

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

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).

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* <u>ARCH VENTURE PARTNERS V LP</u> (Last) (First) (Middle) <u>C/O ARCH VENTURE PARTNERS</u> <u>8725 W. HIGGINS RD. #290</u> (Street) <u>CHICAGO IL 60631</u> (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>XCYTE THERAPIES INC [XCYT]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director <input checked="" type="checkbox"/> 10% Owner Officer (give title below) <input type="checkbox"/> Other (specify below) <input type="checkbox"/>
	3. Date of Earliest Transaction (Month/Day/Year) <u>03/19/2004</u>	
	4. If Amendment, Date of Original Filed (Month/Day/Year)	
		6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person

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			
Common Stock	03/19/2004		C		545,337	A	\$0	545,337 ⁽¹⁶⁾	I	Footnote ⁽¹⁶⁾
Common Stock	03/19/2004		C		1,321,434	A	\$0	1,321,434 ⁽¹⁾	I	Footnote ⁽¹⁾
Common Stock	03/19/2004		P		175,000	A	\$8	720,337 ⁽¹⁴⁾	I	Footnote ⁽¹⁶⁾
Common Stock	03/19/2004		P		12,500	A	\$8	1,333,934 ⁽¹⁾	I	Footnote ⁽¹⁾

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 Promissory Notes	(15)	03/19/2004		C		293,474 ⁽¹⁵⁾		03/19/2004	04/30/2004 ⁽¹⁵⁾	Common Stock	293,474	\$0	0	I ⁽¹⁶⁾	Footnote ⁽¹⁶⁾
Series F Convertible Preferred Stock	(12)	03/19/2004		C		899,104 ⁽¹²⁾		03/19/2004	(13)	Common Stock	163,473	\$0	0	I ⁽¹²⁾	Footnote ⁽¹²⁾
Warrants to purchase Common Stock	(11)	03/19/2004		C		89,002 ⁽¹¹⁾		03/19/2004	02/04/2007 ⁽¹¹⁾	Common Stock	88,390	\$0	0	I ⁽¹¹⁾	Footnote ⁽¹¹⁾
Series A Convertible Preferred Stock	(2)	03/19/2004		C		789,469 ⁽²⁾		03/19/2004	(13)	Common Stock	143,539	\$0	0	I ⁽²⁾	Footnote ⁽²⁾
Series B Convertible Preferred Stock	(3)	03/19/2004		C		2,045,454 ⁽³⁾		03/19/2004	(13)	Common Stock	371,900	\$0	0	I ⁽³⁾	Footnote ⁽³⁾
Series C Convertible Preferred Stock	(4)	03/19/2004		C		119,265 ⁽⁴⁾		03/19/2004	(13)	Common Stock	203,502	\$0	0	I ⁽⁴⁾	Footnote ⁽⁴⁾
Series D Convertible Preferred Stock	(5)	03/19/2004		C		1,321,942 ⁽⁵⁾		03/19/2004	(13)	Common Stock	240,352	\$0	0	I ⁽⁵⁾	Footnote ⁽⁵⁾
Series E Convertible Preferred Stock	(6)	03/19/2004		C		935,251 ⁽⁶⁾		03/19/2004	(13)	Common Stock	170,045	\$0	0	I ⁽⁶⁾	Footnote ⁽⁶⁾
Warrants to Purchase Series A Convertible Preferred Stock	(7)	03/19/2004		C		50,237 ⁽⁷⁾		03/19/2004	08/31/2007 ⁽⁷⁾	Common Stock	17,425	\$0	0	I ⁽⁷⁾	Footnote ⁽⁷⁾
Warrants to purchase common stock	(8)	03/19/2004		C		26,918 ⁽⁸⁾		03/19/2004	08/08/2005 ⁽⁸⁾	Common Stock	21,365	\$0	0	I ⁽⁸⁾	Footnote ⁽⁸⁾

**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				
Warrants to purchase Common Stock	(9)	03/19/2004		C			92,580 ⁽⁹⁾	03/19/2004	11/12/2006 ⁽⁹⁾	Common Stock	91,943	\$0	0	I ⁽⁹⁾	Footnote ⁽⁹⁾
6% Convertible Promissory Notes	(10)	03/19/2004		C			61,363 ⁽¹⁰⁾	03/19/2004	04/30/2004 ⁽¹⁰⁾	Common Stock	61,363	\$0	0	I ⁽¹⁰⁾	Footnote ⁽¹⁰⁾

Explanation of Responses:

1. The amount reported in Column 4 includes 180,947 shares held by ARCH Venture Fund II, L.P. and 1,140,487 shares held by ARCH Venture Fund III, 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 and those securities purchased in the 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 II, L.P. and ARCH Venture Fund III, L.P., both are affiliated entities of the Reporting Person. ARCH Venture Fund II, L.P. holds 114,832 shares of common stock issued upon the conversion of preferred stock upon the closing of Xcyte's initial public offering on March 19, 2004 while 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 II, L.P. and ARCH Venture Fund III, L.P., each is an affiliated entity of the Reporting Person. ARCH Venture Fund II, L.P. holds 66,115 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 while 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. ARCH Venture Fund III, L.P. holds 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. ARCH Venture Fund III, L.P. holds 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. ARCH Venture Fund III, L.P. holds 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. ARCH Venture Fund III, L.P. holds 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. ARCH Venture Fund III, L.P. holds 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. ARCH Venture Fund III, L.P. holds 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 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 \$9.625 per share. AVFV, L.P. holds 61,363 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. The reporting person is the general partner of AVFV, HFF, and AVEF and disclaims beneficial ownership in such common stock except to the extent of its pecuniary interest therein.
11. Represents securities held by Healthcare Focus Fund, L.P. Warrant is exercisable at the earlier of a close on an initial public offering or its expiration date. The reporting person is the general partner of HFF and disclaims beneficial ownership in such common stock except to the extent of its pecuniary interest therein.
12. Represents 163,473 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. These shares are held by HFF. The reporting person is the general partner of HFF and disclaims beneficial ownership in such common stock except to its pecuniary interest therein.
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. The amount in column 4 represents shares of common stock purchased in Xcyte's initial public offering. ARCH Venture Fund V, L.P. purchased 137,500 shares and Healthcare Focus Fund, L.P. purchased 37,500 shares. The reporting person is the general partner of AVFV and HFF, 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.
15. Represents a promissory note at 6% held by ARCH Venture Fund III, L.P., an affiliated entity of the reporting person. Promissory note was 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 \$9.625 per share. The reporting person 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.
16. The amount in column 4 represents shares held by AVF V, HFF and AVEF and that these shares were acquired upon conversions of securities described in footnotes above. The reporting person is the general partner of AVFV, HFF, and AVEF and disclaims beneficial ownership in such common stock except to the extent of its pecuniary interest therein.

ARCH Venture Partners V, L.P.,
By: ARCH Venture Partners V,
LLC, Its General Partner, By: 03/22/2004
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.

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