

LUMINENT MORTGAGE CAPITAL INC  
 Form 4  
 February 14, 2008

**FORM 4** UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549

OMB APPROVAL

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**STATEMENT OF CHANGES IN 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 \*  
 Piovanetti Francesco

2. Issuer Name and Ticker or Trading Symbol  
 LUMINENT MORTGAGE CAPITAL INC [LUM]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)  
 08/30/2007

Director  10% Owner  
 Officer (give title below)  Other (specify below)

CITY VIEW PLAZA I, SUITE 800, 165KM, 1.2

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)

Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

GUAYNABO, PR 00968

(City) (State) (Zip)

**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	12/28/2007		P		100,000	A	\$ 0.87
					100,000	I <sup>(1)</sup>	As a managing member and president of Arco Capital Management LLC.

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form

SEC 1474 (9-02)

displays a currently valid OMB control number.

**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 Underlying Security (Instr. 3 and 4)
Capital Stock Warrants	\$ 0.18	08/30/2007		P	38,869,532 <u>(2)</u>	08/30/2007 08/30/2012	Common Stock

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Piovanetti Francesco CITY VIEW PLAZA I, SUITE 800 165KM, 1.2 GUAYNABO, PR 00968	X	X		

## Signatures

/s/ Francesco N.  
Piovanetti, 02/14/2008

\*\*Signature of Reporting Person Date

## Explanation of Responses:

\* 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).

The Reporting Person reports this purchase by Arco Capital Management LLC ("ACM") of 100,000 shares of Class A Common Stock of Luminent Mortgage Capital Inc. ("Luminent"), which was previously reported on Form 3 filed by ACM on December 28, 2007. The

(1) Reporting Person directly owns a membership interest in ACM and may deemed to beneficially own the shares of Class A Common Stock that are owned by ACM. The Reporting Person disclaims beneficial ownership of any outstanding shares of Class A Common Stock that is not directly owned by the Reporting Person.

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Francesco Piovanetti owns a membership interest in ACM. ACM directly and indirectly owns shares of Class A Common Stock of Luminent. ACM, and therefore Mr. Piovanetti, may also be deemed to indirectly beneficially own warrants to acquire the Luminent Class A Common Stock owned by Arco Capital Corporation Ltd. ("Arco") pursuant to a Warrant Agreement. As previously reported on Schedule 13D on August 21, 2007, as amended on Schedule 13D/A on September 26, 2007 and as further Amended on Schedule 13D/A on January 31, 2008, under the 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. 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. Based upon 43,172,839 shares of Class A Common Stock outstanding, if Arco were deemed to be the beneficial owner of the 2,716,795 shares of Common Stock beneficially owned by certain affiliated and associated persons of Arco, the maximum number of shares of Class A Common Stock that Arco could acquire upon exercise of the Warrants would be 36,152,737 (representing approximately 45.6% of the shares of Class A Common Stock that would be outstanding following the exercise).

- (2)
- (3) Mr. Piovanetti disclaims beneficial ownership over the Class A Common Stock beneficially owned by Arco except to the extent of his pecuniary interest therein.

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.