

OMB APPROVAL	
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**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

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

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

1. Name and Address of Reporting Person* <b>ARCH VENTURE FUND V LP</b>			2. Issuer Name and Ticker or Trading Symbol <b>XCYTE THERAPIES INC [ XCYT ]</b>			5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director <input checked="" type="checkbox"/> 10% Owner Officer (give title below) Other (specify below)		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year) <b>10/29/2004</b>			6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person Form filed by More than One Reporting Person		
<b>8725 W. HIGGINS, SUITE 290</b>			4. If Amendment, Date of Original Filed (Month/Day/Year)					
(Street)								
<b>CHICAGO</b>	<b>IL</b>	<b>60631</b>						
(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			

**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 Securities Underlying Derivative Security (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: 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				
6% Convertible Exchangeable Preferred Stock	(2)	10/29/2004		P		198,661 <sup>(2)</sup>		(2)	(2)	Common	(2)	\$10 <sup>(2)</sup>	845,362	D	
6% Convertible Exchangeable Preferred Stock	(2)	10/29/2004		P		1,339 <sup>(2)</sup>		(2)	(2)	Common	(2)	\$10 <sup>(2)</sup>	5,698 <sup>(1)</sup>	I	Footnote <sup>(1)</sup>

**Explanation of Responses:**

1. The amount reported in Column 9 represents 1,339 shares of 6% Convertible Exchangeable Preferred Stock purchased by ARCH V Entrepreneurs Fund, L.P., with effect given to the conversion described in the footnote below. Such amount is subject to change based on the potential adjustments to the conversion price described in the footnote below. ARCH V Entrepreneurs Fund, L.P. is an affiliated entity of the reporting person, 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 thereof.

2. These securities are preferred stock of Xcyte Therapies and do not have an expiration date. Each share of 6% Convertible Exchangeable Preferred Stock can be converted by its holder into approximately 4.2553 shares of Xcyte's common stock based on an initial conversion price of \$2.35, subject to certain adjustments. Xcyte may automatically convert the convertible preferred stock into common stock if the closing price of the common stock has exceeded \$3.53 for at least 20 trading days during any 30-day trading period, ending within five trading days prior to notice of automatic conversion.

ARCH Venture Fund V, L.P.,  
BY: ARCH Venture Partners V,  
L.P., Its: General Partner, BY:  
ARCH Venture Partners V, LLC, 11/02/2004  
Its: General Partner, BY: Keith  
Crandell, Managing Director,  
/s/Keith Crandell

\*\* Signature of Reporting Person 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 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).

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.