

DYNEX CAPITAL INC
Form SC 13G
July 30, 2009
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

SCHEDULE 13G

(RULE 13d - 102)

Information to be included in statements filed pursuant
to Rules 13d-1(b), (c) and (d) and amendments thereto filed
pursuant to 13d-2(b)

(AMENDMENT NO.)*

Dynex Capital, Inc.

(Name of Issuer)

Common Stock, par value \$.01

(Title of Class of Securities)

26817Q506

(CUSIP Number)

July 20, 2009

(Date of Event which Requires Filing of this Statement)

Check the appropriate box to designate the rule

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pursuant to which this Schedule is filed:

Rule 13d-1(b)

Rule 13d-1(c)

Rule 13d-1(d)

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

(Continued on the Following Pages)

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1. NAME OF REPORTING PERSONS
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Modern Capital Fund, LLC

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*
(a) X
(b) o

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH
REPORTING PERSON WITH

5. SOLE VOTING POWER

0

6. SHARED VOTING POWER

132,891

7. SOLE DISPOSITIVE POWER

0

8. SHARED DISPOSITIVE POWER

132,891

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

132,891

10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

1.0%

12. TYPE OF REPORTING PERSON*

PN

***SEE INSTRUCTIONS BEFORE FILLING OUT!**

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1. NAME OF REPORTING PERSONS

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Modern Capital Institutional Fund LLC

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

(a)X

(b)o

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH

REPORTING PERSON WITH

5. SOLE VOTING POWER

0

6. SHARED VOTING POWER

277,450

7. SOLE DISPOSITIVE POWER

0

8. SHARED DISPOSITIVE POWER

277,450

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH

REPORTING PERSON

277,450

10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11)
EXCLUDES CERTAIN SHARES*

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

2.1%

12. TYPE OF REPORTING PERSON*

PN

***SEE INSTRUCTIONS BEFORE FILLING OUT!**

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1. NAME OF REPORTING PERSONS

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Modern Capital Fund Ltd.

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

(a)X

(b)o

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION

Cayman Islands

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH

REPORTING PERSON WITH

5. SOLE VOTING POWER

0

6. SHARED VOTING POWER

77,704

7. SOLE DISPOSITIVE POWER

0

8. SHARED DISPOSITIVE POWER

77,704

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH

REPORTING PERSON

77,704

10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11)
EXCLUDES CERTAIN SHARES*

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

0.6%

12. TYPE OF REPORTING PERSON*

CO

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1. NAME OF REPORTING PERSONS

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Modern Capital Management LLC

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

(a)

(b)

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH

REPORTING PERSON WITH

5. SOLE VOTING POWER

0

6. SHARED VOTING POWER

520,006

7. SOLE DISPOSITIVE POWER

0

84. SHARED DISPOSITIVE POWER

520,006

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95. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

520,006

60. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

4.0%

12. TYPE OF REPORTING PERSON*

OO

***SEE INSTRUCTIONS BEFORE FILLING OUT!**

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1. NAME OF REPORTING PERSONS

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Dennis J. Mykytyn

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

(a)X

(b)o

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION

United States

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

5. SOLE VOTING POWER

0

6. SHARED VOTING POWER

665,006

7. SOLE DISPOSITIVE POWER

0

8. SHARED DISPOSITIVE POWER

665,006

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9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

665,006

10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

5.1%

12. TYPE OF REPORTING PERSON*

IN, HC

***SEE INSTRUCTIONS BEFORE FILLING OUT!**

ITEM 1(a). NAME OF ISSUER:

Dynex Capital, Inc. (the "Issuer")

ITEM 1(b). ADDRESS OF ISSUER'S PRINCIPAL EXECUTIVE OFFICES:

4991 Lake Brook Drive, Suite 100
Glen Allen, Virginia 23060

ITEM 2(a). NAME OF PERSON FILING:

The names of the persons filing this statement on Schedule 13G are (collectively, the "Reporting Persons"):

- Modern Capital Fund, LLC ("Onshore Fund").
- Modern Capital Institutional Fund LLC ("Institutional Fund").
- Modern Capital Fund Ltd. ("Offshore Fund").
- Modern Capital Management LLC ("MCM").
- Dennis J. Mykytyn ("Mr. Mykytyn").

MCM is the investment manager of each of the Onshore Fund, Institutional Fund and the Offshore Fund (collectively, the "Funds") and of an account it separately manages (the "Separately Managed Account"), and is the manager of the Onshore Fund and Institutional Fund. Mr. Mykytyn is the managing member of MCM. MCM and Mr. Mykytyn may each be deemed to have voting and dispositive power with respect to the shares of Common Stock (as defined below) held by the Funds and the Separately Managed Account. Mr. Mykytyn may also be deemed to have beneficial ownership over shares of Common Stock held in retirement accounts for the benefit of himself and his wife and shares of Common Stock held in a joint account with his wife.

ITEM 2(b). ADDRESS OF PRINCIPAL BUSINESS OFFICE OR, IF NONE, RESIDENCE:

The business address of each of the Onshore Fund, Institutional Fund, MCM and Mr. Mykytyn is 22 Petersville Road, Mt. Kisco, New York 10549.

The business address of the Offshore Fund is c/o Appleby Trust (Cayman) Ltd., Clifton House, 75 Fort Street, P.O. Box 1350, George Town, Grand Cayman KY1-1108.

ITEM 2(e). CITIZENSHIP:

Mr. Mykytyn is a citizen of the United States.

MCM is a limited liability company formed under the laws of the State of Delaware.

Each of the Onshore Fund and Institutional Fund is a limited partnership formed under the laws of the State of Delaware.

The Offshore Fund is a company formed under the laws of the Cayman Islands.

ITEM 2(d). TITLE OF CLASS OF SECURITIES:

Common Stock, \$.01 par value per share (the "Common Stock")

ITEM 2(e). CUSIP NUMBER:

26817Q506

ITEM 3. IF THIS STATEMENT IS FILED PURSUANT TO RULE 13d-1(b), OR 13d-2(b) OR (c), CHECK WHETHER THE PERSON FILING IS A:

- (a) Broker or dealer registered under Section 15 of the Exchange Act.
- (b) Bank as defined in Section 3(a)(6) of the Exchange Act.
- (c) Insurance company defined in Section 3(a)(19) of the Exchange Act.
- (d) Investment company registered under Section 8 of the Investment Company Act.
- (e)