

WHITEBOX ADVISORS LLC

Form 4

December 10, 2010

**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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2005  
Estimated average  
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response... 0.5

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
**WHITEBOX ADVISORS LLC**

2. Issuer Name **and** Ticker or Trading  
Symbol  
**Two Harbors Investment Corp.**  
**[TWO]**

5. Relationship of Reporting Person(s) to  
Issuer

(Check all applicable)

(Last) (First) (Middle)  
**3033 EXCELSIOR BOULEVARD,**  
**SUITE 300**

3. Date of Earliest Transaction  
(Month/Day/Year)  
**09/17/2010**

\_\_\_\_ Director \_\_\_\_X\_\_\_\_ 10% Owner  
\_\_\_\_ Officer (give title below) \_\_\_\_X\_\_\_\_ Other (specify below)

See Remarks below

(Street)  
**MINNEAPOLIS, MN 55416**

4. If Amendment, Date Original  
Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check  
Applicable Line)  
\_\_\_\_ Form filed by One Reporting Person  
\_\_\_\_X\_\_\_\_ Form filed by More than One Reporting  
Person

(City) (State) (Zip)

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1. Title of<br>Security<br>(Instr. 3) | 2. Transaction Date<br>(Month/Day/Year) | 2A. Deemed<br>Execution Date, if<br>any<br>(Month/Day/Year) | 3.<br>Transaction<br>Code<br>(Instr. 8) | 4. Securities Acquired<br>(A) or Disposed of (D)<br>(Instr. 3, 4 and 5) | 5. Amount of<br>Securities<br>Beneficially<br>Owned<br>Following<br>Reported<br>Transaction(s)<br>(Instr. 3 and 4) | 6. Ownership<br>Form: Direct<br>(D) or<br>Indirect (I)<br>(Instr. 4) | 7. Nature of<br>Indirect<br>Beneficial<br>Ownership<br>(Instr. 4) |
|---------------------------------------|-----------------------------------------|-------------------------------------------------------------|-----------------------------------------|-------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|-------------------------------------------------------------------|
|                                       |                                         |                                                             | Code                                    | V                                                                       | Amount                                                                                                             | (A)<br>or<br>(D)                                                     | Price                                                             |
| Common<br>Stock <sup>(1)</sup>        | 12/09/2010                              |                                                             | S                                       |                                                                         | 24,548                                                                                                             | D                                                                    | \$<br>10.2                                                        |
|                                       |                                         |                                                             |                                         |                                                                         | 1,677,385                                                                                                          | I <sup>(2)</sup>                                                     |                                                                   |
|                                       |                                         |                                                             |                                         |                                                                         |                                                                                                                    |                                                                      | See<br>Footnote<br><sup>(3)</sup>                                 |

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

**Persons who respond to the collection of  
information contained in this form are not  
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SEC 1474  
(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned  
(e.g., puts, calls, warrants, options, convertible securities)**

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| 1. Title of<br>Derivative<br>Security<br>(Instr. 3) | 2. Conversion<br>or Exercise<br>Price of<br>Derivative<br>Security | 3. Transaction Date<br>(Month/Day/Year) | 3A. Deemed<br>Execution Date, if<br>any<br>(Month/Day/Year) | 4. Transaction<br>Code<br>(Instr. 8) | 5. Number<br>of<br>Derivative<br>Securities<br>Acquired<br>(A) or<br>Disposed<br>of (D)<br>(Instr. 3,<br>4, and 5) | 6. Date Exercisable and<br>Expiration Date<br>(Month/Day/Year) | 7. Title and<br>Amount of<br>Underlying<br>Securities<br>(Instr. 3 and 4) | 8. Price of<br>Derivative<br>Security<br>(Instr. 5) | 9. Nu<br>Deriv<br>Secur<br>Bene<br>Own<br>Follo<br>Repor<br>Trans<br>(Instr |
|-----------------------------------------------------|--------------------------------------------------------------------|-----------------------------------------|-------------------------------------------------------------|--------------------------------------|--------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|---------------------------------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------------------------------|
|                                                     |                                                                    |                                         |                                                             | Code                                 | V (A) (D)                                                                                                          | Date<br>Exercisable                                            | Expiration<br>Date                                                        | Title                                               | Amount<br>or<br>Number<br>of<br>Shares                                      |

## Reporting Owners

| Reporting Owner Name / Address                                                                      | Relationships |           |         |                      |
|-----------------------------------------------------------------------------------------------------|---------------|-----------|---------|----------------------|
|                                                                                                     | Director      | 10% Owner | Officer | Other                |
| WHITEBOX ADVISORS LLC<br>3033 EXCELSIOR BOULEVARD, SUITE 300<br>MINNEAPOLIS, MN 55416               |               | X         |         | See Remarks<br>below |
| Whitebox Multi-Strategy Partners LP<br>3033 EXCELSIOR BOULEVARD, SUITE 300<br>MINNEAPOLIS, MN 55416 |               | X         |         | See Remarks<br>Below |
| WHITEBOX ASYMMETRIC PARTNERS LP<br>3033 EXCELSIOR BOULEVARD, SUITE 300<br>MINNEAPOLIS, MN 55416     |               | X         |         | See Remarks<br>Below |
| Pandora Select Partners, L.P.<br>3033 EXCELSIOR BOULEVARD, SUITE 300<br>MINNEAPOLIS, MN 55416       |               | X         |         | See Remarks<br>Below |

## Signatures

/s/ Jonathan D. Wood, Chief Operating Officer, on behalf of Whitebox Advisors, LLC 12/10/2010

\_\_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 acquired are held directly by Whitebox Multi-Strategy Partners, L.P. ("WMSP"), Whitebox Asymmetric Partners, L.P. ("WAP") and Pandora Select Partners, L.P. ("PSP").
- (2) The general partner of WMSP is Whitebox Multi-Strategy Advisors, LLC ("WMSA"), WAP is Whitebox Asymmetric Advisors, LLC ("WAA"), and PSP is Pandora Select Advisors, LLC ("PSA"). The managing member and controlling owner of WMSA, WAA, and PSA is Whitebox Advisors, LLC ("WA").
- (3) Shares attributable to interests held by WA as Managing Member of WMSA, WAA, and PSA, which act as General Partners to WMSP, WAP, and PSP which directly hold the shares.

**Remarks:**

Based on the relationships described in notes (1) and (2), the entities referenced therein may be deemed to constitute a group for

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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