

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

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

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>SILVERSTEIN JONATHAN</u> (Last) (First) (Middle) <u>C/O ARCUTIS BIOTHERAPEUTICS, INC.</u> <u>SUITE 110</u> (Street) <u>WESTLAKE VILLAGE CA 91361</u> (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>Arcutis Biotherapeutics, Inc. [ARQT]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director <input checked="" type="checkbox"/> 10% Owner Officer (give title below) Other (specify below)
	3. Date of Earliest Transaction (Month/Day/Year) <u>02/03/2020</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	02/03/2020		P		382,388	A	\$17 ⁽¹⁾	382,388	I	See Footnotes ⁽²⁾⁽³⁾
Common Stock	02/03/2020		P		176,500	A	\$17 ⁽¹⁾	176,500	I	See Footnotes ⁽³⁾⁽⁴⁾
Common Stock	02/04/2020		C		2,825,603	A	⁽⁵⁾	3,207,991	I	See Footnotes ⁽²⁾⁽³⁾
Common Stock	02/04/2020		C		859,573	A	⁽⁶⁾	4,067,564	I	See Footnotes ⁽²⁾⁽³⁾
Common Stock	02/04/2020		C		429,786	A	⁽⁶⁾	606,286	I	See Footnotes ⁽³⁾⁽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				
Series B Preferred Stock	⁽⁵⁾	02/04/2020		C		2,825,603	⁽⁵⁾	⁽⁵⁾	Common Stock	2,825,603	\$0	0	I	See Footnotes ⁽²⁾⁽³⁾
Series C Preferred Stock	⁽⁶⁾	02/04/2020		C		859,573	⁽⁶⁾	⁽⁶⁾	Common Stock	859,573	\$0	0	I	See Footnotes ⁽²⁾⁽³⁾
Series C Preferred Stock	⁽⁶⁾	02/04/2020		C		429,786	⁽⁶⁾	⁽⁶⁾	Common Stock	429,786	\$0	0	I	See Footnotes ⁽³⁾⁽⁴⁾

Explanation of Responses:

- These shares of the Issuer's common stock ("Shares") were purchased in the Issuer's initial public offering.
- The Shares are held of record by OrbiMed Private Investments VII, LP ("OPI VII"). OrbiMed Capital GP VII LLC ("OrbiMed GP VII"), is the general partner of OPI VII and OrbiMed Advisors LLC is the managing member of OPI VII. OrbiMed GP VII and OrbiMed Advisors may be deemed to have voting and investment power over the securities held by OPI VII and may be deemed to have beneficial ownership over such securities. OrbiMed Capital LLC ("OrbiMed Capital") is a relying adviser of OrbiMed Advisors. OrbiMed Advisors and OrbiMed Capital exercise voting and investment power through a management committee comprised of Carl L. Gordon, Sven H. Borho, and the Reporting Person, each of whom disclaims beneficial ownership of the Shares held by OPI VII.
- Each of OrbiMed GP VII, OrbiMed Capital, OrbiMed Advisors and the Reporting Person disclaims beneficial ownership of the securities reported herein for purposes of Rule 16a-1(a) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), except to the extent of its pecuniary interest therein, if any. This report on Form 4 shall not be deemed an admission that any such entity or person is a beneficial owner of such securities for the purpose of Section 16 of the Exchange Act, or for any other purpose.
- The Shares are held of record by OrbiMed Partners Master Fund Limited ("OPMF"). OrbiMed Capital is the investment manager of OPMF and is a relying adviser of OrbiMed Advisors. OrbiMed Advisors and OrbiMed Capital exercise voting and investment power through a management committee comprised of Carl L. Gordon, Sven H. Borho, and the Reporting Person, each of whom disclaims beneficial ownership of the Shares held by OPMF.
- The Series B Preferred Stock automatically converted into shares of the Issuer's common stock on a one-for-one basis immediately upon the closing of the Issuer's initial public offering and had no expiration date.
- The Series C Preferred Stock automatically converted into shares of the Issuer's common stock on a one-for-one immediately upon the closing of the Issuer's initial public offering and had no expiration date.

/s/ Jonathan Silverstein 02/04/2020

** 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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