#### Edgar Filing: LUMINENT MORTGAGE CAPITAL INC - Form 3

#### LUMINENT MORTGAGE CAPITAL INC

Form 3

December 28, 2007

# FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

OMB APPROVAL

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INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting 2. Date of Event Requiring 3. Issuer Name and Ticker or Trading Symbol Person \* Statement LUMINENT MORTGAGE CAPITAL INC [LUM] À Arco Capital Management (Month/Day/Year) LLC 12/28/2007 (Last) (First) (Middle) 4. Relationship of Reporting 5. If Amendment, Date Original Person(s) to Issuer Filed(Month/Day/Year) CITY VIEW PLAZA 1 SUITE (Check all applicable) 800. ROAD 168 KM 1.2 (Street) 6. Individual or Joint/Group \_X\_ 10% Owner Director Officer Other Filing(Check Applicable Line) (give title below) (specify below) \_X\_ Form filed by One Reporting Person GUAYNABO, PRÂ 00968 Form filed by More than One Reporting Person (City) (State) (Zip) Table I - Non-Derivative Securities Beneficially Owned 1. Title of Security 2. Amount of Securities 3. 4. Nature of Indirect Beneficial Beneficially Owned Ownership Ownership (Instr. 4) (Instr. 4) Form: (Instr. 5) Direct (D) or Indirect (I) (Instr. 5) Â Common Stock  $100,000^{(1)}$ D Reminder: Report on a separate line for each class of securities beneficially SEC 1473 (7-02) owned directly or indirectly. 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.

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

3. Title and Amount of 4. 6. Nature of Indirect 1. Title of Derivative Security 2. Date Exercisable and 5. **Expiration Date** Securities Underlying Ownership Beneficial (Instr. 4) Conversion (Month/Day/Year) Derivative Security or Exercise Form of Ownership (Instr. 4) Price of Derivative (Instr. 5) Derivative Security:

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|                        | Date<br>Exercisable | Expiration<br>Date | Title                      | Amount or<br>Number of<br>Shares | Security | Direct (D)<br>or Indirect<br>(I)<br>(Instr. 5) |  |
|------------------------|---------------------|--------------------|----------------------------|----------------------------------|----------|--|--|
| Capital Stock Warrants | 08/30/2007          | 08/30/2012         | Class A<br>Common<br>Stock | (2) (3) (4)                      | \$ 0.18  | I (5)  | Manager of the owner of the capital stock warrants |

# **Reporting Owners**

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

Arco Capital Management LLC CITY VIEW PLAZA 1 SUITE 800 ROAD 168 KM 1.2 GUAYNABO, PRÂ 00968

ÂXÂ

### **Signatures**

/s/ Francesco N. Piovanetti, President

12/28/2007

\*\*Signature of Reporting Person

Date

## **Explanation of Responses:**

- \* 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).
- Arco Capital Management LLC ("ACM") serves as the external investment manager to Arco Capital Corporation Ltd. ("Arco") and may (1) be deemed to beneficially own the shares which Arco has a right to acquire. ACM purchased 100,000 shares of Luminent at price of \$0.87 per share.
  - ACM directly owns outstanding restricted common shares of Arco and may be deemed to beneficially own the warrants to acquire the Luminent Mortgage Capital Inc. ("Luminent") Class A Common Stock owned by Arco. Pursuant to a Warrant Agreement, Arco has the
- (2) right to purchase, at a price of \$0.18 per share, at any time until the fifth anniversary of the date of the Warrant Agreement, a combination of Class A Common Stock and shares of a newly-created class of non-voting preferred stock of Luminent that in the aggregate represent 51% of the equity of Luminent.
  - So long as Luminent's 8.125% Convertible Senior Notes due 2027 (the "Convertible Notes") are outstanding and the holders of the Convertible Notes have the right to cause their Convertible Notes to be redeemed following a change in control of Luminent, the
- (3) maximum number of shares of Class A Common Stock that may be issued to Arco upon the exercise of the warrants granted under the Warrant Agreement is the number that, together with all other shares of Class A Common Stock beneficially owned by Arco, would result in Arco owning 49% of the issued and outstanding Class A Common Stock of Luminent.
  - Based upon 43,172,839 shares of Class A Common Stock reported by Luminent to be outstanding on December 24, 2007, if Arco were deemed to be the beneficial owner of the 2,725,795 shares of Common Stock beneficially owned by certain affiliated and associated persons of Arco, the maximum number of shares of Common Stock that Arco could acquire upon exercise of the warrants would be
- (4) persons of Arco, the maximum number of shares of Common Stock that Arco could acquire upon exercise of the warrants would be 36,135,090 (representing approximately 45.6% of the shares of Common Stock that would be outstanding following the exercise). ACM disclaims beneficial ownership over the Class A Common Stock beneficially owned by Arco except to the extent of its pecuniary interest therein.
- The Reporting Person disclaims beneficial ownership of any outstanding Common Shares that are not directly owned by that Reporting (5) Person or by an entity that is controlled by that Reporting Person. The Reporting Person nonetheless is filing because its business and other relationships may cause it to be deemed to share beneficial ownership of Common Shares directly owned by the Reporting Person.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *See* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.

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