

Orchid Island Capital, Inc.
Form 424B5
March 02, 2015
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Filed Pursuant to Rule 424(b)(5)
Registration No. 333-195389

PROSPECTUS SUPPLEMENT

(To prospectus dated May 15, 2014)

\$100,000,000

Common Stock

We have entered into an equity distribution agreement with Ladenburg Thalmann & Co. Inc. and Mitsubishi UFJ Securities (USA), Inc. (each an Agent and together the Agents) relating to shares of our common stock, \$0.01 par value per share, offered by this prospectus supplement and the accompanying prospectus. In accordance with the terms of the equity distribution agreement, we may offer and sell up to \$100,000,000 of shares of our common stock from time to time through the Agents.

Our common stock is listed on the New York Stock Exchange, or NYSE, under the symbol ORC. The last reported sale price of our common stock on the NYSE on February 27, 2015, was \$13.84 per share.

Sales of shares of common stock, if any, under this prospectus supplement and the accompanying prospectus may be made in negotiated transactions or transactions that are deemed to be at the market offerings as defined in Rule 415 under the Securities Act of 1933, as amended, including, without limitation, sales made directly on the NYSE or any other existing trading market for our common stock or sales made to or through a market maker other than on an exchange. The Agents will make all sales using commercially reasonable efforts consistent with its normal trading and sales practices, on mutually agreed terms between the Agents and us.

The Agents will be entitled to compensation of 2% of the gross proceeds from the sale of the shares of common stock sold through it under the equity distribution agreement, as further described herein under the caption Plan of Distribution. In connection with the sale of shares of common stock on our behalf, the Agents may be deemed to be underwriters within the meaning of the Securities Act of 1933, as amended, and the compensation of the Agents may be deemed to be underwriting commissions or discounts. Please see the section under the caption Plan of Distribution for further information relating to the compensation arrangements for the Agents.

Investing in our common stock involves a high degree of risk. See Risk Factors beginning on page S-4 of this prospectus supplement, as well as those described in our most recent annual report on Form 10-K, as updated and supplemented from time to time, and in our subsequent quarterly reports on Form 10-Q and other information that we file from time to time with the Securities and Exchange Commission.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Ladenburg Thalmann

MUFG

The date of this prospectus supplement is March 2, 2015.

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No dealer, salesperson or other person is authorized to give any information or to represent anything not contained or incorporated by reference in this prospectus supplement or the accompanying prospectus. If

anyone provides you with different, inconsistent or unauthorized information or representations, you must not rely on them. This prospectus supplement and the accompanying prospectus are an offer to sell only the securities offered by these documents and only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus supplement and the accompanying prospectus or incorporated by reference in these documents is current only as of the respective dates of those documents or the dates that are specified therein.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document consists of two parts. The first part is this prospectus supplement, which describes the specific terms of the offering and also adds to and updates information contained in the accompanying prospectus. The second part is the accompanying prospectus, which gives more general information. If the information set forth in this prospectus supplement differs in any way from the information set forth in the accompanying prospectus, you should rely on the information set forth in this prospectus supplement.

This prospectus supplement does not contain all of the information that is important to you. You should read the accompanying prospectus as well as the documents incorporated by reference in this prospectus supplement and the accompanying prospectus. See **Where You Can Find More Information** in the accompanying prospectus.

In this prospectus supplement, we refer to Orchid Island Capital, Inc. as **Orchid**, **Company**, **we**, **our** and **us** unless specifically state otherwise or the context indicates otherwise. References to **our Manager** refer to Bimini Advisors, LLC, our external manager and a wholly-owned subsidiary of Bimini Capital Management, Inc. References to **Bimini** and **Bimini Capital** refer to Bimini Capital Management, Inc.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

We make forward-looking statements in this prospectus supplement and accompanying prospectus that are subject to risks and uncertainties. These forward-looking statements include information about possible or assumed future results of our business, financial condition, liquidity, results of operations, plans and objectives. When we use the words **believe**, **expect**, **anticipate**, **estimate**, **intend**, **should**, **may**, **plans**, **projects**, **will** or similar expressions, or the negative of these words, we intend to identify forward-looking statements. Statements regarding the following subjects are forward-looking by their nature:

our business and investment strategy;

our expected operating results;

our ability to acquire investments on attractive terms;

the effect of actual or proposed actions of the U.S. Federal Reserve with respect to monetary policy or interest rates;

mortgage loan modification programs and future legislative action;

our ability to access the capital markets;

our ability to obtain future financing arrangements;

our ability to successfully hedge the interest rate risk and prepayment risk associated with our portfolio;

the federal conservatorship of Fannie Mae and Freddie Mac and related efforts, along with any changes in laws and regulations affecting the relationship between Fannie Mae and Freddie Mac and the U.S. Government;

our ability to make distributions to our stockholders in the future;

our understanding of our competition and our ability to compete effectively;

our ability to qualify and maintain our qualification as a real estate investment trust, or REIT, for U.S. federal income tax purposes;

our ability to maintain our exemption from registration under the Investment Company Act of 1940, as amended, or the Investment Company Act;

our ability to maintain the listing of our common stock on the NYSE;

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market trends;

expected capital expenditures; and

the impact of technology on our operations and business.

