

DYNEX CAPITAL INC  
Form 4  
February 28, 2007

# FORM 4

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

OMB APPROVAL

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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

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
FELMAN LEON A

(Last) (First) (Middle)

C/O DYNEX CAPITAL, INC., 4551  
COX ROAD, SUITE 300

(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)  
02/26/2007

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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
|                                 |                                      |  |                                | (A) or (D)<br>Code V Amount (D) Price                             |   |  |   |
| Common Stock                    | 02/26/2007                           |  | M                              | 5,000 A \$ 7.425  | 5,000   | D  |   |
| Common Stock                    |                                      |  |                                |   | 18,278  | I  | By The Felman Family Trust, DTD 4/28/99               |
| Common Stock                    |                                      |  |                                |   | 6,589   | I  | By Leon A. Felman IRA Rollover                        |
| Common                          |                                      |  |                                |   | 43,447  | I  | By  |

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| Stock        |       |   |  | Homebaker Brand Profit Sharing Plan             |
|--------------|-------|---|--|---|
| Common Stock | 9,037 | I |  | By The Leon A. Felman Keogh Profit Sharing Plan |
| Common Stock | 2,120 | I |  | By HLF Corporation                              |
| Common Stock | 278   | I |  | By Harriet Felman IRA                           |
| Common Stock | 355   | I |  | By Leon A. Felman IRA                           |

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. Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|
| Stock Options<br>(1)                       | \$ 7.425   | 02/26/2007                           |  | M                              | 5,000   | 06/16/2006 06/16/2011                                    | Common Stock  | 5,000                         |

## Reporting Owners

| Reporting Owner Name / Address                                       | Relationships |           |         |       |
|--|---------------|-----------|---------|-------|
|  | Director      | 10% Owner | Officer | Other |
| FELMAN LEON A<br>C/O DYNEX CAPITAL, INC.<br>4551 COX ROAD, SUITE 300 | X             |           |         |       |

GLEN ALLEN, VA 23060

## Signatures

Stephen J. Benedetti,  
Attorney-In-Fact

02/26/2007

\_\_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).
- (1) The stock options were granted under the Issuer's 2004 Stock Incentive Plan and are fully vested at the date of grant. The strike price was determined by adding 10% to the market price on the date of grant.
  - (2) The stock options were granted at no cost to the Reporting Person.

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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