

Armour Residential REIT, Inc.
 Form 4
 December 27, 2010

FORM 4

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

OMB APPROVAL

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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, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
 STATON DANIEL C

2. Issuer Name and Ticker or Trading Symbol
 Armour Residential REIT, Inc.
 [ARR]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
 3001 OCEAN DRIVE, SUITE 201
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 12/22/2010

Director 10% Owner
 Officer (give title below) Other (specify below)

VERO BEACH, FL 32963

(City) (State) (Zip)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 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 Ownership (Instr. 4) | | |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|-----------|---|
| | | | Code | V | Amount | (A) or (D) | Price | | |
| Common Stock | 12/22/2010 | | S | | 15,000 | D | \$ 7.62 | 204,150 I | By Staton Bell Blank Check LLC ⁽¹⁾ |
| Common Stock | 12/22/2010 | | S | | 3,000 | D | \$ 7.63 | 201,150 I | By Staton Bell Blank Check LLC ⁽¹⁾ |
| Common Stock | 12/22/2010 | | S | | 1,000 | D | \$ 7.64 | 200,150 I | By Staton Bell Blank Check LLC ⁽¹⁾ |

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| | | | | | | | | |
|--------------|------------|---|-------|---|---------|---------|---|---|
| Common Stock | 12/22/2010 | S | 6,000 | D | \$ 7.65 | 194,150 | I | By Staton Bell Blank Check LLC ⁽¹⁾ |
| Common Stock | 12/23/2010 | S | 50 | D | \$ 7.62 | 194,100 | I | By Staton Bell Blank Check LLC ⁽¹⁾ |
| Common Stock | 12/23/2010 | S | 50 | D | \$ 7.63 | 194,050 | I | By Staton Bell Blank Check LLC ⁽¹⁾ |
| Common Stock | 12/23/2010 | S | 1,650 | D | \$ 7.64 | 192,400 | I | By Staton Bell Blank Check LLC ⁽¹⁾ |
| Common Stock | 12/23/2010 | S | 500 | D | \$ 7.65 | 191,900 | I | By Staton Bell Blank Check LLC ⁽¹⁾ |
| Common Stock | 12/23/2010 | S | 500 | D | \$ 7.66 | 191,400 | I | By Staton Bell Blank Check LLC ⁽¹⁾ |
| Common Stock | 12/27/2010 | S | 2,500 | D | \$ 7.66 | 188,900 | I | By Staton Bell Blank Check LLC ⁽¹⁾ |
| Common Stock | 12/27/2010 | S | 6,000 | D | \$ 7.67 | 182,900 | I | By Staton Bell Blank Check LLC ⁽¹⁾ |
| Common Stock | 12/27/2010 | S | 3,500 | D | \$ 7.68 | 179,400 | I | By Staton Bell Blank Check LLC ⁽¹⁾ |
| Common Stock | 12/27/2010 | S | 6,000 | D | \$ 7.69 | 173,400 | I | By Staton Bell Blank Check LLC ⁽¹⁾ |
| Common Stock | 12/27/2010 | S | 500 | D | \$ 7.7 | 172,900 | I | By Staton Bell Blank Check LLC ⁽¹⁾ |
| | 12/27/2010 | S | 6,500 | D | | 166,400 | I | |

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| | | | | | | | | | |
|-----------------|------------|--|---|-------|--------------|---------|---|--|--|
| Common Stock | | | | | \$ 7.74 | | | | By Staton Bell Blank Check LLC <u>(1)</u> |
| Common Stock | 12/27/2010 | | S | 2,500 | D \$ 7.75 | 163,900 | I | | By Staton Bell Blank Check LLC <u>(1)</u> |

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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(9-02)

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. Nu Deriv Secur Benef Own Follo Repor Trans (Instr |
|---|--|---|---|--------------------------------------|--|--|---|---|--|
| | | | | | | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| | | | | | | Code | V (A) (D) | | |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| STATON DANIEL C 3001 OCEAN DRIVE, SUITE 201 VERO BEACH, FL 32963 | | X | | |

Signatures

/s/ Daniel C.
Staton

12/27/2010

**Signature of
Reporting Person

Date

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).

Daniel C. Staton has 100% control of Staton Family Investments Ltd.; Staton Family Investments Ltd. is 50% owner of Staton Bell Blank

(1) Check LLC. Mr. Staton may be deemed the beneficial owner of 50% of the issuer's securities held by Staton Blank Check LLC. Mr. Staton disclaims beneficial ownership of these securities except to the extent of any pecuniary interest therein.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.