The forward-looking statements are based on our beliefs, assumptions and expectations of our future performance, taking into account all information currently available to us. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. These beliefs, assumptions and expectations can change as a result of many possible events or factors, not all of which are known to us. If a change occurs, our business, financial condition, liquidity and results of operations may vary materially from those expressed in our forward-looking statements. Except as required by law, we are not obligated to update or revise any forward-looking statements whether as a result of new information, future events or otherwise.

When considering forward-looking statements, you should keep in mind the risks and other cautionary statements set forth in this prospectus, including those contained in Risk Factors. Readers are cautioned not to place undue reliance on any of these forward-looking statements, which reflect our views as of the date of this prospectus. You should carefully consider these risks when you make a decision concerning an investment in our securities, along with the following factors, among others, that may cause actual results to vary from our forward-looking statements:

general volatility of the securities markets in which we invest and the market price of our securities;

our limited operating history;

changes in our business or investment strategy;

changes in interest rate spreads or the yield curve;

availability, terms and deployment of debt and equity capital;

availability of qualified personnel;

the degree and nature of our competition;

increased prepayments of the mortgage loans underlying our Agency residential mortgage-backed securities, or RMBS;

risks associated with our hedging activities;

changes in governmental regulations, tax rates and similar matters; and

defaults on our investments.

WHERE YOU CAN FIND MORE INFORMATION

We are subject to the informational requirements of the Securities Exchange Act of 1934, as amended, or the Exchange Act, and, in accordance with those requirements, file reports, proxy statements and other information with the Securities and Exchange Commission, or the SEC. Such reports, proxy statements and other information, as well as the registration statement and the exhibits and schedules thereto, can be inspected at the public reference facilities maintained by the SEC at 100 F Street, N.E., Washington, D.C. 20549. Copies of such materials may be obtained from the SEC at prescribed rates. Information about the operation of the public reference facilities may be obtained by calling the SEC at 1-800-SEC-0330. The SEC also maintains a website that contains reports, proxy statements and other information regarding registrants, including us, that file such information electronically with the SEC. The address of the SEC's website is www.sec.gov. Our common stock is listed on the NYSE and our corporate website is located at www.orchidislandcapital.com. Our internet website and the information contained therein or connected thereto do not constitute a part of this prospectus supplement, the accompanying prospectus or any amendment or supplement thereto.

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We have filed with the SEC a registration statement on Form S-3 under the Securities Act of 1933, as amended, or the Securities Act, with respect to the securities offered by this prospectus supplement and the accompanying prospectus. This prospectus supplement and the accompanying prospectus, which form a part of the registration statement, do not contain all of the information set forth in the registration statement and its exhibits and schedules, certain parts of which are omitted in accordance with the SEC's rules and regulations. For further information about us and our common stock, we refer you to the registration statement and to such exhibits and schedules. Statements contained in this prospectus supplement and the accompanying prospectus concerning the provisions of any document filed as an exhibit to the registration statement or otherwise filed with the SEC are not necessarily complete, and in each instance reference is made to the copy of such document so filed. Each such statement is qualified in its entirety by such reference.

INCORPORATION BY REFERENCE OF INFORMATION FILED WITH THE SEC

The SEC allows us to incorporate by reference into this prospectus supplement and the accompanying prospectus the information we file with the SEC, which means that we can disclose important business, financial and other information to you by referring you to other documents separately filed with the SEC. The information incorporated by reference is considered to be part of this prospectus supplement and the accompanying prospectus from the date we file that document. Any reports filed by us with the SEC after the date of this prospectus supplement and before the date that the offering of the securities by means of this prospectus supplement and the accompanying prospectus is terminated will automatically update and, where applicable, supersede any information contained in this prospectus supplement and the accompanying prospectus or incorporated by reference in this prospectus supplement and the accompanying prospectus.

We incorporate by reference the following documents or information filed with the SEC into this prospectus supplement and the accompanying prospectus (other than, in each case, documents or information deemed to have been furnished and not filed in accordance with SEC rules):

our Annual Report on Form 10-K for the year ended December 31, 2014 filed with the SEC on February 24, 2015; as amended by Amendment No. 1 thereto, filed with the SEC on February 26, 2015;

the information specifically incorporated by reference into our Annual Report on Form 10-K for the year ended December 31, 2013 from our definitive proxy statement on Schedule 14A for our 2014 annual meeting of stockholders filed with the SEC on April 29, 2014;

our current reports on Form 8-K filed on January 14, 2015, January 23, 2015 and February 10, 2015;

the description of our common stock included in our Registration Statement on Form 8-A/A filed on February 13, 2013; and

all documents filed by us under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act on or after the date of this prospectus and before the termination of the offer and sale of shares of our common stock pursuant to this prospectus supplement.

