

ARBOR REALTY TRUST INC
Form DEF 14A
April 11, 2018

Use these links to rapidly review the document

[TABLE OF CONTENTS](#)

[Table of Contents](#)

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

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

ARBOR REALTY TRUST, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
 - (1) Title of each class of securities to which transaction applies:
 - (2) Aggregate number of securities to which transaction applies:
 - (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

Edgar Filing: ARBOR REALTY TRUST INC - Form DEF 14A

- (4) Proposed maximum aggregate value of transaction:
- (5) Total fee paid:
 - o Fee paid previously with preliminary materials.
 - o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
 - (1) Amount Previously Paid:
 - (2) Form, Schedule or Registration Statement No.:
 - (3) Filing Party:
 - (4) Date Filed:

As filed with the Commission on April 11, 2018.

Table of Contents

Arbor Realty Trust, Inc.

April 11, 2018

Dear Fellow Stockholders:

On behalf of the Board of Directors, I cordially invite you to attend the annual meeting of stockholders of Arbor Realty Trust, Inc. to be held at the Teleconference Center on the lower level of 333 Earle Ovington Boulevard, Uniondale, New York, on May 15, 2018, at 11:00 a.m., local time. The matters to be considered by the stockholders at the annual meeting are described in detail in the accompanying materials.

It is important that you be represented at the annual meeting regardless of the number of shares you own or whether you are able to attend the annual meeting in person.

Let me urge you to mark, sign and date your proxy card today and return it in the envelope provided.

Sincerely,

IVAN KAUFMAN
Chairman and Chief Executive Officer and President

Table of Contents

Arbor Realty Trust, Inc.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE STOCKHOLDERS MEETING TO BE HELD ON MAY 15, 2018

THE PROXY STATEMENT AND ANNUAL REPORT TO SECURITY HOLDERS ARE AVAILABLE AT:

<http://www.arbor.com>

**Notice of Annual Meeting of Stockholders
To Be Held on May 15, 2018**

To the Stockholders of Arbor Realty Trust, Inc.:

The annual meeting of stockholders of Arbor Realty Trust, Inc., a Maryland corporation (the "Company"), will be held at the Teleconference Center on the lower level of 333 Earle Ovington Boulevard, Uniondale, New York, on May 15, 2018, beginning at 11:00 a.m., local time. Directions to attend the annual meeting and vote in person are available on our website, www.arbor.com, under the heading "Investor Relations" or can be obtained by calling our main telephone number, (516) 506-4200.

The matters to be considered and voted upon by stockholders at the annual meeting, which are described in detail in the accompanying materials, are:

- (1) The election of two Class III directors, each to serve until the 2021 annual meeting of stockholders and until their respective successors are duly elected and qualify;
- (2) The ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for fiscal year 2018; and
- (3) The transaction of any other business that may properly come before the annual meeting or any adjournment or postponement of the annual meeting.

Stockholders of record at the close of business on April 2, 2018 will be entitled to receive notice of and to vote at the annual meeting. **It is important that your shares be represented at the annual meeting regardless of the size of your securities holdings.** A proxy statement, proxy card, self-addressed envelope and Annual Report to Stockholders for the fiscal year ended December 31, 2017 accompany this notice. Whether or not you plan to attend the annual meeting in person, please complete, date and sign the proxy card. Please return it promptly in the envelope provided, which requires no postage if mailed in the United States. If you are the record holder of your shares and you attend the annual meeting, you may withdraw your proxy and vote in person, if you so choose.

Edgar Filing: ARBOR REALTY TRUST INC - Form DEF 14A

By Order of the Board of Directors,

April 11, 2018

JOHN J. BISHAR, JR.

Uniondale, New York

Corporate Secretary

Table of Contents

Arbor Realty Trust, Inc.

333 Earle Ovington Boulevard
Suite 900
Uniondale, New York 11553
(516) 506-4200

PROXY STATEMENT

**FOR THE ANNUAL MEETING OF STOCKHOLDERS
To Be Held on May 15, 2018**

Table of Contents

TABLE OF CONTENTS

	Page
<u>General Information Concerning Solicitation and Voting</u>	<u>3</u>
<u>Board of Directors</u>	<u>7</u>
<u>Audit Committee Report and Disclosures</u>	<u>16</u>
<u>Executive Officers</u>	<u>17</u>
<u>Executive Compensation</u>	<u>20</u>
<u>Security Ownership of Certain Beneficial Owners and Management</u>	<u>34</u>
<u>Certain Relationships and Related Transactions</u>	<u>37</u>
<u>Proposal No. 1: Election of Directors</u>	<u>42</u>
<u>Proposal No. 2: Ratification of the Appointment of Ernst & Young LLP as our Independent Registered Public Accounting Firm for Fiscal Year 2018</u>	<u>43</u>
<u>Stockholder Proposals for 2019</u>	<u>45</u>
<u>Other Matters</u>	<u>45</u>

GENERAL INFORMATION CONCERNING SOLICITATION AND VOTING

This proxy statement, the accompanying proxy card and notice of annual meeting are provided in connection with the solicitation of proxies by and on behalf of the Board of Directors of Arbor Realty Trust, Inc., a Maryland corporation, for use at the annual meeting of stockholders to be held on May 15, 2018, at 11:00 a.m., local time, and any adjournments or postponements thereof.

"We," "our," "us," "Arbor" and "the Company" each refers to Arbor Realty Trust, Inc. We were previously externally managed and advised by Arbor Commercial Mortgage, LLC, which we refer to as "Arbor Commercial Mortgage," "our Former Manager" or "ACM." Effective May 31, 2017, we exercised our option to fully internalize our management team and terminate the existing management agreement.

