

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

Current Report

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 20, 2025

Two Harbors Investment Corp.

(Exact name of registrant as specified in its charter)

Maryland

(State or other jurisdiction of incorporation or organization)

001-34506

(Commission File Number)

27-0312904

(I.R.S. Employer Identification No.)

1601 Utica Avenue South, Suite 900

(Address of Principal Executive Offices)

St. Louis Park, MN

55416

(Zip Code)

(612) 453-4100

Registrant's telephone number, including area code

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities Registered Pursuant to Section 12(b) of the Act:

Title of Each Class:	Trading Symbol(s)	Name of Exchange on Which Registered:
Common Stock, par value \$0.01 per share	TWO	New York Stock Exchange
8.125% Series A Cumulative Redeemable Preferred Stock	TWO PRA	New York Stock Exchange
7.625% Series B Cumulative Redeemable Preferred Stock	TWO PRB	New York Stock Exchange
7.25% Series C Cumulative Redeemable Preferred Stock	TWO PRC	New York Stock Exchange
9.375% Senior Notes Due 2030	TWOD	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging Growth Company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

**Item 1.01      Entry into a Material Definitive Agreement.**

On August 20, 2025, Two Harbors Investment Corp. (the “Company”) entered into a Settlement Agreement and Release (the “Settlement Agreement”) with PR Advisers L.P. as successor in interest to PRCM Advisers LLC, Pine River Capital Management L.P., and Pine River Domestic Management L.P. (collectively, “Pine River”) whereby the Company and Pine River have agreed to compromise and settle all claims alleged in the previously disclosed lawsuits between the parties, captioned *PRCM Advisers LLC v. Two Harbors Investment Corp.*, Index No. 652540/2020 (N.Y. Sup. Ct.) (the “State Court Action”) and *PRCM Advisers LLC et al. v. Two Harbors Investment Corp.*, No. 1:20-cv-05649 (S.D.N.Y.) (the “Federal Court Action”) (together, the “Lawsuits”).

Pursuant to the terms of the Settlement Agreement, the Company has agreed to make a cash payment of \$375 million (the “Settlement Payment”) to Pine River no later than thirty (30) days after the execution of the Settlement Agreement. Upon receipt of the Settlement Payment, Pine River will dismiss or cause to be dismissed with prejudice all claims alleged in the Federal Court Action. The State Court Action was previously dismissed without prejudice. Pine River will also relinquish ownership or any other interest it may hold in any and all intellectual property that Pine River licensed, conveyed, or otherwise provided to the Company or that was developed by or for the Company, whether pursuant to the terms of the management agreement between the parties or otherwise.

The Company and Pine River have agreed in the Settlement Agreement to unconditionally and irrevocably release and discharge each other and their respective representatives from and against any and all claims alleged in the Lawsuits. The Settlement Agreement also provides that neither party’s entry into the Settlement Agreement shall be deemed an admission of fault, responsibility, or liability for any claim alleged in the Lawsuits.

The foregoing summary of the Settlement Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Settlement Agreement filed herewith as Exhibit 10.1 to this Current Report on Form 8-K.

**Forward-Looking Statements**

Certain items in this Current Report on Form 8-K may constitute “forward-looking statements” within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995, including those related to the payment of the Settlement Payment and the other terms of the Settlement Agreement. Actual results may differ from expectations, estimates and projections and, consequently, readers should not rely on these forward-looking statements as predictions of future events. Words such as “expect,” “target,” “assume,” “estimate,” “project,” “budget,” “forecast,” “anticipate,” “intend,” “plan,” “may,” “will,” “could,” “should,” “believes,” “predicts,” “potential,” “continue,” and similar expressions are intended to identify such forward-looking statements. Readers are cautioned not to place undue reliance upon any forward-looking statements, which speak only as of the date made. Additional information concerning these and other risk factors is contained in the Company’s most recent filings with the Securities and Exchange Commission. All subsequent written and oral forward-looking statements concerning the Company or matters attributable to the Company or any person acting on its behalf are qualified in their entirety by the cautionary statements above. The Company does not undertake or accept any obligation to release publicly any updates or revisions to any forward-looking statement to reflect any change in its expectations or any change in events, conditions or circumstances on which any such statement is based.

**Item 8.01      Other Events.**

On August 20, 2025, the Company issued a press release announcing certain business updates and the Company’s third quarter 2025 common and preferred stock dividends. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

**Item 9.01      Financial Statements and Exhibits.**

(d) Exhibits.

