

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

SCHEDULE 13G

UNDER THE SECURITIES EXCHANGE ACT OF 1934

Threshold Pharmaceuticals, Inc.

(Name of Issuer)

Common Stock, \$0.001 par value per share

(Title of Class of Securities)

885807-107

(Cusip Number)

FINAL FILING
12/31/2006

(Date of Event Which Requires Filing of This Statement)

Check the appropriate box to designate the rule pursuant to which the Schedule is filed:

- Rule 13d-1(b)
- Rule 13d-1(c)
- Rule 13d-1(d)

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP No. 885807-107

SCHEDULE 13G

1	NAME OF REPORTING PERSON	
	S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITY ONLY)	
	Morgenthaler Partners VII, LP	34-1949423
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (SEE INSTRUCTIONS)	(a) <input checked="" type="checkbox"/> (b) <input type="checkbox"/>
3	SEC USE ONLY	
4	CITIZENSHIP OR PLACE OF ORGANIZATION	
	Delaware	
	NUMBER OF	5
	SHARES	0
	SOLE VOTING POWER	

	BENEFICIALLY OWNED BY EACH REPORTING PERSON	6	SHARED VOTING POWER
			8,750 (See Item 4)
	WITH	7	SOLE DISPOSITIVE POWER
			0
		8	SHARED DISPOSITIVE POWER
			8,750 (See Item 4)
9	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON		
	8,750 (See Item 4)		
10	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS) []		
	N/A		
11	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)		
	0.02%		
12	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)		
	PN		

SCHEDULE 13G

1	NAME OF REPORTING PERSON		
	S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITY ONLY)		
	Morgenthaler Management Partners VII	34-1949424	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (SEE INSTRUCTIONS)		(a) [X]
			(b) []
3	SEC USE ONLY		
4	CITIZENSHIP OR PLACE OF ORGANIZATION		
	Ohio		
	NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON	5	SOLE VOTING POWER
			0
	WITH	6	SHARED VOTING POWER
			8,750 (See Item 4)
		7	SOLE DISPOSITIVE POWER
			0
		8	SHARED DISPOSITIVE POWER
			8,750 (See Item 4)
9	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON		
	8,750 (See Item 4)		
10	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS) []		
	N/A		

11	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)	
	0.02%	
12	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)	
	PN	

SCHEDULE 13G

1	NAME OF REPORTING PERSON	
	S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITY ONLY)	
	Robert D. Pavey	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)	(a) <input checked="" type="checkbox"/> (b) <input type="checkbox"/>
3	SEC USE ONLY	
4	CITIZENSHIP OR PLACE OF ORGANIZATION	
	United States	
	NUMBER OF	5 SOLE VOTING POWER
	SHARES	13,240 (See Item 4)
	BENEFICIALLY	6 SHARED VOTING POWER
	OWNED BY	8,750 (See Item 4)
	EACH	7 SOLE DISPOSITIVE POWER
	REPORTING	13,240 (See Item 4)
	PERSON	8 SHARED DISPOSITIVE POWER
	WITH	8,750 (See Item 4)
9	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON	
	13,240 (Item 4)	
10	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)	<input type="checkbox"/>
	N/A	
11	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)	
	0.04%	
12	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)	
	IN	

1	NAME OF REPORTING PERSON S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITY ONLY)		
	Robert C. Bellas, Jr.		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)	(a) <input checked="" type="checkbox"/>	<input type="checkbox"/>
		(b) <input type="checkbox"/>	<input type="checkbox"/>
3	SEC USE ONLY		
4	CITIZENSHIP OR PLACE OF ORGANIZATION		
	United States		
	NUMBER OF	5	SOLE VOTING POWER
	SHARES		5,052 (See Item 4)
	BENEFICIALLY	6	SHARED VOTING POWER
	OWNED BY		8,750 (See Item 4)
	EACH	7	SOLE DISPOSITIVE POWER
	REPORTING		5,052 (See Item 4)
	PERSON	8	SHARED DISPOSITIVE POWER
	WITH		8,750 (See Item 4)
9	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON		
	13,802 (See Item 4)		
10	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)		<input type="checkbox"/>
	N/A		
11	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)		
	0.04%		
12	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)		
	IN		

