

Childress Jeffrey L
Form 4
October 19, 2010

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 *
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)

(Last) (First) (Middle)
C/O DYNEX CAPITAL, INC., 4991 LAKE BROOK DRIVE, SUITE 100
(Street)

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

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

GLEN ALLEN, VA 23060

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

(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	(D)	Price
Common Stock	10/15/2010		J(1)		500	A	\$ 0 (1) 6,759
						D	

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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. 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 of Derivative Security (Instr. 5)
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						Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
						Code	V	(A)	(D)	
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 ⁽¹⁾

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

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

Controller

Signatures

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

10/19/2010

⁽¹⁾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.

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