

LUMINENT MORTGAGE CAPITAL INC

Form SC 13D

August 21, 2007

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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 13D

(Rule 13d-101)

**INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT
TO RULE 13d-1(a) AND AMENDMENTS THERETO FILED PURSUANT TO**

RULE 13d-2(a)

LUMINENT MORTGAGE CAPITAL, INC.

(Name of Issuer)

Common Stock, par value \$0.001 per share

(Title of Class of Securities)

550278303

(CUSIP Number)

Juan C. Bou

Arco Capital Corporation Ltd.

c/o Arco Capital Management LLC

City View Plaza Suite 800

Road 165 Km. 1.2

Guaynabo, PR 00968

(787) 993-9659

(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

August 10, 2007

(Date of Event Which Requires Filing of This Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box. o

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. *See* Rule 13d-7 for other parties to whom copies are to be sent.

(Continued on following pages)

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¹ The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be filed for the purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, *see the Notes*).

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CUSIP No. 550278303

NAME OF REPORTING PERSON

ARCO CAPITAL CORPORATION LTD.

1

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSON (ENTITIES ONLY)

98-0529366

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

2

(a)

(b)

SEC USE ONLY

3

SOURCE OF FUNDS

4

WC, OO

CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(d) OR 2(e)

5

CITIZENSHIP OR PLACE OF ORGANIZATION

6

Cayman Islands

SOLE VOTING POWER

7

NUMBER OF 38,988,052

SHARES SHARED VOTING POWER
BENEFICIALLY **8**

OWNED BY 2,616,795

EACH REPORTING PERSON	9	SOLE DISPOSITIVE POWER 38,988,052
WITH	10	SHARED DISPOSITIVE POWER 2,616,795

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
41,604,847

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
49%

14 TYPE OF REPORTING PERSON
CO

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CUSIP No. 550278303

NAME OF REPORTING PERSON

ARCO CAPITAL MANAGEMENT LLC

1

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSON (ENTITIES ONLY)

66-069-2732

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

2

(a)

(b)

SEC USE ONLY

3

SOURCE OF FUNDS

4

N/A

CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)

5

CITIZENSHIP OR PLACE OF ORGANIZATION

6

Puerto Rico

SOLE VOTING POWER

7

NUMBER OF 0

SHARED VOTING POWER

SHARES BENEFICIALLY OWNED BY **8**

38,988,052

EACH REPORTING PERSON	9	SOLE DISPOSITIVE POWER	0
WITH	10	SHARED DISPOSITIVE POWER	38,988,052

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
41,604,847

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
49%

14 TYPE OF REPORTING PERSON
IA

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CUSIP No. 550278303

NAME OF REPORTING PERSON

WESTERN GAILES CAPITAL MANAGEMENT LLC

1

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSON (ENTITIES ONLY)

20-2310198

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

2

(a)

(b)

SEC USE ONLY

3

SOURCE OF FUNDS

4

WC, OO

CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)

5

CITIZENSHIP OR PLACE OF ORGANIZATION

6

Connecticut

SOLE VOTING POWER

7

NUMBER OF 150,000

SHARES SHARED VOTING POWER

BENEFICIALLY **8**

OWNED BY 41,454,847

EACH REPORTING PERSON	9	SOLE DISPOSITIVE POWER 150,000
WITH	10	SHARED DISPOSITIVE POWER 41,454,847

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
41,604,847

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
49%

14 TYPE OF REPORTING PERSON
OO

[ADD ADDITIONAL PAGES AS NECESSARY]

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CUSIP No. 550278303

NAME OF REPORTING PERSON

1 ISTAN LLC

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSON (ENTITIES ONLY)

20-3808508

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

2 (a)
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

WC, OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

7 SOLE VOTING POWER

NUMBER OF 250,000

8 SHARES BENEFICIALLY OWNED BY SHARED VOTING POWER

41,354,847

EACH REPORTING PERSON	9	SOLE DISPOSITIVE POWER 250,000
WITH	10	SHARED DISPOSITIVE POWER 41,354,847

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
41,604,847

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
49%

14 TYPE OF REPORTING PERSON
OO

[ADD ADDITIONAL PAGES AS NECESSARY]

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CUSIP No. 550278303

NAME OF REPORTING PERSON

INTERINVESTCO LLC

1

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSON (ENTITIES ONLY)

20-3027922

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

2

(a)

(b)

SEC USE ONLY

3

SOURCE OF FUNDS

4

WC, OO

CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(d) OR 2(e)

