

Armour Residential REIT, Inc.
Form SC 13G/A
February 14, 2011

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13G/A*
(Rule 13d-102)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT
TO RULES 13d-1(b), (c) AND (d) AND AMENDMENTS THERETO FILED
PURSUANT TO 13d-2 UNDER THE SECURITIES
EXCHANGE ACT OF 1934

(Amendment No. 2)*

ARMOUR Residential REIT, Inc.
(Name of Issuer)

Common Stock, \$0.0001 Par Value
(Title of Class of Securities)

42315119
(CUSIP Number)

December 31, 2010
(Date of event which requires filing of this statement)

Check the appropriate box to designate the rule pursuant to which this Schedule 13G is filed:

Rule 13d-1(b)
 Rule 13d-1(c)
 Rule 13d-1(d)

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*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).

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1 NAMES OF REPORTING PERSONS
 I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY)
 Polar Securities Inc.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP** (a) x
 (b) "

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION
 Canada

| | | |
|---|--------------|--------------------------|
| 5 | NUMBER OF | SOLE VOTING POWER |
| | SHARES | 0 |
| 6 | BENEFICIALLY | SHARED VOTING POWER |
| | OWNED BY | 305,800 |
| 7 | EACH | SOLE DISPOSITIVE POWER |
| | REPORTING | 0 |
| 8 | PERSON WITH | SHARED DISPOSITIVE POWER |
| | | 305,800 |

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
 305,800

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES " "

11 CERTAIN SHARES**

12 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)
 1.2%

13 TYPE OF REPORTING PERSON**
 IA

** SEE INSTRUCTIONS BEFORE FILLING OUT!

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1 NAMES OF REPORTING PERSONS
 I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY)
 North Pole Capital Master Fund

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP** (a) x
 (b) "

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION
 Cayman Islands

| | | |
|--------------|---|--------------------------|
| NUMBER OF | 5 | SOLE VOTING POWER |
| SHARES | | 0 |
| BENEFICIALLY | 6 | SHARED VOTING POWER |
| OWNED BY | | 305,800 |
| EACH | 7 | SOLE DISPOSITIVE POWER |
| REPORTING | | 0 |
| PERSON WITH | 8 | SHARED DISPOSITIVE POWER |
| | | 305,800 |

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
 305,800

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

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)
 1.2%

12 TYPE OF REPORTING PERSON**
 CO

** SEE INSTRUCTIONS BEFORE FILLING OUT!

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Item 1 (a). NAME OF ISSUER.

ARMOUR Residential REIT, Inc. (the "Company").

Item 1(b). ADDRESS OF ISSUER'S PRINCIPAL EXECUTIVE OFFICES:

3001 Ocean Drive, Suite 201
Vero Beach, FL 32963

ITEMS 2(a), NAME OF PERSON FILING, ADDRESS OF PRINCIPAL BUSINESS
2(b) and OFFICE AND CITIZENSHIP:
2(c).

This statement is filed by the entities and persons listed below, all of whom together are referred to herein as the "Reporting Persons":

- (i) North Pole Capital Master Fund ("North Pole"), a Cayman Islands exempted company, with respect to the Shares (defined in item 2(d) below) reported in this Schedule 13G/A directly owned by it.
- (ii) Polar Securities Inc. ("Polar Securities"), a company incorporated under the laws on Ontario, Canada, with respect to the Shares reported in this Schedule 13G/A directly owned by North Pole and certain discretionary accounts managed by Polar Securities.

The citizenship of each of the Reporting Persons is set forth above.

The address of the principal business office of each of the Reporting Persons is 372 Bay Street, 21st floor, Toronto, Ontario M5H 2W9, Canada.

Item 2(d). TITLE OF CLASS OF SECURITIES:

Common Stock \$0.0001 Par Value (the "Shares")

Item 2(e). CUSIP NUMBER:

42315119

Item 3. IF THIS STATEMENT IS FILED PURSUANT TO RULES 13d-1(b) OR 13d-2(b) OR (c), CHECK WHETHER THE PERSON FILING IS A:

- (a) .. Broker or dealer registered under Section 15 of the Act,
- (b) .. Bank as defined in Section 3(a)(6) of the Act,
- (c) .. Insurance Company as defined in Section 3(a)(19) of the Act,
- (d) .. Investment Company registered under Section 8 of the Investment Company Act of 1940,
- (e) .. Investment Adviser registered under Section 203 of the Investment Advisers Act of 1940: see Rule 13d-1(b)(1)(ii)(E);
- (f) .. Employee Benefit Plan, Pension Fund which is subject to the provisions of the Employee Retirement Income Security Act of 1974 or Endowment Fund; see Rule 13d-1(b)(1)(ii)(F);
- (g) .. Parent Holding Company, in accordance with Rule 13d-1(b)(ii)(G);
- (h) .. Savings Association as defined in Section 3(b) of the Federal Deposit Insurance Act,
- (i) .. Church Plan that is excluded from the definition of an investment company under Section 3(c)(14) of the Investment Company Act of 1940,
- (j) .. Group, in accordance with Rule 13d-1(b)(1)(ii)(J).