The mailing address of our executive office is 333 Earle Ovington Boulevard, Suite 900, Uniondale, New York, 11553. This proxy statement, the accompanying proxy card and the notice of annual meeting are first being mailed on or about April 11, 2018 to holders of our common stock, par value \$0.01 per share, and special voting preferred stock, par value \$0.01 per share, of record at the close of business on April 2, 2018. The outstanding shares of common stock and special voting preferred stock are the only securities entitled to vote at the annual meeting, and we refer to these securities, collectively, as our voting securities. Along with this proxy statement, we are also sending our Annual Report to Stockholders for the fiscal year ended December 31, 2017.

A proxy may confer discretionary authority to vote with respect to any matter presented at the annual meeting. As of the date of this proxy statement, management has no knowledge of any business that will be presented for consideration at the annual meeting and that would be required to be set forth in this proxy statement or the related proxy card other than the matters set forth in the Notice of Annual Meeting of Stockholders. If any other matter is properly presented at the annual meeting for consideration, it is intended that the persons named in the enclosed proxy card and acting thereunder will vote in accordance with their discretion on any such matter.

Matters to be Considered at the Annual Meeting

At the annual meeting, our stockholders will consider and vote upon:

- (1) The election of two Class III directors, each to serve until the 2021 annual meeting of stockholders and until their respective successors are duly elected and qualify;
- (2) The ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for fiscal year 2018; and
- (3) The transaction of any other business that may properly come before the annual meeting or any adjournment or postponement of the annual meeting.

This proxy statement, form of proxy and voting instructions are being mailed starting on or about April 11, 2018.

Solicitation of Proxies

The enclosed proxy is solicited by and on behalf of our Board of Directors (the "Board" or the "Board of Directors"). The expense of preparing, printing and mailing this proxy statement and the proxies solicited hereby will be borne by the Company. In addition to the use of the mail, proxies may be solicited by officers and directors, without additional remuneration, by personal interview, telephone or otherwise. We will also request brokerage firms, nominees, custodians and fiduciaries to forward proxy materials to the beneficial owners of voting securities held of record at the close of business on April 2, 2018 and will provide reimbursement for the cost of forwarding the material. In addition, we have engaged Alliance Advisors LLC to assist in soliciting proxies from brokers, banks and other

nominee holders of our common stock at a cost of approximately \$6,500 plus reasonable out-of-pocket expenses.

Stockholders Entitled To Vote

As of the close of business on April 2, 2018, there were 62,469,535 shares of our common stock and 21,230,769 shares of our special voting preferred stock outstanding and entitled to vote. Each share of our common stock and special voting preferred stock entitles the holder to one vote. Stockholders of record at the close of business on April 2, 2018 are entitled to attend and vote at the annual meeting or any adjournment or postponement thereof.

Required Quorum/Vote

A quorum will be present if stockholders entitled to cast a majority of all the votes entitled to be cast at the annual meeting are present, in person or by proxy. If you have returned a valid proxy or if you hold your shares of our voting securities in your own name as holder of record and you attend the annual meeting in person, your shares will be counted for the purpose of determining whether there is a quorum. If a quorum is not present, the annual meeting may be adjourned by the chairman of the meeting or the stockholders entitled to vote at the annual meeting, present in person or by proxy, to a date not more than 120 days after the record date without notice other than announcement at the meeting.

Abstentions and broker non-votes will be counted in determining the presence of a quorum. "Broker non-votes" occur when a bank, broker or other nominee holding shares for a beneficial owner returns a properly executed proxy but does not vote on a particular proposal because it does not have discretionary voting power for that particular item and has not received instructions from the beneficial owner. Under the rules of the New York Stock Exchange (the "NYSE"), banks, brokers and other nominees who hold shares in "street name" may have the authority to vote on certain matters when they do not receive instructions from beneficial owners. Banks, brokers and other nominees that do not receive instructions are not entitled to vote on the election of directors contained in Proposal No. 1, but may vote on ratification of the appointment of the independent registered public accounting firm contained in Proposal No. 2.

Election of each of the director nominees named in Proposal No. 1 requires the affirmative vote of a plurality of all the votes cast in the election of directors at the annual meeting by holders of our voting securities. The director nominees receiving the highest number of affirmative votes will be elected directors. Shares represented by properly executed and returned proxies will be voted, if authority to do so is not withheld, for the election of the Board of Directors' nominees named in Proposal No. 1. Votes may be cast in favor of or withheld with respect to all of the director nominees, or any of them. Abstentions and broker non-votes, if any, will not be counted as votes cast and will have no effect on the outcome of the vote on the election of directors. Stockholders may not cumulate votes in the election of directors.

Ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for fiscal year 2018, as specified in Proposal No. 2, requires the affirmative vote of a majority of the votes cast on the proposal at the annual meeting by holders of our voting securities. If this appointment is not ratified by holders of our voting securities, the Audit Committee and our Board of Directors may each reconsider its appointment and endorsement. Abstentions will not be counted as having been cast and will have no effect on the outcome of the vote for this proposal. Even if the appointment is ratified, the Audit Committee in its discretion may direct the appointment of a different independent registered public accounting firm at any time during the year if it determines that such a change would be in our best interest.

Edgar Filing: ARBOR REALTY TRUST INC - Form DEF 14A

If the enclosed proxy is properly executed and returned to us in time to be voted at the annual meeting, it will be voted as specified on the proxy, unless it is properly revoked prior thereto. If no specification is made on the proxy as to any one or more of the proposals, the following action will be taken with respect to each share of our voting securities represented by the proxy:

- (1) A vote will be cast **FOR** the election of the two Class III directors, each to serve until the 2021 annual meeting of stockholders and until their respective successors are duly elected and qualify;
- (2) A vote will be cast **FOR** the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for fiscal year 2018; and
- (3) A vote will be cast in the discretion of the proxy holder on any other business that properly comes before the annual meeting or any adjournment or postponement thereof.

