer by November 30, 2007, and commencing your duties as President and CEO not later than December 1, 2007. The applicable documents are attached for your review. These documents must be accepted, signed and/or completed on your first day of work with Arrowhead.

Signing below will signify your acceptance of this offer of employment. This offer letter contains the entire agreement and understanding between you and Arrowhead and supersedes any prior or contemporaneous agreements, understandings, communications, offers, representations, warranties, or commitments by or on behalf of Arrowhead (either oral or written). The terms of your employment may, in the future, be amended but only in writing, signed by you and signed by a duly authorized officer on behalf of Arrowhead.

After you begin your responsibilities as President and CEO, our counsel and Compensation Committee will work with you in good faith to draft and execute a mutually agreeable employment contract that will include the terms described in this letter.

In the event a dispute does arise, this letter, including the validity, interpretation, construction and performance of this letter, shall be governed by and construed in accordance with the substantive laws of the State of California. Jurisdiction for resolution of any disputes shall be solely in California.

If these terms are agreeable to you, please sign and date the letter in the appropriate space at the bottom and return it to Arrowhead. We hope you accept our offer and look forward to your joining the Arrowhead team.

Sincerely,

/s/ R. Bruce Stewart

R. Bruce Stewart
Chief Executive Officer

ACCEPTED:

/s/ Christopher Anzalone

Christopher Anzalone



PRESS RELEASE
December 3, 2007
7:00 AM ET

Contact: Virginia Dadey
212-541-3707
vdadey@arrowres.com

ARROWHEAD NAMES DR. CHRISTOPHER ANZALONE AS CHIEF EXECUTIVE OFFICER; PLANS TO ACQUIRE NANOTECH COMPANY

PASADENA, Calif.—December 3, 2007—Arrowhead Research Corporation (Nasdaq: ARWR) announced today the appointment of Dr. Christopher Anzalone as its new President and Chief Executive Officer effective December 1, 2007. Dr. Anzalone was also appointed to Arrowhead's Board of Directors on the same date. Concurrently, Arrowhead is beginning the process to acquire Benet Group LLC, a private equity firm founded and led by Dr. Anzalone as a vehicle to build new nanobiotechnology companies. Arrowhead's founder and former CEO, R. Bruce Stewart, will continue to serve as Executive Chairman of the Board.

"Arrowhead and Benet Group have the same vision: to identify the great technologies coming out of leading universities and build companies to commercialize those technologies. Chris's track record in executing that vision makes him a natural to assume leadership of Arrowhead," said R. Bruce Stewart. "And he brings with him two paradigm-shifting companies founded with nanotechnology leaders Dr. Sam Stupp, Director of the Institute for BioNanotechnology in Medicine at Northwestern University, and Dr. Mauro Ferrari, President of the Texas Alliance for Nanohealth."

Dr. Anzalone has a wealth of experience in nanotechnology, biotechnology, company-building, and venture capital. As CEO and founder of the Benet Group, he has focused on creating and building new nanobiotechnology companies from university-generated science. The Benet Group has investments in two portfolio companies; Nanotope Inc., a tissue regeneration company, and Leonardo Biosystems Inc., a cancer drug delivery company. Prior to Benet, Dr. Anzalone was a partner at the Washington DC-based private equity firm Galway Partners, LLC. There, he was in charge of sourcing, structuring, and building new business ventures and was founding CEO of NanoInk, Inc., a leading nanolithography company. Dr. Anzalone holds a Ph.D. and M.A. in Biology from UCLA and a B.A. in Government from Lawrence University.

"Nanotechnology is changing the biotech and pharmaceutical industries forever, opening new opportunities to make significant advances in medical diagnostics and treatment in the near term. Arrowhead's platform is uniquely positioned to capitalize on and drive this trend," said Dr. Anzalone. "I am very excited to work with Bruce and this great team to continue to build value for our shareholders."

The acquisition of Benet Group would include its equity positions in Nanotope and Leonardo Biosystems, as well as a third company currently in formation. Nanotope, founded with Dr. Stupp, is a development stage regenerative medicine company that leverages a set of core platform technologies to address multiple therapeutic markets. Nanotope is developing a suite of products, each customized to regenerate specific tissues; including neuronal, vascular, bone,

myocardial, and cartilage. Leonardo Biosystems, founded with Dr. Ferrari, is a development stage drug delivery company that uses an advanced set of nanotechnology tools to deliver cancer therapeutics. Leonardo's toolbox of rational delivery design and multiple carrier approach is highly flexible and customizable.

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About Arrowhead Research Corporation

Arrowhead Research Corporation (www.arrowheadresearch.com) (NASDAQ:ARWR) is a leading 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 future success of our clinical studies, our ability to successfully develop and manufacture products, rapid technological change in our industry, changes in demand for our future products, legislative, regulatory and competitive developments and general economic conditions. Our Annual Report on Form 10-K, and other SEC filings discuss these and other 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.