

DYNEX CAPITAL INC  
Form 4  
October 19, 2010

**FORM 4**

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

OMB APPROVAL

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**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 \*  
FELMAN LEON A

(Last) (First) (Middle)

C/O DYNEX CAPITAL, INC., 4991  
LAKE BROOK DRIVE, SUITE 100

(Street)

GLEN ALLEN, VA 23060

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
DYNEX CAPITAL INC [DX]

3. Date of Earliest Transaction  
(Month/Day/Year)  
10/15/2010

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

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 Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| Common Stock                    | 10/15/2010                           |  | J(1)                           | 3,200 A   | \$ 0 (1) 13,200   | D  |   |
| Common Stock                    | 10/15/2010                           |  | J(1)                           | 777 A   | \$ 0 (1) 1,132  | I  | By Leon A. Felman IRA                                 |
| Common Stock                    | 10/15/2010                           |  | J(1)                           | 10,848 A  | \$ 0 (1) 42,237   | I  | By Leon A. Felman IRA Rollover                        |
| Common Stock                    | 10/15/2010                           |  | J(1)                           | 30,826 A  | \$ 0 (1) 74,273   | I  | By Homebaker Brand Profit Sharing Plan                |

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|              |            |                         |        |   |                            |        |   |   |
|--------------|------------|-------------------------|--------|---|----------------------------|--------|---|---|
| Common Stock | 10/15/2010 | <u>J</u> <sup>(1)</sup> | 9,614  | A | <u>\$ 0</u> <sup>(1)</sup> | 20,751 | I | By Leon A. Felman Keogh Profit Sharing Plan   |
| Common Stock | 10/15/2010 | <u>J</u> <sup>(1)</sup> | 11,840 | A | <u>\$ 0</u> <sup>(1)</sup> | 33,918 | I | By the Felman Family Trust dated 4/28/99      |
| Common Stock | 10/15/2010 | <u>J</u> <sup>(1)</sup> | 2,555  | A | <u>\$ 0</u> <sup>(1)</sup> | 10,975 | I | By HLF Corporation                            |
| Common Stock | 10/15/2010 | <u>J</u> <sup>(1)</sup> | 626    | A | <u>\$ 0</u> <sup>(1)</sup> | 904    | I | By Harriet Felman IRA                         |
| Common Stock |            |                         |        |   |                            | 15,000 | I | By the Leon A. Felman Family Trust dated 2000 |

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

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(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 (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. P... Deriv... Secur... (Ins...) |                            |    |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|------------------------------------|----------------------------|----|
|  |  |                                      |  | Code                           | V (A) (D)   | Date Exercisable   | Expiration Date   | Title                              | Amount or Number of Shares |    |
| Series D Preferred Stock <sup>(2)</sup>    | <u>(1)</u>   | 10/15/2010                           |  | <u>J</u> <sup>(1)</sup>        | 3,200   | <u>(1)</u>   | <u>(1)</u>  | Common Stock                       | 3,200                      | \$ |
| Series D Preferred Stock <sup>(2)</sup>    | <u>(1)</u>   | 10/15/2010                           |  | <u>J</u> <sup>(1)</sup>        | 777   | <u>(1)</u>   | <u>(1)</u>  | Common Stock                       | 777                        | \$ |
| Series D Preferred Stock <sup>(2)</sup>    | <u>(1)</u>   | 10/15/2010                           |  | <u>J</u> <sup>(1)</sup>        | 10,848  | <u>(1)</u>   | <u>(1)</u>  | Common Stock                       | 10,848                     | \$ |
|  | <u>(1)</u>   | 10/15/2010                           |  | <u>J</u> <sup>(1)</sup>        | 30,826  | <u>(1)</u>   | <u>(1)</u>  |                                    | 30,826                     | \$ |

| Series D Preferred Stock <sup>(2)</sup> |     |            |                  |        |     |     |              | Common Stock |    |  |
|---|-----|------------|------------------|--------|-----|-----|--------------|--------------|----|--|
| Series D Preferred Stock <sup>(2)</sup> | (1) | 10/15/2010 | J <sup>(1)</sup> | 9,614  | (1) | (1) | Common Stock | 9,614        | \$ |  |
| Series D Preferred Stock <sup>(2)</sup> | (1) | 10/15/2010 | J <sup>(1)</sup> | 11,840 | (1) | (1) | Common Stock | 11,840       | \$ |  |
| Series D Preferred Stock <sup>(2)</sup> | (1) | 10/15/2010 | J <sup>(1)</sup> | 2,555  | (1) | (1) | Common Stock | 2,555        | \$ |  |
| Series D Preferred Stock <sup>(2)</sup> | (1) | 10/15/2010 | J <sup>(1)</sup> | 626    | (1) | (1) | Common Stock | 626          | \$ |  |

## Reporting Owners

| Reporting Owner Name / Address   | Relationships |           |         |       |
|--|---------------|-----------|---------|-------|
|  | Director      | 10% Owner | Officer | Other |
| FELMAN LEON A<br>C/O DYNEX CAPITAL, INC.<br>4991 LAKE BROOK DRIVE, SUITE 100<br>GLEN ALLEN, VA 23060 | X             |           |         |       |

## Signatures

Alison G. Griffin, as attorney-in-fact for Leon A. Felman 10/19/2010

\*\*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).

On October 15, 2010, Dynex Capital, Inc. redeemed all of its Series D Preferred Stock in exchange for shares of its common stock at a (1) one-for-one redemption ratio, in accordance with the terms of the Series D Preferred Stock. Before such redemption, the Series D Preferred Stock was convertible into common stock at any time on a one-for-one basis, with no expiration date.

(2) The full name of the Series D Preferred Stock is "Series D 9.50% Cumulative Convertible Preferred 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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