As of the date of this proxy statement, we are not aware of any other matter to be presented at the annual meeting.

Voting

If you hold your shares of our voting securities in your own name as a holder of record, you may instruct the proxies to vote your shares by signing, dating and mailing the proxy card in the postage-paid envelope provided. In addition, you may vote your shares of our voting securities in person at the annual meeting.

If your shares are held on your behalf by a broker, bank or other nominee, you will receive instructions from such individual or entity that you must follow in order to have your shares voted at the annual meeting.

Authorization of your proxy via telephone or the Internet may also be available depending on how you hold your shares. Please reference your proxy card for instructions on how to authorize your proxy by these methods.

Right to Revoke Proxy

If you hold shares of our voting securities in your own name as a holder of record, you may revoke your proxy instructions through any of the following methods:

send written notice of revocation, prior to the annual meeting, to our Corporate Secretary, at 333 Earle Ovington Boulevard, Suite 900, Uniondale, New York 11553;

sign and mail a new, later dated proxy card to our Corporate Secretary at the address specified above;

authorize a later dated vote via the telephone or Internet at least 24 hours prior to the annual meeting; or

attend the annual meeting and vote your shares in person.

If your shares are held on your behalf by a broker, bank or other nominee, you must contact it to receive instructions as to how you may revoke your proxy instructions.

Multiple Copies of Annual Report to Stockholders

A copy of our Annual Report to Stockholders for the fiscal year ended December 31, 2017 will be mailed to stockholders entitled to vote at the annual meeting with this proxy statement and is also available without charge to stockholders upon written request to: Arbor Realty Trust, Inc., 333 Earle Ovington Boulevard, Suite 900, Uniondale, New York, 11553, Attn: Investor Relations. You may also

Edgar Filing: ARBOR REALTY TRUST INC - Form DEF 14A

access our Annual Report on Form 10-K as filed with the Securities and Exchange Commission (the "SEC") under the "Investor Relations SEC Filings" link on our website at www.arbor.com.

In order to reduce printing and postage costs, we have undertaken an initiative to deliver only one Annual Report and one proxy statement to multiple stockholders sharing an address. This delivery method, called "householding," will not be used, however, if we receive contrary instructions from one or more of the stockholders sharing an address. If your household has received only one Annual Report and one proxy statement, we will deliver promptly a separate copy of the Annual Report and the proxy statement to any stockholder who sends a written request to the Corporate Secretary, Arbor Realty Trust, Inc., 333 Earle Ovington Boulevard, Suite 900, Uniondale, New York, 11553. You may also contact our Corporate Secretary at (516) 506-4200. You may also notify us that you would like to receive separate copies of Arbor Realty Trust Inc.'s Annual Report and proxy statement in the future by writing to our Corporate Secretary. Even if your household has received only one Annual Report and one proxy statement, a separate proxy card has been provided for each stockholder account. If you are submitting a proxy by mail, each proxy card should be marked, signed, dated and returned in the enclosed self-addressed envelope.

If your household has received multiple copies of Arbor Realty Trust Inc.'s Annual Report and proxy statement, you can request the delivery of a single copy in the future by marking the designated box on the enclosed proxy card.

If you own shares of common stock through a bank, broker or other nominee and receive more than one Annual Report and proxy statement, contact the holder of record to eliminate duplicate mailings.

Voting Results

American Stock Transfer & Trust Company, our independent tabulating agent, will have a representative present at the annual meeting and will tabulate the votes and act as the Inspector of Election. We will publish the voting results in a Current Report on Form 8-K, which will be filed within four business days of our annual meeting of stockholders.

Confidentiality of Voting

We will keep all proxies, ballots and voting tabulations confidential. We will permit only our Inspector of Election, American Stock Transfer & Trust Company, and our outside legal counsel to examine these documents, except (i) as necessary to meet applicable legal requirements; (ii) if a stockholder writes comments on the proxy card directed to our Board of Directors or management; or (iii) in the event a proxy solicitation in opposition to the election of the nominees is initiated.

Recommendations of the Board of Directors

The Board of Directors recommends a vote:

- (1) **FOR** the election of Dr. William Helmreich and Mr. William C. Green, as Class III directors, each to serve until the 2021 annual meeting of stockholders and until their respective successors are duly elected and qualify;
- (2) **FOR** the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for fiscal year 2018; and
- (3) In the discretion of the proxy holder on any other business that properly comes before the annual meeting or any adjournment or postponement thereof.

BOARD OF DIRECTORS**General**

Our Board of Directors presently consists of eight members and will be reduced to seven members upon the election of two Class III directors at our 2018 annual meeting of stockholders. Pursuant to our charter, the Board of Directors is divided into three classes of directors, with each director serving for a term expiring at the annual meeting of stockholders held in the third year following the year of their election and until his or her successor is duly elected and qualifies and one class up for election at each annual meeting. At this year's annual meeting, the term of our Class III directors will expire. Our Class I and Class II directors will remain in office for the remainder of their respective terms, as indicated below.

At the annual meeting, stockholders will vote on the election of Dr. William Helmreich and Mr. William C. Green as Class III directors to serve for a three-year term until the 2021 annual meeting of stockholders and until their successors are duly elected and qualify.

The following table sets forth information concerning the seven directors (i) who are nominees for election at this year's annual meeting or (ii) whose terms are not expiring.

