

OMB APPROVAL	
OMB Number:	3235-0287
Estimated average burden	hours per response:
	0.5

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* <u>ARCH MANAGEMENT PARTNERS II LP</u> (Last) (First) (Middle) 8725 WEST HIGGINS ROAD SUITE 290 (Street) CHICAGO IL 606031 (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) Other (specify below)
	3. Date of Earliest Transaction (Month/Day/Year) 10/29/2004	
	4. If Amendment, Date of Original Filed (Month/Day/Year)	

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
6% Convertible Exchangeable Preferred Stock	(2)	10/29/2004		P		200,000(2)		(2)	(2)	Common	(2)	\$10(2)	851,060(1)	I	Footnote(1)

1. Name and Address of Reporting Person*
ARCH MANAGEMENT PARTNERS II LP
 (Last) (First) (Middle)
 8725 WEST HIGGINS ROAD
 SUITE 290
 (Street)
 CHICAGO IL 606031
 (City) (State) (Zip)

1. Name and Address of Reporting Person*
ARCH VENTURE PARTNERS LP
 (Last) (First) (Middle)
 8725 WEST HIGGINS ROAD
 SUITE 290
 (Street)
 CHICAGO IL 60631
 (City) (State) (Zip)

1. Name and Address of Reporting Person*
ARCH VENTURE CORP
 (Last) (First) (Middle)
 8725 WEST HIGGINS ROAD
 SUITE 290

(Street)	CHICAGO	IL	60631
(City)		(State)	(Zip)

Explanation of Responses:

1. The amount reported in Column 9 represents 198,661 shares of 6% Convertible Exchangeable Preferred Stock purchased by ARCH Venture Fund V, L.P. and 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. Each of these entities is an affiliated entity of the reporting persons, 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. See Exhibit 99

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 Xcytes 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 Management Partners II,
L.P., By: ARCH Venture
Partners, L.P., Its General
Partner, By: ARCH Venture 11/02/2004
Corporation, Its General Partner,
/s/Keith Crandell, Keith
Crandell, Managing Director
ARCH Venture Partners, L.P.,
By: ARCH Venture Corporation,
Its General Partner, /s/Keith 11/02/2004
Crandell, Keith Crandell,
Managing Director
ARCH Venture Corporation, By:
/s/Keith Crandell, Keith 11/02/2004
Crandell, Managing Director

** 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.

JOINT FILER INFORMATION

This statement on Form 4 is filed by ARCH Management Partners II, L.P., ARCH Venture Partners, L.P. and ARCH Venture Corporation. The principal business address of each of the reporting persons is 8725 West Higgins Road, Suite 290, Chicago, IL 60631. The reporting persons disclaim beneficial ownership of the securities listed herein except to the extent of their pecuniary interest therein.

Designated Filer: ARCH Management Partners II, L.P.
Issuer and Ticker Symbol: Xcyte Therapies, Inc. (XCYT)
Date of Event Requiring Statement: October 29, 2004

ARCH MANAGEMENT PARTNERS II, L.P.
By: ARCH Venture Partners, L.P.
Its: General Partner
By: ARCH Venture Corporation
Its: General Partners
By: /s/ Keith Crandell
Name: Keith Crandell
Title: Managing Director

By: ARCH VENTURE PARTNERS, L.P.
By: ARCH Venture Corporation
Its: General Partners
By: /s/ Keith Crandell
Name: Keith Crandell
Title: Managing Director

By: ARCH VENTURE CORPORATION
By: /s/ Keith Crandell
Name: Keith Crandell
Title: Managing Director