

Two Harbors Investment Corp.
Form 10-Q
December 11, 2009

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

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended: September 30, 2009

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Transition Period from _____ to _____

Commission File Number 001-34506

TWO HARBORS INVESTMENT CORP.
(Exact Name of Registrant as Specified in Its Charter)

Maryland
(State or Other Jurisdiction
of
Incorporation or
Organization)

27-0312904
(I.R.S. Employer
Identification No.)

601 Carlson Parkway, Suite 330
Minnetonka, Minnesota
(Address of Principal Executive
Offices)

55305
(Zip Code)

(612) 238-3300
(Registrant's Telephone Number, Including Area Code)

not applicable
(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was

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required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non accelerated filer or smaller reporting company. See definition of “large accelerated filer,” “accelerated filer,” and “smaller reporting company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer’s classes of common stock, as of the latest practicable date.

As of December 11, 2009 there were 13,379,209 shares of registered common stock, par value \$.0001 per share, issued and outstanding.

TWO HARBORS INVESTMENT CORP.
(a development stage company)

2009 FORM 10-Q REPORT

TABLE OF CONTENTS

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements	3
Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations	15
Item 3. Quantitative and Qualitative Disclosures about Market Risk	25
Item 4. Controls and Procedures	27

PART II – OTHER INFORMATION

Item 1. Legal Proceedings	28
Item 1A. Risk Factors	28
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	54
Item 3. Defaults Upon Senior Securities	55
Item 4. Submission of Matters to a Vote of Security Holders	55
Item 5. Other Information	55
Item 6. Exhibits	55

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

TWO HARBORS INVESTMENT CORP.
(a development stage company)
CONDENSED CONSOLIDATED BALANCE SHEETS

	September 30, 2009 (Unaudited)	December 31, 2008
ASSETS		
Current assets		
Cash	\$ 1,253,979	\$ 2,778,143
Cash held in Trust Account, interest and dividend income available for taxes	21,755	134,385
Other current assets	34,877	50,290
Total current assets	1,310,611	2,962,818
Cash held in Trust Account, restricted	259,027,351	259,084,043
Prepaid income taxes	414,537	48,269
Total Assets	\$ 260,752,499	\$ 262,095,130
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities		
Current liabilities		
Accounts payable and accrued expenses	\$ 1,173,743	\$ 193,555
Total current liabilities	1,173,743	193,555
Common stock, subject to possible conversion, 7,874,699 shares at conversion value	77,832,556	77,739,684
Stockholders' Equity		
Registered Preferred Stock of Capitol Acquisition Corp., par value \$0.0001 per share, 1,000,000 authorized; none issued and outstanding	-	-
Registered Common Stock of Capitol Acquisition Corp., par value \$0.0001 per share, 75,000,000 shares authorized; 32,811,257 issued and outstanding (less 7,874,699 subject to possible conversion)	2,494	2,494
Privately issued common stock, \$0.01 par, 1,000 shares authorized, issued, and outstanding to Pine River Capital Management	10	-
Additional paid-in capital	181,058,409	181,150,291
Cumulative earnings	685,287	3,009,106
Total stockholders' equity	181,746,200	184,161,891
Total Liabilities and Stockholders' Equity	\$ 260,752,499	\$ 262,095,130

The accompanying notes are an integral part of these consolidated financial statements.

TWO HARBORS INVESTMENT CORP.
(a development stage company)
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	Three Months Ended		Nine Months Ended		For the period from June 26, 2007*through September 30, 2009
	September 30,		September 30,		
	2009	2008	2009	2008	
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
General and administrative expenses	1,040,300	225,564	2,746,409	776,333	3,947,014
Loss from operations	(1,040,300)	(225,564)	(2,746,409)	(776,333)	(3,947,014)