Directors Who are Nominees for Election

Name	Class	Age	New Term to Expire at Annual Meeting in
William Helmreich	III	72	2021
William C. Green	III	57	2021

Directors Whose Terms are Not Expiring

Name	Class	Age	Term Expires at Annual Meeting in
Archie R. Dykes	I	87	2019
Joseph Martello	I	62	2019
Ivan Kaufman	II	57	2020
Melvin F. Lazar	II	79	2020
George Tsunis	II	50	2020

Nominees

William Helmreich. Dr. Helmreich has served as one of our directors since June 2003. Dr. Helmreich is the founder, and since 1980, owner and President of Byron Research and Consulting, a market research firm specializing in financial research, political polling, legal consulting, and issues relating to food products and real estate. He is a professor of Sociology at City College of New York and the CUNY Graduate Center, where he teaches sociology of marketing and consumer behavior. Since 2000, Dr. Helmreich has also been the Chairman for Academic Affairs for North Shore Hebrew Academy. He is a director of North Shore Hebrew Academy, North Shore Hebrew Academy High School and NSH Affordable Housing of Indiana, Inc., as well as other not-for-profit boards, and was a Senior Vice President of Good Earth Teas for many years.

As the owner and president of a market research firm specializing in financial research, legal consulting, and issues relating to real estate, Dr. Helmreich brings a unique perspective on real estate and finance, which led the Board of Directors to conclude that he should serve as our director.

William C. Green. Mr. Green has served as one of our directors since February 2012. Mr. Green currently serves as the Chief Financial Officer of Ginkgo Residential ("Ginkgo"), a multifamily

Edgar Filing: ARBOR REALTY TRUST INC - Form DEF 14A

property operating company. Prior to Ginkgo, Mr. Green founded and sold Cazenovia Creek Investment Management, LLC, a registered investment advisor that managed a fund that invests in tax liens. Prior to that, Mr. Green held senior level positions within Starwood Capital, Wachovia Securities and Banc of America Securities where he focused exclusively on commercial real estate capital markets and commercial real estate asset management activities. In 2017, Mr. Green formed a registered investment advisory firm, 17 Pembroke Advisors LLC, which focuses on alternative investment strategies. Mr. Green holds a Bachelor of Arts degree in economics from Hobart College and holds a Masters in Business Administration with a finance concentration from the Stern School of Business at New York University. In March 2013, Mr. Green was appointed to serve as Lead Director. See "Corporate Governance Profile Role of the Lead Director" for further information.

Mr. Green's leadership experience at several organizations provides him with insight and expertise on the real estate, banking and financial services industries in general, which led the Board of Directors to conclude that he should serve as our director.

Continuing Directors

Archie R. Dykes. Dr. Dykes has served as one of our directors since April 2006. Dr. Dykes was lead director and non-executive chairman of PepsiAmericas, Inc. until 2010. He has served as chairman of Capital City Holdings Inc., a venture capital organization, for more than the past five years. Dr. Dykes served as Chairman and Chief Executive Officer of the Security Benefit Group of Companies from 1980 through 1987. He served as chancellor of the University of Kansas from 1973 to 1980. Prior to that, he was chancellor of the University of Tennessee. Dr. Dykes was Chairman of the Board and Chief Executive Officer of Fleming Companies, Inc. until 2004. He assumed those roles at Fleming in 2003 following his service to Fleming as Non-executive Chairman of the Board. He also serves as a director of Raytech Corporation. Dr. Dykes is a member of the Board of Trustees of the Kansas University Endowment Association and the William Allen White Foundation. He formerly served as Vice Chairman of the Commission on the Operation of the United States Senate and as a member of the executive committee of the Association of American Universities.

The Board of Directors has concluded that Dr. Dykes should serve as our director due to his extensive business and leadership experience in a variety of sectors, including insurance, financial services, research and development, consumer goods, automotive, non-profit and government.

Joseph Martello. Mr. Martello has served as one of our directors since June 2003. Mr. Martello has been Chief Operating Officer of Arbor Management, LLC, which has been the managing member of Arbor Commercial Mortgage since 1999. He is responsible for management of the investment portfolio and overseeing the day-to-day operations within Arbor Management. Mr. Martello is also a member of the executive committee of Arbor Commercial Mortgage. From 1995 to 1999, Mr. Martello was Chief Financial Officer of Arbor Commercial Mortgage. From 1990 to 1995, Mr. Martello was the Chief Financial Officer of Arbor National Holdings, Inc. Prior to that, he was a senior manager with the international accounting and consulting firm of Ernst & Young for eleven years.

As a senior executive with significant financial services experience who has served within the Arbor Commercial Mortgage group of companies for more than 25 years, Mr. Martello brings a breadth of knowledge about real estate matters, as well as the business and operations of the Company and its Former Manager. This led the Board of Directors to conclude that Mr. Martello should serve as our director.

Ivan Kaufman. Mr. Kaufman has served as our Chairman, Chief Executive Officer and President since June 2003. Mr. Kaufman has been Chief Executive Officer and President of Arbor Commercial Mortgage, our Former Manager, since its inception in 1993. Arbor Commercial Mortgage is a national commercial real estate investment company which specializes in multifamily and commercial real estate. In 1983, he co-founded a predecessor of the Former Manager, Arbor National Holdings Inc. and its

Edgar Filing: ARBOR REALTY TRUST INC - Form DEF 14A

residential lending subsidiary, Arbor National Mortgage Inc., which became a public company in 1992 and was sold to BankAmerica in 1995. Mr. Kaufman was named regional "Entrepreneur of the Year" by Inc. Magazine for outstanding achievements in financial services in 1990. Mr. Kaufman has also served on Fannie Mae's regional advisory and technology boards, as well as the Board of Directors of the Empire State Mortgage Bankers Association. Mr. Kaufman is also a member of the Fannie Mae DUS® Advisory Council.

As the founder and principal executive of Arbor Commercial Mortgage and its predecessor entities since 1983, Mr. Kaufman brings exceptional knowledge about the real estate sector and our business and operations, which led the Board of Directors to conclude that he should serve as our director.

