

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

OMB APPROVAL	
OMB Number:	3235-0104
Estimated average burden hours per response:	0.5

1. Name and Address of Reporting Person* <u>ARCH MANAGEMENT PARTNERS II LP</u> (Last) (First) (Middle) <u>C/O ARCH VENTURE CORP</u> <u>8725 W. HIGGINS RD #290</u> (Street) <u>CHICAGO IL 60631</u> (City) (State) (Zip)	2. Date of Event Requiring Statement (Month/Day/Year) <u>03/15/2004</u>	3. Issuer Name and Ticker or Trading Symbol <u>XCYTE THERAPIES INC [XCYT]</u>	
		4. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director <input checked="" type="checkbox"/> 10% Owner Officer (give title below) Other (specify below)	5. If Amendment, Date of Original Filed (Month/Day/Year)
			6. Individual or Joint/Group Filing (Check Applicable Line) 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)

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: 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			
Series A Convertible Preferred Stock	03/15/2004	(1)	Common Stock	28,707 ⁽¹³⁾	(1)	I	Footnote ⁽²⁾
Series A Convertible Preferred Stock	03/15/2004	(1)	Common Stock	114,832 ⁽¹³⁾	(1)	I	Footnote ⁽¹⁴⁾
Series B Convertible Preferred Stock	03/15/2004	(1)	Common Stock	305,785 ⁽¹³⁾	(1)	I	Footnote ⁽³⁾
Series B Convertible Preferred Stock	03/15/2004	(1)	Common Stock	66,115 ⁽¹³⁾	(1)	I	Footnote ⁽¹⁴⁾
Series C Convertible Preferred Stock	03/15/2004	(1)	Common Stock	203,502 ⁽¹³⁾	(1)	I	Footnote ⁽⁴⁾
Series D Convertible Preferred Stock	03/15/2004	(1)	Common Stock	240,352 ⁽¹³⁾	(1)	I	Footnote ⁽⁵⁾
Series E Convertible Preferred Stock	03/15/2004	(1)	Common Stock	170,045 ⁽¹³⁾	(1)	I	Footnote ⁽⁶⁾
Warrants to Purchase Series A Convertible Preferred Stock	03/22/2004	08/31/2007 ⁽⁷⁾	Series A Convertible Preferred Stock	50,237 ⁽¹³⁾	5.225 ⁽⁷⁾	I	Footnote ⁽⁷⁾
Warrants to Purchase Common Stock	03/22/2004	08/08/2005 ⁽⁸⁾	Common Stock	26,918 ⁽¹³⁾	1.65 ⁽⁸⁾	I	Footnote ⁽⁸⁾
Warrants to purchase Common Stock	03/22/2004	11/12/2006 ⁽⁹⁾	Common Stock	92,580 ⁽¹³⁾	0.055 ⁽⁹⁾	I	Footnote ⁽⁹⁾
6% Convertible Promissory Notes	03/15/2004	04/30/2004 ⁽¹⁰⁾	Common Stock	354,666 ⁽¹³⁾	9.625 ⁽¹⁰⁾	I	Footnote ⁽¹⁰⁾
Series F Convertible Preferred Stock	03/15/2004	(1)	Common Stock	163,473 ⁽¹³⁾	(1)	I	Footnote ⁽¹²⁾
Warrants to purchase Common Stock	03/22/2004	02/04/2007 ⁽¹¹⁾	Common Stock	89,002 ⁽¹³⁾	0.055 ⁽¹¹⁾	I	Footnote ⁽¹¹⁾

1. Name and Address of Reporting Person* <u>ARCH MANAGEMENT PARTNERS II LP</u> (Last) (First) (Middle) <u>C/O ARCH VENTURE CORP</u> <u>8725 W. HIGGINS RD #290</u> (Street) <u>CHICAGO IL 60631</u> (City) (State) (Zip)
1. Name and Address of Reporting Person* <u>ARCH VENTURE PARTNERS LP</u>

(Last)	(First)	(Middle)
C/O ARCH VENTURE PARTNERS LP		
8725 W. HIGGINS RD. #290		
(Street)		
CHICAGO	IL	60631
(City)	(State)	(Zip)