Exhibit No.	Description
<a href="#">10.1</a>	<a href="#">Settlement Agreement and Release, dated August 20, 2025.*</a>
<a href="#">99.1</a>	<a href="#">Press Release of Two Harbors Investment Corp., dated August 20, 2025.</a>
104	Cover Page Interactive Data File, formatted in Inline XBRL.

\* Certain schedules and attachments have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The Company agrees to provide, on a supplemental basis, a copy of any omitted schedules and attachments to the Securities and Exchange Commission or its staff upon request.

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

TWO HARBORS INVESTMENT CORP.

By: /s/ REBECCA B. SANDBERG  
Rebecca B. Sandberg  
Chief Legal Officer and Secretary

Date: August 20, 2025

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**SETTLEMENT AGREEMENT AND RELEASE**

PR Advisers L.P. ("PR Advisers"), as successor in interest to PRCM Advisers LLC ("PRCM"), Pine River Capital Management L.P. ("PR Capital"), and Pine River Domestic Management L.P. (collectively, "Pine River"), all on the one hand, and Two Harbors Investment Corp. ("Two Harbors"), on the other hand, (collectively, the "Parties"; singularly, a "Party") enter into this Confidential Settlement Agreement and Release as of August 20, 2025.

**RECITALS**

Whereas PRCM and Two Harbors entered into that certain Management Agreement, dated as of October 28, 2009, by and among PRCM, Two Harbors, and Two Harbors Operating Company LLC, pursuant to which PRCM, among other things, provided defined services to Two Harbors as its external manager (as amended, the "Management Agreement");

Whereas the Management Agreement was terminated and management was internalized effective August 14, 2020, and PRCM neither served as Two Harbors' external manager nor provided any other services to Two Harbors after that date;

Whereas litigation over the referenced termination and internalization was commenced in state and federal court in New York under the captions *PRCM Advisers LLC v. Two Harbors Investment Corp.*, Index No. 652540/2020 (N.Y. Sup. Ct.) (the "State Court Action") and *PRCM Advisers LLC et al. v. Two Harbors Investment Corp.*, No. 1:20-cv-05649 (S.D.N.Y.) (the "Federal Court Action") (together, the "Lawsuits");

Whereas the State Court Action was dismissed on July 21, 2020, and the Federal Court Action, filed that same day, remains pending;

Whereas PRCM converted into the limited partnership PR Advisers on December 20, 2024, and as a result of the conversion, PR Advisers became the legal successor-in-interest to all of the rights, interests, obligations, and liabilities of PRCM; and

Whereas the Parties now desire to finally settle and resolve all claims that were or could have been alleged in the Lawsuits, without admitting fault, responsibility, or liability, and to compromise all matters arising from the negotiation, performance, or termination of the Management Agreement; PRCM's service as Two Harbors' external manager; and ownership of, access to, or use of the Intellectual Property as defined below;

For good and valuable consideration, the sufficiency of which each Party acknowledges, and intending to be legally bound, the Parties agree as follows:

**AGREEMENT**

1. Settlement Payment. Two Harbors shall pay to PR Advisers the sum of three hundred seventy-five million United States Dollars (\$375,000,000.00) (the "Settlement Payment") by wire transfer within thirty (30) days after the full execution of this Agreement. Upon completion of the referenced wire transfer, payment to PR Advisers is effective and accepted as full satisfaction of the claims released by Pine River in paragraph 4 of this Agreement, and the payment obligation set forth in this paragraph is discharged.

2. Relinquishment of Intellectual Property Rights. Pine River hereby relinquishes any and all rights of ownership or any other interest it may hold or may have held in any and all intellectual property, whether protected by copyright, patent, trademark, trade secret law, or other intellectual property or other proprietary right, that Pine River licensed, conveyed, or otherwise provided to Two Harbors or that was developed by or for Two Harbors, whether pursuant to the terms of the Management Agreement, as alleged in the Lawsuits, or otherwise (the "Intellectual Property"). For avoidance of doubt and without limiting the foregoing, Pine River shall retain all rights to use, license, sell, or otherwise exploit the Pine River versions of RepoMonitor and EDMS developed by Pine River for use by Pine River's hedge funds. Pine River forever covenants never to seek payment from or to sue Two Harbors for its possession or use of the Intellectual Property. A non-exhaustive list of the Intellectual Property as claimed by Pine River in the Lawsuits is attached as Exhibit A. Consistent with the foregoing, Pine River shall not control or restrain Two Harbors' access to the site of and storage platforms for Two Harbors' computer servers.

