

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20459

SCHEDULE TO-I/A
SCHEDULE 13E-3/A

TENDER OFFER STATEMENT
UNDER SECTION 14(d) (1) OR 13(e) (1) OF THE
SECURITIES EXCHANGE ACT OF 1934
(AMENDMENT NO. 8)

DYNEX CAPITAL, INC.
(NAME OF SUBJECT COMPANY (ISSUER))

DYNEX CAPITAL, INC. (OFFEROR)
(NAME OF FILING PERSON
(IDENTIFYING STATUS AS OFFEROR, ISSUER OR OTHER PERSON))

SERIES A PREFERRED STOCK, PAR VALUE \$0.01 PER SHARE
SERIES B PREFERRED STOCK, PAR VALUE \$0.01 PER SHARE
SERIES C PREFERRED STOCK, PAR VALUE \$0.01 PER SHARE
(TITLE OF CLASS OF SECURITIES)

(26817Q 20 9)
(CUSIP NUMBER OF SERIES A PREFERRED STOCK)
(26817Q 30 8)
(CUSIP NUMBER OF SERIES B PREFERRED STOCK)
(26817Q 40 7)
(CUSIP NUMBER OF SERIES C PREFERRED STOCK)

STEPHEN J. BENEDETTI, CHIEF FINANCIAL OFFICER
DYNEX CAPITAL, INC.
4551 COX ROAD, SUITE 300
GLEN ALLEN, VIRGINIA 23060
(804) 217-5800

(NAME, ADDRESS AND TELEPHONE NUMBER OF PERSON AUTHORIZED TO
RECEIVE NOTICES AND COMMUNICATIONS ON BEHALF OF FILING PERSON
FILING THE STATEMENT)

COPIES TO:

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TROUTMAN SANDERS LLP
1111 E. MAIN STREET
RICHMOND, VA 23218
(804) 697-1861

CALCULATION OF FILING FEE

TRANSACTION VALUATION*:
\$55,706,832

AMOUNT OF FILING FEE**:
\$4,507

*CALCULATED SOLELY FOR THE PURPOSE OF DETERMINING THE AMOUNT OF THE FILING FEE. AS OF DECEMBER 31, 2003, DYNEX CAPITAL HAD OUTSTANDING 493,595 SHARES OF SERIES A PREFERRED STOCK, 688,189 SHARES OF SERIES B PREFERRED STOCK AND 684,893 SHARES OF SERIES C PREFERRED STOCK. THE CALCULATION IS BASED ON THE ASSUMPTION THAT ALL OUTSTANDING SHARES OF SERIES A PREFERRED STOCK, SERIES B PREFERRED STOCK AND SERIES C PREFERRED STOCK WILL BE ACQUIRED BY DYNEX CAPITAL IN EITHER THE NOTE OFFER OR THE SERIES D CONVERSION, AND IS BASED ON THE AVERAGE OF THE HIGH AND LOW SALES PRICES OF EACH OF THE SERIES OF PREFERRED STOCK ON JANUARY 5, 2004, BEING \$28.50 FOR SERIES A PREFERRED STOCK, \$26.37 FOR SERIES B PREFERRED STOCK AND \$34.30 FOR SERIES C PREFERRED STOCK, AS REPORTED ON THE NASDAQ NATIONAL MARKET. BASED ON THESE AVERAGES, THE TOTAL TRANSACTION VALUE IS EQUAL TO \$55,706,832. BECAUSE THIS IS A TRANSACTION UNDER SECTION 13(E) OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, THE FEE IS CALCULATED ON THE BASIS OF \$80.90 PER MILLION.

**Previously paid.

[] Check box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number or the form or schedule and the date of its filing.

<TABLE>

<S>	<C>
Amount Previously Paid: Not applicable	Form or Registration No.: Not applicable
Filing Party: Not applicable	Filed: Not applicable

</TABLE>

[] Check the box if the filing relates solely to preliminary communications

made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which the statement relates:

☐ third-party tender offer subject to Rule 14d-1.

☒ issuer tender offer subject to Rule 13e-4.

☒ going-private transaction subject to Rule 13e-3.