1. Name and Address of Reporting Person*

ARCH VENTURE CORP

(Last)	(First)	(Middle)
C/O ARCH VENTURE PARTNERS		
8725 W. HIGGINS RD. #290		
(Street)		
CHICAGO	IL	60631
(City)	(State)	(Zip)

Explanation of Responses:

1. These securities are preferred stock of Xcyte Therapies, Inc. and do not have an expiration date. Each share of its preferred stock will convert automatically into one share of common stock upon closing of the company initial public offering.
2. Represents securities held by ARCH Venture Fund III, L.P., an affiliated entity of the Reporting Person. ARCH Venture Fund III, L.P. holds 28,707 shares of common stock upon conversion of preferred stock.
3. Represents securities held by ARCH Venture Fund III, L.P., an affiliated entity of the Reporting Person. ARCH Venture Fund III, L.P. holds 305,785 shares of common stock upon conversion of preferred stock.
4. Represents securities held by ARCH Venture Fund III, L.P., an affiliated entity of the Reporting Person. Represents 203,502 shares of common stock upon conversion of preferred stock.
5. Represents securities held by ARCH Venture Fund III, L.P., an affiliated entity of the Reporting Person. Represents 240,352 shares of common stock upon conversion of preferred stock.
6. Represents securities held by ARCH Venture Fund III, L.P., an affiliated entity of the Reporting Person. Represents 170,045 shares of common stock upon conversion of preferred stock.
7. Represents securities held by ARCH Venture Fund III, L.P., an affiliated entity of the Reporting Person. Represents a warrant to purchase 50,237 shares of preferred stock which would convert to common stock upon effectiveness of initial public offering. Warrant is exercisable at the earlier of an initial public offering or its expiration date.
8. Represents securities held by ARCH Venture Fund III, L.P., an affiliated entity of the Reporting Person. Represents a warrant to purchase 26,918 warrants for shares of common stock. Warrant is exercisable at the earlier of a close on an initial public offering or its expiration date.
9. Represents securities held by ARCH Venture Fund III, L.P., an affiliated entity of the Reporting Person. Represents a warrant to purchase 92,580 shares of common stock. Warrant is exercisable at the earlier of the close of an initial public offering or its expiration date.
10. Represents promissory notes at 6% held by ARCH Venture Fund III, L.P.(AVFIII), ARCH Venture Fund V, L.P.(AVFV), ARCH V Entrepreneurs Fund, L.P.(AVEF) and Healthcare Focus Fund, L.P.(HFF), each of which is an affiliated entity of the Reporting Person. Interest and principal convertible into shares of common stock at the close of the initial public offering at \$9.625 per share. AVFIII holds 61,333 shares of common stock upon conversion of promissory notes, AVFV holds 211,905 shares of common stock upon conversion of promissory notes, AVEF holds 1,428 shares of common stock upon conversion of promissory notes, and HFF holds 80,000 shares of common stock upon conversion of promissory notes. In addition, AVFIII, AVFV, HFF and AVEF each holds shares of common stock upon conversion of warrant; however, these warrants are null and void if the company completes its initial public offering, and as such are not reported.
11. Represents securities held by Healthcare Focus Fund, L.P., an affiliated entity of the Reporting Person. Warrant is exercisable at the earlier of a close of an initial public offering or its expiration date.
12. Represents 163,473 shares of common stock upon conversion of preferred stock held by Healthcare Focus Fund, L.P., an affiliated entity of the Reporting Person.
13. Share amounts reflect a 5.5 to 1 reverse stock split effective immediately prior to the closing of the initial public offering.
14. Represents securities held by ARCH Venture Fund II, L.P. The reporting person is comprised of three general partner entities: ARCH Venture Corporation, the general partner of ARCH Venture Partners, L.P., the general partner of ARCH Management Partners II, L.P. ARCH Management Partners II, L.P. is the general partner of ARCH Venture Fund II, L.P., and disclaims beneficial ownership of such securities except to the extent of their pecuniary interest therein, and this report shall not be deemed an admission that the reporting person is the beneficial owner of such shares of common stock. See exhibit 99.1

[ARCH Management Partners II, L.P., By: ARCH Venture Partners, L.P., Its General Partner, By: ARCH Venture Corporation, Its General Partner, By: Keith Crandell, Its: Managing Director, /s/ Keith Crandell](#)

** Signature of Reporting Person

[03/15/2004](#)

Date

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

* 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).

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

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 Number.