3. Dismissal with Prejudice. Upon receipt of the Settlement Payment, Pine River the same day will dismiss with prejudice or cause to be dismissed with prejudice all claims in the Federal Court Action through the filing of the Notice of Dismissal with Prejudice in the form attached as Exhibit B or such other notice or agreed order or like filing as reasonably acceptable to Two Harbors. Each Party shall bear its own costs and fees, including attorneys' fees.

4. Mutual Release of Claims and Covenant Not to Sue. Except for the rights and obligations expressly provided for in this Agreement, Pine River and Two Harbors unconditionally and irrevocably compromise, settle, remise, acquit, fully and forever release and discharge, and covenant not to sue each other and their respective current and former employees, officers, directors, representatives, agents, partners, managers, members, shareholders, subsidiaries, parents, affiliates, attorneys, insurers, successors, and assigns (each a "Released Party"), from and against and on any and all charges, complaints, claims, liabilities, obligations, promises, agreements, controversies, damages, actions, causes of action, suits, rights, demands, costs, losses, debts and expenses (including attorneys' fees and costs incurred) of any nature whatsoever, known or unknown, suspected or unsuspected, that the Party, or anyone claiming by or through the Party, now has, owns, or holds or is entitled to assert, or at any time hereinafter, may have, own, or hold or claim to have, own, or hold arising out of, in connection with, or otherwise related to all claims alleged or that could have been alleged in the Lawsuits, the negotiation, performance, or termination of the Management Agreement, PRCM's former service as Two Harbors' external manager, and ownership of, access to, or use of the Intellectual Property. To the same extent as set forth immediately above, Pine River additionally releases and covenants not to sue its own former employees who at any time performed services for Two Harbors under the terms of the Management Agreement (also "Released Parties"). For avoidance of doubt, Two Harbors' release and covenant not to sue Pine River's current and former employees, officers, directors, representatives, agents, partners, managers, members, shareholders, subsidiaries, parents, affiliates, attorneys, insurers, successors, and assigns, as set forth immediately above, extends to such individuals in all capacities, including, as applicable, their capacities as officers or directors of Two Harbors.

5. No Assignments. Each Party represents and warrants that it is the owner of all claims alleged in the Lawsuits and released in this Agreement and that it has not assigned or transferred any such claim. Pine River represents and warrants that it has not assigned or transferred any right it may hold or may have held in the Intellectual Property.

6. No Admission. No action taken by the Released Parties in connection with this Agreement is or shall be deemed or construed as an admission of fault, responsibility, or liability for any claim alleged in the Lawsuits or released in this Agreement, which fault, responsibility, and liability is denied and disclaimed.

7. Confidentiality. Each Party agrees to maintain in confidence and not to disclose to or discuss with any person who is not an officer, director, partner, member, manager, employee or agent of a Party the terms of this Agreement except (1) in a press release or other public comment the words of which are or are substantially similar to those set out in Exhibit C; (2) in confidence to professional advisors, such as auditors, tax advisors, or attorneys, in connection with the discharge of the professionals' engagements for each Party; (3) in confidence to bankers, investors, or other persons with a legitimate business reason to know the finances of a Party's business and, in that event, such persons shall be advised of the terms and provisions of this confidentiality undertaking and agree to abide by its terms; or (4) as otherwise required by law, rule, or regulation, including those disclosures called for in tax, securities, or other regulatory filings or submissions (including in Two Harbors' filings on Form 8-K following the execution of this Agreement or on Form 10-Q when next made, which filings may include a copy of this Agreement), and in response to a subpoena or other judicial process, which response (but not tax, securities, or other regulatory filings or submissions) shall be preceded by written notice to the other Parties calculated to afford a reasonable opportunity to contest such disclosure should those other Parties wish to contest.

8. Non-Disparagement. Each Party agrees not to publish or otherwise make public derogatory comments or statements about any other Party or its current or former officers, directors, partners, members, managers, employees, or agents, which comments or statements refer or relate to PRCM's former service as the external manager of Two Harbors, the Lawsuits and the resolution thereof, or the Parties' prior business performance, practices, or conduct. Each Party will take reasonable steps to communicate this commitment to its officers, directors, partners, members, managers, employees, or agents who reasonably may be called upon to comment on these matters and to caution them against failing to meet the commitment.

9. No Reliance. Each Party acknowledges that in executing this Agreement, it has not relied upon any representation or statement, except those set forth in this Agreement, made by any other Party or its respective agents, representatives, or attorneys.

10. Representation and Warranty of Authorization. Each Party represents and warrants that its signatory has secured all necessary approvals and consents and has the right, power, authority, and capacity to execute and deliver this Agreement for the Party or Parties listed above his or her signature.