Melvin F. Lazar. Mr. Lazar has served as one of our directors from his appointment in November 2003 until May 2011 and since his re-appointment in December 2011. Mr. Lazar is the founder of Lazar Levine & Felix LLP, certified public accountants, was its managing partner from 1969 until 2002, and continued as an employee of the firm, now known as Baker Tilly, LLC, until his retirement in 2014. Mr. Lazar specializes in business valuations and merger and acquisition activities. Mr. Lazar serves on the Board of Directors of Active Media Services, Inc., a privately-held corporate trading company and is former Chairman of the Audit Committee of Enzo Biochem, Inc., a publicly-held biotechnology company.

As the managing partner of a certified public accounting firm for over 30 years and a former member of the audit committees of a large public biotechnology company and a private corporate trading company, Mr. Lazar has extensive accounting and financial expertise in a variety of industries, which led the Board of Directors to conclude that Mr. Lazar should serve as our director and as Chair of the Audit Committee.

George Tsunis. Mr. Tsunis has served as one of our directors from his appointment in August 2016. Mr. Tsunis is the Founder, Chairman and Chief Executive Officer of Chartwell Hotels as well as an attorney, developer, philanthropist and public policy advisor with a strong interest at the intersection of economic and foreign affairs. Prior to founding Chartwell, Mr. Tsunis was a partner at the law firm of Rivkin Radler LLP, one of Long Island, NY's largest law firms, representing both private clients and municipalities in the practice areas of land use and zoning, real estate corporate law, municipal law and commercial litigation. Mr. Tsunis' public service includes time as a Legislative Attorney at the New York City Council, Special Counsel to the Town of Huntington (NY) Environmental Open Space Committee and Counsel to the Dix Hills (NY) Water District.

Mr. Tsunis is also a member of Hofstra University's Board of Trustees and serves on its Academic Affairs and Development and Alumni Affairs Committees. He is a Director of the Don Monti Cancer Research Foundation, Trustee of the Hellenic Initiative and member of Friends Academy's Board of Trustees, serving as its Building and Grounds Committee Chair as well as a member of its Finance and Investment Committees. Mr. Tsunis also serves as a Director of the New York Convention Center's (Jacob Javits Center) Operating Committee, Director of the New York Convention Center's Development Committee, Director of Spring Bank and Director of the Battery Park City Authority, where he serves as its Investment Committee Chair.

Mr. Tsunis was a member of the Brookings Institution's Foreign Policy Leadership Committee and its Metropolitan Studies Leadership Council as well as a member of the Business Executives for National Security's Board of Trustees. He has also previously served on the Board of Trustees at Dowling College, the American Red Cross Suffolk County Chapter, the Huntington (NY) Chamber of Commerce/Committee on Good Government, the Education and Assistance Corporation and the Private Industry Council of Suffolk.

Edgar Filing: ARBOR REALTY TRUST INC - Form DEF 14A

As a founder, principal, and member of various organizations, Mr. Tsunis has had ample experience leading and supporting the evolution and sustainability of various companies, which led the Board of Directors to conclude that he should serve as our director.

Corporate Governance Profile

We are committed to good corporate governance practices and, as such, we have adopted formal corporate governance guidelines to enhance our effectiveness. The guidelines address, among other things, Board member qualifications, responsibilities, education and management succession. A copy of our corporate governance guidelines may be found at our corporate website at www.arbor.com under the heading "Investor Relations Corporate Governance."

The Board of Directors met on eight occasions and acted by unanimous written consent on nine occasions during 2017. No incumbent director attended fewer than 75 percent of all meetings of our Board of Directors and the committees on which such director served during 2017.

Senior Officer Code of Ethics and Code of Business Conduct and Ethics

We have adopted a senior officer code of ethics applicable to our Chief Executive Officer, Chief Financial Officer and Chief Credit Officer. This senior officer code also applies to persons performing similar functions to the aforementioned officers. We have also adopted a code of business conduct and ethics applicable to all employees, officers and directors. Both codes are available on our website at www.arbor.com under the heading "Investor Relations Corporate Governance." You may also obtain these documents, as well as our corporate governance guidelines, in print free of charge by writing the Company at 333 Earle Ovington Boulevard, Suite 900, Uniondale, New York, 11553: Attention: Investor Relations. Amendments to, and waivers from, the senior officer code of ethics and the code of business conduct and ethics for a director or officer will be disclosed at the same website address and heading as provided above. We have filed our 2017 Domestic Company Section 303A CEO Certification with the NYSE without any qualifications. Our Sarbanes-Oxley Section 302 Certification was filed as an exhibit to our Annual Report on Form 10-K for the year ended December 31, 2017.

Combined Principal Executive Officer and Board Chair Positions; Independent Director Committee

Mr. Kaufman serves as both our Chief Executive Officer and Chairman of the Board of Directors, which the Board has determined is the most appropriate governance structure for us. Mr. Kaufman has served in this capacity since the Company's formation in 2003. With over 30 years of experience in the real estate finance industry, Mr. Kaufman has a breadth of unique and specialized knowledge about our business operations. Mr. Kaufman solicits input from our Board of Directors regarding the Board agenda and processes. To facilitate coordination with the independent directors and the exercise of independent judgment by the Board of Directors, (1) the Board has established an Independent Director Committee (as described further below), which Mr. Green currently chairs as the Lead Director, and (2) our non-management directors, each of whom are independent directors under the NYSE's Corporate Governance Standards, meet regularly in executive session without any members of management present. The Lead Director who chairs the executive sessions of our non-management directors facilitates communication between the independent directors and the Chairman of the Board, ensures appropriate information is sent to the Board and works with the Chairman to identify agenda and other discussion items for the Board.

Role of the Lead Director

In March 2013, the Board created the position of Lead Director and appointed William C. Green to the position. The Lead Director is responsible for (i) serving as a liaison between the Chairman and other members of the Board of Directors, (ii) presiding at, and preparing the agenda for, all executive

sessions of the non-management directors and the independent directors, (iii) working with the Chairman and members of management to schedule Board meetings and prepare agendas, (iv) working with the Chairman and members of management to assure the adequacy and timing of information provided to the Board, (v) retaining outside advisors to the Board, if necessary or desirable, and (vi) performing such other duties as may be requested by the Chairman or the Board.

