Childress Jeffrey L Form 4 October 19, 2010

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB Number:

3235-0287

Expires:

January 31, 2005

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response...

subject to Section 16. Form 4 or Form 5 obligations may continue.

See Instruction

Check this box

if no longer

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

1(b).

(Last)

(City)

(Print or Type Responses)

1. Name and Address of Reporting Person * Childress Jeffrey L

2. Issuer Name and Ticker or Trading Symbol

DYNEX CAPITAL INC [DX]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Middle)

(Zip)

3. Date of Earliest Transaction

4. If Amendment, Date Original

Director

10% Owner

C/O DYNEX CAPITAL, INC., 4991

(First)

10/15/2010

(Month/Day/Year)

Officer (give title below)

X_ Other (specify below)

LAKE BROOK DRIVE, SUITE 100

(Street)

(State)

Controller

6. Individual or Joint/Group Filing(Check

Filed(Month/Day/Year)

Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting

Person

GLEN ALLEN, VA 23060

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned 1.Title of 2. Transaction Date 2A. Deemed Security (Month/Day/Year) Execution Date, if (Instr. 3)

3. 4. Securities TransactionAcquired (A) or Code Disposed of (D) (Instr. 3, 4 and 5) (Instr. 8)

5. Amount of Securities Beneficially (D) or Owned Following (Instr. 4) Reported

6. Ownership 7. Nature of Form: Direct Indirect Beneficial Indirect (I) Ownership (Instr. 4)

(A) or

(1)

Transaction(s) (Instr. 3 and 4)

Common 10/15/2010 Stock

Code V Amount (D) Price \$0 $J_{-}^{(1)}$ 500

6,759

D

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

(Month/Day/Year)

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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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)	5. Number on f 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 Derivati Security (Instr. 5]
				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>	500	<u>(1)</u>	<u>(1)</u>	Common Stock	500	\$ 0 <u>(1</u>

Reporting Owners

Reporting Owner Name / Address

Director 10% Owner Officer Other

Childress Jeffrey L C/O DYNEX CAPITAL, INC. 4991 LAKE BROOK DRIVE, SUITE 100 GLEN ALLEN, VA 23060

Controller

10/19/2010

Signatures

Alison G. Griffin, as attorney-in-fact for Jeffrey L. Childress

**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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