

Invesco Mortgage Capital Inc.  
Form SC 13G  
July 16, 2009

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

**SCHEDULE 13G**

**Under the Securities Exchange Act of 1934**

**INVESCO MORTGAGE CAPITAL INC.**

(Name of Issuer)

**Common Stock**

(Title of Class of Securities)

**46131B100**

(CUSIP Number)

**June 25, 2009**

(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

☐ Rule 13d-1(b)

☐ Rule 13d-1(c)

☐ Rule 13d-1(d)

\* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934 (Act) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP No. 46131B100

1. NAMES OF REPORTING PERSONS.  
SAB Capital Partners, L.P.

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

2. (a) ☐ p  
(b) ☐ o

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION  
Delaware

- |              |    |                        |
|--------------|----|------------------------|
|              | 5. | SOLE VOTING POWER      |
| NUMBER OF    |    | 0                      |
| SHARES       | 6. | SHARED VOTING POWER    |
| BENEFICIALLY |    |                        |
| OWNED BY     |    | 549,415                |
| EACH         | 7. | SOLE DISPOSITIVE POWER |
| REPORTING    |    |                        |
| PERSON       |    | 0                      |

- |       |    |                          |
|-------|----|--------------------------|
| WITH: | 8. | SHARED DISPOSITIVE POWER |
|       |    | 549,415                  |

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
549,415

CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

10.

o

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

11.

5.5%

TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

12.

PN

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CUSIP No. 46131B100

1. NAMES OF REPORTING PERSONS.  
SAB Capital Partners II, L.P.

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

2. (a) ☐ p  
(b) ☐ o

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION  
Delaware

- |              |    |                        |
|--------------|----|------------------------|
|              | 5. | SOLE VOTING POWER      |
| NUMBER OF    |    | 0                      |
| SHARES       | 6. | SHARED VOTING POWER    |
| BENEFICIALLY |    |                        |
| OWNED BY     |    | 15,433                 |
| EACH         | 7. | SOLE DISPOSITIVE POWER |
| REPORTING    |    |                        |
| PERSON       |    | 0                      |

- |       |    |                          |
|-------|----|--------------------------|
| WITH: | 8. | SHARED DISPOSITIVE POWER |
|       |    | 15,433                   |

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
15,433

CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

10.

o

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

11.

0.2%

TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

12.

PN

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CUSIP No. 46131B100

1. NAMES OF REPORTING PERSONS.  
SAB Overseas Master Fund, L.P.

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

2. (a) ☐ p  
(b) ☐ o

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION  
Cayman Islands

|              |    |                        |
|--------------|----|------------------------|
|              | 5. | SOLE VOTING POWER      |
| NUMBER OF    |    | 0                      |
| SHARES       | 6. | SHARED VOTING POWER    |
| BENEFICIALLY |    | 185,352                |
| OWNED BY     |    |                        |
| EACH         | 7. | SOLE DISPOSITIVE POWER |
| REPORTING    |    | 0                      |
| PERSON       |    |                        |

|       |    |                          |
|-------|----|--------------------------|
| WITH: | 8. | SHARED DISPOSITIVE POWER |
|       |    | 185,352                  |

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
185,352

CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

10.

o

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

11.

1.9%

TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

12.

PN

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CUSIP No. 46131B100

1. NAMES OF REPORTING PERSONS.  
SAB Capital Advisors, L.L.C.

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

2. (a) ☐ p  
(b) ☐ o

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION  
Delaware

- |              |    |                        |
|--------------|----|------------------------|
|              | 5. | SOLE VOTING POWER      |
| NUMBER OF    |    | 0                      |
| SHARES       | 6. | SHARED VOTING POWER    |
| BENEFICIALLY |    |                        |
| OWNED BY     |    | 750,200                |
| EACH         | 7. | SOLE DISPOSITIVE POWER |
| REPORTING    |    |                        |
| PERSON       |    | 0                      |

- |       |    |                          |
|-------|----|--------------------------|
| WITH: | 8. | SHARED DISPOSITIVE POWER |
|       |    | 750,200                  |

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
750,200

CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

10.

o

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

11.

7.5%

TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

12.

OO

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CUSIP No. 46131B100

1. NAMES OF REPORTING PERSONS.  
SAB Capital Management, L.P.

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

2. (a) ☐   
(b) ☐

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION  
  
Delaware

5. SOLE VOTING POWER  
NUMBER OF 0

6. SHARED VOTING POWER  
SHARES BENEFICIALLY OWNED BY 750,200

7. SOLE DISPOSITIVE POWER  
EACH REPORTING PERSON 0

8. SHARED DISPOSITIVE POWER  
WITH: 750,200

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
750,200

CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

10.

o

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

11.

7.5%

TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

12.

PN

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CUSIP No. 46131B100

1. NAMES OF REPORTING PERSONS.  
SAB Capital Management, L.L.C.

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

2. (a) ☐ p  
(b) ☐ o

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION  
Delaware

- |              |    |                        |
|--------------|----|------------------------|
|              | 5. | SOLE VOTING POWER      |
| NUMBER OF    |    | 0                      |
| SHARES       | 6. | SHARED VOTING POWER    |
| BENEFICIALLY |    |                        |
| OWNED BY     |    | 750,200                |
| EACH         | 7. | SOLE DISPOSITIVE POWER |
| REPORTING    |    |                        |
| PERSON       |    | 0                      |

- |       |    |                          |
|-------|----|--------------------------|
| WITH: | 8. | SHARED DISPOSITIVE POWER |
|       |    | 750,200                  |

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
750,200

CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

10.

o

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

11.