Role of the Board of Directors in the Oversight of Risk Management

The Audit Committee takes the lead for the Board in oversight of our risk management activities. At least quarterly the Audit Committee receives a review of our investment portfolio and its quarterly results from our Chief Financial Officer and an internal audit report and a Sarbanes-Oxley compliance report from our internal auditor, DLA, LLC. The review of our investment portfolio and its quarterly results covers a wide range of topics and potential issues that could impact us, including matters such as investment performance, investment risks, counterparty risks of its asset management activities and balance sheet, results of operations, key financial metrics and operational and integration risks. The internal audit plan is approved by the Audit Committee and regular reports on the progress and results of the internal audit program are provided to the Audit Committee. Our independent registered public accounting firm, Ernst & Young LLP, provides the audit report. Aspects of these reports are presented to the full Board at least quarterly by either the Chairman of the Audit Committee or the member of management responsible for the given subject area. In addition, the entire Board of Directors receives reports from our General Counsel with respect to any legal or regulatory matters that could materially affect us. The Compensation Committee takes the lead for the Board in oversight of risk relating to compensation matters. The Compensation Committee considers, in establishing and reviewing our executive compensation program, whether the program encourages unnecessary risk taking and has concluded that it does not.

Director Independence

Of our eight directors, six have been determined by our Board of Directors to be independent for purposes of the NYSE listing standards. Our independent directors are currently Messrs. Green, Lazar and Tsunis, Drs. Dykes and Helmreich and Ms. Edwards. In determining director independence, the Board of Directors reviewed, among other things, whether any transactions or relationships currently exist, or have existed in the past, between each director and the Company and its subsidiaries, affiliates and equity investors or independent registered public accounting firm. In particular, the Board reviewed current or recent business transactions or relationships or other personal relationships between each director and the Company, including such director's immediate family and companies owned or controlled by the director or with which the director was affiliated. The purpose of this review was to determine whether any such transactions or relationships failed to meet any of the objective tests promulgated by the NYSE for determining independence or were otherwise sufficiently material as to be inconsistent with a determination that the director is independent. The Board also examined whether there were any transactions or relationships between each director and members of our senior management or our affiliates.

In reviewing the independence of Dr. Helmreich, the Board carefully reviewed whether (1) Mr. Kaufman's and Dr. Helmreich's current and prior participation on the Boards of North Shore Hebrew Academy, North Shore Hebrew Academy High School and NSH Affordable Housing of Indiana, Inc., all of which are not-for-profit organizations and (2) Dr. Helmreich's engagement since 2000 as an external consultant by North Shore Hebrew Academy in the capacity of Chairman of Academic Affairs would, based upon the totality of the circumstances, be deemed to be material so as to preclude a finding that Dr. Helmreich is independent. The Board, in particular, reviewed the materiality of the transactions to the parties involved, the compensation and timing of Dr. Helmreich's

advisory role with North Shore Hebrew Academy and the absence of any employment or compensatory capacity by Dr. Helmreich with NSH Affordable Housing of Indiana, Inc.

In reviewing the independence of Mr. Green, the Board considered that in January 2017, Ginkgo, which Mr. Green is a 33% managing member of, purchased a multifamily apartment complex, which assumed a Fannie Mae loan that we service. We carry a maximum loss-sharing obligation with Fannie Mae on this loan of up to 20% of the original unpaid principal balance. Upon the purchase by Ginkgo, we received a 1% loan assumption fee which was governed by existing loan agreements that were in place when the loan was originated in 2015, prior to such purchase.

In reviewing the independence of Mr. Tsunis and Dr. Helmreich, the Board considered their investments of \$50,000 and \$25,000, respectively, with an affiliated entity of our Former Manager, which was formed to invest in commercial real estate on a property-by-property basis with a pool of qualified investors.

As a result of its review, the Board affirmatively determined that Messrs. Green, Lazar and Tsunis, Drs. Dykes and Helmreich and Ms. Edwards were independent under the NYSE listing standards.

Board Committees

Our Board has established five standing committees, the principal functions of which are briefly described below. Matters put to a vote at any one of our five committees must be approved by a majority of the directors on the committee who are present at a meeting at which there is a quorum or by unanimous written consent of the directors on that committee. Our Board of Directors may from time to time establish certain other committees to facilitate the management of the Company.

Audit Committee

Our Board of Directors has established an Audit Committee, which is currently composed of four of our independent directors, Mr. Lazar, Dr. Dykes, Ms. Edwards and Mr. Green. During 2017, the Audit Committee met on five occasions. The Audit Committee selects and appoints our independent registered public accounting firm and assists the Board in overseeing: (1) the integrity of our financial statements; (2) our independent registered public accounting firm's qualifications and independence; (3) the performance of our independent registered public accounting firm and our internal audit function; and (4) our compliance with legal and regulatory requirements.

Mr. Lazar currently serves as Chairman of the Audit Committee. The Board has determined that Mr. Lazar qualifies as an "Audit Committee financial expert" as defined by the rules of the SEC and that each member of the Audit Committee is "financially literate." The Audit Committee is governed by a charter that has been adopted by the Board of Directors.

Compensation Committee

Our Board of Directors has established a Compensation Committee, which is currently composed of four of our independent directors, Messrs. Green, Lazar and Tsunis and Dr. Helmreich. During 2017, the Compensation Committee met once and acted by unanimous written consent once. Mr. Green currently serves as the Chairman of the Compensation Committee. The principal functions of the Compensation Committee are to: (1) evaluate the performance of our officers (as described further in "Executive Compensation"); (2) review the compensation payable to our officers and non-employee directors; (3) review and discuss with management the compensation discussion and analysis disclosure included in this proxy statement; and (4) administer the issuance of any stock to our employees. The Compensation Committee is governed by a charter that has been adopted by the Board of Directors.

