

ARBOR REALTY TRUST INC

Form 4

July 02, 2008

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

Check this box
if no longer
subject to
Section 16.
Form 4 or
Form 5
obligations
may continue.
See Instruction
1(b).

**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

OMB APPROVAL

OMB
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(Print or Type Responses)

1. Name and Address of Reporting Person *

ARBOR COMMERCIAL
MORTGAGE LLC

(Last) (First) (Middle)

333 EARLE OVINGTON
BOULEVARD, SUITE 900

(Street)

UNIONDALE, NY 11553

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading

Symbol

ARBOR REALTY TRUST INC
[ABR]3. Date of Earliest Transaction
(Month/Day/Year)

06/30/2008

4. If Amendment, Date Original
Filed(Month/Day/Year)5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

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

6. Individual or Joint/Group Filing(Check
Applicable Line)
X Form filed by One Reporting Person
____ Form filed by More than One Reporting
Person**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)
Common Stock, par value \$.01 per share	06/30/2008		J	3,776,069	A <u>(1)</u> <u>(2)</u>	4,966,273	D
Special Voting Preferred Stock	06/30/2008		J <u>(1)</u> <u>(2)</u>	3,776,069	D <u>(1)</u> <u>(2)</u>	0	D

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

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(9-02)

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 Securities (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount Number Shares
Redeemable Paired Partnership Units	(1) (2)	06/30/2008		C	3,776,069	(3) (3)	Common Stock of Arbor Realty Trust, Inc. 3,776

Reporting Owners

Relationships

Reporting Owner Name / Address

Director 10% Owner Officer Other

ARBOR COMMERCIAL MORTGAGE LLC
333 EARLE OVINGTON BOULEVARD
SUITE 900
UNIONDALE, NY 11553

X

Signatures

/s/ Paul Elenio, Chief Financial Officer of Arbor Commerical Mortgage, LLC

07/02/2008

**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).

(1) Shares of Special Voting Preferred Stock (the "SVP Stock") are paired with an equal number of units of limited partnership interest in Arbor Realty Limited Partnership ("ARLP"), the operating partnership of Arbor Realty Trust, Inc. ("ART"). Pursuant to the Amended and Restated Partnership Agreement of ARLP, the units of limited partnership interest held by Arbor Commercial Mortgage, LLC ("ACM") are redeemable at the election of the holder, for cash or, at the election of ART for shares of common stock of ART (the "Redeemable Paired Partnership Units"). When and if ACM redeems a Redeemable Paired Partnership Unit and ART elects to issue ACM shares of ART's common stock upon such redemption, the corresponding shares of SVP Stock are automatically redeemed and cancelled. On June 30, 2008, ACM redeemed 3,776,069 Redeemable Paired Partnership Units and ART elected to issue ACM the equivalent number of shares of ART's common stock upon such redemption. (Continued on footnote 2)

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(2) (Continued from footnote 1) Therefore, the corresponding shares of SVP Stock were automatically redeemed and cancelled.

(3) These Redeemable Paired Partnership Units were exercisable as of October 3, 2004 and they did not have an expiration date.

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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