

Armour Residential REIT, Inc.
Form SC 13G/A
January 25, 2011

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

SCHEDULE 13G

UNDER THE SECURITIES EXCHANGE ACT OF 1934
(Amendment No. 1)

Armour
Residential
REIT, Inc.
Name of
Issuer

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

042315101
(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 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 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 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).

1 NAMES OF REPORTING PERSONS:

Marblegate Special Opportunities Master Fund, L.P.

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

5 SOLE VOTING POWER

0

NUMBER OF
SHARES 6 SHARED VOTING POWER

BENEFICIALLY
OWNED 463,150

BY EACH 7 SOLE DISPOSITIVE POWER

REPORTING
PERSON WITH 0

8 SHARED DISPOSITIVE POWER

463,150

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:

463,150

10 CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN
SHARES: 0

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

3.7%

12 TYPE OF REPORTING PERSON:

PN

1 NAMES OF REPORTING PERSONS:

Marblegate Asset Management, LLC

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

0

NUMBER OF
SHARES 6 SHARED VOTING POWER

463,150

BENEFICIALLY
OWNED 7 SOLE DISPOSITIVE POWER
BY EACH

0

REPORTING
PERSON WITH 8 SHARED DISPOSITIVE POWER

463,150

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:

463,150

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

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

3.7%

12 TYPE OF REPORTING PERSON:

IA

1 NAMES OF REPORTING PERSONS:

Marblegate Special Opportunities GP, LLC

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

0

NUMBER OF
SHARES 6 SHARED VOTING POWER
BENEFICIALLY

463,150

OWNED 7 SOLE DISPOSITIVE POWER
BY EACH
REPORTING

PERSON WITH

0

8 SHARED DISPOSITIVE POWER

463,150

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:

463,150

10 CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAINo
SHARES:

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

3.7%

12 TYPE OF REPORTING PERSON:

OO

1 NAMES OF REPORTING PERSONS:

Andrew Milgram

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) o
(b) o

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

United States

5 SOLE VOTING POWER

0

NUMBER OF 6 SHARED VOTING POWER
SHARES

BENEFICIALLY OWNED 463,150

BY EACH 7 SOLE DISPOSITIVE POWER

REPORTING PERSON WITH 0

8 SHARED DISPOSITIVE POWER

463,150

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:

463,150

10 CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAINo
SHARES:

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

3.7%

12 TYPE OF REPORTING PERSON:

IN

1 NAMES OF REPORTING PERSONS:

Paul Arrouet

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

5 SOLE VOTING POWER

0

NUMBER OF SHARES 6 SHARED VOTING POWER

BENEFICIALLY OWNED 463,150

7 SOLE DISPOSITIVE POWER

BY EACH REPORTING PERSON WITH

0

8 SHARED DISPOSITIVE POWER

463,150

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:

463,150

10 CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN 0
SHARES:

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

3.7%

12 TYPE OF REPORTING PERSON:

IN

ITEMNAME OF ISSUER:

1(a)

Armour Residential REIT, Inc.

ITEMADDRESS OF ISSUER'S PRINCIPAL EXECUTIVE OFFICES:

1(b)

956 Beachland Boulevard, Suite 11

Vero Beach, Florida 32963

ITEMNAME OF PERSON FILING:

2(a)

This statement is filed on behalf of the following persons (collectively, the “Reporting Persons”):

- (i) Marblegate Special Opportunities Master Fund, L.P.
- (ii) Marblegate Asset Management, LLC
- (iii) Marblegate Special Opportunities GP, LLC
- (iv) Andrew Milgram
- (v) Paul Arrouet

ITEMADDRESS OF PRINCIPAL BUSINESS OFFICE OR, IF NONE, RESIDENCE:

2(b)

150 East 52nd Street, 10th Floor
New York, NY 10022

ITEMCITIZENSHIP:

2(c)

- (i) Marblegate Special Opportunities Master Fund, L.P. is an exempted limited partnership organized under the laws of the Cayman Islands.
- (ii) Marblegate Asset Management, LLC is a limited liability company organized under the laws of Delaware.
- (iii) Marblegate Special Opportunities GP, LC is a limited liability company organized under the laws of Delaware.
- (iv) Andrew Milgram is an individual having citizenship in the United States.
- (v) Paul Arrouet is an individual having citizenship in the United States.

ITEMTITLE OF CLASS OF SECURITIES: Common Stock

2(d)

ITEMCUSIP NUMBER: 042315101

2(e)

ITEMNot applicable.

3

ITEM OWNERSHIP:

4

This statement relates to warrants to purchase common stock, \$0.001 par value, of Armour Residential REIT, Inc. ("Warrants") held for the account of Marblegate Special Opportunities Master Fund, L.P., a Cayman Islands exempted limited partnership (the "Fund").

