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UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

OMB APPROVAL

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

FORM 4

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

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* ARCH MANAGEMENT PARTNERS II LP					2. Issuer Name and Ticker or Trading Symbol <u>XCYTE THERAPIES INC</u> [XCYT] 3. Date of Earliest Transaction (Month/Day/Year)								5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director X 10% Owner Officer (give title Other (specify below) below)						
C/O ARCH VENTURE CORP 8725 W. HIGGINS RD #290						/200				y reary									
(Street) CHICAGO IL 60631							4. If Amendment, Date of 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)																			
			Table I - No	on-Deriv	/ative	Sec	curities Ac	quired	, Dis	sposed of,	or Bene	ficially C	Owned						
1. Title of Security (Instr. 3) Date (Month/D					Execution Date,			Transaction Disposed Of (I Code (Instr.			Acquired (A) or (D) (Instr. 3, 4 and 5)		5. Amount of Securities Beneficially Owned Following Reported		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		Transaction(s) (Instr. 3 and 4)		<u> </u>				
Common S					9/2004		C		180,947	A	\$0	180,947				Footnote ⁽¹⁴⁾			
Common Stock Common Stock				9/2004			C P	-	1,685,824 12,500	A	\$0 \$8	1,685,824 193,447				Footnote ⁽¹⁾ Footnote ⁽¹⁴⁾			
				19/2004			P	\vdash	175,000	A	\$8	1,860,824		I		Footnote ⁽¹⁾			
		tive Securities Acquired, Disposed of, or Beneficial																	
	-			-	outs, c		-			convertible	r	-	1		. [
1. Title of Derivative Security (Instr. 3)	2. 3. Transaction Conversion or Exercise Price of Derivative Security		3A. Deemed Execution Date if any (Month/Day/Ye	Code	action (Instr.	Der Sec Acc Dis	lumber of ivative surities quired (A) or posed of (D) str. 3, 4 and 5)	6. Date Exercisable Expiration Date (Month/Day/Year)		te	e of Securities		8. Price of Derivative Security (Instr. 5)	9. Numbe derivative Securities Beneficia Owned Following Reported	e Owne s Form Ily Direc or Inc g (I) (In	: t (D) lirect	11. Nature of Indirect Beneficial Ownership (Instr. 4)		
				Code	v	(A)	(D)	Date Exercisa	able	Expiration Date	Title	Amount or Number of Shares		Transacti (Instr. 4)	action(s)				
Series A Convertible Preferred Stock	(13)	03/19/2004		С			631,579 ⁽¹³⁾	03/19/20	004	(13)	Common	114,832	\$0	0	I(14)	Footnote ⁽¹⁴		
Series B Convertible Preferred Stock	(13)	03/19/2004		С			363,636 ⁽¹³⁾	03/19/20	004	(13)	Common	66,115	\$0	0	0 I ⁽¹⁴⁾		Footnote ⁽¹⁴		
Series A Convertible Preferred Stock	(2)	03/19/2004		С			157,890 ⁽²⁾	03/19/20	004	(13)	Common	28,707	\$0	0	0 I ⁽²⁾		Footnote ⁽²⁾		
Series B Convertible Preferred Stock	(3)	03/19/2004		С			1,681,818 ⁽³⁾	03/19/20	004	(13)	Common	305,785	\$0	0	0 I ⁽³⁾		Footnote ⁽³⁾		
Series C Convertible Preferred Stock	(4)	03/19/2004		с			1,119,265 ⁽⁴⁾	03/19/20	004	(13)	Common	203,502	\$0	0	0 I ⁽⁴⁾		Footnote ⁽⁴⁾		
Series D Convertible Preferred Stock	(5)	03/19/2004		С			1,321,942 ⁽⁵⁾	03/19/20	004	(13)	Common	240,352	\$0	0	0 I ⁽⁵⁾		Footnote ⁽⁵⁾		
Series E Convertible Preferred Stock	(6)	03/19/2004		С			935,251 ⁽⁶⁾	03/19/20	004	(13)	Common	170,045	\$0	0	0 I ⁽⁶⁾		Footnote ⁽⁶⁾		
Warrants to purchase Series A Convertible Preferred Stock	(7)	03/19/2004		С			50,237 ⁽⁷⁾	03/19/20	004	08/31/2007 ⁽⁷⁾	Common	17,425	\$0	0	I	7)	Footnote ⁽⁷⁾		
Warrants to purchase Common Stock	(8)	03/19/2004		С			26,918 ⁽⁸⁾	03/19/20	004	08/08/2005 ⁽⁸⁾	Common	21,365	\$0	0	0 I ⁽⁸⁾		Footnote ⁽⁸⁾		
Warrants to purchase Common Stock	(9)	03/19/2004		С			92,580 ⁽⁹⁾	03/19/20	004	11/12/2006 ⁽⁹⁾	Common	91,943	\$0	0	I	9)	Footnote ⁽⁹⁾		

