

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

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).

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>RAHN LEROY T</u>  (Last) (First) (Middle) <u>201 SOUTH LAKE AVENUE</u> <u>SUITE 703</u>  (Street) <u>PASADENA CA 91101</u>  (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>ARROWHEAD RESEARCH CORP [ ARWR ]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director 10% Owner Officer (give title below) Other (specify below)
	3. Date of Earliest Transaction (Month/Day/Year) <u>07/17/2009</u>	
	4. 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

**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			

**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 Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date						Title
Stock Option <sup>(1)</sup>	\$2.52	07/17/2009		J			50,000	05/25/2006	05/25/2015	Common Stock	50,000	\$0	175,000	D	
Stock Option <sup>(1)</sup>	\$5.02	07/17/2009		J			10,000	02/23/2007	02/23/2016	Common Stock	10,000	\$0	165,000	D	
Stock Option <sup>(1)</sup>	\$5.24	07/17/2009		J			25,000	05/26/2007	05/26/2016	Common Stock	25,000	\$0	140,000	D	
Stock Option <sup>(1)</sup>	\$3.93	07/17/2009		J			20,000	02/22/2008	02/22/2017	Common Stock	20,000	\$0	120,000	D	
Stock Option <sup>(1)</sup>	\$2.55	07/17/2009		J			20,000	03/13/2009	03/13/2018	Common Stock	20,000	\$0	100,000	D	

**Explanation of Responses:**

1. Voluntary termination of out-of-the-money options to allow for sufficient available shares for issuance in a financing transaction.

LeRoy T. Rahn 08/17/2009  
 \*\* 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 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).

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.