

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

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>Nussbaum Ran</u> (Last) (First) (Middle) <u>C/O ARQULE, INC.</u> <u>1 WALL STREET, 6TH FLOOR</u> (Street) <u>BURLINGTON MA 01803</u> (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>ARQULE INC [ARQL]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director 10% Owner Officer (give title below) Other (specify below)
	3. Date of Earliest Transaction (Month/Day/Year) <u>05/08/2018</u>	
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			
Common Stock	05/08/2018		J ⁽¹⁾		1,762,000	A	(1)	1,762,000	I	By Pontifax ⁽²⁾
Common Stock	05/08/2018		J ⁽¹⁾		3,259,000	A	(1)	3,259,000	I	By Pontifax ⁽³⁾
Common Stock	05/08/2018		J ⁽¹⁾		1,587,000	A	(1)	1,587,000	I	By Pontifax ⁽⁴⁾

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
Warrants	\$1.75	05/08/2018		J ⁽¹⁾		476,000		(5)	05/08/2022	Common Stock	476,000	(5)	476,000	I	By Pontifax ⁽²⁾
Warrants	\$1.75	05/08/2018		J ⁽¹⁾		880,000		(5)	05/08/2022	Common Stock	880,000	(5)	880,000	I	By Pontifax ⁽³⁾
Warrants	\$1.75	05/08/2018		J ⁽¹⁾		428,000		(5)	05/08/2022	Common Stock	428,000	(5)	428,000	I	By Pontifax ⁽⁴⁾

Explanation of Responses:

1. This Form 4 reflects the automatic conversion of 6,608 shares of Convertible Preferred Stock, Series A, \$.01 per share (the "Shares"), and warrants (the "Warrants") to purchase up to 1,784 Shares (the "Warrant Shares") into shares of common stock and warrants to purchase shares of common stock. As previously reported, on November 7, 2017, ArQule Inc. (the "Issuer") sold the Shares and Warrants to certain institutional investors. Under the terms of the purchase agreements and the certificate of designations, on May 8, 2018 each Share and each Warrant Share automatically converted into 1,000 shares of common stock following upon the filing of a certificate of amendment to the Issuer's restated certificate increasing the number of authorized shares of common stock.

2. Represents shares and warrants to purchase shares of common stock, as applicable, of the Issuer held by Pontifax (China) IV, L.P. ("China IV"). Pontifax 4 GP L.P. ("Pontifax GP") is the general partner of China IV. Pontifax Management 4 GP (2015) Ltd. ("Management IV") is the general partner of Pontifax GP. Mr. Nussbaum is a Managing Partner of Management IV. By virtue of this relationship, Mr. Nussbaum may be deemed to share voting and dispositive power with respect to the shares held by China IV. Mr. Nussbaum disclaims beneficial ownership of such shares, except to the extent of his pecuniary interest therein, and the inclusion of the shares in this report shall not be deemed to be an admission of beneficial ownership of the reported shares for purposes of Section 16 of the Securities Exchange Act of 1934 or otherwise.

3. Represents shares and warrants to purchase shares of common stock, as applicable, of the Issuer held by Pontifax (Israel) IV, L.P. ("Israel IV"). Pontifax 4 GP L.P. ("Pontifax GP") is the general partner of Israel IV. Pontifax Management 4 GP (2015) Ltd. ("Management IV") is the general partner of Pontifax GP. Mr. Nussbaum is a Managing Partner of Management IV. By virtue of this relationship, Mr. Nussbaum may be deemed to share voting and dispositive power with respect to the shares held by Israel IV. Mr. Nussbaum disclaims beneficial ownership of such shares, except to the extent of his pecuniary interest therein, and the inclusion of the shares in this report shall not be deemed to be an admission of beneficial ownership of the reported shares for purposes of Section 16 of the Securities Exchange Act of 1934 or otherwise.

4. Represents shares and warrants to purchase shares of common stock, as applicable, of the Issuer held by Pontifax (Cayman) IV, L.P. ("Cayman IV"). Pontifax 4 GP L.P. ("Pontifax GP") is the general partner of Cayman IV. Pontifax Management 4 GP (2015) Ltd. ("Management IV") is the general partner of Pontifax GP. Mr. Nussbaum is a Managing Partner of Management IV. By virtue of this relationship, Mr. Nussbaum may be deemed to share voting and dispositive power with respect to the shares held by Cayman IV. Mr. Nussbaum disclaims beneficial ownership of such shares, except to the extent of his pecuniary interest therein, and the inclusion of the shares in this report shall not be deemed to be an admission of beneficial ownership of the reported shares for purposes of Section 16 of the Securities Exchange Act of 1934 or otherwise.

5. The Reporting Persons purchased the Shares and the Warrants together at a price per unit of \$1,135 or, on a common stock equivalent basis, \$1.35 per unit. The Warrants are currently exercisable, for \$1.75 per share, subject to adjustment pursuant to the terms of the Warrants and expire on May 8, 2022. The common stock purchase 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, more than 19.9% of the shares of common stock outstanding immediately after giving effect to such exercise.

/s/ Peter S. Lawrence By Power 05/25/2018
of Attorney for Ran Nussbaum

** 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.