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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

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**FORM 8-K**

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**CURRENT REPORT**

**PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

**Date of Report (Date of earliest event reported): June 18, 2007**

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**Arrowhead Research Corporation**

(Exact name of registrant as specified in its charter)

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**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 91101-3074**

(Address of principal executive offices) (Zip Code)

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

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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 Principal Officers; Election of Directors; Appointment of Principal Officers; Compensatory Arrangements of Certain Officers.**

Effective June 18, 2007, Arthur L. Swift, age 48, was appointed Chief Executive Officer and President of Unidym, Inc. (“Unidym”), a majority-owned subsidiary of Arrowhead Research Corporation (“Arrowhead” or the “Company”). Mr. Swift was previously employed by Transmeta Corporation (NASDAQ:TMTA), a developer of semiconductor technologies, from March 2005 to January 2007 as its Chief Executive Officer and from March 2003 to March 2005 as Senior Vice President of Marketing. From February 2002 to March 2003, Mr. Swift was Vice President of Marketing and Business Development of Summit Microelectronics, a supplier of semiconductors that manage the power functions in communications, networking, storage and server systems. Mr. Swift holds a B.S. in Electrical Engineering from The Pennsylvania State University.

Under the terms of his employment offer letter, Mr. Swift will receive a salary which equates to \$335,000 annually, payable in accordance with Unidym’s normal payroll practice. Mr. Swift will be eligible to participate in an executive incentive plan when adopted by Unidym, under which Mr. Swift will be eligible to receive bonuses relating to major collaborations, partnerships and other significant company events. Mr. Swift will be paid a signing bonus of \$32,000 at the time of his first regular salary payment.

Mr. Swift’s offer letter calls for the grant of an option to purchase 735,652 shares of the common stock of Unidym with one eighth (1/8) of the options vesting on first of the month containing the six month anniversary of his date of hire and the remainder vesting in 42 successive equal monthly installments on the first of each month thereafter. The offer also calls for the grant of an option to purchase 200,000 shares of Arrowhead common stock vesting on the same schedule as the Unidym option.

If terminated without cause during the first year of his employment, Mr. Swift will receive, upon signing a general release, a severance payment equal to six months salary. Should Mr. Swift be terminated without cause within one year of a change in control of Unidym, he will receive a severance payment equal to one year of his base salary, and half of his unvested options in Unidym will become fully vested.

Mr. Swift replaces Mr. Sean Olson, who was serving as President of Unidym. Mr. Olson continues as Vice President, Business Development for Arrowhead.

On June 18, 2007, Mr. John Petrovich, age 51, was appointed Interim Chief Executive Officer and President of Insert Therapeutics, Inc. (“Insert”), a majority-owned subsidiary of the Company. Since February 2005, Mr. Petrovich has been and will continue as Chief Executive Officer and President of Calando Pharmaceuticals (“Calando”), a majority owned subsidiary of the Company. This dual role is expected to continue until a new Chief Executive Officer is hired for Insert. From January 2004 to December 2006, Mr. Petrovich served as President and Chief Operating Officer of Insert. From 2000 until January 2004, Mr. Petrovich owned and operated his own business consulting firm, Neologix, under which he provided strategic and business services to Insert and other clients. Mr. Petrovich replaces Mr. Edward W. Jacobs whose employment with Insert ended on May 29, 2007.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

<b>Exhibit Number</b>	<b>Description</b>
99.1	Offer Letter
99.2	Press Release dated June 18, 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 thereunto duly authorized.

Date: June 18, 2007

ARROWHEAD RESEARCH CORPORATION

By: /s/ Joseph T. Kingsley

Joseph T. Kingsley,

Interim President and Chief Financial Officer



1430 O'Brien Drive – Suite G  
Menlo Park, CA 94025

June 5, 2007

**VIA EMAIL & FEDERAL EXPRESS**

Mr. Arthur L. Swift  
886 Via Juan Pablo  
San Juan Bautista, CA 95045

Dear Art,

I am pleased to offer you full-time employment as the President and Chief Executive Officer of Unidym, Inc. ("Unidym") under the following terms:

1. You will report to the Board of Directors of Unidym and will have such duties and responsibility as are typically associated with being the President and Chief Executive Officer in a start-up company. As a key member of Unidym's management team, you will be expected to work with the other key members of Unidym's and Arrowhead's management to ensure the long term success of Unidym.
2. Your gross base salary will be \$6,442.30 per week (which equates to \$335,000.00 per year). Unidym's payroll is paid on a bi-weekly basis. It is expected that your start date will be on or before June 18, 2007.
3. You will receive signing bonus of \$32,000, which will be fully earned upon your commencement of employment at Unidym and paid at the time of your first regular salary payment. All payments that constitute cash compensation will be subject to, and paid net of, all standard payroll deductions and withholding taxes, as required by law and company policies.
4. You will be eligible to participate in Unidym's Executive Bonus Plan when it is adopted. Bonuses relating to the completion of major collaborations or partnerships and other similar events will be taken into account under this plan.
5. A recommendation will be made to the Board of Directors for a grant of an option to purchase 735,652 shares of the common stock of Unidym. The recommended vesting will be as follows: 12.5% on the first of the month which includes the six month anniversary of your date of hire and the remaining 87.5% in 42 successive equal monthly installments thereafter. The option strike price will be at the fair market value of the common stock of Unidym as established by the Board of Directors, currently \$0.50. The option will be administered under the terms and conditions of Unidym's 2006 Stock Option/Stock Incentive Plan.

