

**FORM 4**

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

OMB APPROVAL	
OMB Number:	3235-0287
Estimated average burden hours per response...	0.5

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

**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

(Print or Type Responses)

1. Name and Address of Reporting Person GAITHER JAMES C		2. Issuer Name and Ticker or Trading Symbol THRESHOLD PHARMACEUTICALS INC [THLD]		5. Relationship of Reporting Person(s) to Issuer (Check all applicable) ____ Director ____ Officer (give title below) _____ X _____ 10% Owner ____ Other (specify below)	
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year) 10/05/2009		
(Street) 755 PAGE MILL ROAD, SUITE A-200			4. If Amendment, Date Original Filed (Month/Day/Year)		6. Individual or Joint/Group Filing (Check Applicable Line) X Form filed by One Reporting Person ____ Form filed by More than One Reporting Person
(City)	(State)	(Zip)	PALO ALTO, CA 94304-1005		

**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	10/05/2009		p(1)		17,472	A	\$ 1.91 (2)	23,801	I	By Trust (3)
Common Stock								32,615	I	By Ltd Partnership (4)

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

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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	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Common Stock Warrant	\$ 2.23	10/05/2009		p(1)		6,988		10/05/2009	10/05/2014	Common Stock	6,988	\$ 1.91 (2)	6,988	I	By Trust (3)

**Reporting Owners**

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
GAITHER JAMES C 755 PAGE MILL ROAD, SUITE A-200 PALO ALTO, CA 94304-1005		X		

**Signatures**

Robert Yin, by power of attorney  10/07/2009  
Signature of Reporting Person Date

**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).
- (1) Acquired from the issuer pursuant to a Securities Purchase Agreement dated September 29, 2009, with a closing date of October 5, 2009.
- (2) Purchase price per unit. Each unit consists of 1 common share and a warrant to purchase 0.4 of a share of common stock at an exercise price of \$2.23 per share.
- (3) Shares held by a trust of which the reporting person is the trustee. The reporting person disclaims beneficial ownership in these shares except as to the reporting person's pecuniary interest therein.
- (4) Shares held by a limited partnership of which the reporting person is the General Partner. The reporting person disclaims beneficial ownership in these shares except as to the reporting person's pecuniary interest therein.

**Remarks:**

This Form 4 excludes certain shares held by Sutter Hill Ventures, A California Limited Partnership which are reported separately on Form 4 dated October 5, 2009. The reporting person is a Managing Director of the General Partner of the Sutter Hill Ventures. This Form 4 also excludes certain shares held by Sutter Hill Entrepreneurs Fund (AI), LP and Sutter Hill Entrepreneurs Fund (QP), LP which have previously been reported here. In the future, when there are activities in these partnerships...

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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