☐ amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer: ☒

INTRODUCTION

- -----

This Amendment No. 8 to the combined Issuer Tender Offer Statement on Schedule TO and Rule 13e-3 Transaction Statement (collectively the "Schedule TO/13E-3") relates to:

(a) The offer (the "Note Offer") by Dynex Capital, Inc., a Virginia corporation ("Dynex Capital") to exchange up to an aggregate of 345,579 shares of its Series A Preferred Stock, 481,819 shares of its Series B Preferred Stock, and 479,512 shares of its Series C Preferred Stock (or, in each case, such lesser number of shares as are properly tendered and not properly withdrawn), for 9.50% Senior Notes due 2007 (the "Senior Notes"), each subject to the terms and conditions of the Offering Circular (as amended from time to time, the "Offering Circular"). Pursuant to Rule 13e-4(f)(1)(ii), the total number of shares purchased in the Note Offer may be increased to 355,450 shares of Series A Preferred Stock, 495,582 shares of Series B Preferred Stock and 493,209 shares of Series C Preferred Stock.

(b) A proposal to amend the Articles of Incorporation of Dynex Capital to convert all of the shares of Series A Preferred Stock, Series B Preferred Stock and Series C Preferred Stock after the Notes Offer into shares of a new series of Series D Preferred Stock and Common Stock (the "Series D conversion"), all as described in the Proxy Statement incorporated by reference herein as Exhibit (a)(2)(A) (as amended from time to time, the "Proxy Statement"). The Proxy Statement that describes the Series D conversion was filed by Dynex Capital under separate cover of Schedule 14A but is an integral part of the transaction or series of transactions to which this Schedule TO/13E-3 relates.

Stockholder approval of the Series D conversion occurred at meetings of the preferred and common stockholders held in April 2004, and the Note Offer expired on May 10, 2004. In the Note Offer, 8,890 shares of Series A, 10,553 shares of Series B, and 8,584 shares of Series C Preferred Stock were tendered for a total of \$823,000 in senior notes and cash payments of \$23,137.06. All of the remaining shares of Series A, Series B, and Series C Preferred Stock are being automatically converted into Series D Preferred Stock, Common Stock and cash payments in lieu of fractional shares.

As a consequence of Series D conversion, the Series A Preferred Stock, Series B Preferred Stock and Series C Preferred Stock will no longer remain outstanding, and will no longer be listed for quotation on the Nasdaq National Market. The closing of the transaction is expected to occur prior to the end of May 2004.

ITEM 12. EXHIBITS

EXHIBIT NUMBER	DESCRIPTION
** (a) (1) (A)	Offering Circular.
** (a) (1) (B)	Letter of Transmittal.
** (a) (1) (C)	Notice of Guaranteed Delivery.
** (a) (1) (D)	Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.
** (a) (1) (E)	Letter to Clients from Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.
** (a) (1) (F)	Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9.
(a) (1) (H)	Indenture between Dynex and Wachovia Bank, as Trustee, with respect to the 9.50% Senior

Notes due 2007. Incorporated by reference from Dynex Capital's Form T-3 filed with the Securities and Exchange Commission on January 28, 2004.

- (a) (1) (I) Form of Senior Note. Incorporated by reference from Dynex Capital's Form T-3 filed with the Securities and Exchange Commission on January 28, 2004.
- (a) (2) (A) Definitive Proxy Statement. Incorporated by reference from Dynex Capital's amended Schedule 14A filed with the Securities and Exchange Commission on March 29, 2004.
- (a) (2) (B) (i) Series A Preferred Stock Proxy Card. Incorporated by reference from Dynex Capital's amended Schedule 14A filed with the Securities and Exchange Commission on March 29, 2004.
- (a) (2) (B) (ii) Series B Preferred Stock Proxy Card. Incorporated by reference from Dynex Capital's amended Schedule 14A filed with the Securities and Exchange Commission on March 29, 2004.
- (a) (2) (B) (iii) Series C Preferred Stock Proxy Card. Incorporated by reference from Dynex Capital's amended Schedule 14A filed with the Securities and Exchange Commission on March 29, 2004.
- (a) (3) Not applicable.
- (a) (4) Not applicable.
- ** (a) (5) (i) Press Release, dated March 29, 2004.
- ** (a) (5) (ii) Press Release, dated April 15, 2004.
- ** (a) (5) (iii) Press Release, dated April 30, 2004.
- ** (a) (5) (iv) Press Release dated May 6, 2004.
- * (a) (5) (v) Press Release dated May 11, 2004.
- (b) Not applicable.
- (c) Not applicable.
- (d) Not applicable.
- (e) Not applicable.
- (f) Not applicable.
- (g) Not applicable.
- (h) Not applicable.
- * Filed herewith
** Previously filed
*** To be filed by amendment

SIGNATURE

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

DYNEX CAPITAL, INC.