5

CITIZENSHIP OR PLACE OF ORGANIZATION

6

Delaware

SOLE VOTING POWER

7

NUMBER OF 2,216,795

SHARES SHARED VOTING POWER

BENEFICIALLY **8**

OWNED BY 39,388,052

EACH REPORTING PERSON	9	SOLE DISPOSITIVE POWER 2,216,795
WITH	10	SHARED DISPOSITIVE POWER 39,388,052

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
41,604,847

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
49%

14 TYPE OF REPORTING PERSON
OO

[ADD ADDITIONAL PAGES AS NECESSARY]

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CUSIP No. 550278303

NAME OF REPORTING PERSON

ROBERT KOENIGSBERGER

1

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

2

(a)

(b)

SEC USE ONLY

3

SOURCE OF FUNDS

4

N/A

CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)

5

CITIZENSHIP OR PLACE OF ORGANIZATION

6

USA

SOLE VOTING POWER

7

NUMBER OF 0

SHARES SHARED VOTING POWER
BENEFICIALLY **8**

OWNED BY 2,216,795

EACH REPORTING PERSON	9	SOLE DISPOSITIVE POWER	0
WITH	10	SHARED DISPOSITIVE POWER	2,216,795

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
41,604,847

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
49%

14 TYPE OF REPORTING PERSON
IN

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CUSIP No. 550278303

NAME OF REPORTING PERSON

DILEK KOENIGSBERGER

1

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

2

(a)

(b)

SEC USE ONLY

3

SOURCE OF FUNDS

4

N/A

CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(d) OR 2(e)

5

CITIZENSHIP OR PLACE OF ORGANIZATION

6

USA

SOLE VOTING POWER

7

NUMBER OF 0

SHARES SHARED VOTING POWER
BENEFICIALLY **8**

OWNED BY 250,000

EACH REPORTING PERSON	9	SOLE DISPOSITIVE POWER
		0
WITH	10	SHARED DISPOSITIVE POWER
		250,000

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
41,604,847

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
49%

14 TYPE OF REPORTING PERSON
IN

[ADD ADDITIONAL PAGES AS NECESSARY]

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CUSIP No. 550278303

NAME OF REPORTING PERSON

JAY JOHNSTON

1

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

2

(a)

(b)

SEC USE ONLY

3

SOURCE OF FUNDS

4

N/A

CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(d) OR 2(e)

5

CITIZENSHIP OR PLACE OF ORGANIZATION

6

USA

SOLE VOTING POWER

7

NUMBER OF 0

SHARES SHARED VOTING POWER
BENEFICIALLY **8**

OWNED BY 2,366,795

EACH REPORTING PERSON	9	SOLE DISPOSITIVE POWER	0
WITH	10	SHARED DISPOSITIVE POWER	2,366,795

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
41,604,847

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
49%

14 TYPE OF REPORTING PERSON
IN

[ADD ADDITIONAL PAGES AS NECESSARY]

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CUSIP No. 550278303

NAME OF REPORTING PERSON

1 AILSA CRAIG CAPITAL MANAGEMENT LP

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSON (ENTITIES ONLY)

20-6441715

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

2 (a)

(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

N/A

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Colorado

7 SOLE VOTING POWER

NUMBER OF 0

8 SHARES BENEFICIALLY OWNED BY 150,000

SHARED VOTING POWER

150,000

EACH REPORTING PERSON	9	SOLE DISPOSITIVE POWER	0
WITH	10	SHARED DISPOSITIVE POWER	150,000

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
41,604,847

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
49%

14 TYPE OF REPORTING PERSON
PN

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SIGNATURE

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SCHEDULE 13D

Item 1. Security and Issuer.

This statement on Schedule 13D relates to the common stock, par value \$0.001 per share (the Common Shares), of Luminent Mortgage Capital, Inc., a Maryland corporation (the Issuer). The address of the Issuer's principal executive office is 101 California Street, San Francisco, California 94111.

Item 2. Identity and Background.

This statement is being filed jointly by the following persons (collectively, the Reporting Persons), and each Reporting Person other than ARW disclaims beneficial ownership of the Common Shares that are issuable upon exercise of the Warrants described below:

- (a) (c) Arco Capital Corporation Ltd. (ARCO), an exempted company organized under the laws of the Cayman Islands engaged in lending and acquisition activities;
- Arco Capital Management LLC (ACM), an investment adviser based in San Juan, Puerto Rico;
- Western Gales Capital Management LLC (WGC), a Connecticut limited liability company engaged in investing activity;
- ISTAN LLC (Istan), a Delaware limited liability company engaged in investing activity;
- Interinvestco LLC (Interinvestco), a Delaware limited liability company engaged in investing activity;
- Dilek Koenigsberger, an individual private investor and the sole member of Istan;
- Robert Koenigsberger, an individual whose principal business occupation is the management of ACM, and the husband of Dilek Koenigsberger;
- Jay Johnston (Johnston), an individual whose principal business occupation is the management of ACM;