

INITIAL STATEMENT OF 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* ALTA BIOPHARMA PARTNERS III LP (Last) (First) (Middle) ONE EMBARCADERO CENTER, SUITE 3700 (Street) SAN FRANCISCO, CA 94111 (City) (State) (Zip)	2. Date of Event Requiring Statement (Month/Day/Year) 08/29/2008	3. Issuer Name and Ticker or Trading Symbol THRESHOLD PHARMACEUTICALS INC [THLD]		
		4. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input type="checkbox"/> Director <input checked="" type="checkbox"/> 10% Owner <input type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below)		5. If Amendment, Date Original Filed(Month/Day/Year)
		6. Individual or Joint/Group Filing(Check Applicable Line) <input type="checkbox"/> Form filed by One Reporting Person <input checked="" type="checkbox"/> 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	1,200,154	I	By limited partnership (1) (2)
Common Stock	80,601	I	By limited partnership (2) (3)
Common Stock	29,576	I	By limited liability company (2) (4)

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

SEC 1473 (7-02)

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.

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	(5)	08/29/2013	Common Stock	404,080	\$ 2.34	I	By limited partnership (1) (2)
Warrant	(5)	08/29/2013	Common Stock	27,137	\$ 2.34	I	By limited partnership (2) (3)
Warrant	(5)	08/29/2013	Common Stock	9,958	\$ 2.34	I	By limited liability company (2) (4)

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
ALTA BIOPHARMA PARTNERS III LP ONE EMBARCADERO CENTER, SUITE 3700 SAN FRANCISCO, CA 94111		X		
ALTA BIOPHARMA PARTNERS III GMBH & CO BETEILIGUNGS KG ONE EMBARCADERO CENTER, SUITE 3700 SAN FRANCISCO, CA 94111		X		
ALTA EMBARCADERO BIOPHARMA PARTNERS III LLC ONE EMBARCADERO CENTER, SUITE 3700 SAN FRANCISCO, CA 94111		X		
DELEAGE JEAN ONE EMBARCADERO CENTER, SUITE 3700 SAN FRANCISCO, CA 94111		X		

CHAMPSI FARAH ONE EMBARCADERO CENTER, SUITE 3700 SAN FRANCISCO, CA 94111		X		
PENHOET EDWARD ONE EMBARCADERO CENTER, SUITE 3700 SAN FRANCISCO, CA 94111		X		
HURWITZ EDWARD ONE EMBARCADERO CENTER, SUITE 3700 SAN FRANCISCO, CA 94111		X		
ALTA BIOPHARMA MANAGEMENT III LLC ONE EMBARCADERO CENTER, SUITE 3700 SAN FRANCISCO, CA 94111		X		
MARDUEL ALIX ONE EMBARCADERO CENTER, SUITE 3700 SAN FRANCISCO, CA 94111		X		

Signatures

Alta BioPharma Partners III, L.P. By: Alta BioPharma Management III, LLC, its General Partner /s/ Jean Deleage, Director		09/05/2008
**Signature of Reporting Person		Date
By: Alta BioPharma Management III, LLC, it's Managing Limited Partner		09/05/2008
**Signature of Reporting Person		Date
/s/ Jean Deleage, Manager		09/05/2008
**Signature of Reporting Person		Date
/s/ Jean Deleage		09/05/2008
**Signature of Reporting Person		Date
/s/ Farah Champsi		09/05/2008
**Signature of Reporting Person		Date
/s/ Edward Penhoet		09/05/2008
**Signature of Reporting Person		Date
/s/ Edward Hurwitz		09/05/2008
**Signature of Reporting Person		Date
/s/ Jean Deleage, Director		09/05/2008
**Signature of Reporting Person		Date
/s/ Alix Marduel		09/05/2008
**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).

(1) These securities are held by Alta BioPharma Partners III, L.P. ("ABPIII").

Alta BioPharma Management III, LLC ("ABMIII") is the general partner of ABPIII and the managing limited partner of Alta BioPharma Partners III GmbH & Co. Beteiligungs KG ("ABPIIIKG"). Jean Deleage, Farah Champsi, Edward Penhoet, Edward Hurwitz, and Alix Marduel are directors of ABMIII and managers of Alta

(2) Embarcadero BioPharma Partners III, LLC ("AEBPIII") and, along with ABMIII and ABPIIIKG, the "Funds") and exercise shared voting and investment power with respect to the securities held by the funds. Each of the reporting persons disclaims beneficial ownership of such securities, except to the extent of his, her or its proportionate pecuniary interest therein.

(3) These securities are held by ABPIIIKG.

(4) These securities are held by AEBPIII.

(5) These warrants are immediately exercisable.

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

