

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 Person *		2. Date of Event Requiring Statement	3. Issuer Name <b>and</b> Ticker or Trading Symbol	
Â Arco Capital Management LLC		(Month/Day/Year)	LUMINENT MORTGAGE CAPITAL INC [LUM]	
(Last)	(First)	12/28/2007		
CITY VIEW PLAZA 1 SUITE			4. Relationship of Reporting Person(s) to Issuer	5. If Amendment, Date Original Filed(Month/Day/Year)
800,Â ROAD 168 KM 1.2				
(Street)			(Check all applicable)	
GUAYNABO,Â PRÂ 00968			<input type="checkbox"/> Director	6. Individual or Joint/Group Filing(Check Applicable Line)
(City)	(State)		<input checked="" type="checkbox"/> 10% Owner	<input checked="" type="checkbox"/> Form filed by One Reporting Person
			<input type="checkbox"/> Officer	<input type="checkbox"/> Form filed by More than One Reporting Person
			(give title below)	(specify below)

**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	100,000 <sup>(1)</sup>	D	Â

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

SEC 1473 (7-02)

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

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)	3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)	4. Conversion or Exercise Price of Derivative	5. Ownership Form of Derivative Security:	6. Nature of Indirect Beneficial Ownership (Instr. 5)
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	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	Security	Direct (D) or Indirect (I) (Instr. 5)	
Capital Stock Warrants	08/30/2007	08/30/2012	Class A Common 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, PR 00968	Â	Â X	Â	Â

## 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).

(1) Arco Capital Management LLC ("ACM") serves as the external investment manager to Arco Capital Corporation Ltd. ("Arco") and may 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.

(2) 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 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.

(3) 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 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.

(4) 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 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.

(5) The Reporting Person disclaims beneficial ownership of any outstanding Common Shares that are not directly owned by that Reporting 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.