

# FORM 4

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

| OMB APPROVAL                                   |           |
|--|-----------|
| OMB Number:                                    | 3235-0287 |
| Estimated average burden hours per response... | 0.5       |

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 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

|  |  |  |  |   |  |
|--|--|--|--|---|--|
| 1. Name and Address of Reporting Person *<br><b>TAYLOR BRIAN</b> |  | 2. Issuer Name and Ticker or Trading Symbol<br><b>Two Harbors Investment Corp. [TWO]</b> |  | 5. Relationship of Reporting Person(s) to Issuer<br>(Check all applicable)<br><input checked="" type="checkbox"/> Director <input type="checkbox"/> 10% Owner<br><input type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below) |  |
| (Last) (First) (Middle)<br><b>601 CARLSON PARKWAY, SUITE 330</b> |  | 3. Date of Earliest Transaction (Month/Day/Year)<br><b>10/28/2009</b>                    |  |   |  |
| (Street)<br><b>MINNETONKA, MN 55305</b>                          |  | 4. If Amendment, Date Original Filed(Month/Day/Year)                                     |  | 6. Individual or Joint/Group Filing(Check Applicable Line)<br><input type="checkbox"/> Form filed by One Reporting Person<br><input checked="" type="checkbox"/> Form filed by More than One Reporting Person   |  |
| (City) (State) (Zip)   |  | <b>Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned</b>  |  |   |  |

| 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 Beneficial Ownership (Instr. 4) |
|--|--------------------------------------|--|--------------------------------|-----|---|------------|-------------|---|--|---|
|  |                                      |  | Code                           | V   | Amount  | (A) or (D) | Price       |   |  |   |
| Common Stock, par value \$0.01 per share | 10/28/2009                           |  | C                              | (1) | 723,176   | D          | \$ 9.87 (1) | 0   | I  | See Footnote (2).                                     |

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

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

| 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. Number of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4) | 10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) |                   |
|--|--|--------------------------------------|--|--------------------------------|-----|---|---------|--|-----------------|---|--|--|--|--|-------------------|
|  |  |                                      |  | Code                           | V   | (A)   | (D)     | Date Exercisable   | Expiration Date |   |  |  |  |  | Title             |
| Forward sale contract (obligation to sell) | \$ 9.87 (1)  | 10/28/2009                           |  | C                              | (1) |   | 723,176 | 10/28/2009   | 10/28/2009      | Common Stock, par value \$0.01 per share                      | 723,176                                    | \$ 0   | 0  | I  | See Footnote (2). |

## Reporting Owners

| Reporting Owner Name / Address  | Relationships |           |         |       |
|---|---------------|-----------|---------|-------|
|   | Director      | 10% Owner | Officer | Other |
| TAYLOR BRIAN<br>601 CARLSON PARKWAY<br>SUITE 330<br>MINNETONKA, MN 55305                        | X             | X         |         |       |
| Pine River Capital Management LLC<br>601 CARLSON PARKWAY<br>SUITE 330<br>MINNETONKA, MN 55305   |               | X         |         |       |
| Pine River Capital Management L.P.<br>601 CARLSON PARKWAY<br>SUITE 330<br>MINNETONKA, MN 55305  |               | X         |         |       |
| Niswaa Acquisition Master Fund Ltd.<br>601 CARLSON PARKWAY<br>SUITE 330<br>MINNETONKA, MN 55305 |               | X         |         |       |

# Signatures

|  |                     |
|--|---------------------|
| /s/ Brian Taylor   | 10/30/2009          |
| <small>Signature of Reporting Person</small>   | <small>Date</small> |
| /s/ Brian Taylor, Sole Member, on behalf of Pine River Capital Management LLC              | 10/30/2009          |
| <small>Signature of Reporting Person</small>   | <small>Date</small> |
| /s/ Brian Taylor, Chief Executive Officer, on behalf of Pine River Capital Management L.P. | 10/30/2009          |
| <small>Signature of Reporting Person</small>   | <small>Date</small> |
| /s/ Brian Taylor, Director, on behalf of Nisswa Acquisition Master Fund Ltd.               | 10/30/2009          |
| <small>Signature of Reporting Person</small>   | <small>Date</small> |

## 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).

On October 26, 2009, the Nisswa Acquisition Master Fund Ltd (the "Fund") entered into a forward sale contract with Capitol Acquisition Corp. ("Capitol"), pursuant to which the Fund was obligated to deliver to Capitol 723,176 shares of Common Stock in exchange for a cash payment of \$7,137,747 (\$9.87 per share). The closing of the purchase and sale of the shares was set to occur (1) on the date on which Capitol's trust account would be liquidated after the merger between Capitol and Two Harbors Merger Corp., a wholly owned subsidiary of the issuer, would be consummated. Capitol was obligated to use commercially reasonable efforts to cause the trust account to be liquidated on the date of the consummation of the merger, and in no event shall such liquidation occur more than one business day after the date of the consummation of the merger. On October 28, 2009, the Fund settled the forward sale contract in accordance with the terms specified therein.

The securities are owned directly by the Fund, of which Pine River Capital Management L.P (the "Partnership") is the Investment Manager. Mr. Taylor is the sole member of Pine River Capital Management LLC (the "LLC"), an entity which is the general partner of the Partnership. Mr. Taylor, the Partnership and the LLC disclaim beneficial ownership of any of the securities owned by the (2) Fund other than to the extent of his or its pecuniary interest therein, and this report shall not be deemed an admission that Mr. Taylor, the Partnership or the LLC is the beneficial owner of such securities for purposes of Section 16 or for any other purpose.

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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