Corporate Governance Committee

Our Board of Directors has established a Corporate Governance Committee, which is currently composed of four of our independent directors, Drs. Helmreich and Dykes, Ms. Edwards and Mr. Tsunis. During 2017, the Corporate Governance Committee met on two occasions. Dr. Helmreich currently serves as Chairman of the Corporate Governance Committee. The Corporate Governance Committee is responsible for seeking, considering and recommending to the Board qualified candidates for election as directors and recommending a slate of nominees for election as directors at each annual meeting of stockholders. The Corporate Governance Committee is also responsible for: (1) preparing and submitting to the Board for adoption the committee's selection criteria for director nominees; (2) reviewing and making recommendations on matters involving general operation of the Board and our corporate governance; and (3) annually recommending to the Board nominees for each committee of the Board. In addition, the committee annually facilitates the assessment of the Board of Directors' performance as a whole and of the individual directors and reports thereon to the Board. The Corporate Governance Committee is governed by a charter that has been adopted by the Board of Directors.

Copies of the charters of the Audit Committee, the Compensation Committee and the Corporate Governance Committee are available on our website, www.arbor.com, under the heading "Investor Relations Corporate Governance." You may also obtain these documents in print free of charge by writing the Company at 333 Earle Ovington Boulevard, Suite 900, Uniondale, New York, 11553, Attention: Investor Relations.

Independent Director Committee

Our Board of Directors has established an Independent Director Committee, which is composed of our six independent directors, Messrs. Green, Lazar and Tsunis, Drs. Helmreich and Dykes and Ms. Edwards. Mr. Green currently serves as Lead Director and thereby chairs the Independent Director Committee.

The Independent Director Committee is responsible for, among other things, considering and voting upon matters as to which the Board of Directors determines Arbor Commercial Mortgage or its affiliates (other than the Company or its subsidiaries) or any of our directors (other than an independent director) or officers has a conflict of interest, including the approval of transactions between us and our Former Manager.

Special Financing Committee

Our Board of Directors has established a Special Financing Committee, which is currently composed of one of our independent directors, Mr. Tsunis, and Messrs. Kaufman and Martello. During 2017, the Special Financing Committee acted by unanimous written consent on seven occasions. The Special Financing Committee is authorized to approve the following amendments to our credit facilities: (i) any temporary increase in the principal amount of the obligations under a credit facility by an amount not to exceed \$100,000,000 and for a period not to exceed ninety (90) days; (ii) any extension of maturity dates or borrowing expiration dates for a period not to exceed one (1) year; and (iii) if any such approval is required, any other amendments, including but not limited to amendments to defined terms and covenants, provided that any such amendment does not result in (a) an increase in the principal amount of the obligations under a credit facility by an amount exceeding \$100,000,000, (b) an increase in the principal amount of the obligations under a credit facility for a period exceeding ninety (90) days, or (c) an extension of a maturity date or borrowing expiration date for a period exceeding one (1) year.

Non-Management Directors

As required by the NYSE's Corporate Governance Standards, our non-management directors, each of whom are independent directors under the NYSE's Corporate Governance Standards, meet regularly in executive session without any members of management present. The Lead Director chairs these sessions.

Stockholder and Interested Party Communications with Directors

The Board of Directors has established a process to receive communications from stockholders and other interested parties. Interested parties and stockholders may contact any or all members of the Board, including non-management directors, by mail. To communicate with the Board of Directors, any individual director or any group or committee of directors, correspondence should be addressed to the Board of Directors or any such individual director or group or committee of directors by either name or title. All such correspondence should be sent in care of the Corporate Secretary at Arbor Realty Trust, Inc., 333 Earle Ovington Boulevard, Suite 900, Uniondale, New York, 11553.

All communications received as set forth in the preceding paragraph will be opened by the office of our Corporate Secretary for the sole purpose of determining whether the contents represent a message to our directors. Any contents that are not in the nature of advertising, promotions of a product or service or patently offensive material will be forwarded promptly to the addressee. In the case of communications to the Board or any group or committee of directors, the office of the Corporate Secretary will make sufficient copies of the contents to send to each director who is a member of the group or committee to which the correspondence is addressed.

Director Nomination Procedures; Diversity

The Corporate Governance Committee generally believes that, at a minimum, candidates for membership on the Board of Directors should demonstrate an ability to make a meaningful contribution to the Board of Directors' oversight of our business and affairs and have a record and reputation for honest and ethical conduct. The Corporate Governance Committee recommends director nominees to the Board of Directors based on, among other things, its evaluation of a candidate's experience, knowledge, skills, expertise, integrity, ability to make independent analytical inquiries, understanding of our business environment and a willingness to devote adequate time and effort to Board responsibilities. In making its recommendations to the Board of Directors, the Corporate Governance Committee also seeks to have the Board nominate candidates who have diverse backgrounds and areas of expertise so that each member can offer a unique and valuable perspective.

The Corporate Governance Committee may identify potential nominees by asking current directors and executive officers to notify the committee if they become aware of persons who meet the criteria described above, especially business and civic leaders in the communities in which we operate. It may also engage firms, at our expense, that specialize in identifying director candidates. As described below, the Corporate Governance Committee will also consider candidates recommended by stockholders.

The Corporate Governance Committee anticipates that once a person has been identified by the committee as a potential candidate, the committee will collect and review publicly available information regarding the person to assess whether the person should be considered further. If the Corporate Governance Committee determines that the candidate warrants further consideration, the Chairman or another member of the committee will contact the person. If the person expresses a willingness to be considered and to serve on the Board of Directors, the Corporate Governance Committee will request information from the candidate, review the person's accomplishments and qualifications, including in light of any other candidates that the committee might be considering, and conduct one or more interviews with the candidate. In certain instances, members of the Corporate Governance Committee may contact one or more references provided by the candidate or may contact other members of the

Edgar Filing: ARBOR REALTY TRUST INC - Form DEF 14A

business community or other persons that may have greater first-hand knowledge of the candidate's accomplishments.