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We will provide without charge to each person, including any beneficial owner, to whom this prospectus supplement and the accompanying prospectus supplement are delivered, upon his or her written or oral request, a copy of any or all documents referred to above that have been or may be incorporated by reference into this prospectus supplement and the accompanying prospectus, excluding exhibits to those documents unless they are specifically incorporated by reference into those documents. You may request those documents from us by contacting: Orchid Island Capital, Inc., 3350 Flamingo Drive, Vero Beach, Florida 32963, telephone: (772) 231-1400.

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SUMMARY

The following summary is qualified in its entirety by the more detailed information and financial statements and notes thereto appearing elsewhere in, or incorporated by reference into, this prospectus supplement and the accompanying prospectus. Because this is a summary, it may not contain all of the information that is important to you. You should read the entire prospectus supplement and the accompanying prospectus, including the section entitled Risk Factors and the documents incorporated by reference herein, before making an investment decision.

Our Company

Orchid Island Capital, Inc. is a specialty finance company that invests in residential mortgage-backed securities, or RMBS. The principal and interest payments of these RMBS are guaranteed by the Federal National Mortgage Association, or Fannie Mae, the Federal Home Loan Mortgage Corporation, or Freddie Mac, or the Government National Mortgage Association, or Ginnie Mae, and are backed primarily by single-family residential mortgage loans. We refer to these types of RMBS as Agency RMBS. Our investment strategy focuses on, and our portfolio consists of, two categories of Agency RMBS: (i) traditional pass-through Agency RMBS and (ii) structured Agency RMBS, such as collateralized mortgage obligations, or CMOs, interest only securities, or IOs, inverse interest only securities, or IIOs, and principal only securities, or POs, among other types of structured Agency RMBS.

Our business objective is to provide attractive risk-adjusted total returns to our investors over the long term through a combination of capital appreciation and the payment of regular monthly distributions. We intend to achieve this objective by investing in and strategically allocating capital between the two categories of Agency RMBS described above. We seek to generate income from (i) the net interest margin, which is the spread or difference between the interest income we earn on our assets and the interest cost of our related borrowing and hedging activities, on our leveraged pass-through Agency RMBS portfolio and the leveraged portion of our structured Agency RMBS portfolio, and (ii) the interest income we generate from the unleveraged portion of our structured Agency RMBS portfolio. We intend to fund our pass-through Agency RMBS and certain of our structured Agency RMBS, such as fixed and floating rate tranches of CMOs and POs, through short-term borrowings structured as repurchase agreements. However, we do not intend to employ leverage on the securities in our structured Agency RMBS portfolio that have no principal balance, such as IOs and IIOs. We may pledge a portion of these assets to increase our cash balance, but we do not intend to invest the cash derived from pledging the assets. Otherwise, we do not intend to use leverage in these instances because these securities contain structural leverage.

Pass-through Agency RMBS and structured Agency RMBS typically exhibit materially different sensitivities to movements in interest rates. Declines in the value of one portfolio may be offset by appreciation in the other. The percentage of capital that we allocate to our two Agency RMBS asset categories will vary and will be actively managed in an effort to maintain the level of income generated by the combined portfolios, the stability of that income stream and the stability of the value of the combined portfolios. We believe that this strategy will enhance our liquidity, earnings, book value stability and asset selection opportunities in various interest rate environments.

We are externally managed and advised by Bimini Advisors, LLC, pursuant to the terms of a management agreement. Our Manager is a Maryland limited liability company that is a wholly-owned subsidiary of Bimini. Our Manager is responsible for administering our business activities and day-to-day operations, subject to the supervision and oversight of our Board of Directors. Members of Bimini's and our Manager's senior management team also serve as our executive officers. We do not have any employees.

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We have been organized and have operated so as to qualify as a REIT under the Internal Revenue Code of 1986, as amended, or the Code. We have elected to be taxed as a REIT for federal income tax purposes. As a REIT, we generally are not subject to U.S. federal income tax to the extent that we annually distribute all of our REIT taxable income to our stockholders and continue to qualify as a REIT. We intend to operate our business in a manner that permits us to maintain our exemption from registration under the Investment Company Act.