11. Representations and Warranties of PR Advisers. PR Advisers represents and warrants that on December 20, 2024, PRCM, then a Delaware limited liability company, converted into PR Advisers, a Delaware limited partnership, pursuant to Section 17-217 of the Delaware Revised Uniform Limited Partnership Act and as a result of the conversion, PR Advisers became the legal successor-in-interest to all of the rights, interests, obligations and liabilities of PRCM.

12. Entire Agreement. This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes and replaces all prior and contemporaneous agreements, understandings, negotiations, and communications, oral or written, with respect to the settlement and release of the claims alleged in the Lawsuits or otherwise described herein. Any amendment to this Agreement shall not be valid or binding unless in writing, executed by each of the Parties.

13. Successors and Assigns. This Agreement, including its releases, shall be binding upon and inure to the benefit of the successors in interest, including heirs and assigns, of each Party.

14. Severability. In the event that any section, paragraph, or sentence of this Agreement is deemed invalid or otherwise unenforceable, the remainder of this Agreement shall remain in full force and effect. If any section, paragraph, or sentence of this Agreement is deemed invalid or otherwise unenforceable with respect to a particular Party only, the remainder of this Agreement shall remain in full force and effect as to that Party, and the entire Agreement shall remain in full force and effect among the other Parties.

15. Execution and Counterparts. This Agreement may be executed and delivered in multiple counterparts, signature pages executed and delivered as an attachment to an email, and any counterpart so executed and delivered will be deemed an original for all intents and purposes and all of which together shall constitute one and the same instrument.

16. Independent Advice of Counsel. Each Party has received independent legal advice from its attorneys with respect to the advisability of making the settlement and release provided for herein and with respect to the advisability of executing this Agreement.

17. Substantial Negotiation. Each Party acknowledges that this Agreement was reached after substantial negotiation, that such Party has carefully reviewed and fully understands all of the provisions of this Agreement, and that such Party is voluntarily entering into this Agreement.

18. Agreement Jointly Drafted. This Agreement was prepared and revised by the joint efforts of the respective attorneys for each of the Parties. Any rule of construction that ambiguities are to be construed in favor of the non-drafting party shall not be employed in the construction of this Agreement.

19. Governing Law. This Agreement shall be governed by the laws of the State of New York without regard to conflicts-of-laws principles.

20. Exclusive Venue and Jurisdiction. Any dispute, claim, or cause of action arising out of or relating to this Agreement, its interpretation, or its enforcement shall be brought exclusively in the United States District Court for the Southern District of New York. Each Party

irrevocably submits to the personal jurisdiction of such court, waives any objection to venue in that court, and agrees not to plead or claim that litigation in such court is inconvenient.

*[Balance of Page Intentionally Left Blank; Signature Page and Exhibits A, B, and C Follow.]*



Signifying their agreement to the terms set forth above, the Parties have executed this Agreement on the dates indicated.

**PR Advisers L.P., successor in interest to PRCM Advisers LLC**

/s/ Brian Taylor  
Name: \_\_\_\_\_

August 20, 2025  
Date \_\_\_\_\_

Chief Executive Officer  
Title: \_\_\_\_\_

**Pine River Capital Management L.P.**

/s/ Brian Taylor  
Name: \_\_\_\_\_

August 20, 2025  
Date \_\_\_\_\_

Chief Executive Officer  
Title: \_\_\_\_\_

**Pine River Domestic Management L.P.**

/s/ Brian Taylor  
Name: \_\_\_\_\_

August 20, 2025  
Date \_\_\_\_\_

Chief Executive Officer  
Title: \_\_\_\_\_

**Two Harbors Investment Corp.**

/s/ William Greenberg  
Name: \_\_\_\_\_

August 20, 2025  
Date \_\_\_\_\_

Chief Executive Officer  
Title: \_\_\_\_\_



**TWO Provides Business Update**  
***Announces Resolution of Litigation and Third Quarter 2025 Common and Preferred Stock Dividends***

**New York, August 20, 2025 – TWO** (Two Harbors Investment Corp, NYSE: TWO), an MSR-focused REIT, today provided a business update regarding the resolution of pending litigation and its third quarter 2025 common and preferred stock dividends.

**Resolution of Pine River Litigation**

- The company has entered into a settlement agreement, dated as of August 20, 2025, resolving all claims in its litigation with PRCM Advisers LLC, Pine River Capital Management L.P., and Pine River Domestic Management L.P. (collectively, “Pine River”).
- Pursuant to the settlement agreement, the company has agreed to make a one-time cash payment of \$375 million to Pine River, which is payable within thirty days of the date of the settlement agreement.
- The company expects to fund the settlement payment through a combination of cash on hand and available borrowing capacity, and will continue to have ample liquidity following the payment.
- Pine River will relinquish all ownership claims to intellectual property used by the company.

