

Two Harbors Investment Corp.  
Form SC 13G  
February 16, 2010

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

SCHEDULE 13G

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

**TWO HARBORS  
INVESTMENT CORP.**

(Name of Issuer)

Common Stock, par value \$0.0001 per share  
(Title of Class of Securities)

90187B101  
(CUSIP Number)

December 31, 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:

<input checked="" type="checkbox"/>	Rule 13d-1(b)
<input type="checkbox"/>	Rule 13d-1(c)
<input type="checkbox"/>	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 the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

Continued on following pages  
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Exhibit Index: Page 12

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## SCHEDULE 13G

CUSIP NO. : 90187B101

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- 1 NAME OF REPORTING PERSON:  
TACONIC CAPITAL ADVISORS L.P.
- I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITIES ONLY)  
20-5826144
- 2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP
- (a)
- (b)
- 3 SEC USE ONLY
- 4 CITIZENSHIP OR PLACE OF ORGANIZATION
- Delaware
- 5  SOLE VOTING POWER
- None
- NUMBER OF 6  SHARED VOTING POWER  
SHARES
- BENEFICIALLY 1,323,240 (1)
- OWNED BY 7  SOLE DISPOSITIVE POWER  
EACH
- REPORTING None
- PERSON WITH 8  SHARED DISPOSITIVE POWER
- 1,323,240 (1)
- 9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
- 1,323,240 (1)
- 10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN  
SHARES (SEE INSTRUCTIONS)
- 
- 11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)
- 9.8% based on 13,502,449 shares outstanding as of December 11, 2009. (2)
- 12 TYPE OF REPORTING PERSON
- IA

(1) This amount consists of 1,200,000 Shares of the Issuer's Common Stock and 123,240 Shares that the Reporting Person may be deemed to beneficially own upon exercise of warrants as per Rule 13d-3(d)(1)(i). Reporting Persons have added 123,240 Shares to the number of Shares outstanding based upon an amount of Shares that the Reporting Persons are entitled to obtain upon the exercise of warrants as per Rule 13d-3(d)(1)(i). The Reporting Persons hold warrants, which by their terms are exercisable immediately at the option of the holder, but these warrants are subject to "ownership blocker" provisions prohibiting the holder from exercising the warrants to the extent that such exercise

would result in the holder being deemed the beneficial owner of more than 9.8% of the Shares then issued and outstanding. See Item 4(a).

(2) This amount consists of 13,379,209 Shares outstanding, as per the Issuer's most recently filed Form 10-Q, and 123,240 Shares added to the Shares outstanding based upon an amount of Shares that the Reporting Persons are entitled to obtain upon the exercise of warrants as per Rule 13d-3(d)(1)(i). See Item 4(b).

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SCHEDULE 13G

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1 NAME OF REPORTING PERSON:  
TACONIC CAPITAL ADVISORS UK LLP

I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITIES ONLY)  
20-5366362

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a)

(b)

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

England and Wales

5 SOLE VOTING POWER

None

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

6 SHARED VOTING POWER

1,323,240 (1)

7 SOLE DISPOSITIVE POWER

None

8 SHARED DISPOSITIVE POWER

1,323,240 (1)

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,323,240 (1)

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

9.8% based on 13,502,449 shares outstanding as of December 11, 2009. (2)

12 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

IA

(1) This amount consists of 1,200,000 Shares of the Issuer's Common Stock and 123,240 Shares that the Reporting Person may be deemed to beneficially own upon exercise of warrants as per Rule 13d-3(d)(1)(i). Reporting Persons have added 123,240 Shares to the number of Shares outstanding based upon an amount of Shares that the Reporting Persons are entitled to obtain upon the exercise of warrants as per Rule 13d-3(d)(1)(i). The Reporting Persons hold warrants, which by their terms are exercisable immediately at the option of the holder, but these warrants are subject to "ownership blocker" provisions prohibiting the holder from exercising the warrants to the extent that such exercise

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SCHEDULE 13G

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1 NAME OF REPORTING PERSON:  
TACONIC ASSOCIATES LLC

I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITIES ONLY)  
20-0870712

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a)

(b)

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

5  SOLE VOTING POWER

None

NUMBER OF SHARES

6  SHARED VOTING POWER

BENEFICIALLY OWNED BY EACH

1,323,240 (1)

REPORTING PERSON WITH

7  SOLE DISPOSITIVE POWER

None

8  SHARED DISPOSITIVE POWER

1,323,240 (1)

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,323,240 (1)

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (See Instructions)

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

9.8% based on 13,502,449 shares outstanding as of December 11, 2009. (2)

12 TYPE OF REPORTING PERSON

OO

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SCHEDULE 13G

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1 NAME OF REPORTING PERSON  
KENNETH D. BRODY  
I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITIES ONLY)

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a)

(b)

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

United States of America

5 SOLE VOTING POWER

NUMBER OF  
SHARES

None

BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

6 SHARED VOTING POWER