IF THIS STATEMENT IS FILED PURSUANT TO Rule 13d-1(c), CHECK THIS BOX. [X]

Item 4. OWNERSHIP.

Polar Securities Inc. serves as the investment manager to North Pole and a number of discretionary accounts with respect to which it has voting and dispositive authority over the Shares reported in this Schedule 13G/A.

Each of the Reporting Persons hereby disclaims any beneficial ownership of any such Shares.

A. Polar Securities

- (a) Amount beneficially owned: 305,800
- (b) Percent of class: 1.2%. The percentages used herein and in the rest of Item 4 are calculated based upon: (i) the 24,840,000 shares of Common Stock issued and outstanding on February 8, 2011 as reflected in the Form 8-Ks filed by the Company on November 9, 2010, December 22, 2010, January 26, 2011 and February 8, 2011, and (ii) 305,800 shares of Common Stock deemed to be outstanding pursuant to Rule 13d-3(d)(1)(i) because such shares may be obtained and beneficially owned upon exercise or conversion within 60 days of derivative securities currently owned by the Reporting Persons. Pursuant to Rule 13d-3(d)(1)(i) the number of issued and outstanding shares of Common Stock assumes that each other warrant holder of the Company does not exercise or convert herein within 60 days.
- (c) Number of shares as to which such person has:
 - (i) Sole power to vote or direct the vote: 0
 - (ii) Shared power to vote or direct the vote: 305,800
 - (iii) Sole power to dispose or direct the disposition: 0
 - (iv) Shared power to dispose or direct the disposition of: 305,800

B. North Pole

- (a) Amount beneficially owned: 305,800
- (b) Percent of class: 1.2%
- (c) Number of shares as to which such person has:
 - (i) Sole power to vote or direct the vote: 0
 - (ii) Shared power to vote or direct the vote: 305,800
 - (iii) Sole power to dispose or direct the disposition: 0
 - (iv) Shared power to dispose or direct the disposition: 305,800

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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 Persons have ceased to be the beneficial owners of more than five percent of the class of securities, check the following [X].

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.

Not applicable.

Item 8. IDENTIFICATION AND CLASSIFICATION OF MEMBERS OF THE GROUP.

See Item 4.

Item 9. NOTICE OF DISSOLUTION OF GROUP.

Not applicable.

Item 10. CERTIFICATION (if filing pursuant to Rule 13d-1(c))

Each of the Reporting Persons hereby makes the following certification:

By signing below each Reporting Person certifies that, to the best of its knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and not held in connection with or as a participant in any transaction having that purpose or effect.

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SIGNATURES

After reasonable inquiry and to the best of our knowledge and belief, the undersigned certify that the information set forth in this statement is true, complete and correct.

DATED: February 14, 2011

Polar Securities Inc.

/s/ Paul Sabourin
Paul Sabourin
Chief Investment Officer

North Pole Capital Master Fund
By: Polar Securities Inc.

/s/ Paul Sabourin
Paul Sabourin
Chief Investment Officer

EXHIBIT 1

JOINT ACQUISITION STATEMENT

PURSUANT TO RULE 13d-1(k)

The undersigned acknowledge and agree that the foregoing statement on Schedule 13G/A, is filed on behalf of each of the undersigned and that all subsequent amendments to this statement on Schedule 13G/A, shall be filed on behalf of each of the undersigned without the necessity of filing additional joint acquisition statements. The undersigned acknowledge that each shall be responsible for the timely filing of such amendments, and for the completeness and accuracy of the information concerning him or it contained therein, but shall not be responsible for the completeness and accuracy of the information concerning the others, except to the extent that he or it knows or has reason to believe that such information is inaccurate.

DATED: February 14, 2011

Polar Securities Inc.

/s/ Paul Sabourin
Paul Sabourin
Chief Investment Officer

North Pole Capital Master Fund
By: Polar Securities Inc.

/s/ Paul Sabourin
Paul Sabourin
Chief Investment Officer