

INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

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

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|--|--|--|--|--|
| 1. Name and Address of Reporting Person* <u>WERTHEIMER STEPHEN</u> _____ (Last) (First) (Middle) C/O W. CAPITAL PARTNERS 245 PARK AVE 39TH FL _____ (Street) NEW YORK NY 10167 _____ (City) (State) (Zip) | | | 2. Date of Event Requiring Statement (Month/Day/Year) 03/10/2004 | 3. Issuer Name and Ticker or Trading Symbol <u>XYTE THERAPIES INC [XCYT]</u> |
| 4. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director 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) <input checked="" type="checkbox"/> Form filed by One Reporting Person _____ 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 | | | |
| Convertible Promissory Note | 03/16/2004 ⁽¹⁾ | 03/16/2004 | Common Stock | 106,458 | 9.625 | I | By W capital Partners Ironworks, L.P. ⁽³⁾ |
| Series C Convertible Preferred Stock | 03/16/2004 ⁽²⁾ | 03/16/2004 | Common Stock | 326,620 | 9.185 | I | By W capital Partners Ironworks, L.P. ⁽³⁾ |
| Series D Convertible Preferred Stock | 03/16/2004 ⁽²⁾ | 03/16/2004 | Common Stock | 52,004 | 15.29 | I | By W capital Partners Ironworks, L.P. ⁽³⁾ |
| Series E Convertible Preferred Stock | 03/16/2004 ⁽²⁾ | 03/16/2004 | Common Stock | 54,836 | 15.29 | I | By W capital Partners Ironworks, L.P. ⁽³⁾ |
| Common Stock Warrants (right to buy) | 03/16/2004 ⁽⁴⁾ | 03/16/2004 ⁽⁵⁾ | Common Stock | 29,855 | 0.055 | I | By W capital Partners Ironworks, L.P. ⁽³⁾ |
| Common Stock Warrants (right to buy) | 03/16/2004 ⁽⁴⁾ | 03/16/2004 ⁽⁵⁾ | Common Stock | 5,824 | 0.055 | I | By W capital Partners Ironworks, L.P. ⁽³⁾ |

Explanation of Responses:

- This convertible promissory note will be converted into common stock upon the completion of the issuer's initial public offering ("IPO").
- Immediately following the closing of the initial public offering of the Issuer's common stock, all outstanding shares of preferred stock will be converted into common stock of the Issuer.
- Stephen Wertheimer is the managing director of W Capital Partners, which is the general partner of W Capital Partner Ironworks, L.P. Mr. Wertheimer disclaims beneficial ownership of shares held by these entities except to the extent of his pecuniary interest therein.
- This warrant will be exercised upon the closing of the initial public offering ("IPO") through a net exercise feature at the IPO price.
- The warrant expires upon the closing of the IPO.

/s/ Joanna Lin Black, as Attorney-in-Fact for
Stephen N. Wertheimer 03/10/2004
 ** 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 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.

POWER OF ATTORNEY

Know all by these presents, that the undersigned hereby constitutes and appoints each of Kathi Cordova and Joanna Lin Black, signing singly, the undersigned

(1) execute for and on behalf of the undersigned, in the undersigned's capacity as an officer, director and/or 10% stockholder of Xcyte Therapies, Inc. (the

rt, and timely file such form or report with the United States Securities and Exchange Commission and any stock exchange or similar authority; and

(3) take any other action of any type whatsoever in connection with the foregoing which, in the opinion of such attorney-in-fact, may be of benefit to, in th

The undersigned hereby grants to each such attorney-in-fact full power and authority to do and perform any and every act and thing whatsoever requisite, necce
poses as the undersigned might or could do if personally present, with full power of substitution of revocation, hereby ratifying and confirming all that such attorn

This Power of Attorney shall remain in full force and effect until the undersigned is no longer required to file Forms 3, 4 or 5 with respect to the undersig

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sp; IN WITNESS HEREOF, the undersigned has caused this Power of Attorney to be executed as of this 5th day of March, 2004.

/s/ STEPHEN WERTHEIMER

Signature

Stephen Wertheimer

Print Name