We completed our initial public offering on February 20, 2013. We are an emerging growth company as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act, and will remain such for up to five years from the date of our initial public offering. However, if our non-convertible debt issued within a three year period or our total revenues exceed \$1 billion or the market value of our shares of common stock that are held by non-affiliates exceeds \$700 million on the last day of the second fiscal quarter of any given fiscal year, we would cease to be an emerging growth company as of the following fiscal year. Although we are an emerging growth company under the JOBS Act, we have elected to opt out of the extended transition period for complying with new or revised accounting standards, and such election is irrevocable.

Our offices are located at 3305 Flamingo Drive, Vero Beach, Florida 32963, and the telephone number of our offices is (772) 231-1400. Our internet address is www.orchidislandcapital.com. Our internet site and the information contained therein or connected thereto do not constitute a part of this prospectus or any amendment or supplement thereto.

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THE OFFERING

Issuer	Orchid Island Capital, Inc.
Common stock offered by us	Common stock having an aggregate gross offering price of up to \$100,000,000.
Manner of offering	At the market offerings that may be made from time to time through the Agents using commercially reasonable efforts, consistent with their normal trading and sales practices, on mutually agreed terms between the Agents and us. See Plan of Distribution in this prospectus supplement.
Use of Proceeds	We intend to add the net proceeds from sales of our common stock to our general corporate funds, which we may use for new investments in accordance with our investment policy in place at the time of such sales, to repay indebtedness or other general corporate purposes.
Ownership and transfer restrictions	To assist us in qualifying as a REIT, among other purposes, our charter generally limits beneficial and constructive ownership by any person to no more than 9.8% in value or in number of shares, whichever is more restrictive, of the outstanding shares of any class or series of our capital stock, except that Bimini may own up to 35.0% of our common stock so long as Bimini continues to qualify as a REIT. In addition, our charter contains various other restrictions on the ownership and transfer of our common stock. See Description of Common Stock Restrictions on Ownership and Transfer in the accompanying prospectus.
NYSE symbol	ORC
Risk Factors	Investing in our common stock involves a high degree of risk. You should carefully read and consider the information set forth under Risk Factors and all other information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus before investing in our common stock.

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RISK FACTORS

Investing in shares of our common stock involves a high degree of risk. Please see the risks described below in addition to the risk factors included in our most recent annual report on Form 10-K, as updated and supplemented from time to time, and in our subsequent quarterly reports on Form 10-Q, which are incorporated by reference into this prospectus supplement. Such risks are not the only risks that we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially adversely affect us and the market value of our common stock. The risks described could affect our business, financial condition, liquidity, results of operations and the market value of our common stock. In such a case, you may lose all or part of your original investment. You should carefully consider the risks described below and in these reports, as well as other information and data set forth in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein before making an investment decision with respect to the shares of our common stock.

The market price and trading volume of our common stock may be volatile following the offer and sale of shares of our common stock pursuant to this prospectus supplement.

The market price of our common stock may be highly volatile and be subject to wide fluctuations. In addition, the trading volume in our common stock may fluctuate and cause significant price variations to occur. If the market price of our common stock declines significantly, you may be unable to resell your shares at or above the public offering price. We cannot assure you that the market price of our common stock will not fluctuate or decline significantly in the future. Some of the factors that could negatively affect our share price or result in fluctuations in the price or trading volume of our common stock include:

actual or anticipated variations in our quarterly operating results or distributions;

changes in our earnings estimates or publication of research reports by securities analysts;

decreases in the market valuations of Agency RMBS;

increased difficulty in maintaining or obtaining financing on attractive terms, or at all;

changes in interest rates;

changes in market valuations of similar companies;

changes in the regulatory environment in which our business operates;

additions or departures of key management personnel;

actions by institutional stockholders;

speculation in the press or investment community; and

general market and economic conditions.

Future offerings of debt securities, which would rank senior to our common stock upon our liquidation, and future offerings of equity securities, which would dilute our existing stockholders and may be senior to our common stock for the purposes of dividend and liquidating distributions, may adversely affect the market price of our common stock.

In the future, we may attempt to increase our capital resources by making offerings of debt or additional offerings of equity securities, including commercial paper, medium-term notes, senior or subordinated notes and classes of preferred stock or common stock. Upon liquidation, holders of our debt securities and shares of preferred stock and lenders with respect to other borrowings will receive a distribution of our available assets prior to the holders of our common stock. Additional equity offerings may dilute the holdings of our existing stockholders or reduce the market price of our common stock, or both. In addition, we could sell securities at a price less than our then-current net asset value per share. Our preferred stock, if issued, could have a preference

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on liquidating distributions or a preference on dividend payments that could limit our ability to make a dividend distribution to the holders of our common stock. Because our decision to issue securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future offerings. Thus, holders of our common stock bear the risk of our future offerings reducing the market price of our common stock and diluting their stock holdings in us.

We have not established a minimum distribution payment level, and we cannot assure you of our ability to make distributions in the future.