SCHEDULE 13G

1	NAME OF REPORTING PERSON S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITY ONLY)		
	Gary J. Morgenthaler		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)	(a) <input checked="" type="checkbox"/>	<input type="checkbox"/>
		(b) <input type="checkbox"/>	<input type="checkbox"/>
3	SEC USE ONLY		
4	CITIZENSHIP OR PLACE OF ORGANIZATION		
	United States		
	NUMBER OF	5	SOLE VOTING POWER
	SHARES		7,107 (See Item 4)
	BENEFICIALLY	6	SHARED VOTING POWER

	OWNED BY		8,750 (See Item 4)
	EACH	7	SOLE DISPOSITIVE POWER
	REPORTING		7,107 (See Item 4)
	PERSON		
	WITH	8	SHARED DISPOSITIVE POWER
			8,750 (See Item 4)
9	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON		
	15,857 (See Item 4)		
10	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (See Item 4)		
			[X]
11	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)		
	0.04%		
12	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)		
	IN		

SCHEDULE 13G

1	NAME OF REPORTING PERSON		
	S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITY ONLY)		
	John D. Lutsi		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)		
	(a)	[X]	
	(b)	[]	
3	SEC USE ONLY		
4	CITIZENSHIP OR PLACE OF ORGANIZATION		
	United States		
	NUMBER OF	5	SOLE VOTING POWER
	SHARES		5,893 (See Item 4)
	BENEFICIALLY	6	SHARED VOTING POWER
	OWNED BY		8,750 (See Item 4)
	EACH	7	SOLE DISPOSITIVE POWER
	REPORTING		5,893 (See Item 4)
	PERSON		
	WITH	8	SHARED DISPOSITIVE POWER
			8,750 (See Item 4)
9	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON		
	14,643 (See Item 4)		
10	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)		
			[]
	N/A		
11	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)		
	0.04%		

12	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)
	IN

SCHEDULE 13G

1	NAME OF REPORTING PERSON S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITY ONLY)	
	Theodore A. Laufik	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)	(a) [X] ---- (b) []
3	SEC USE ONLY	
4	CITIZENSHIP OR PLACE OF ORGANIZATION	
	United States	
	NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	5 SOLE VOTING POWER 3,368 (See Item 4)
		6 SHARED VOTING POWER 8,750 (See Item 4)
		7 SOLE DISPOSITIVE POWER 3,368 (See Item 4)
		8 SHARED DISPOSITIVE POWER 8,750 (See Item 4)
9	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON	
	12,118 (See Item 4)	
10	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)	[]
	N/A	
11	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)	
	0.03%	
12	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)	
	IN	

SCHEDULE 13G

1	NAME OF REPORTING PERSON S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITY ONLY)	
	Gary R. Little	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)	(a) [X] ---- (b) [] ----
3	SEC USE ONLY	

4	CITIZENSHIP OR PLACE OF ORGANIZATION	
	United States	
	NUMBER OF	5 SOLE VOTING POWER
	SHARES	5,052 (See Item 4)
	BENEFICIALLY	6 SHARED VOTING POWER
	OWNED BY	8,750 (See Item 4)
	EACH	7 SOLE DISPOSITIVE POWER
	REPORTING	5,052 (See Item 4)
	PERSON	8 SHARED DISPOSITIVE POWER
	WITH	8,750 (See Item 4)
9	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON	
	13,802 (See Item 4)	
10	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS) []	
	N/A	
11	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)	
	0.04%	
12	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)	
	IN	

SCHEDULE 13G

1	NAME OF REPORTING PERSON	
	S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITY ONLY)	
	G. Gary Shaffer	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)	
	(a)	[X]
	(b)	[]
3	SEC USE ONLY	
4	CITIZENSHIP OR PLACE OF ORGANIZATION	
	United States	
	NUMBER OF	5 SOLE VOTING POWER
	SHARES	6,735 (See Item 4)
	BENEFICIALLY	6 SHARED VOTING POWER
	OWNED BY	8,750 (See Item 4)
	EACH	7 SOLE DISPOSITIVE POWER
	REPORTING	6,735 (See Item 4)
	PERSON	8 SHARED DISPOSITIVE POWER
	WITH	8,750 (See Item 4)
9	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON	
	15,485 (See Item 4)	
10	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS) []	
	N/A	
11	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)	
	0.04%	

