Form **8937**
(December 2011)
Department of the Treasury
Internal Revenue Service

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

OMB No. 1545-2224

Part I Reporting Issuer

1 Issuer's name	2 Issuer's employer identification number (EIN)
Poniard Pharmaceuticals, Inc. and Subsidiary	91-1261311

3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact
Michael K. Jackson	206-286-2501	mjackson@poniard.com

6 Number and street (or P.O. box if mail is not delivered to street address) of contact	7 City, town, or post office, state, and Zip code of contact
300 Elliott Ave. W., Suite 530	Seattle, WA 98119

8 Date of action	9 Classification and description
11/22/2011	1:40 reverse split on common stock

10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
73244930 1		PARD (OTC Markets)	

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ Effective November 22, 2011, Poniard completed a 1-for-40 reverse split of its common stock, par value $.02 per share.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ Upon effectiveness of the 1-for-40 reverse stock split, each shareholder of Poniard common stock received one share in exchange for each 40 shares held. No fractional shares were issued in the reverse stock split. Shareholders who would otherwise receive a fractional share received a cash payment in lieu of such fractional share. As a result of the reverse stock split, Poniard shareholders will be required to allocate the aggregate tax basis in their Poniard common stock held immediately prior to the reverse stock split among the shares of Poniard common stock held immediately after the reverse stock split (including any fractional share interest in Poniard for which cash is received). In general, a shareholder's aggregate tax basis in his or her shares of Poniard common stock held immediately prior to the reserve stock split should be allocated in proportion to the reduced number of shares of the Poniard common stock under IRC §358.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ A shareholder's basis should not change as a result of the 1-for-40 reverse split:

Total pre-split basis = pre-split shares X pre-split price per share

Post-split shares = pre-split shares/40; Post-split price per share = pre-split price per share X 40

Total post-split basis = post-split shares X post-split price per share = (pre-split shares/40) X (pre-split price per share X 40)
= pre-split shares X pre-split price per share X (40/40) = pre-split shares X pre-split price per share X 1
= Total pre-split basis

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ IRC §358(b)(1)

18 Can any resulting loss be recognized? ▶ The 1-for-40 stock split should not constitute a taxable transaction, except to the extent of any cash received for fractional shares. Shareholders should consult their tax advisor to determine the tax impact of this transaction with respect to their individual facts and circumstances for tax year 2011.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ Shareholders should consult their tax advisor to determine the tax impact of this transaction with respect to their individual facts and circumstances for tax year 2011.

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge

Signature ▶ _____ Date ▶ 1/13/2012

Print your name ▶ Michael K. Jackson Title ▶ Interim CFO

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Tim Rinehart		01/13/2012		P01065551
Firm's name ▶ Ernst & Young U.S. LLP			Firm's EIN ▶	34-6565596
Firm's address ▶ 999 Third Avenue, Suite 3500 Seattle, WA 98104-4086			Phone no.	206-621-1800

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054