We expect to make monthly distributions to our stockholders in amounts such that we distribute all or substantially all of our REIT taxable income in each year, subject to certain adjustments. We have not established a minimum distribution payment level, and our ability to make distributions may be adversely affected by the risk factors described in this prospectus. All distributions will be declared at the discretion of our board of directors and will depend on our earnings, our financial condition, maintenance of our REIT status and other factors as our board of directors may deem relevant from time to time. We may not be able to make distributions in the future. In addition, some of our distributions may include a return of capital. To the extent that we decide to make distributions in excess of our current and accumulated tax earnings and profits, such distributions would generally be considered a return of capital for federal income tax purposes. A return of capital is not taxable, but it has the effect of reducing the holder's basis in its investment.

An increase in market interest rates may have an adverse effect on the market price of our common stock.

One of the factors that investors may consider in deciding whether to buy or sell shares of our common stock is our distribution rate as a percentage of our share price relative to market interest rates. If the market price of our common stock is based primarily on the earnings and return that we derive from our investments and income with respect to our investments and our related distributions to stockholders, and not from the market value of the investments themselves, then interest rate fluctuations and capital market conditions will likely affect the market price of our common stock. For instance, if market rates rise without an increase in our distribution rate, the market price of our common stock could decrease as potential investors may require a higher distribution yield on our common stock or seek other securities paying higher distributions or interest. In addition, rising interest rates would result in increased interest expense on our variable rate debt, thereby adversely affecting cash flow and our ability to service our indebtedness and pay distributions.

Investing in our common stock may involve an above average degree of risk.

The investments we make in accordance with our investment strategy may result in a higher amount of risk, volatility or loss of principal than alternative investment options. Our investments may be highly speculative and aggressive, and therefore, an investment in our common stock may not be suitable for someone with lower risk tolerance.

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ADDITIONAL MATERIAL FEDERAL INCOME TAX CONSIDERATIONS

*This summary supplements the discussion contained under the caption **Material U.S. Federal Income Tax Considerations** in the accompanying prospectus, which is incorporated by reference herein, and should be read in conjunction therewith.*

Asset Tests

As discussed in the accompanying prospectus under **Material U.S. Federal Income Tax Considerations Requirements for Qualification Asset Tests**, IRS Revenue Procedure 2011-16 established a safe harbor addressing when a mortgage loan may be treated as a real estate asset for purpose of the 75% REIT asset test. IRS Revenue Procedure 2014-51 replaced that safe harbor with a new safe harbor. Under the new safe harbor, the Internal Revenue Service will not challenge a REIT's treatment of a loan as being, in part, a qualifying real estate asset in an amount equal to the lesser of (1) the fair market value of the loan on the date of the relevant quarterly REIT asset testing date; or (2) the greater of (a) the current value of the real property securing the loan on the date of the relevant quarterly REIT asset testing date; or (b) the fair market value of the real property securing the loan determined as of the date the REIT committed to acquire the loan. We anticipate that the current value of the real property securing the mortgage loans backing the Agency RMBS in which we invest will generally exceed the fair market value of those loans.

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USE OF PROCEEDS

We intend to add the net proceeds from sales of our common stock to our general corporate funds, which we may use for new investments in accordance with our investment policy in place at the time of such sales, to repay indebtedness or for other general corporate purposes.

PLAN OF DISTRIBUTION

We have entered into an equity distribution agreement, dated as of March 2, 2015, with Ladenburg Thalmann & Co. Inc., or Ladenburg, and Mitsubishi UFJ Securities (USA), Inc., or MUFG. Pursuant to the equity distribution agreement, we may, from time to time, offer and sell up to an aggregate of \$100,000,000 of shares of our common stock through the Agents, as our agents for the offer and sale of the shares, or to the Agents for resale. Any such sales may be made in negotiated transactions or transactions that are deemed to be at the market offerings, as defined in Rule 415 under the Securities Act, including sales made directly on the NYSE or sales made to or through a market maker other than on an exchange.

Upon acceptance of written instructions from us, in connection with the Agents acting as our agents, the Agents will use commercially reasonable efforts consistent with its normal sales and trading practices to sell our common stock under the terms and subject to the conditions set forth in the equity distribution agreement. We will instruct the Agents as to the maximum amount of our common stock to be sold. Additionally, we will instruct the Agents not to sell our common stock if the sales cannot be effected at or above the price designated by us in any instruction. We or the Agents may suspend the sale of our common stock upon proper notice and subject to other conditions.

The Agents will provide written confirmation of any sales to us promptly following the close of trading on the NYSE on the trading day on which our common stock was sold under the equity distribution agreement. Each confirmation will include the amount of our common stock sold on the trading day, the aggregate gross sales proceeds, the net proceeds to us and the compensation payable by us to the Agents in connection with the sales.