12	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)
	IN

SCHEDULE 13G

1	NAME OF REPORTING PERSON S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITY ONLY)	
	Peter G. Taft	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)	(a) <input checked="" type="checkbox"/> [X] ----- (b) <input type="checkbox"/> []
3	SEC USE ONLY	
4	CITIZENSHIP OR PLACE OF ORGANIZATION	
	United States	
	NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON	5 SOLE VOTING POWER 0
	WITH	6 SHARED VOTING POWER 8,750 (See Item 4)
	SOLE DISPOSITIVE POWER	7 SOLE DISPOSITIVE POWER 0
	SHARED DISPOSITIVE POWER	8 SHARED DISPOSITIVE POWER 8,750 (See Item 4)
9	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON	
	8,750 (See Item 4)	
10	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)	[]
	N/A	
11	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)	
	0.02%	
12	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)	
	IN	

SCHEDULE 13G

Item 1(a). NAME OF ISSUER: Threshold Pharmaceuticals, Inc.

Item 1(b). ADDRESS OF ISSUER'S PRINCIPAL EXECUTIVE OFFICES:

1300 Seaport Boulevard
Redwood City, California 94063

Item 2(a). NAMES OF PERSONS FILING: Morgenthaler Partners VII (MPVII); Morgenthaler Management Partners VII (MMP VII), the general partner of MP VII; Robert D. Pavey, Robert C. Bellas, Jr., Gary J. Morgenthaler, Theodore A. Laufik, Gary R. Little, G. Gary Shaffer, Peter G. Taft and John D. Lutsi (collectively, the "Managing

Members") are members of MMP VII, the general partner of MP VII.

Item 2(b). ADDRESS OF PRINCIPAL BUSINESS OFFICE OR, IF NONE, RESIDENCE:

The address of the principal business office of MP VII, MMP VII and each of the General Partners is:

Morgenthaler Partners VII, L.P.
50 Public Square
Suite 2700
Cleveland, Ohio 44113

Item 2(c). CITIZENSHIP: MP VII is a limited partnership organized under the laws of Delaware and MMP VII is a limited liability company organized under the laws of the State of Ohio. Each of the Managing Members is a United States citizen.

Item 2(d). TITLE OF CLASS OF SECURITIES: Common Stock, \$0.001 par value per share

Item 2(e). CUSIP NUMBER: 885807-107

Item 3. IF THIS STATEMENT IS FILED PURSUANT TO RULES 13d-1(b), OR 13d-2(b), CHECK WHETHER THE PERSON FILING IS a:

- (a) [] Broker or Dealer registered under Section 15 of the Securities Exchange Act of 1934 (the "Act").
- (b) [] Bank as defined in Section 3(a)(6) of the Act.
- (c) [] Insurance Company as defined in Section 3(a)(19) of the Act.
- (d) [] Investment Company registered under Section 8 of the Investment Company Act of 1940.
- (e) [] Investment Advisor registered under Section 203 of the Investment Advisors Act of 1940.
- (f) [] Employee Benefit Plan, Pension Fund which is subject to the provisions of the Employee Retirement Income Security Act of 1974 or Endowment Fund; see Rule 13d-1(b)(1)(ii)(f) of the Act.
- (g) [] Parent Holding Company, in accordance with Rule 13d-1(b)(ii)(G) of the Act.
- (h) [] Group, in accordance with Rule 13d-1(b)(1)(ii)(H) of the Act.

Not Applicable.

Item 4. OWNERSHIP.

(a)

Amount beneficially owned: MP VII, 8,750 shares of Threshold Pharmaceuticals Inc. and each of MMP VII, Robert D. Pavey, Robert C. Bellas, Jr., Gary J. Morgenthaler, Theodore A. Laufik, Gary R. Little, G. Gary Shaffer, Peter G. Taft and John D. Lutsi may be deemed to beneficially own 8,750 shares of Threshold Pharmaceuticals Inc. (the company) as of December 31, 2006.

MP VII is the record owner of 8,750 shares. MMP VII, in its capacity as The General partner of MP VII, may be deemed beneficially own such 8,750 shares.