“The resolution of this matter is an important development for our company that allows us to move forward with clarity and certainty of purpose,” said Bill Greenberg, TWO’s President and CEO. “We believe we are well positioned with the depth of expertise, investment strategy and operational opportunities to execute and deliver value for our stockholders.”

**Business Update**

- The company estimates that its book value was approximately \$12.73 per common share as of August 15, 2025 (before giving effect to any common stock dividend accrual, but after giving effect to preferred stock dividend accrual), compared to \$12.14 per common share as of June 30, 2025, representing a total economic return of approximately 4.9%.
  - o After adjusting for the settlement payment, the company estimates that its book value as of August 15, 2025 would be approximately \$11.06 per common share (before giving effect to any common stock dividend accrual, but after giving effect to preferred stock dividend accrual).
- In the third quarter, the company signed a term sheet with a new subservicing client, seeded by the sale by the company of approximately \$20 billion unpaid principal balance in MSR on a servicing-retained basis, subject to customary settlement procedures. This new relationship will increase the company’s third-party subservicing business to \$31 billion unpaid principal balance, or approximately 138,000 loans.

Third Quarter Common and Preferred Stock Dividends

The Board of Directors of TWO today declared a dividend of \$0.34 per share of common stock for the third quarter of 2025. The third quarter dividend is payable on October 29, 2025 to common stockholders of record at the close of business on October 3, 2025.

The company’s common stock dividend is a function of several factors, including sustainability, earnings and return potential of the portfolio, taxable income, impact to book value and the market environment. The third quarter 2025 dividend reflects the company’s book value after giving effect to the settlement payment.

TWO also declared today the following preferred stock dividends for the third quarter of 2025:

Series of Preferred Stock	Ticker	Per Annum Dividend Rate	Dividend Per Share
8.125% Series A Cumulative Redeemable Preferred Stock	TWO.PRA	8.125%	\$ 0.50781
7.625% Series B Cumulative Redeemable Preferred Stock	TWO.PRB	7.625%	\$ 0.47656
7.25% Series C Cumulative Redeemable Preferred Stock	TWO.PRC	9.58689%(1)	\$ 0.61250

(1) The Series C Cumulative Redeemable Preferred Stock accrue dividends at a floating rate, as determined on each dividend determination date, equal to the Three-Month CME Term SOFR plus 0.26161% plus 5.011%.

The Series A, Series B and Series C preferred dividends are payable on October 27, 2025 to the applicable preferred stockholders of record at the close of business on October 10, 2025.

**Cautionary Note Regarding Forward-Looking Statements**

This release contains forward-looking statements within the meaning of the Securities Act of 1933 and of the Securities Exchange Act of 1934. Forward-looking statements are not intended to be a guarantee of future results, but constitute the Company’s current expectations based on reasonable assumptions. Such forward-looking statements include, but are not limited to, those related to the settlement agreement, the funding of the settlement payment, estimated book values, the company’s liquidity position, the payment of the third quarter common and preferred stock dividends, the company’s subservicing business and new client relationships, and the sale of MSR assets and closing thereof.

Actual results could differ materially from those projected in the Company’s forward-looking statements due to risks, uncertainties and other factors. Important factors that could affect actual results are discussed in the prospectus supplement related to the offering and the Company’s filings with the SEC, including, but not limited to, the risks discussed under Item 1A: “Risk Factors” and Item 7: “Management’s Discussion & Analysis” in the Company’s 2024 Annual Report on Form 10-K and in any subsequent reports filed with the SEC. Potential investors are encouraged to read the Company’s filings to learn more about the risk factors associated with the Company’s business. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except where required by law.

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## **About TWO**

TWO (Two Harbors Investment Corp., NYSE: TWO), a Maryland corporation, is a real estate investment trust that invests in mortgage servicing rights, residential mortgage-backed securities and other financial assets. TWO is headquartered in St. Louis Park, MN.

## **Additional Information**

Stockholders of TWO and other interested persons may find additional information regarding the company at [www.twoinv.com](http://www.twoinv.com), at the Securities and Exchange Commission's internet site at [www.sec.gov](http://www.sec.gov) or by directing requests to: TWO, 1601 Utica Avenue South, Suite 900, St. Louis Park, MN 55416, (612) 453-4100.

## **Contact**

Margaret Karr, Head of Investor Relations, TWO, (612) 453-4080, [Margaret.Karr@twoinv.com](mailto:Margaret.Karr@twoinv.com)

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