

WHITEBOX ADVISORS LLC  
 Form 4  
 December 17, 2010

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

OMB APPROVAL

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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

(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  
 \_\_\_\_ Officer (give title below)  
 \_\_\_X\_\_\_ 10% Owner  
 \_\_\_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 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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|--|
| Common Stock <sup>(1)</sup>     | 12/16/2010                           |  | S                              | 100,000 D   | \$ 9.717 1,559,999  | I <sup>(2)</sup>   | See Footnote <sup>(3)</sup>                |

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

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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 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) | 8. Price of Derivative Security (Instr. 5) | 9. Nu Deriv Secur Bene Own Follo Repo Trans (Instr |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|--|
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|--|

## Reporting Owners

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

## Signatures

/s/ Jonathan D. Wood, Chief Operating Officer, on behalf of Whitebox Advisors, LLC 12/17/2010

\_\_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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