

Downey Carolyn  
Form 4  
November 22, 2017

**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 \*  
Downey Carolyn

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)  
11/20/2017

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)
				(A) or (D)	Price		
				Code	V	Amount	

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

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SEC 1474  
(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	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Underlying Securities
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(Instr. 3) Price of Derivative Security	(Month/Day/Year)	(Instr. 8) Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Phantom Stock <u>(1)</u> <u>(2)</u> <u>(3)</u>	<u>(1)</u> <u>(4)</u> 11/20/2017		A		12,200		<u>(1)</u> <u>(2)</u>	<u>(1)</u> <u>(2)</u>	Common Stock	12,200 <u>(1)</u>

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Downey Carolyn 3001 OCEAN DRIVE SUITE 201 VERO BEACH, FL 32963	X			

## Signatures

/s/ Carolyn  
Downey  
\*\*Signature of  
Reporting Person

11/22/2017  
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).

(1) The reporting person was granted an aggregate of 12,200 phantom shares under ARMOUR Residential REIT, Inc.'s ("ARMOUR") Second Amended and Restated 2009 Stock Incentive Plan pursuant to the time-based vesting schedule as follows. 1,500 phantom shares will vest on February 20, 2018 with an additional 1,500 phantom shares vesting on each following May 20, August 20, November 20 and February 20, through May 20, 2019. On August 20, 2019, 1,600 phantom shares will vest, with an additional 1,600 phantom shares vesting on November 20, 2019, at which time all phantom stock shall have vested. Upon vesting, the reporting person will be entitled to an equal number of shares of ARMOUR common stock within 30 days.

(2) The reporting person's unvested phantom stock will fully and automatically vest upon the reporting person's death, disability, and in the event of a change in control of ARMOUR. Upon removal of the reporting person for cause, all unvested phantom stock shall be forfeited by the reporting person. In the event of a resignation or retirement, provided the sum of the reporting person's age and years of service is equal to or greater than 70, the reporting person will retain his unvested phantom stock which will remain subject to the vesting schedule set forth in this report, subject to satisfactory continuing fulfillment of certain conditions and related tax consequences and risks specified in the reporting person's grant agreement.

(3) The reporting person also has the right to elect to have withholding taxes or a portion thereof, as the case may be, satisfied by reducing the number of shares of common stock to be issued to the reporting person by some or all of such shares. With respect to each phantom share, the reporting person will receive a cash payment in an amount equal to the cash dividend distributions paid in the ordinary course on a share of ARMOUR common stock. The reporting person also has the right to elect in lieu of the cash dividend payment a number of shares of common stock equal to the dividend payment payable divided by the fair market value of a share of ARMOUR common stock on the date of the dividend payment.

(4) Each unit of phantom stock is the economic equivalent of one share of ARMOUR common stock.

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

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