
**UNITED STATES
SECURITIES & 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
(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)

October 29, 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.

CUSIP No.

90187B101

1. Name of Reporting Person

Loeb Arbitrage Management,
LLC

I.R.S. Identification No. of Above Person

2. Check the Appropriate Box if a Member of a Group

(a)

(b)

3. SEC Use Only

4. Citizenship or Place of Organization

Delaware

Number of Shares 5. Sole Voting Power

-0-

Beneficially Owned

by Each Reporting

Person With

6. Shared Voting Power

228,417

7. Sole Dispositive Power

-0-

8. Shared Dispositive Power

228,417

9. Aggregate Amount of Beneficially Owned by Each Reporting Person

228,417

10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares

11. Percent of Class Represented by Amount in Row (9)

1.45%

12. Type of Reporting Person

IA

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)
(b)

3. SEC Use Only

4. Citizenship or Place of Organization

New York

Number of Shares 5. Sole Voting Power

1,503,402

Beneficially Owned
by Each Reporting 6. Shared Voting Power

-0-

Person With 7. Sole Dispositive Power

1,503,402

8. Shared Dispositive Power

-0-

9. Aggregate Amount of Beneficially Owned by Each Reporting Person

1,503,402

10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares

11. Percent of Class Represented by Amount in Row (9)

9.52%

12. Type of Reporting Person

PN

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)

(b)

3. SEC Use Only

4. Citizenship or Place of Organization

Cayman Islands

Number of Shares 5. Sole Voting Power

148,662

Beneficially Owned

by Each Reporting

Person With

6. Shared Voting Power

-0-

7. Sole Dispositive Power

148,662

8. Shared Dispositive Power

-0-

9. Aggregate Amount of Beneficially Owned by Each Reporting Person

148,662

10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares

11. Percent of Class Represented by Amount in Row (9)

0.94%

12. Type of Reporting Person

CO

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)
(b)

3. SEC Use Only

4. Citizenship or Place of Organization

Delaware

Number of Shares
Beneficially Owned
by Each Reporting
Person With

5. Sole Voting Power

329,843

6. Shared Voting Power

-0-

7. Sole Dispositive Power

329,843

8. Shared Dispositive Power

-0-

9. Aggregate Amount of Beneficially Owned by Each Reporting Person

329,843

10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares

11. Percent of Class Represented by Amount in Row (9)

2.09%

12. Type of Reporting Person

PN

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)
(b)

3. SEC Use Only

4. Citizenship or Place of Organization

Cayman Islands

Number of Shares	5. Sole Voting Power	163,076
Beneficially Owned	6. Shared Voting Power	-0-
by Each Reporting	7. Sole Dispositive Power	163,076
Person With	8. Shared Dispositive Power	-0-

9. Aggregate Amount of Beneficially Owned by Each Reporting Person 163,076

10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares

11. Percent of Class Represented by Amount in Row (9) 1.03%

12. Type of Reporting Person CO

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)
(b)

3. SEC Use Only

4. Citizenship or Place of Organization

Cayman Islands

Number of Shares	5. Sole Voting Power	23,400
Beneficially Owned	6. Shared Voting Power	-0-
by Each Reporting	7. Sole Dispositive Power	23,400
Person With	8. Shared Dispositive Power	-0-

9. Aggregate Amount of Beneficially Owned by Each Reporting Person 23,400

10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares

11. Percent of Class Represented by Amount in Row (9) 0.15%

12. Type of Reporting Person PN

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, LLC ("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, 24th Floor
New York, NY 10006

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

LAM is a limited liability company 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

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

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, LLC ("LOM"), a Delaware limited liability company.

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.

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, LLC

Date: November 9, 2009

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

LOEB ARBITRAGE FUND

By: LOEB ARBITRAGE MANAGEMENT, LLC, G.P.

Date: November 9, 2009

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

LOEB OFFSHORE FUND LTD.

Date: November 9, 2009

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

LOEB MARATHON FUND LP

By: LOEB ARBITRAGE MANAGEMENT, LLC, G.P.

Date: November 9, 2009

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

LOEB MARATHON OFFSHORE FUND, LTD.

Date: November 9, 2009

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

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

Date: November 9, 2009

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