

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0287
 Estimated average burden
 hours per response: 0.5

☐ 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

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934
 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person* <u>ARBOR COMMERCIAL MORTGAGE LLC</u> (Last) (First) (Middle) <u>333 EARLE OVINGTON BOULEVARD</u> <u>SUITE 900</u> (Street) <u>UNIONDALE NY 11553</u> (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>ARBOR REALTY TRUST INC [ABR]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director <input checked="" type="checkbox"/> 10% Owner Officer (give title below) Other (specify below)
	3. Date of Earliest Transaction (Month/Day/Year) <u>10/12/2004</u>	
	4. If Amendment, Date of Original Filed (Month/Day/Year)	6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> 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)
			Code	V	Amount	(A) or (D)	Price			
Special Voting Preferred Stock	10/12/2004		J ⁽¹⁾⁽²⁾		629,345	A	\$0.00	3,776,069 ⁽¹⁾⁽²⁾	D	
Common Stock, par value \$.01 per share								67	D	

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 Securities Underlying Derivative Security (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Redeemable Paired Partnership Units	\$0.00	10/12/2004		X ⁽¹⁾⁽²⁾		629,345		10/04/2004 ⁽³⁾	⁽⁴⁾	Common Stock, par value \$.01 per share	629,345	⁽⁵⁾	3,776,069	D	
Warrants for Redeemable Paired Partnership Units	\$15	10/12/2004		X		629,345		⁽⁶⁾	07/01/2005	Common Stock, par value \$.01 per share	629,345	⁽⁵⁾	0	D	

Explanation of Responses:

- These shares of Special Voting Preferred Stock (the "SVP Stock") held by Arbor Commercial Mortgage, LLC ("ACM") are paired with an equal number of units of limited partnership interest of Arbor Realty Limited Partnership ("ARLP"), the operating partnership of Arbor Realty Trust, Inc. ("ART") held by ACM. Pursuant to the Pairing Agreement, dated as of July 1, 2003, among ART, ACM, ARLP, Arbor Realty LPOP, Inc. and Arbor Realty GP, Inc., ART will issue to ACM one share of SVP Stock for each unit of limited partnership interest that ARLP issues to ACM. On October 12, 2004, ARLP issued 629,345 units of limited partnership interest to ACM and ART issued 629,345 shares of SVP Stock to ACM. ACM paid no separate consideration to ART or ARLP to receive the 629,345 shares of SVP Stock. (cont'd in footnote 2)
- Pursuant to the Amended and Restated Partnership Agreement of ARLP, dated as of July 1, 2003 (the "ARLP Partnership Agreement"), the units of limited partnership interest held by ACM are redeemable at the election of ACM, for cash or, at the election of ART, shares of common stock of ART (the "ART Common Stock") (the "Redeemable Paired Partnership Units"). If ACM elects to redeem a Redeemable Paired Partnership Unit and ART elects to issue shares of ART Common Stock to ACM upon such redemption, the paired share of SVP Stock is redeemed and cancelled.
- Pursuant to the ARLP Partnership Agreement, ACM may not elect to redeem its Redeemable Paired Partnership Units until the date that is 180 days after the registration under the Securities Act of 1933 of ART Common Stock underlying Units issued by ART on July 1, 2003.
- The Redeemable Paired Partnership Units do not have an expiration date.
- Not applicable.
- The warrants for additional Redeemable Paired Partnership Units are immediately exercisable.

Remarks:

/s/ Frederick C. Herbst, Chief
Financial Officer of Arbor
Commercial Mortgage, LLC 10/14/2004

** Signature of Reporting Person Date

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

* 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).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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 Number.