In addition to director nominations and other proposed business submitted by stockholders in accordance with our bylaws, as summarized below under "Stockholder Proposals for 2019," the Corporate Governance Committee will consider written recommendations from stockholders of potential director candidates. Such recommendations should be submitted to the Corporate Governance Committee in care of the Corporate Secretary at Arbor Realty Trust, Inc., 333 Earle Ovington Boulevard, Suite 900, Uniondale, New York, 11553. Director recommendations submitted by stockholders should include the following:

the name, age, business address and residence address of the individual(s) recommended for nomination;

the class, series and number of any shares of our stock that are beneficially owned by the individual(s) recommended for nomination;

the date such shares of our stock were acquired by the individual(s) recommended for nomination and the investment intent of such acquisition; and

all other information relating to such candidate that would be required to be disclosed pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected.

Stockholder recommendations of director candidates must be delivered to the Corporate Secretary not earlier than the 120th day and not later than the close of business on the 90th day prior to the first anniversary of the date of mailing of the notice for the preceding year's annual meeting of stockholders; provided, however, that if the date of mailing of the notice for the annual meeting is advanced more than thirty days prior to or delayed by more than thirty days after the anniversary of the mailing of the notice for the preceding year's annual meeting, the stockholder recommendation and information described above must be delivered not earlier than the 120th day prior to the mailing of the notice for the upcoming annual meeting and not later than the close of business on the later of (1) the 90th day prior to the mailing of the notice for the upcoming annual meeting of stockholders and (2) the 10th day following the date on which public announcement of the mailing of the notice for the upcoming annual meeting is first made.

The Corporate Governance Committee does not employ a specific policy, practice or formula for evaluating candidates to the Board of Directors recommended by stockholders and expects to use a similar process to evaluate candidates to the Board of Directors recommended by stockholders as the one it uses to evaluate candidates otherwise identified by the committee.

Director Attendance at Annual Meeting

We do not currently maintain a policy requiring our directors to attend the annual meeting; however, attendance by our directors is encouraged. Six of our directors attended the 2017 annual meeting of stockholders, of which four attended by teleconferencing.

Table of Contents

AUDIT COMMITTEE REPORT AND DISCLOSURES

The following report of the Audit Committee (the "Audit Committee") of the Board of Directors (the "Board of Directors") of Arbor Realty Trust, Inc., a Maryland corporation (the "Company"), does not constitute soliciting material and should not be considered filed or incorporated by reference into any other filing by the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent the Company specifically incorporates this report by reference therein.

The Audit Committee operates under a written charter adopted by the Board of Directors. The Board of Directors has determined that all members of the Audit Committee meet the independence standards established by the New York Stock Exchange.

The Audit Committee oversees the Company's financial reporting process on behalf of the Board of Directors. The Company's management has the primary responsibility for the financial statements and the reporting process, including the system of internal controls. The independent registered public accounting firm is responsible for performing an audit of the Company's consolidated financial statements in accordance with generally accepted accounting principles in the United States and issuing a report thereon. The Audit Committee reviews and oversees these processes, including oversight of: (1) the integrity of the Company's financial statements; (2) the Company's independent registered public accounting firm's qualifications and independence; (3) the performance of the Company's independent registered public accounting firm and the Company's internal audit function; and (4) the Company's compliance with legal and regulatory requirements.

In discharging its oversight role, the Audit Committee reviewed and discussed the audited financial statements contained in the Company's Annual Report to Stockholders for fiscal year ended December 31, 2017 with the Company's management and independent registered public accounting firm. Management represented to the Audit Committee that the Company's consolidated financial statements were prepared in accordance with accounting principles generally accepted in the United States. The Audit Committee also discussed with the independent registered public accounting firm the matters required by Statement on Auditing Standards No. 61, as amended (AICPA, Professional Standards, Vol. 1, AU Section 380), as adopted by the Public Company Accounting Oversight Board ("PCAOB") in Rule 3200T.

In addition, the Audit Committee discussed with the independent registered public accounting firm the registered public accounting firm's independence from the Company and its management, and the independent registered public accounting firm provided to the Audit Committee the written disclosures and letter required from the independent registered public accounting firm by PCAOB Ethics and Independence Rule 3526 *Communications with Audit Committee Concerning Independence*.

The Audit Committee discussed with the Company's internal auditors and independent registered public accounting firm the overall scope and plans for their respective audits. The Audit Committee met with the internal auditors and independent registered public accounting firm, with and without management present, to discuss the results of their examinations, the evaluations of the Company's internal controls, and the overall quality of the Company's financial reporting.

Based on the review and discussions referred to above, the Audit Committee has recommended to the Board of Directors that the audited financial statements be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2017 for filing with the Securities and Exchange Commission.

Audit Committee:
Melvin F. Lazar (Chairman)
Archie R. Dykes
Karen K. Edwards
William C. Green

April 9, 2018

Table of Contents

EXECUTIVE OFFICERS

Our executive officers are elected annually by our Board of Directors and serve for a term of one year and until their respective successors are elected and qualify. Set forth below is information regarding our executive officers, as of the date of this proxy statement, unless otherwise indicated:

Name	Age	Position
Ivan Kaufman(*)	57	Chairman of the Board of Directors, Chief Executive Officer and President
Paul Elenio		Chief Financial Officer and Treasurer
	50	
Fred Weber		Executive Vice President Managing Director of Structured Finance and Principal Transactions
	57	
John Caulfield		