
**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): May 27, 2010

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, CA 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))
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Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers, Compensatory Arrangements of Certain Officers

On May 27, 2010, Arrowhead Research Corporation (the “Company”) and R. Bruce Stewart, the Company’s Executive Chairman entered into an agreement to amend the terms of his employment. Effective June 1, 2010, Mr. Stewart’s annual salary will be \$50,000, reduced from \$250,000. Pursuant to the agreement, the terms of each of Mr. Stewart’s previously granted stock options were amended to provide that any such option shall remain exercisable by Mr. Stewart following termination of service with the Company for the remaining term of such stock option.

Item 9.01 Exhibits

10.1 Letter Agreement between Arrowhead Research Corporation and R. Bruce Stewart

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 thereunto duly authorized.

Date: May 28, 2010

ARROWHEAD RESEARCH CORPORATION

By: _____ /s/ KENNETH MYSZKOWSKI

Kenneth Myszowski
Chief Financial Officer

Arrowhead Research Corporation
201 South Lake Street, Suite 703
Pasadena, CA 91101

May 27, 2010

R. Bruce Stewart
Arrowhead Research Corporation
201 South Lake Avenue, Suite 703
Pasadena, CA 91101

Dear Bruce:

This letter agreement (the "Agreement") serves to amend the terms of your employment with Arrowhead Research Corporation (the "Company").

1. Base Salary. Effective as of June 1, your annual base salary shall be \$50,000.
2. Stock Options. The terms of your stock option agreements dated June 11, 2008, October 8, 2009 and March 4, 2010 shall be amended to provide that any such option shall remain exercisable by you following your termination of service with the Company for the remaining term of such stock option. For the avoidance of doubt, this agreement does not amend the vesting provisions set forth in any such equity award.
3. At-will Employment. Your employment with the Company remains "at will" under the laws of California, which means your service relationship with the Company can be terminated at any time by you or the Company.
4. Governing Law. This Agreement shall be governed by and construed under the laws of the State of California in all respects as such laws are applied to agreements among California residents entered into and performed entirely within California, without giving effect to conflict of law principles thereof.
5. No Other Amendments. Except as specifically amended hereby, all other terms of your employment, including the Severance Agreement between you and the Company, dated as of May 24, 2007, and the Amendment to the Severance Agreement, dated as of May 12, 2009, remain in full force and effect.
6. Amendment. This Agreement may be amended or modified only by a written instrument signed by you and by a duly authorized representative of the Company.

7. Entire Agreement. This Agreement constitutes the full and entire understanding and agreement among the parties with regard to the subjects hereof and thereof and shall supersede any and all previous contracts, arrangements or understandings between the parties with respect to the subject matter herein.

Accepted and agreed as of May 27, 2010:

R. BRUCE STEWART

ARROWHEAD RESEARCH CORPORATION

/s/ R. Bruce Stewart

/s/ Christopher Anzalone

R. Bruce Stewart

Christopher Anzalone
Chief Executive Officer