

# FORM 4

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

| OMB APPROVAL                                   |           |
|--|-----------|
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## STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

(Print or Type Responses)

|  |                               |  |  |  |   |
|--|-------------------------------|--|--|--|---|
| 1. Name and Address of Reporting Person *<br>PEQUOT CAPITAL MANAGEMENT INC |                               | 2. Issuer Name and Ticker or Trading Symbol<br>THRESHOLD PHARMACEUTICALS INC<br>[THLD] |  | 5. Relationship of Reporting Person(s) to Issuer<br>(Check all applicable)<br>Director _____ 10% Owner _____<br>Officer (give title below) _____ X Other (specify below) _____<br>See Footnote 1 |   |
| (Last)<br>500 NYALA FARM ROAD  | (First)<br>WESTPORT, CT 06880 | (Middle)   | 3. Date of Earliest Transaction (Month/Day/Year)<br>02/09/2005 |  | 6. Individual or Joint/Group Filing (Check Applicable Line)<br>Form filed by One Reporting Person _____<br>X Form filed by More than One Reporting Person |
| (Street)   |                               | 4. If Amendment, Date Original Filed (Month/Day/Year)                                  |  |  |   |
| (City)   | (State)                       | (Zip)  |  |  |   |

**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 |   |  |   |
| Common Stock                    | 02/09/2005                           |  | P                              |   | 241,719   | A          | \$ 7  | 0   | I (2)  | Investment Advisor (1)                                |
| Common Stock                    | 02/09/2005                           |  | C                              |   | 3,312,006   | A          | (3)   | 3,553,725   | I (2)  | Investment Advisor (1)                                |

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

**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 control number.** SEC 1474 (9-02)

**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 Underlying Securities (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 of Derivative Security: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) |
|--|--|--------------------------------------|--|--------------------------------|---|---|--|-----------------|---|----------------------------|--|--|--|--|
|  |  |                                      |  | Code                           | V |   | Date Exercisable   | Expiration Date | Title   | Amount or Number of Shares |  |  |  |  |
| Series B Preferred Stock                   | \$ 0 (3)   | 02/09/2005                           |  | C (3)                          |   | 3,312,006 (3)   | (4)  | (5)             | Common Stock (3)  | 3,312,006                  | (3)  | 0  | I (2)  | Investment Adviser (1)                                 |

## Reporting Owners

| Reporting Owner Name / Address   | Relationships |           |         |                |
|--|---------------|-----------|---------|----------------|
|  | Director      | 10% Owner | Officer | Other          |
| PEQUOT CAPITAL MANAGEMENT INC<br>500 NYALA FARM ROAD<br>WESTPORT, CT 06880 |               |           |         | See Footnote 1 |
| ENRIGHT PATRICK G<br>500 NYALA FARM ROAD<br>WESTPORT, CT 06880             | X             |           |         |                |

## Signatures

|   |  |                     |
|---|--|---------------------|
| Aryeh Davis, General Counsel, Pequot Capital Management |  | 02/09/2005          |
| <small>**Signature of Reporting Person</small>          |  | <small>Date</small> |
| Patrick G. Enright, Director(1)                         |  | 02/09/2005          |
| <small>**Signature of Reporting Person</small>          |  | <small>Date</small> |

## Explanation of Responses:

\* 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).

- Pequot Capital Management, Inc. ("Pequot") is an investment advisor registered under Section 203 of the Investment Advisers Act of 1940 and has voting and investment power with respect to securities in its clients' accounts. Pequot disclaims any obligations to file this report, and this report shall not be deemed an admission that Pequot is subject to Section 16 with respect to the issuer of such securities. Patrick G. Enright is an employee of Pequot and became a director on the Board of Directors of the Issuer on November 17, 2003 and disclaims any beneficial ownership of these securities except to the extent of his pecuniary interest.
- (1) Pequot disclaims beneficial ownership of these securities, and this report shall not be deemed an admission that Pequot, for the purposes of Section 16 of the Exchange Act or otherwise, is the beneficial owner of such securities.
  - (2) Each share of Series B Preferred Stock automatically converted into common stock upon the closing of the Issuer's initial public offering of common stock. The number of shares of Series B Preferred Stock reported gives effect to the conversion of shares of common stock, after giving effect to a 1 for 1.6469 reverse stock split of the Common Stock effective as of January 26, 2005.
  - (3) Immediately.
  - (4) Not applicable.

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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