

Arlington Asset Investment Corp.

Form 4

August 14, 2014

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

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

OMB APPROVAL

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(Print or Type Responses)

1. Name and Address of Reporting Person *
HARRINGTON KURT R

(Last) (First) (Middle)

C/O ARLINGTON ASSET
INVESTMENT CORP., 1001
NINETEENTH STREET NORTH,
SUITE 1900

(Street)

ARLINGTON, VA 22209

(City) (State) (Zip)

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

3. Date of Earliest Transaction
(Month/Day/Year)
08/13/2014

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

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

____ Director ____ 10% Owner
____X____ Officer (give title below) ____ Other (specify below)
EVP, CFO and Treasurer

6. Individual or Joint/Group Filing(Check
Applicable Line)
____X____ 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 (1)	(A) or (D) Price (2)	
Class A Common Stock	08/13/2014		A		9,450	\$ 22.99	20,132 D

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

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information contained in this form are not
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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. Nu Deriv Secur Bene Own Follo Repo Trans (Instr
				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
HARRINGTON KURT R C/O ARLINGTON ASSET INVESTMENT CORP. 1001 NINETEENTH STREET NORTH, SUITE 1900 ARLINGTON, VA 22209			EVP, CFO and Treasurer	

Signatures

/s/ Kurt R.
Harrington

08/14/2014

**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).

- Represents 14,618 shares of Class A common stock issued upon vesting of a portion of the Performance Share Units ("PSUs") awarded on August 13, 2012 pursuant to the Arlington Asset Investment Corp. 2011 Long-Term Incentive Plan. PSUs represent the right to receive shares of the Company's Class A common stock subject to the achievement of certain performance goals at the end of the
- (1) applicable performance period. One-half of the PSUs awarded on August 13, 2012 were eligible for vesting at the end of the second year following the grant date, and one-half of the PSUs are eligible for vesting at the end of the third year following the grant date. 5,168 shares were withheld by the issuer to satisfy a tax withholding obligation by the reporting person in connection with the vesting of the PSUs.
 - (2) The last reported sale price of the Company's Class A common stock on the New York Stock Exchange on the date preceding the grant date.

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.