We will pay commissions to the Agents for their services in acting as agent and/or principal in the sale of our common stock offered hereby. Under the equity distribution agreement, the Agents will be entitled to compensation of 2% of the gross sales price of our common stock sold through it as our agents. We have agreed to reimburse the Agents for certain reasonable out-of-pocket expenses in certain circumstances, including all reasonable and customary expenses incurred by it in connection with the negotiation of and its performance under the equity distribution agreement, including fees and disbursements of counsel to the Agents, and certain other expenses, not to exceed \$10,000. In addition, we have agreed to reimburse the Agents for certain such reasonable out-of-pockets incurred by them in connection with the delivery of certain documents under the equity distribution agreement, not to exceed \$4,000 per such delivery. If we sell our common stock to the Agents, acting as principal, or if we sell our common stock through the Agents, as our agents, in privately negotiated transactions, we will enter into a separate agreement setting forth the terms of such transaction and, to the extent required by applicable law, we will describe this agreement in a separate prospectus supplement or pricing supplement.

We estimate that the total expenses for the offering, excluding compensation payable to the Agents under the terms of the equity distribution agreement, will be approximately \$75,000. In connection with the sale of our common stock on our behalf, the Agents may be deemed to be underwriters within the meaning of the Securities Act, and the compensation of the Agents may be deemed to be underwriting commissions or discounts.

Settlement of sales of our common stock will occur on the third business day following the date on which any sales are made, or on some other date that is agreed upon by us and the Agents in connection with a particular transaction,

in return for payment of the net proceeds to us. There is no arrangement for funds to be received in an escrow, trust or similar arrangement. Sales of our common stock, if any, as contemplated by this prospectus supplement and the accompanying prospectus, will be settled through the facilities of The Depository Trust Company or by such other means as we and the Agents may agree upon.

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In connection with acting as our agents, the Agents will not engage in any transactions that stabilize our shares of common stock.

We will report at least quarterly the amount of our common stock sold through the Agents under the equity distribution agreement, the net proceeds to us and the compensation paid by us to the Agents in connection with the sales, if any.

The Agents and their respective affiliates have provided, and may in the future provide, various investment banking and advisory services for us from time to time for which they have received, and may in the future receive, customary fees and expenses.

Ladenburg previously acted as the representative of the several underwriters, including MUFG, in various underwritten offerings of our common stock, and Ladenburg and MUFG previously acted as agents in at the market offerings of our common stock, for which Ladenburg, MUFG and the other underwriters in the underwritten offerings received customary compensation. Ladenburg acted as representative of the underwriters for our initial public offering in February 2013. In connection therewith, Ladenburg was granted the exclusive right, or Offering Right, during the three-year period following February 14, 2013 to act as the sole book running manager or sole lead placement agent for any public or private sale of our debt or equity securities by us or any of our subsidiaries (subject to certain limited exceptions). Notwithstanding the foregoing, the Offering Right shall automatically terminate on the date that the aggregate gross proceeds of such public or private sales of debt or equity securities equals or exceeds \$500 million (inclusive of the gross proceeds from our initial public offering). As of the date of this prospectus supplement, the aggregate gross proceeds from such public and private sales of debt and equity securities has been approximately \$212.6 million. Pursuant to the Offering Right, Ladenburg (i) acted as representative of the several underwriters in a public offering of shares of our common stock in January 2014, in which the Company raised net proceeds (including pursuant to the overallotment option) of approximately of \$24.2 million and Ladenburg and the other underwriters received aggregate commissions of \$1,293,750 and reimbursement of expenses of \$15,000; (ii) acted as representative of the several underwriters in a public offering of shares of our common stock in March 2014, in which the Company raised net proceeds (including pursuant to the overallotment option) of approximately \$44.0 million and Ladenburg and the other underwriters received aggregate commissions of \$1,847,360 and reimbursement of expenses of \$10,000; (iii) acted as an agent in the public offering of shares of our common stock from time to time in at the market offerings pursuant to an equity distribution agreement among Ladenburg and MUFG, dated June 17, 2014, in which the Company raised net proceeds of approximately \$34.2 million and Ladenburg and MUFG received aggregate commissions of \$700,000 and reimbursement of expenses of \$12,640; and (iv) acted as an agent in the public offering of shares of our common stock from time to time in at the market offerings pursuant to an equity distribution agreement among Ladenburg and MUFG, dated September 3, 2014, in which the Company raised net proceeds of approximately \$69.1 million and Ladenburg and MUFG received aggregate commissions of \$1,413,218 and reimbursement of expenses of \$13,750. The June 17, 2014 equity distribution agreement was terminated on September 2, 2014 because we had sold approximately all of the shares of our common stock that could be sold pursuant to the agreement. The September 3, 2014 equity distribution agreement was terminated on February 27, 2015 because we had sold approximately \$70.7 million of the \$75.0 million shares of our common stock that could be sold pursuant to the agreement.

