

Burbank John Howard III
 Form 4
 July 13, 2009

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 *
PASSPORT MANAGEMENT LLC

2. Issuer Name and Ticker or Trading Symbol
**Arlington Asset Investment Corp.
 [AI]**

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

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

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

30 HOTALING PLACE, STE. 300,

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

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

(Street)

SAN FRANCISCO, CA 94111

(City) (State) (Zip)

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	07/09/2009	07/09/2009	S		912,945	D	\$ 0.3514	15,876,200	I	See footnotes (1) (2) (3)
Common stock	07/10/2009	07/10/2009	S		676,400	D	\$ 0.35	15,199,800	I	See footnotes (1) (2) (3)

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

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SEC 1474 (9-02)

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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. Number of Derivative Securities Owned Beneficially (Instr. 5)
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
PASSPORT MANAGEMENT LLC 30 HOTALING PLACE, STE. 300 SAN FRANCISCO, CA 94111		X		
Passport Global Master Fund SPC Ltd C/O PASSPORT MANAGEMENT, LLC 30 HOTALING PLACE, STE. 300 SAN FRANCISCO, CA 94111		X		
Passport Capital, LLC C/O PASSPORT MANAGEMENT, LLC 30 HOTALING PLACE, STE. 300 SAN FRANCISCO, CA 94111		X		
Burbank John Howard III C/O PASSPORT MANAGEMENT, LLC 30 HOTALING PLACE, STE. 300 SAN FRANCISCO, CA 94111		X		

Signatures

/s/ JOHN H
BURBANK III

07/10/2009

**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).

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- The securities beneficially owned following the reported transactions are held for the account of Passport Global Master Fund SPC Ltd
- (1) for and on behalf of portfolio A - global strategy (15,199,800 common shares) a British Virgin Islands segregated portfolio company ("Fund I").

Passport Management, LLC, a Delaware limited liability company ("Passport Management") is the investment manager to the Fund. Passport Capital, LLC, a Delaware limited liability company ("Passport Capital") is the managing member of Passport Management. John

- (2) H. Burbank III, a natural person ("Burbank"), is the sole managing member of Passport Capital. As a result, each of Passport Management, Passport Capital and Burbank may be considered to indirectly beneficially own the securities directly beneficially owned by Fund I.

- Pursuant to Rule 16a-1(a)(2)(ii)(B) under the Securities Exchange Act of 1934, as amended (the "Act"), Mr. Burbank is deemed to be a beneficial owner of the shares beneficially owned by Fund I only to the extent of the greater of his respective direct or indirect interest in
- (3) the profits or capital account of such Funds. Pursuant to Rule 16a-1(a)(4) under the Act, this filing shall not be deemed an admission that Mr. Burbank is, for purposes of Section 16 of the Act or otherwise, the beneficial owner of any securities owned by the Funds in excess of such amount.

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.