

Two Harbors Investment Corp.  
Form SC 13G/A  
December 29, 2009

**UNITED STATES  
SECURITIES & EXCHANGE COMMISSION**  
Washington, D.C. 20549

**SCHEDULE 13G**

Under the Securities Exchange Act of 1934  
(Amendment No 1 )\*

**Two Harbors Investment Corp.**

(Name of Issuer)

Common Stock  
(Title of Class of Securities)

90187B101  
(CUSIP Number)

Alexander H. McMillan, Esq.  
c/o Loeb Partners Corporation  
61 Broadway, New York, N.Y. 10006 (212) 483-7069  
(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

December 24, 2009  
(Date of Event which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

- Rule 13d-1(b)
- Rule 13d-1(c)
- Rule 13d-1(d)

\*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.

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CUSIP No.	90187B101
1. Name of Reporting Person	Loeb Arbitrage Management LP
I.R.S. Identification No. of Above Person	
2. Check the Appropriate Box if a Member of a Group	(a) <input checked="" type="checkbox"/> (b) <input type="checkbox"/>
3. SEC Use Only	
4. Citizenship or Place of Organization	Delaware
5. Sole Voting Power	-0-
Number of Shares Beneficially Owned by Each Reporting Person	6. Shared Voting Power 108,561
With	7. Sole Dispositive Power -0-
	8. Shared Dispositive Power 108,561
9. Aggregate Amount of Beneficially Owned by Each Reporting Person	108,561
10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares	<input type="checkbox"/>
11. Percent of Class Represented by Amount in Row (9)	0.74%
12. Type of Reporting Person	IA

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CUSIP No.	90187B101
1. Name of Reporting Person	Loeb Arbitrage Fund
I.R.S. Identification No. of Above Person	
2. Check the Appropriate Box if a Member of a Group	(a) <input checked="" type="checkbox"/> (b) <input type="checkbox"/>
3. SEC Use Only	
4. Citizenship or Place of Organization	New York
5. Sole Voting Power	881,460
Number of Shares Beneficially Owned by	6. Shared Voting Power -0-
Each Reporting Person	7. Sole Dispositive Power 881,460
With	8. Shared Dispositive Power -0-
9. Aggregate Amount of Beneficially Owned by Each Reporting Person	881,460
10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares	<input type="checkbox"/>
11. Percent of Class Represented by Amount in Row (9)	5.98%
12. Type of Reporting Person	PN

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CUSIP No.	90187B101
1. Name of Reporting Person	Loeb Offshore Fund Ltd.
I.R.S. Identification No. of Above Person	
2. Check the Appropriate Box if a Member of a Group	(a) <input checked="" type="checkbox"/> X (b) <input type="checkbox"/> o
3. SEC Use Only	
4. Citizenship or Place of Organization	Cayman Islands
5. Sole Voting Power	86,248
Number of Shares Beneficially Owned by Each Reporting Person	
6. Shared Voting Power	-0-
7. Sole Dispositive Power	86,248
8. Shared Dispositive Power	-0-
9. Aggregate Amount of Beneficially Owned by Each Reporting Person	86,248
10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares	<input type="checkbox"/> o
11. Percent of Class Represented by Amount in Row (9)	0.59 %
12. Type of Reporting Person	CO

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CUSIP No.	90187B101
1. Name of Reporting Person	Loeb Marathon Fund LP
I.R.S. Identification No. of Above Person	
2. Check the Appropriate Box if a Member of a Group	(a) <input checked="" type="checkbox"/> (b) <input type="checkbox"/>
3. SEC Use Only	
4. Citizenship or Place of Organization	Delaware
5. Sole Voting Power	191,359
Number of Shares Beneficially Owned by	6. Shared Voting Power -0-
Each Reporting Person	7. Sole Dispositive Power 191,359
With	8. Shared Dispositive Power -0-
9. Aggregate Amount of Beneficially Owned by Each Reporting Person	191,359
10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares	<input type="checkbox"/>
11. Percent of Class Represented by Amount in Row (9)	1.30%
12. Type of Reporting Person	PN

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CUSIP No.	90187B101
1. Name of Reporting Person	Loeb Marathon Offshore Fund, Ltd.
I.R.S. Identification No. of Above Person	
2. Check the Appropriate Box if a Member of a Group	(a) <input checked="" type="checkbox"/> (b) <input type="checkbox"/>
3. SEC Use Only	
4. Citizenship or Place of Organization	Cayman Islands
5. Sole Voting Power	94,609
Number of Shares Beneficially Owned by	6. Shared Voting Power -0-
Each Reporting Person	7. Sole Dispositive Power 94,609
With	8. Shared Dispositive Power -0-
9. Aggregate Amount of Beneficially Owned by Each Reporting Person	94,609
10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares	<input type="checkbox"/>
11. Percent of Class Represented by Amount in Row (9)	0.64%
12. Type of Reporting Person	CO

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CUSIP No.	90187B101
1. Name of Reporting Person	Loeb Asia Fund LP
I.R.S. Identification No. of Above Person	
2. Check the Appropriate Box if a Member of a Group	(a) <input checked="" type="checkbox"/> (b) <input type="checkbox"/>
3. SEC Use Only	
4. Citizenship or Place of Organization	Cayman Islands
5. Sole Voting Power	-0-
Number of Shares Beneficially Owned by	6. Shared Voting Power -0-
Each Reporting Person With	7. Sole Dispositive Power -0-
8. Shared Dispositive Power	-0-
9. Aggregate Amount of Beneficially Owned by Each Reporting Person	-0-
10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares	<input type="checkbox"/>
11. Percent of Class Represented by Amount in Row (9)	0%
12. Type of Reporting Person	PN

\* Percentage of ownership based on 13,379,209 shares outstanding as reported in Two Harbors Investment Corp. 10-Q dated December 11, 2009 and 1,362,237 Warrants reported herein.