The Agents and their respective affiliates may, from time to time, engage in other transactions with and perform services for us in the ordinary course of their business. Except in connection with the Offering Right described above with respect to Ladenburg, we are not under any contractual obligation to engage the Agents to provide investment banking, lending, asset management and financial advisory services to us in the future. If the Agents provides such services to us after this offering, we may pay the Agents fair and reasonable fees that would be determined at that time in an arms length negotiation. However, we will not enter into any agreement with the Agents, nor will we pay any

fees for such services to the Agents, prior to the date which is 90 days after the date of this offering, unless such payment would not be deemed underwriters' compensation in connection with this offering.

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We have agreed to indemnify the Agents against specified liabilities, including liabilities under the Securities Act, or to contribute to payments that each such Agents may be required to make because of those liabilities.

The offering of our common stock pursuant to the equity distribution agreement will terminate upon the earlier of (1) the sale of all our common stock subject to the agreements or (2) termination of the equity distribution agreement as provided therein. The equity distribution agreement may be terminated by the Agent or by us at any time.

LEGAL MATTERS

Certain legal matters will be passed upon for us by Hunton & Williams LLP and, with respect to matters of Maryland law, by Venable LLP. Certain legal matters will be passed upon for Ladenburg Thalmann & Co. Inc. by Graubard Miller.

EXPERTS

The financial statements as of December 31, 2014 and 2013 and for each of the three years in the period ended December 31, 2014 incorporated by reference in this prospectus supplement have been so incorporated in reliance on the report of BDO USA, LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

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**Filed Pursuant to Rule 424(b)(5)
Registration No. 333-195389**

PROSPECTUS

\$500,000,000

Common Stock

Preferred Stock

Debt Securities

Units

Orchid Island Capital, Inc., a Maryland corporation, invests in residential mortgage-backed securities the principal and interest payments of which are guaranteed by a U.S. Government agency or a U.S. Government-sponsored entity, or Agency RMBS. We are externally managed and advised by Bimini Advisors, LLC, or our Manager, a wholly-owned subsidiary of Bimini Capital Management, Inc., or Bimini. Our Manager is an investment advisor registered with the Securities and Exchange Commission, or SEC. Bimini is an existing real estate investment trust for U.S. federal income tax purposes, or REIT, whose common stock is traded on the OTC Bulletin Board under the symbol BMNM.

We may offer and sell, from time to time, in one or more offerings, up to an aggregate of \$500,000,000 of the common stock, preferred stock, debt securities and units described in this prospectus. In addition, this prospectus covers the offer and sale from time to time of up to 981,665 shares of our common stock beneficially owned by the selling stockholder named herein. The registration of these shares does not necessarily mean that the selling stockholder will offer or sell any or all of these shares. We will not receive any of the proceeds from the sale of any shares of common stock by the selling stockholder, but we will be reimbursed for expenses in connection with the registration of these shares. We, or the selling stockholder, may offer and sell these securities to or through one or more underwriters, dealers and agents, or directly to purchasers, on a continuous or delayed basis.

The specific terms of any securities to be offered, and the specific manner in which they may be offered, will be described in one or more supplements to this prospectus. This prospectus may not be used to consummate sales of any of these securities unless it is accompanied by a prospectus supplement. Before investing, you should carefully read this prospectus and any related prospectus supplement.

Our common stock is traded on the NYSE MKT under the symbol ORC. On May 15, 2014, the last reported sale price on the NYSE MKT for our common stock was \$12.80 per share.

We are organized and intend to continue to conduct our operations to qualify as a REIT. To assist us in qualifying as a REIT, among other purposes, ownership of our stock by any person is generally limited to 9.8% in value or number of shares, whichever is more restrictive, of any class or series of our stock, except that Bimini may own up to 35.0% of our common stock so long as Bimini continues to qualify as a REIT. Our charter also contains various other restrictions on the ownership and transfer of our common stock. See [Description of Common Stock](#) [Restrictions on Ownership and Transfer](#), [Description of Preferred Stock](#) [Restrictions on Ownership and Transfer](#); [Change of Control Provisions](#) and [Description of Units](#).

Investing in our securities involves a high degree of risk. You should carefully read and consider the information under [Risk Factors](#) beginning on page 5 of this prospectus and in any prospectus supplement before making a decision to purchase these securities.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is May 15, 2014

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You should rely only on the information contained in this prospectus and the accompanying prospectus supplement or incorporated by reference in these documents. No dealer, salesperson or other person is authorized to give any information or to represent anything not contained or incorporated by reference in this prospectus or the accompanying prospectus supplement. If anyone provides you with different, inconsistent or unauthorized information or representations, you must not rely on them. This prospectus and the accompanying prospectus supplement are an offer to sell only the securities offered by these documents, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus or any prospectus supplement is current only as of the date on the front of those documents.