	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)	on Date, Transaction Derivative Code (Instr. Securities		vative urities uired (A) or oosed of (D)	6. Date Exerc Expiration Da (Month/Day/)	ate	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	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		Transaction(s) (Instr. 4)		
6% Convertible Promissory Note	(10)	03/19/2004		С			354,840 ⁽¹⁰⁾	03/19/2004	04/30/2004 ⁽¹⁰⁾	Common	354,837	\$0	0	I ⁽¹⁰⁾	Footnote ⁽¹⁰⁾
Series F Convertible Preferred Stock	(12)	03/19/2004		С			899,104 ⁽¹²⁾	03/19/2004	(13)	Common	163,473	\$0	0	I ⁽¹²⁾	Footnote ⁽¹²⁾
Warrants to purchase Common Stock	(11)	03/19/2004		С			89,002 ⁽¹¹⁾	03/19/2004	02/04/2007 ⁽¹¹⁾	Common	88,390	\$0	0	I ⁽¹¹⁾	Footnote ⁽¹¹⁾

Explanation of Responses:

1. The amount reported in Column 4 includes 1,140,487 shares held by ARCH Venture Fund III, L.P., 331,901 shares held by Healthcare Focus Fund, L.P., 212,008 shares held by ARCH Venture Fund V and 1,428 shares held by ARCH V Entrepreneurs Fund, L.P. Each of these entities is an affiliated entity of the reporting person, and the shares were acquired upon conversions of securities described in footnotes below. Each of the entities disclaims beneficial ownership of such securities along with shares purchased in Xcyte's initial public offering 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.

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 issued upon the automatic conversion of preferred stock upon the closing of Xcyte's initial public offering on March 19, 2004.

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 issued upon the automatic conversion of preferred stock upon the closing of Xcyte's initial public offering on March 19, 2004.

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 issued upon the automatic conversion of preferred stock upon the closing of Xcyte's initial public offering on March 19, 2004.

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 issued upon the automatic conversion of preferred stock upon the closing of Xcyte's initial public offering on March 19, 2004.

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 issued upon the automatic conversion of preferred stock upon the closing of Xcyte's initial public offering on March 19, 2004.

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 shares automatically converted to common stock upon the close of initial public offering. Warrant is exercisable at the earlier of a close 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 shares of common stock. Warrant is exercisable at the earlier of a close of 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 a 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. Promissory notes were convertible into common stock anytime prior to the maturity date, April 30, 2004. Interest and Principal automatically converted into shares of common stock at the close of the initial public offering at \$\$2625 per share. AVFIII, L.P. holds 61,363 shares of common stock upon conversion of promissory notes, AVEF, L.P. holds 212,008 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 80,038 shares of common stock upon conversion of promissory notes.

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 on an initial public offering or its expiration date. 12. Represents 163,473 shares of common stock issued upon the automatic conversion of preferred stock held by Healthcare Focus Fund, L.P. an affiliated entity of the Reporting Person upon the closing of Xcyte's initial public offering on March 19, 2004.

13. These securities are preferred stock of Xcyte Therapies and do not have an expiration date. Each share of preferred stock automatically converted into one share of Xcyte's common stock upon the closing of Xcyte's initial public offering on March 19, 2004.

14. Represents securities held by ARCH Venture Fund II, L.P. The amount in Column 4 represents shares of common stock issued upon the automatic conversion of preferred stock upon the closing of Xcyte's initial public offering on March 19, 2004 and shares purchased in Xcyte's initial public offering. 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. is the general partner 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 to such shares of common stock.

 ARCH Management Partners II,

 L.P., By: ARCH Venture

 Partners, L.P., Its: General

 Partner, By: ARCH Venture
 03/22/2004

 Corporation, Its: General Partner,

 By: Keith Crandell, Managing

 Director, By:/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.