

DYNEX CAPITAL INC
 Form 4
 March 14, 2008

FORM 4

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

OMB APPROVAL

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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)

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

3. Date of Earliest Transaction
 (Month/Day/Year)
03/12/2008

5. Relationship of Reporting Person(s) to Issuer

 (Check all applicable)

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

GLEN ALLEN, VA 23060

 (City) (State) (Zip)

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

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 Beneficial Ownership (Instr. 4) | | |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|--|-----|-------|
| | | | | (A) or (D) | Code | V | Amount | (D) | Price |

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

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

| 1. Title of Derivative Security | 2. Conversion or Exercise | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any | 4. Transaction Code | 5. Number of Derivative Securities | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Security (Instr. 3 and 4) |
|---------------------------------|---------------------------|--------------------------------------|-----------------------------------|---------------------|------------------------------------|--|---|
|---------------------------------|---------------------------|--------------------------------------|-----------------------------------|---------------------|------------------------------------|--|---|

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| (Instr. 3) | Price of Derivative Security | (Month/Day/Year) | (Instr. 8) | Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
|---|------------------------------|------------------|------------|---|------|---|-----|-----|---------------------------|---------------------------|--------------|----------------------------|
| Series D Preferred Stock ⁽¹⁾ | (3) | 03/12/2008 | P | 3,200 | | | | | 08/08/1988 ⁽²⁾ | 08/08/1988 ⁽²⁾ | Common Stock | 3,200 |
| Series D Preferred Stock ⁽¹⁾ | (3) | | | | | | | | 08/08/1988 ⁽²⁾ | 08/08/1988 ⁽²⁾ | Common Stock | 77 |
| Series D Preferred Stock ⁽¹⁾ | (3) | | | | | | | | 08/08/1988 ⁽²⁾ | 08/08/1988 ⁽²⁾ | Common Stock | 10,8 |
| Series D Preferred Stock ⁽¹⁾ | (3) | | | | | | | | 08/08/1988 ⁽²⁾ | 08/08/1988 ⁽²⁾ | Common Stock | 30,8 |
| Series D Preferred Stock ⁽¹⁾ | (3) | | | | | | | | 08/08/1988 ⁽²⁾ | 08/08/1988 ⁽²⁾ | Common Stock | 9,6 |
| Series D Preferred Stock ⁽¹⁾ | (3) | | | | | | | | 08/08/1988 ⁽²⁾ | 08/08/1988 ⁽²⁾ | Common Stock | 11,8 |
| Series D Preferred Stock ⁽¹⁾ | (3) | | | | | | | | 08/08/1988 ⁽²⁾ | 08/08/1988 ⁽²⁾ | Common Stock | 2,5 |
| Series D Preferred Stock ⁽¹⁾ | (3) | | | | | | | | 08/08/1988 ⁽²⁾ | 08/08/1988 ⁽²⁾ | Common Stock | 62 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| FELMAN LEON A C/O DYNEX CAPITAL, INC. | X | | | |

4551 COX ROAD, SUITE 300
GLEN ALLEN, VA 23060

Signatures

Stephen J. Benedetti,
Attorney-In-Fact

03/14/2008

__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 full name of the Series D Preferred Stock is "Series D 9.50% Cumulative Convertible Preferred Stock."
- (2) The Series D Preferred Stock is immediately exercisable and has no expiration date.
- (3) The conversion is on a one for one basis for the underlying security.

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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