

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

| 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

| | | |
|---|---|--|
| 1. Name and Address of Reporting Person* <u>ARCH V ENTREPRENEURS FUND LP</u> (Last) (First) (Middle) 8725 W. HIGGINS ROAD SUITE 290 (Street) CHICAGO IL 60631 (City) (State) (Zip) | 2. Issuer Name and Ticker or Trading Symbol <u>XYCYTE 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) 03/19/2004 | |
| | 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 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 | | 1,428 | A | \$0 | 1,428 ⁽¹⁴⁾ | D | |
| Common Stock | 03/19/2004 | | C | | 1,865,343 | A | \$0 | 1,865,343 | I | Footnote ⁽¹¹⁾ |
| Common Stock | 03/19/2004 | | P | | 187,500 | A | \$8 | 2,052,847 | I | Footnote ⁽¹¹⁾ |

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 | (14) | 03/19/2004 | | C | | 1,428 ⁽¹⁴⁾ | | 03/19/2004 | 04/30/2004 ⁽¹⁴⁾ | Common | 1,428 | \$0 | 0 | D | |
| Series A Convertible Preferred Stock | (2) | 03/19/2004 | | C | | 789,469 ⁽²⁾ | | 03/19/2004 | (13) | Common | 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 | 371,900 | \$0 | 0 | I ⁽³⁾ | Footnote ⁽³⁾ |
| Series C Convertible Preferred Stock | (4) | 03/19/2004 | | C | | 1,119,265 ⁽⁴⁾ | | 03/19/2004 | (13) | Common | 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 | 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 | 170,045 | \$0 | 0 | I ⁽⁶⁾ | Footnote ⁽⁶⁾ |
| Warrants to purchase Series A Convertible Preferred | (7) | 03/19/2004 | | C | | 50,237 ⁽⁷⁾ | | 03/19/2004 | 08/31/2007 ⁽⁷⁾ | Common | 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 | 21,365 | \$0 | 0 | I ⁽⁸⁾ | Footnote ⁽⁸⁾ |
| Warrants to purchase Common Stock | (9) | 03/19/2004 | | C | | 92,580 ⁽⁹⁾ | | 03/19/2004 | 11/12/2006 ⁽⁹⁾ | Common | 91,943 | \$0 | 0 | I ⁽⁹⁾ | Footnote ⁽⁹⁾ |
| 6% Convertible Promissory Notes | (10) | 03/19/2004 | | C | | 353,409 ⁽¹⁰⁾ | | 03/19/2004 | 04/30/2004 ⁽¹⁰⁾ | Common | 353,409 | \$0 | 0 | I ⁽¹⁰⁾ | Footnote ⁽¹⁰⁾ |
| Series F Convertible Preferred Stock | (12) | 03/19/2004 | | C | | 899,104 ⁽¹²⁾ | | 03/19/2004 | (13) | Common | 163,473 | \$0 | 0 | I ⁽¹²⁾ | Footnote ⁽¹²⁾ |

**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 | (11) | 03/19/2004 | | C | | | 89,002 ⁽¹¹⁾ | 03/19/2004 | 02/04/2007 ⁽¹¹⁾ | Common | 88,390 | \$0 | 0 | I ⁽¹¹⁾ | Footnote ⁽¹¹⁾ |

Explanation of Responses:

- The amount reported in Column 4 includes 180,947 shares held by ARCH Venture Fund II, L.P., 331,901 shares held by Healthcare Focus Fund, L.P., 1,140,487 shares held by ARCH Venture Fund III and 212,008 shares held by ARCH Venture Fund V, L.P. Each of these entities are an affiliated entities 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 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.
- Represents securities held by ARCH Venture Fund II, L.P. and ARCH Venture Fund III, L.P., both is an affiliated entity of the Reporting Person. ARCH Venture Fund II, L.P. holds 114,832 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 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.
- Represents securities held by ARCH Venture Fund II, L.P. and ARCH Venture Fund III, L.P., both 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.
- 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.
- 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.
- 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.
- 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.
- 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.
- 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.
- 1 Represents promissory notes at 6% held by ARCH Venture Fund III, L.P. (AVFIII), ARCH Venture Fund V, L.P. (AVF V) 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. AVFIII, L.P. holds 61,363 shares of common stock upon conversion of promissory notes, AVFV holds 212,008 shares of common stock upon conversion of promissory notes, and HFF holds 80,038 shares of common stock upon conversion of promissory notes.
- 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.
- 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.
- 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.
- 1 Represents a promissory note at 6%. 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.

[ARCH V Entrepreneurs Fund, L.P., By: ARCH Venture Partners V, L.P., Its General Partner, By: ARCH Venture Partners V, LLC, 03/23/2004 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.

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