

KNOTT DAVID M
Form 3
January 30, 2006

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0104
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,
Section 17(a) of the Public Utility Holding Company Act of 1935 or Section
30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *

KNOTT DAVID M

(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

ARROWHEAD RESEARCH CORP [ARWR]

4. Relationship of Reporting Person(s) to Issuer

5. If Amendment, Date Original Filed(Month/Day/Year)

(Check all applicable)

____ Director ____X____ 10% Owner
____ Officer ____ Other
(give title below) (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
X Form filed by One Reporting Person
____ Form filed by More than One Reporting Person

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⁾

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

SEC 1473 (7-02)

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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 of Derivative Security: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	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⁾

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
KNOTT DAVID M 485 UNDERHILL BLVD SUITE 205 SYOSSET, NY 11791	Â	Â X	Â	Â

Signatures

David M. Knott 01/30/2006

 Signature of
 Reporting Person

 Date

Explanation of Responses:

* 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).

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.

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

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