Managing members hold shares personally and in accounts under their control as follows:

Robert D. Pavey :	4,490 shares
Robert C. Bellas:	5,052 shares
Gary J. Morgenthaler :	7,107 shares
John D. Lutsi:	5,893 shares
Theodore A. Laufik	3,368 shares
Gary R. Little:	5,052 shares
G. Gary Shaffer:	6,735 shares

(b) Percent of Class: (based on 37,350,000 shares of common stock)

MP VII:	0.02%
MMP VII:	0.02%
Robert D. Pavey :	0.04%
Robert C. Bellas:	0.04%
Gary J. Morgenthaler :	0.04%
John D. Lutsi:	0.04%
Theodore A. Laufik	0.03%
Gary R. Little:	0.04%

G. Gary Shaffer: 0.04%
Peter G. Taft: 0.02%

(c) Number of shares as to which such person has:

(i) sole power to vote or to direct the vote:

Robert D. Pavey : 4,490 shares
Robert C. Bellas: 5,052 shares
Gary J. Morgenthaler : 7,107 shares
John D. Lutsi: 5,893 shares
Theodore A. Laufik 3,368 shares
Gary R. Little: 5,052 shares
G. Gary Shaffer: 6,735 shares

(ii) shared power to vote or to direct the vote:

MP VII: 8,750 shares
MMP VII: 8,750 shares
Robert D. Pavey : 13,240 shares
Robert C. Bellas: 13,802 shares
Gary J. Morgenthaler : 15,857 shares
John D. Lutsi: 14,643 shares
Theodore A. Laufik 12,118 shares
Gary R. Little: 13,802 shares
G. Gary Shaffer: 15,485 shares
Peter G. Taft: 8,750 shares

(iii) sole power to dispose or direct the disposition of:

Robert D. Pavey : 4,490 shares
Robert C. Bellas: 5,052 shares
Gary J. Morgenthaler : 7,107 shares
John D. Lutsi: 5,893 shares
Theodore A. Laufik 3,368 shares
Gary R. Little: 5,052 shares
G. Gary Shaffer: 6,735 shares

(iv) shared power to dispose or direct the disposition of:

MP VII: 8,750 shares
MMP VII: 8,750 shares
Robert D. Pavey : 13,240 shares
Robert C. Bellas: 13,802 shares
Gary J. Morgenthaler : 15,857 shares
John D. Lutsi: 14,643 shares
Theodore A. Laufik 12,118 shares
Gary R. Little: 13,802 shares
G. Gary Shaffer: 15,485 shares
Peter G. Taft: 8,750 shares

Each of MP VII and MMP VII and each of the Managing Members expressly disclaims beneficial ownership of any shares of common stock of the Company, except in the case of MP VII, for the 8,750 shares which its holds of record.

Item 5. OWNERSHIP OF FIVE PERCENT OR LESS OF A CLASS.

This statement is being filed to report that as of December 31, 2006 the reporting person has ceased to be a beneficial owner of more than 5% of the class of securities.

Item 6. OWNERSHIP OF MORE THAN FIVE PERCENT ON BEHALF OF ANOTHER PERSON.

Not Applicable.

Item 7. IDENTIFICATION AND CLASSIFICATION OF THE SUBSIDIARY WHICH ACQUIRED THE SECURITY BEING REPORTED ON BY THE PARENT HOLDING COMPANY.

Not Applicable.

Item 8. IDENTIFICATION AND CLASSIFICATION OF MEMBERS OF THE GROUP.

Not Applicable.

Item 9. NOTICE OF DISSOLUTION OF GROUP.

Not Applicable.

Item 10. CERTIFICATION.

Not Applicable. This statement on Schedule 13G is not filed pursuant

to Rule 13d-1(b).

By signing below, I certify that, to the best of my knowledge and belief, the securities referred to above were not acquired for the purpose of and do not have the effect of changing or influencing the control of the issuer of such securities and were not acquired in connection with or as a participant in any transaction having such purposes or effect.

SIGNATURES

After reasonable inquiry and to the best of its knowledge and belief, I certify that the information set forth in this statement is true, complete, and correct.

Date: February 12, 2007

MORGENTHALER PARTNERS VII

By: Morgenthaler Management Partners VII, LLC

By: *

General Partner

MORGENTHALER MANAGEMENT PARTNERS VII, LLC

By: *

Managing Member

*

Robert D. Pavey

*

Robert C. Bellas, Jr.

*

Gary J. Morgenthaler

*

John D. Lutsi

*

Gary R. Little

*

G. Gary Shaffer

*

Peter G. Taft

*By: /s/ Theodore A. Laufik

Theodore A. Laufik
Attorney-in-Fact