

Osborne Daniel K  
 Form 4  
 October 19, 2010

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
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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 \*  
 Osborne Daniel K

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

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

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

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

(Street)

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

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

GLEN ALLEN, VA 23060

(City) (State) (Zip)

**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 Ownership (Instr. 4)		
				(A) or (D)	Price				
				Code	V	Amount			
Common Stock	10/15/2010		J <sup>(1)</sup>	40,146	A	\$ 0 (1)	51,468	I	By Vantage Pointe Capital Partners LP
Common Stock	10/15/2010		J <sup>(1)</sup>	1,783	A	\$ 0 (1)	2,322	I	By Spouse's IRA
Common Stock							5,000	D	

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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. Price or Amount of Securities (Instr. 3 and 4)
					V	(A)	(D)	Date Exercisable	Expiration Date		
Series D Preferred Stock <sup>(2)</sup>	(1)	10/15/2010		J(1)		40,146		(1)	(1)	Common Stock	40,146 \$
Series D Preferred Stock <sup>(2)</sup>	(1)	10/15/2010		J(1)		1,783		(1)	(1)	Common Stock	1,783 \$

## Reporting Owners

**Reporting Owner Name / Address**

**Relationships**

Director    10% Owner    Officer    Other

Osborne Daniel K  
C/O DYNEX CAPITAL, INC.  
4991 LAKE BROOK DRIVE, SUITE 100      X  
GLEN ALLEN, VA 23060

## Signatures

Alison G. Griffin, as attorney-in-fact for Daniel K.  
Osborne  
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).

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- 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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