#### **IGDALOFF BARRY**

Form 4

October 19, 2010

## FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

**SECURITIES** 

**OMB APPROVAL OMB** 

3235-0287 Number:

Expires:

January 31, 2005

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Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, obligations Section 17(a) of the Public Utility Holding Company Act of 1935 or Section may continue. 30(h) of the Investment Company Act of 1940

1(b).

(City)

(State)

(Zip)

(Print or Type Responses)

See Instruction

1. Name and Address of Reporting Person * IGDALOFF BARRY			2. Issuer Name and Ticker or Trading Symbol DYNEX CAPITAL INC [DX]	5. Relationship of Reporting Person(s) to Issuer			
(Last) (First) (Middle)		(Middle)	3. Date of Earliest Transaction	(Check all applicable)			
			(Month/Day/Year)	X Director 10% Owner			
C/O DYNEX CAPITAL, INC., 4991			10/15/2010	Officer (give title Other (specify			
LAKE BRO	OK DRIVE, S	SUITE 100		below) below)			
	(Street)		4. If Amendment, Date Original	6. Individual or Joint/Group Filing(Check			
			Filed(Month/Day/Year)	Applicable Line)			
				_X_ Form filed by One Reporting Person			
GLEN ALLEN, VA 23060				Form filed by More than One Reporting Person			
				1 CISOH			

(City)	Table 1 - 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. 4. Securities Acquired Transaction(A) or Disposed of (D) Code (Instr. 3, 4 and 5) (Instr. 8)				Securities Form: Di Beneficially (D) or Owned Indirect (	Form: Direct	Beneficial
			Code V	Amount	(A) or (D)	Price	Reported Transaction(s) (Instr. 3 and 4)		
Common Stock	10/15/2010		J <u>(1)</u>	209,316	A	\$ 0 (1)	280,368	D	
Common Stock	10/15/2010		J <u>(1)</u>	218,851	A	\$ 0 (1)	296,514	I	By Rose Capital

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

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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. Transactic Code (Instr. 8)	orDerivative		onDerivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and		orDerivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and		Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and		ive Expiration Date les (Month/Day/Year) led (A) or led of (D)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)	
				Code V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares						
Series D Preferred Stock (2)	<u>(1)</u>	10/15/2010		<u>J(1)</u>		209,316	<u>(1)</u>	<u>(1)</u>	Common Stock	209,316						
Series D Preferred Stock (2)	(1)	10/15/2010		J <u>(1)</u>		218,851	(1)	<u>(1)</u>	Common Stock	218,851						

## **Reporting Owners**

Reporting Owner Name / Address	Relationships					
<b></b>	Director	10% Owner	Officer	Other		
IGDALOFF BARRY C/O DYNEX CAPITAL, INC. 4991 LAKE BROOK DRIVE, SUITE 100 GLEN ALLEN, VA 23060	X					

### **Signatures**

Alison G. Griffin, as attorney-in-fact for Barry Igdaloff 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 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. 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.

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