Dated: May 19, 2004

By: /s/ Stephen J. Benedetti

Stephen Benedetti
Executive Vice President
Chief Financial Officer

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(e)	Not applicable.
(f)	Not applicable.
(g)	Not applicable.
(h)	Not applicable.

* Filed herewith
** Previously filed

To be filed by amendment

[GRAPHIC OMITTED]

PRESS RELEASE

FOR IMMEDIATE RELEASE
May 11, 2004

CONTACT: Investor Relations
804-217-5897

DYNEX CAPITAL, INC. REPORTS RESULTS OF
RECAPITALIZATION AND TENDER OFFER, AND
THE RESULTS FOR FIRST QUARTER

Dynex Capital, Inc. (NYSE: DX) reported results for its recently completed recapitalization and tender offer, and the results for the first quarter of 2004. Information contained in this press release includes:

- o The Company's shareholders overwhelmingly approved a recapitalization plan for the Company, and holders of the Series A, Series B and Series C preferred stock tendered for \$823,000 in senior notes;
- o As a result of the recapitalization plan, on a preliminary basis, the Company's 1,866,677 shares of Series A, Series B and Series C preferred stock will convert into a maximum 5,628,794 shares of Series D preferred stock and 1,288,554 shares of common stock;
- o On a pro forma basis as of March 31, 2004, book value per common share will increase by \$0.19 as a result of the implementation of the recapitalization plan;
- o Results for the first quarter include:
 - o The Company's investment portfolio generated cash flow of \$11.1 million for the quarter;
 - o The Company incurred a net loss of \$5.4 million for the quarter, and a net loss to common shareholders of \$6.6 million on continued high provision for loan losses;
 - o The Company reported book value per common share of \$6.98 at March 31, 2004 versus \$7.55 at December 31, 2003; and
- o During the first quarter, the Company also entered into an agreement to redeem and subsequently re-sell certain manufactured housing securitization financing bonds outstanding at a net premium to the Company of \$7.4 million. The Company received this \$7.4 million on the redemption and resale in April 2004, which lowered the effective borrowing rate on approximately \$154.8 million of securitization financing from 7.1% to 5.6%.

The Company has scheduled a conference call for Wednesday, May 12, 2004, at 11:00 a.m. Eastern Daylight Time to discuss first quarter results and the recapitalization transaction. Investors can listen in on the call by dialing in at (800) 731-2911.

Recapitalization Transaction
- -----

The Company's shareholders approved the Company's recapitalization plan at special meetings held at the Company's headquarters and, pursuant to the tender offer that expired at 9:00 a.m. Eastern Daylight Time on May 10, 2004, have tendered for \$823,000 in senior unsecured notes due May 2007. As a result of the shareholder approval of the recapitalization plan, on a preliminary basis, the Series A, Series B and Series C preferred stock will convert into a maximum 5,628,794 shares of Series D preferred stock and 1,288,554 shares of common stock. The Series D preferred stock will have an issue price of \$10 per share and pay \$0.95 per year in dividends. All prior dividends-in-arrears on the Series A, Series B and Series C preferred stock will be extinguished. Interest on the senior notes and dividends on the Series D preferred stock will begin to accrue as of April 7, 2004. On a pro forma basis, utilizing information as of March 31, 2004, the Company's book value per common share will increase by \$0.19 per share. On a preliminary basis, common stock outstanding after the recapitalization transaction closes will increase from 10,873,903 to 12,162,457 shares. On a fully diluted basis, assuming the conversion of the Series D preferred stock at its one-for-one conversion ratio, outstanding common stock would be 17,791,251 shares.