6. A recommendation will be made to the Board of Directors of Arrowhead for a grant of an option to purchase 200,000 shares of the common stock of Arrowhead Research Corporation vesting on the same schedule as above. The option strike price will be based on the closing price of Arrowhead common stock on the NASDAQ Stock Market on the later of your start date or Arrowhead's Board of Director's approval. The option will be administered under the terms and conditions of Arrowhead's 2004 Equity Incentive Plan.
7. In event of termination without cause in the first year of employment, you will receive six (6) month's of severance and six (6) months of COBRA. During this time, you would not have any other benefits accrue to you. A separate Severance Agreement reflecting these terms will be prepared after you accept employment.
8. In event of constructive termination or termination without cause within one year of a change in control, 50% of your unvested options in Unidym will become vested and you will be paid one (1) year of severance plus one (1) year of COBRA. Again, A separate Severance Agreement reflecting these terms will be prepared after your accept employment.
9. 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. An employee handbook is attached. A separate Severance Agreement reflecting these terms will be prepared after your accept employment.
10. Except for the Severance Agreement noted above, your employment relationship is "at will", subject to the satisfaction of the Board of Directors, which means that either you or Unidym may terminate your employment at any time and for any reason or for no reason with or without notice.
11. This offer is contingent upon the satisfactory outcome of a background check. A consent for background check and employment application are included with this offer letter. The employment application and the consent should be completed by you and returned as soon as possible.
12. 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 Unidym, Inc. 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, and (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 June 8, 2007, and commencing your duties as President and CEO not later than June 18, 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 Unidym.

Signing below will signify your acceptance of this offer of employment. This offer letter contains the entire agreement and understanding between you and Unidym and supersedes any prior or contemporaneous agreements, understandings, communications, offers, representations, warranties, or commitments by or on behalf of Unidym (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 Unidym.

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 Unidym team.

Sincerely,

/s/ R. Bruce Stewart

R. Bruce Stewart  
Chairman

ACCEPTED:

/s/ Arthur. L. Swift

Arthur L. Swift



June 18, 2007  
7:00 AM ET

**ARROWHEAD SUBSIDIARY, UNIDYM, INC., APPOINTS SEMICONDUCTOR  
INDUSTRY EXECUTIVE AS CHIEF EXECUTIVE OFFICER**

PASADENA, Calif.—June 18, 2007—Arrowhead Research Corporation (NASDAQ: ARWR), announced today that Arthur L. Swift has been appointed Chief Executive Officer & President of its majority-owned subsidiary, Unidym, Inc., a leader in the development and manufacture of carbon nanotubes for applications in the electronics industry. Unidym, which recently merged with Carbon Nanotechnologies, Incorporated (CNI), possesses a foundational patent portfolio that covers nearly every aspect of carbon nanotube manufacturing and processing.

“Art has a track record of success in selling and licensing new products and technologies to electronics manufacturers,” said R. Bruce Stewart, Arrowhead’s CEO & Chairman. “His depth and breadth of executive, technical, and marketing experience in the industry will be of enormous benefit to Unidym as it executes its business plans.”

“I expect Unidym to transform several potentially high volume applications within the electronics industry,” commented Swift. “Unidym’s technology likely will enable more robust touch screens, lower cost flat panel displays, more efficient thin-film solar cells, and may even make flexible electronics truly practical. Plus, the company’s IP portfolio provides licensing opportunities as well as considerable barriers to any future competition. I’m excited to have the opportunity to contribute to Unidym’s success.”

Mr. Swift comes to Unidym from Transmeta Corporation, an innovative semiconductor company in the Silicon Valley, where he most recently held the position of President and Chief Executive Officer. Prior to his promotion to CEO, he was Senior Vice President of Marketing. At Transmeta, Mr. Swift was instrumental in transforming the company’s strategy from selling semiconductor chips to developing and licensing intellectual property, a change that nearly doubled Transmeta’s revenue in the first two years after the strategy shift.

Prior to Transmeta, Art held senior leadership roles ranging from President and Chief Operating Officer at an embedded software startup, Linuxworks, to Vice President and General Manager at a variety of large divisions of the established chip-maker Cirrus Logic. Art has also held senior marketing and engineering positions with Summit Microelectronics, Sun Microsystems, Digital Equipment, and Fairchild Semiconductor.

Mr. Swift earned a B.S. in Electrical Engineering at the Pennsylvania State University.

#### **About Arrowhead Research Corporation**

Arrowhead Research Corporation ([www.arrowheadresearch.com](http://www.arrowheadresearch.com)) 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 four subsidiaries commercializing nanotech products and applications, including anti-cancer drugs, RNAi therapeutics, carbon-based electronics and compound semiconductor materials.

#### **About Unidym, Inc.**

Unidym is a leader in the manufacture and application of carbon nanotubes (CNTs), a novel material with extraordinary electrical, thermal, and mechanical properties. Unidym provides bulk materials, CNT-enabled products, and intellectual property to a wide range of customers and business partners. As a result of its recent merger with CNI, Unidym possesses a foundational patent portfolio that covers nearly every aspect of CNT manufacturing and processing as well as multiple product applications.

Unidym is focused on the electronics industry where its initial products include transparent electrodes for touch screens, flat panel displays, solar cells, and solid state lighting; electrodes for fuel cells; and thin film transistors for printable electronics. Unidym is also pursuing an aggressive, cross-industry partnership strategy to capture value from the wide ranging uses of CNTs. Unidym's licensing program, technical expertise and manufacturing facilities can enable partners to rapidly develop CNT solutions for their specific applications.

#### **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 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 Annual Report on Form 10-K and 10-K/A, recent and forthcoming Quarterly Reports on Form 10-Q and 10-Q/A, recent Current Reports on Forms 8-K and 8-K/A, 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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