As of December 31, 2010, the Fund owns 463,150 Warrants. Marblegate Asset Management, LLC, a Delaware limited liability company (the "Investment Manager"), is the investment manager of the Fund, and, in such capacity, may be deemed to beneficially own the Warrants reported herein which is deemed beneficially owned by the Fund. Marblegate Special Opportunities GP, LLC, a Delaware limited liability company, is the general partner of the Fund, and, may be deemed to beneficially own the Warrants reported herein which are deemed beneficially owned by the Fund and the Investment Manager. Mr. Milgram and Mr. Arrouet are Managing Partners of the Investment Manager, and, in such capacities, may be deemed to beneficially own the Warrants reported herein which may be deemed beneficially owned by the Investment Manager.

Note that references to percentage ownerships of common stock in this Amendment No. 1 to Schedule 13G are based upon the 12,014,054 shares of Common Stock outstanding as reported in the Issuer's quarterly report on Form 10-Q for the quarter ended September 30, 2010 filed on November 12, 2010.

- (i) For Marblegate Special Opportunities Master Fund, L.P.:
 - (a) Amount beneficially owned: 463,150
 - (b) Percent of class: 3.7%
 - (c) Number of shares as to which the person has:
 - (i) Sole power to vote or direct the vote: 0
 - (ii) Shared power to vote or direct the vote: 463,150
 - (iii) Sole power to dispose or direct the disposition of: 0
 - (iv) Shared power to dispose or direct the disposition of: 463,150
- (ii) For Marblegate Asset Management, LLC:
 - (a) Amount beneficially owned: 463,150
 - (b) Percent of class: 3.7%
 - (c) Number of shares as to which the person has:
 - (i) Sole power to vote or direct the vote: 0
 - (ii) Shared power to vote or direct the vote: 463,150
 - (iii) Sole power to dispose or direct the disposition of: 0

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- (iv) Shared power to dispose or direct the disposition of: 463,150

- (iii) For Marblegate Special Opportunities GP, LLC:
 - (a) Amount beneficially owned: 463,150
 - (b) Percent of class: 3.7%
 - (c) Number of shares as to which the person has:
 - (i) Sole power to vote or direct the vote: 0
 - (ii) Shared power to vote or direct the vote: 463,150
 - (iii) Sole power to dispose or direct the disposition of: 0
 - (iv) Shared power to dispose or direct the disposition of: 463,150

- (iv) For Andrew Milgram:
 - (a) Amount beneficially owned: 463,150
 - (b) Percent of class: 3.7%
 - (c) Number of shares as to which the person has:
 - (i) Sole power to vote or direct the vote: 0
 - (ii) Shared power to vote or direct the vote: 463,150
 - (iii) Sole power to dispose or direct the disposition of: 0
 - (iv) Shared power to dispose or direct the disposition of: 463,150

- (v) For Paul Arrouet:
 - (a) Amount beneficially owned: 463,150
 - (b) Percent of class: 3.7%
 - (c) Number of shares as to which the person has:
 - (i) Sole power to vote or direct the vote: 0
 - (ii) Shared power to vote or direct the vote: 463,150
 - (iii) Sole power to dispose or direct the disposition of: 0

(iv)

Shared power to dispose or direct the disposition
of: 463,150

ITEM OWNERSHIP OF FIVE PERCENT OR LESS OF A CLASS.

5

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: x.

ITEM OWNERSHIP OF MORE THAN FIVE PERCENT ON BEHALF OF ANOTHER PERSON.

6

Not Applicable.

ITEM IDENTIFICATION AND CLASSIFICATION OF THE SUBSIDIARY WHICH ACQUIRED THE
7 SECURITY BEING REPORTED ON BY THE PARENT HOLDING COMPANY OR CONTROL PERSON.

Not Applicable.

ITEM IDENTIFICATION AND CLASSIFICATION OF MEMBERS OF THE GROUP.

8

Not Applicable.

ITEM NOTICE OF DISSOLUTION OF GROUP.

9

Not Applicable.

ITEM CERTIFICATIONS.

10

By signing below the Reporting Persons certify that, to the best of their 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 are not held in connection with or as a participant in any transaction having that purpose or effect.

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.

January 25, 2011

Marblegate Special Opportunities
Master Fund, L.P.

By: Marblegate Special
Opportunities GP, LLC,

its general partner

By: /s/ Andrew Milgram
Name: Andrew Milgram
Title: Managing
Partner

Marblegate Special Opportunities
GP, LLC

By: /s/ Andrew Milgram
Name: Andrew Milgram
Title: Managing
Partner

Marblegate Asset Management, LLC

By: /s/ Andrew Milgram
Name: Andrew Milgram
Title: Managing
Partner

/s/ Andrew Milgram
Andrew Milgram

/s/ Paul Arrouet
Paul Arrouet

EXHIBIT INDEX

Exhibit
Number

Exhibit

1. Joint Filing Agreement, dated January 25, 2011, by and among the Reporting Persons.