First Quarter 2004 Results
- -----

For the quarter ended March 31, 2004, the Company reported a net loss

of \$5.4 million versus net income of \$2.0 million for the same period for 2003. After consideration of the preferred stock charge, the Company reported a net loss to common shareholders of \$6.6 million or \$0.60 per common share for 2004 versus net income of \$12.5 million, or \$1.15 per common share for 2003. Net income per common share for 2003 included a benefit of \$10.4 million from the tender offer on preferred stock completed in February 2003.

The Company reported that cash flow from its investment portfolio was \$11.1 million for the first quarter 2004, versus \$13.2 million for the fourth quarter of 2003. Cash flow declined in the first quarter principally as a result of reduced collections from the Company's delinquent property tax receivables portfolio, declines in interest-earning assets from prepayments in the investment portfolio, and lower overall yields on investments. Delinquent property tax receivable collections were \$1.8 million in the first quarter 2004 versus \$3.5 million in the fourth quarter 2003, in part due to seasonality issues and in part due to a now-resolved uncertainty as to allowable charges on the collection of certain liens.

The Company reported net interest margin before provision for loan losses on its investment portfolio of \$6.4 million in the first quarter 2004 compared to \$11.4 million in the first quarter 2003. After provision for loan losses, net interest margin was a negative \$0.8 million versus \$5.6 million in 2003. Provision for loan losses in the first quarter 2004 was \$7.2 million versus \$5.8 million in 2003. Provision for loan losses for the first quarter 2004 includes \$6.1 million related to the Company's manufactured housing loan portfolio. The Company expects to provide a similar amount in the second quarter 2004. Beginning in the third quarter 2004, provision for loan losses should decline as the Company will have substantially reserved its remaining net credit exposure on manufactured housing loans.

Impairment charges for the first quarter of 2004 were \$1.7 million versus \$2.1 million for the same period in 2003. Impairment charges for 2004 include principally those charges on a debt-security backed principally by manufactured housing loans. General and administrative expenses were \$2.5 million in first quarter 2004 versus \$2.0 million in the first quarter 2003. General and administrative expenses included approximately \$0.6 million in fees and costs associated with the litigation in Texas, where the jury found against the Company in the amount of \$252,577. The Company continues to contest the verdict in the case and the Court hears motions to enter the jury verdict later this month.

Balance Sheet - -----

Total assets at March 31, 2004, were \$1.8 billion, a decline of \$65.7 million from December 31, 2003. The decline in assets was primarily the result of prepayments in the Company's securitized finance receivables. Prepayment speed for the entire investment portfolio as measured by the "constant prepayment rate", or CPR, was 18% during the first quarter of 2004 versus 21% during the fourth quarter of 2003. Prepayments reduce the amount of the Company's interest-earning assets. CPR on the Company's single-family mortgage loan and securities portfolio was 30% during the quarter. Of the \$1.8 billion of assets in the investment portfolio, approximately \$326.8 million were adjustable-rate assets, substantially all of which were single-family loans and securities. The balance of investment portfolio assets are fixed-rate, substantially all of which are manufactured housing loans and commercial mortgage loans.

Shareholders' equity declined to \$144.8 million at March 31, 2004, versus \$149.8 million at December 31, 2003. The decrease in shareholders' equity was due to the net loss for the quarter. Common book value per share, net of liquidation preference on Series A, Series B, and Series C Preferred Stock, was \$6.98 per share at March 31, 2004. On a pro forma basis, considering the impact of the recapitalization transaction, book value per common share is \$7.17.

Discussion - -----

Mr. Thomas B. Akin, Chairman of the Board of Directors of the Company, stated, "We are extremely pleased that the shareholders overwhelmingly approved the recapitalization plan of the Company. This was a very important event for the Company, and signals that the shareholders are solidly behind the Board and management as we pursue strategic alternatives. Currently we have \$15 million of free cash to invest, which should grow to in excess of \$23 million by the end of the second quarter. Our MERIT Series 13 manufactured housing loan securitization financing reaches its optional redemption date in August, and the two most senior classes in that Series will carry coupons in excess of 8.00%, suggesting there is value in this optional redemption right not reflected in our balance sheet. The Board will be actively engaged over the coming months to review strategic alternatives with the hope of providing guidance to our shareholders over the balance of the year. The market is anticipating the Federal Reserve will begin to raise rates in the very near term, and while that will impact our investment portfolio cash flows, we believe it may provide opportunities for the Company to begin to strategically deploy its capital. The Company will be patient in that regard."

