

ARQULE INC
Reported by
BIOTECHNOLOGY VALUE FUND II LP

FORM 3
(Initial Statement of Beneficial Ownership)

Filed 10/20/17 for the Period Ending 10/11/17

Address	ONE WALL STREET BURLINGTON, MA, 01803
Telephone	781-994-0300
CIK	0001019695
Symbol	ARQL
SIC Code	2834 - Pharmaceutical Preparations
Industry	Biotechnology & Medical Research
Sector	Healthcare
Fiscal Year	12/31

INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

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 *			2. Date of Event Requiring Statement (MM/DD/YYYY)		3. Issuer Name and Ticker or Trading Symbol		
BVF PARTNERS L P/IL			10/11/2017		ARQULE INC [ARQL]		
(Last)	(First)	(Middle)	4. Relationship of Reporting Person(s) to Issuer (Check all applicable)				
ONE SANSOME STREET, 30TH FLOOR			<input type="checkbox"/> Director <input checked="" type="checkbox"/> 10% Owner <input type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below)				
(Street)			5. If Amendment, Date Original Filed (MM/DD/YYYY)		6. Individual or Joint/Group Filing (Check Applicable Line)		
SAN FRANCISCO, CA 94104					<input type="checkbox"/> Form filed by One Reporting Person <input checked="" type="checkbox"/> Form filed by More than One Reporting Person		
(City)	(State)	(Zip)					

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)
Common Stock, \$0.01 par value per share (1)	7704831	D (2)	
Common Stock, \$0.01 par value per share (1)	5124370	D (3)	
Common Stock, \$0.01 par value per share (1)	1378710	D (4)	

Table II - Derivative Securities Beneficially Owned (e.g. , puts, calls, warrants, options, convertible securities)

1. Title of Derivate Security (Instr. 4)	2. Date Exercisable and Expiration Date (MM/DD/YYYY)		3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)		4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: 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			
Warrants	(5)	10/11/2021	Common Stock, \$0.01 par value per share (1)	1201053	\$1.75 (5)	D (2)	
Warrants	(5)	10/11/2021	Common Stock, \$0.01 par value per share (1)	823231	\$1.75 (5)	D (3)	
Warrants	(5)	10/11/2021	Common Stock, \$0.01 par value per share (1)	199687	\$1.75 (5)	D (4)	

Explanation of Responses:

(1) This Form 3 is filed jointly by Biotechnology Value Fund, L.P. ("BVF"), Biotechnology Value Fund II, L.P. ("BVF2"), Biotechnology Value Trading Fund OS LP ("Trading Fund OS"), BVF Partners OS Ltd. ("Partners OS"), BVF Partners L.P. ("Partners"), BVF Inc. and Mark N. Lampert (collectively, the

"Reporting Persons"). Each of the Reporting Persons is a member of a Section 13(d) group that collectively owns more than 10% of the Issuer's outstanding shares of Common Stock. Each of the Reporting Persons disclaims beneficial ownership of the securities reported herein except to the extent of his or its pecuniary interest therein.

- (2) Securities owned directly by BVF. As the general partner of BVF, Partners may be deemed to beneficially own the securities owned directly by BVF. As the investment adviser and general partner of Partners, BVF Inc. may be deemed to beneficially own the securities owned directly by BVF. As a director and officer of BVF Inc., Mr. Lampert may be deemed to beneficially own the securities owned directly by BVF.
- (3) Securities owned directly by BVF2. As the general partner of BVF2, Partners may be deemed to beneficially own the securities owned directly by BVF2. As the investment adviser and general partner of Partners, BVF Inc. may be deemed to beneficially own the securities owned directly by BVF2. As a director and officer of BVF Inc., Mr. Lampert may be deemed to beneficially own the securities owned directly by BVF2.
- (4) Securities owned directly by Trading Fund OS. As the general partner of Trading Fund OS, Partners OS may be deemed to beneficially own the securities owned directly by Trading Fund OS. As the investment manager of Trading Fund OS and the sole member of Partners OS, Partners may be deemed to beneficially own the securities owned directly by Trading Fund OS. As the investment adviser and general partner of Partners, BVF Inc. may be deemed to beneficially own the securities owned directly by Trading Fund OS. As a director and officer of BVF Inc., Mr. Lampert may be deemed to beneficially own the securities owned directly by Trading Fund OS.
- (5) The Warrants are currently exercisable, for \$1.75 per share, subject to adjustment pursuant to the terms of the Warrants and expire on October 11, 2021. The Warrants may not be exercised if, after such exercise, the Reporting Persons would beneficially own, as determined in accordance with Section 13(d) of the Securities Exchange Act of 1934, as amended ("Section 13(d)"), more than 19.9% of the shares of Common Stock outstanding immediately after giving effect to such exercise.

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
BVF PARTNERS L P/IL ONE SANSOME STREET 30TH FLOOR SAN FRANCISCO, CA 94104		X		
BIOTECHNOLOGY VALUE FUND L P ONE SANSOME STREET 30TH FLOOR SAN FRANCISCO, CA 94104		X		
BIOTECHNOLOGY VALUE FUND II LP ONE SANSOME STREET 30TH FLOOR SAN FRANCISCO, CA 94104				See Explanation of Responses
Biotechnology Value Trading Fund OS LP P.O. BOX 309 UGLAND HOUSE GRAND CAYMAN, E9 KY1-1104				See Explanation of Responses
BVF Partners OS Ltd. P.O. BOX 309 UGLAND HOUSE GRAND CAYMAN, E9 KY1-1104				See Explanation of Responses
BVF INC/IL ONE SANSOME STREET 30TH FLOOR SAN FRANCISCO, CA 94104		X		
LAMPERT MARK N ONE SANSOME STREET 30TH FLOOR SAN FRANCISCO, CA 94104		X		

Signatures

BVF Partners L.P., By: BVF Inc., its general partner, By: /s/ Mark N. Lampert, President

10/20/2017

—Signature of Reporting Person

Date

Biotechnology Value Fund, L.P., By: BVF Partners L.P., its general partner, By: BVF Inc., its general partner, By: /s/ Mark N. Lampert, President

10/20/2017

—Signature of Reporting Person

Date

Biotechnology Value Fund II, L.P., By: BVF Partners L.P., its general partner, By: BVF Inc., its general partner, By: /s/ Mark N. Lampert, President

10/20/2017

—Signature of Reporting Person

Date

BVF Partners OS Ltd., By: BVF Partners L.P., its sole member, By: BVF Inc., its general partner, By: /s/ Mark N. Lampert, President

10/20/2017

—Signature of Reporting Person

Date

**Biotechnology Value Trading Fund OS LP, By: BVF Partners L.P., its investment manager, BVF Inc., its general partner, By: /s/
Mark N. Lampert, President**

10/20/2017

—Signature of Reporting Person

Date

BVF Inc., By: /s/ Mark N. Lampert, President

10/20/2017

—Signature of Reporting Person

Date

/s/ Mark N. Lampert

10/20/2017

—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 control number.