7.5%

TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

12.

OO

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CUSIP No. 46131B100

**1. NAMES OF REPORTING PERSONS.**

Scott A. Bommer

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

**2.**

(a) ☐ p

(b) ☐ o

SEC USE ONLY

**3.**

CITIZENSHIP OR PLACE OF ORGANIZATION

**4.**

United States of America

SOLE VOTING POWER

**5.**

NUMBER OF 0

SHARED VOTING POWER

**6.**

SHARES  
BENEFICIALLY  
OWNED BY

750,200

SOLE DISPOSITIVE POWER

**7.**

EACH  
REPORTING  
PERSON

0

SHARED DISPOSITIVE POWER

**8.**

WITH:

750,200

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

**9.**

750,200

CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

10.

☐

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

11.

7.5%

TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

12.

IN

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**Item 1.**

**(a) Name of Issuer**

Invesco Mortgage Capital Inc.

**(b) Address of Issuer's Principal Executive Offices**

1555 Peachtree Street, NE, Atlanta, Georgia 30309

**Item 2.**

**(a) Name of Person Filing**

This statement is filed on behalf of each of the following persons (collectively, the Reporting Persons):

- i) SAB Capital Partners, L.P. ( SAB );
- ii) SAB Capital Partners II, L.P. ( SAB II, and together with SAB, the Domestic Partnerships );
- iii) SAB Overseas Master Fund, L.P. (the Master Fund );
- iv) SAB Capital Advisors, L.L.C. (the General Partner );
- v) SAB Capital Management, L.P. (the Investment Manager );
- vi) SAB Capital Management, L.L.C. (the IMGP ); and
- vii) Scott A. Bommer ( Mr. Bommer ).

This Statement relates to Shares (as defined herein) held for the accounts of each of SAB, SAB II, and the Master Fund. The General Partner serves as the general partner of each of the Domestic Partnerships and the Master Fund. The Investment Manager serves as the investment manager of each of the Domestic Partnerships and the Master Fund. The IMGP serves as the general partner of the Investment Manager. Mr. Bommer serves as the managing member of each of the General Partner and the IMGP.

Any disclosures herein with respect to persons other than the Reporting Persons are made on information and belief after making inquiry to the appropriate party.

**(b) Address of Principal Business Office or, if none, Residence**

The address of the principal business office of each Reporting Person is 767 Fifth Avenue, 21st Floor, New York, New York 10153.

**(c) Citizenship**

See Item 4 on the cover page(s) hereto.

**(d) Title of Class of Securities**

Common Stock (the Shares )

**(e) CUSIP Number**

46131B100

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**Item 3. If this statement is filed pursuant to §§240.13d-1(b) or 240.13d-2(b) or (c), check whether the person filing is:**

- (a) ☐ A Broker or dealer registered under Section 15 of the Act (15 U.S.C. 78o).
- (b) ☐ A Bank as defined in Section 3(a)(6) of the Act (15 U.S.C. 78c).
- (c) ☐ An insurance company as defined in Section 3(a)(19) of the Act (15 U.S.C. 78c).
- (d) ☐ An investment company registered under Section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8).
- (e) ☐ An investment adviser in accordance with §240.13d-1(b)(1)(ii)(E);
- (f) ☐ An employee benefit plan or endowment fund in accordance with §240.13d- 1(b)(1)(ii)(F);
- (g) ☐ A parent holding company or control person in accordance with §240.13d- 1(b)(1)(ii)(G);
- (h) ☐ A savings associations as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);
- (i) ☐ A church plan that is excluded from the definition of an investment company under Section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3);
- (j) ☐ A group, in accordance with §240.13d-1(b)(1)(ii)(J).

**Item 4. Ownership.**

(a) **Amount beneficially owned:** See Item 9 on the cover page(s) hereto.

(b) **Percent of class:** See Item 11 on the cover page(s) hereto.

(c) **Number of shares as to which such person has:**

(i) **Sole power to vote or to direct the vote:** See Item 5 on the cover page(s) hereto.

(ii) **Shared power to vote or to direct the vote:** See Item 6 on the cover page(s) hereto.

(iii) **Sole power to dispose or to direct the disposition of:** See Item 7 on the cover page(s) hereto.

(iv) **Shared power to dispose or to direct the disposition of:** See Item 8 on the cover page(s) hereto.

**Item 5. Ownership of 5% or Less of a Class.**

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following ☐.

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**Item 6. Ownership of More than 5 Percent on Behalf of Another Person**

Not Applicable

**Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on by the Parent Holding Company or Control Person.**

Not Applicable

**Item 8. Identification and Classification of Members of the Group**

See disclosure in Item 2 hereof.

**Item 9. Notice of Dissolution of Group**

Not Applicable

**Item 10. Certifications**

(a) Not Applicable

(b) By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

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**SIGNATURE**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: July 16, 2009

/s/ Brian Jackelow

Brian Jackelow, attorney-in-fact for Scott A. Bommer, individually and (a) as managing member of SAB Capital Advisors, L.L.C., for itself and as the general partner of (i) SAB Capital Partners, L.P.; and (ii) SAB Capital Partners II, L.P.; and (iii) SAB Overseas Master Fund, L.P.; and (b) as managing member of SAB Capital Management, L.L.C., for itself and as the general partner of SAB Capital Management, L.P.

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**EXHIBIT INDEX**

| <b>Exhibit</b> | <b>Description of Exhibit</b>               |
|----------------|---------------------------------------------|
| 99.1           | Joint Filing Agreement (furnished herewith) |
| 99.2           | Power of Attorney                           |