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ABOUT THIS PROSPECTUS

This prospectus is part of a shelf registration statement that we filed with the Securities and Exchange Commission, or the SEC. Under this shelf registration statement, we, and our selling stockholder, may offer and sell any combination of our common stock, preferred stock, debt securities or units in one or more offerings. This prospectus provides you with a general description of the securities we, or our selling stockholder, may offer. Each time we, or our selling stockholder, offer to sell securities under this shelf registration statement, we will provide a prospectus supplement that will contain specific information about the terms of that offering. The prospectus supplement may add, update or change information contained in this prospectus. Before you buy any of our securities, it is important for you to consider the information contained in this prospectus and any prospectus supplement together with additional information described under the headings **Incorporation of Certain Information by Reference** and **Where You Can Find More Information**.

The SEC allows us to incorporate by reference information that we file with them, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be a part of this prospectus, and information that we file later with the SEC will automatically update and supersede this information. You should rely only on the information incorporated by reference or set forth in this prospectus or any prospectus supplement. We have not authorized anyone to provide you with information different from that contained in this prospectus. No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this prospectus. You must not rely on any unauthorized information or representation. This prospectus is an offer to sell only the securities offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. You should assume that the information in this prospectus or any prospectus supplement is accurate only as of the date of the document incorporated by reference. Our business, financial condition, results of operations and prospects may have changed since that date.

In this prospectus, we refer to Orchid Island Capital, Inc. as **Orchid**, **Company**, **we**, **our** and **us** unless we specifically state otherwise or the context indicates otherwise. References to **our Manager** refer to Bimini Advisors, LLC, our external manager and a wholly-owned subsidiary of Bimini Capital Management, Inc. References to **Bimini** and **Bimini Capital** refer to Bimini Capital Management, Inc.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

We make forward-looking statements in this prospectus that are subject to risks and uncertainties. These forward-looking statements include information about possible or assumed future results of our business, financial condition, liquidity, results of operations, plans and objectives. When we use the words believe, expect, anticipate, estimate, intend, should, may, plans, projects, will, or similar expressions, or the negative of these words, identify forward-looking statements. Statements regarding the following subjects are forward-looking by their nature:

our business and investment strategy;

our expected operating results;

our ability to acquire investments on attractive terms;

the effect of the U.S. Federal Reserve's and the U.S. Treasury's recent actions on the liquidity of our target assets and the capital markets;

the federal conservatorship of Fannie Mae and Freddie Mac and related efforts, along with any changes in laws and regulations affecting the relationship between Fannie Mae and Freddie Mac and the U.S. Government;

mortgage loan modification programs and future legislative action;

our ability to access the capital markets;

our ability to obtain future financing arrangements;

our ability to successfully hedge the interest rate risk and prepayment risk associated with our portfolio;

our ability to make distributions to our stockholders in the future;

our understanding of our competition and our ability to compete effectively;

our ability to qualify and maintain our qualification as a REIT for U.S. federal income tax purposes;

our ability to maintain our exemption from registration under the Investment Company Act of 1940, as amended, or the Investment Company Act;

our ability to maintain the listing of our common stock on the NYSE MKT;

market trends;

the impact of an inability to reach an agreement on the national debt ceiling;

the effect of actual or proposed actions of the U.S. Federal Reserve with respect to monetary policy, inflation or the taper of existing financial asset purchases;

expected capital expenditures; and

the impact of technology on our operations and business.

The forward-looking statements are based on our beliefs, assumptions and expectations of our future performance, taking into account all information currently available to us. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. These beliefs, assumptions and expectations can change as a result of many possible events or factors, not all of which are known to us. If a change occurs, our business, financial condition, liquidity and results of operations may vary materially from those expressed in our forward-looking statements. Except as required by law, we are not obligated to update or revise any forward-looking statements whether as a result of new information, future events or otherwise.

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When considering forward-looking statements, you should keep in mind the risks and other cautionary statements set forth in this prospectus, including those contained in Risk Factors. Readers are cautioned not to place undue reliance on any of these forward-looking statements, which reflect our views as of the date of this prospectus. You should carefully consider these risks when you make a decision concerning an investment in our securities, along with the following factors, among others, that may cause actual results to vary from our forward-looking statements:

general volatility of the securities markets in which we invest and the market price of our securities;

our limited operating history;

changes in our business or investment strategy;

changes in interest rate spreads or the yield curve;

availability, terms and deployment of debt and equity capital;

availability of qualified personnel;

the degree and nature of our competition;

increased prepayments of the mortgage loans underlying our Agency RMBS;

risks associated with our hedging activities;

changes in governmental regulations, tax rates and similar matters; and

defaults on our investments.

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THE COMPANY

Orchid Island Capital, Inc. is a specialty fin