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**Item 1(a).**            **Name of Issuer**

Two Harbors Investment Corp.

**Item 1(b).**            **Address of Issuer's Principal Executive Offices:**

601 Carlson Parkway, Suite 330

Minnetonka, MN 55305

**Item 2(a).**            **Name of Person(s) Filing**

Loeb Arbitrage Management LP ( LAM )

Loeb Arbitrage Fund ( LAF )

Loeb Offshore Fund Ltd. ( LOF )

Loeb Marathon Fund LP ( LMF )

Loeb Marathon Offshore Fund, Ltd. ( LMOF )

Loeb Asia Fund LP ( LA )

**Item 2(b).**            **Address of Principal Business Office**

All filing person(s) and associated investment advisors referenced herein are located at:

61 Broadway, 24<sup>th</sup> Floor

New York, NY 10006

**Item 2(c)**            **Citizenship or Place of Organization**

LAM is a limited partnership organized under the laws of the State of Delaware.

LAF is a limited partnership organized under the laws of the State of New York

LOF is a Cayman Islands exempted company.

LMF is a limited partnership organized under the laws of the State of Delaware.

LMOF is a Cayman Islands exempted company.

LA is a limited partnership organized under the laws of the State of Delaware.

**Item 2(d).**            **Title of Class of Securities**



Warrants

**Item 2(e).**

**CUSIP Number:**

90187B101

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**Item 3.**            **If this statement is filed pursuant to Rules 13d-1(b) or 13d-2(b) or (c), check whether the person is filing a:**

- (a) o A broker or dealer under Section 15 of the 1934 Act
- (b) o A bank as defined in Section 3(a)(6) of the 1934 Act
- (c) o An insurance company as defined in Section 3(a) (19) of the 1934 Act
- (d) o An investment company registered under Section 8 of the Investment Company Act of 1940
- (e) o An investment advisor in accordance with Rule 13d-1(b)(1)(ii)(E)
- (f) o An employee benefit plan or endowment fund in accordance with Rule 13d-1(b)(1)(ii)(F)
- (g) o A parent holding company or control person in accordance with Rule 13d-1(b)(1)(ii)(G)
- (h) o A savings association as defined in Section 3(b) of the Federal Deposit Insurance Act
- (i) o A church plan that is excluded from the definition of Investment Company under Section 3(c)(14) of the Investment Company Act of 1940
- (j) o A group, in accordance with Rule 13d-1(b)(1)(ii)(J)

**Item 4.**            **Ownership**

**(a)**            **Amount Beneficially Owned:**

See Item 9 of cover pages.

**(b)**            **Percent of Class:**

See Item 11 of cover pages.

**(c)**            **Number of shares as to which the person has:**

- (i)    sole power to vote or to direct the vote
- (ii)   shared power to vote or to direct the vote
- (iii)   sole power to dispose or to direct the disposition
- (iv)   shared power to dispose or to direct the disposition

See Items 5-8 of cover pages.

**Item 5.**            **Ownership of Five Percent or Less of a Class**

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following o.

**Item 6. Ownership of More than Five Percent on Behalf of Another Person**

Not Applicable.

**Item 7. Identification and Classification of the Subsidiary which Acquired the Security being Reported on by the Parent Holding Company or Control Person**

Not Applicable.

**Item 8. Identification and Classification of Members of the Group**

LAM is a registered investment adviser. LAM may invest on behalf of itself and clients for which it has investment discretion.

LAF's general partner is LAM.

LOF's registered investment advisor is Loeb Offshore Management LP ( LOM ), a Delaware limited partnership.

LMF's investment advisor is LAM.

LMOF's investment advisor is LOM.

LA's general partner is LAM.

**Item 9. Notice of Dissolution of Group**

Not applicable.

**Item 10. Certification**

Not applicable.

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**Signature**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

**LOEB ARBITRAGE MANAGEMENT LP**

Date: December 28, 2009

By: /s/ Alexander H. McMillan  
Alexander H. McMillan  
Vice President

**LOEB ARBITRAGE FUND  
By: LOEB ARBITRAGE MANAGEMENT LP, G.P.**

Date: December 28, 2009

By: /s/ Alexander H. McMillan  
Alexander H. McMillan  
Vice President

**LOEB OFFSHORE FUND LTD.**

Date: December 28, 2009

By: /s/ Alexander H. McMillan  
Alexander H. McMillan  
Vice President

**LOEB MARATHON FUND LP  
By: LOEB ARBITRAGE MANAGEMENT LP, G.P.**

Date: December 28, 2009

By: /s/ Alexander H. McMillan  
Alexander H. McMillan  
Vice President

**LOEB MARATHON OFFSHORE FUND, LTD.**

Date: December 28, 2009

By: /s/ Alexander H. McMillan  
Alexander H. McMillan  
Vice President

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**LOEB ASIA FUND LP**  
**By: LOEB ARBITRAGE MANAGEMENT LP, G.P.**

Date: December 28, 2009

By: /s/ Alexander H. McMillan  
Alexander H. McMillan  
Vice President