In regard to first quarter results, Mr. Stephen J. Benedetti, Chief Financial Officer of the Company, added, "First quarter 2004 results include approximately \$6.0 million of provisions for loan losses on the Company's manufactured housing loan portfolio, resulting in a negative net margin of \$0.8 million. The Company anticipates being substantially reserved for this credit exposure by the end of the second quarter, and barring unforeseen circumstances, would expect to begin reporting modest net income in the third quarter of 2004 as provision for loan losses decline. General and administrative expenses during the first quarter were high due to costs associated with the litigation in Texas. The hearing to enter the verdict against the Company is later this month, and the Company anticipates appealing the verdict if it is entered by the Court."

Mr. Benedetti continued, "Cash flows from the investment portfolio were \$11.1 million during the quarter. We expect cash flows in the second quarter to approximate \$19 million, inclusive of the \$7.4 million received on the redemption and resale of the securitization financing bonds in April. The Federal Reserve has clearly indicated that short-term rates will be increasing in the near-term, which will have the effect of driving up our borrowing costs, but also should slow prepayments in the investment portfolio. As the majority of securitization financing on the balance sheet is fixed-rate, however, and considering the interest-rate hedges entered into previously to mitigate the risk of rising interest rates on a portion of its variable-rate financing, the Company does not expect a significant reduction in our quarterly investment portfolio cash flow in 2004 from rising interest rates based on the forward LIBOR curve."

Mr. Akin concluded, "The conversion of the Series A, Series B, and Series C preferred stock to Series D preferred stock and related issuance of common stock, and the issuance of the senior notes, should occur no later than the end of this month. We will pay a dividend on the Series D preferred stock for the second quarter in July. Beyond that, the Board will continue to look at attractive alternatives for the use of our capital."

Dynex Capital, Inc. is a financial services company that elects to be treated as a real estate investment trust (REIT) for federal income tax purposes. Additional information about Dynex Capital, Inc. is available at www.dynexcapital.com.

Note: This document contains "forward-looking statements" within the meaning of the Private Securities Litigation Act of 1995. The words "believe," "expect," "forecast," "anticipate," "estimate," "project," "plan," and similar expressions identify forward-looking statements that are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified. The Company's actual results and timing of certain events could differ materially from those projected in or contemplated by the forward-looking statements as a result of unforeseen external factors. These factors may include, but are not limited to, changes in general economic and market conditions, disruptions in the capital markets, fluctuations in interest rates, defaults by borrowers, defaults by third-party servicers, prepayments of investment portfolio assets, the accuracy of subjective estimates used in determining the fair value of certain financial assets of the Company, the impact of recently issued financial accounting standards, increases in costs and other general competitive factors. For additional information, see the Company's Annual Report on Form 10-K for the year ended December 31, 2003, as filed with the Securities and Exchange Commission.

DYNEX CAPITAL, INC.
Consolidated Balance Sheets
(Thousands except share data)
(unaudited)

<TABLE>
<CAPTION>

	March 31, 2004	December 31, 2003
	-----	-----
ASSETS		
<S>	<C>	<C>
Cash and cash equivalents	\$ 5,279	\$ 7,386
Other assets	4,199	4,174
	-----	-----
	9,478	11,560
Investments:		
Securitized finance receivables:		
Loans, net	1,471,819	1,518,613
Debt securities, available for sale	244,045	255,580
Other investments	36,315	37,903
Securities	30,008	33,275
Other loans	7,828	8,304
	-----	-----

	1,790,015		1,853,675
	-----		-----
\$	1,799,493	\$	1,865,235
	=====		=====

LIABILITIES AND SHAREHOLDERS' EQUITY

LIABILITIES:

Collateralized bonds	\$	1,631,260	\$	1,679,830
Repurchase agreements		21,505		23,884
Senior Notes		-		10,049
Other liabilities		1,929		1,626
		-----		-----
		1,654,694		1,715,389
		-----		-----

SHAREHOLDERS' EQUITY:

Preferred stock		47,014		47,014
Common stock		109		109
Additional paid-in capital		360,684		360,684
Accumulated other comprehensive loss		(3,542)		(3,882)
Accumulated deficit		(259,466)		(254,079)
		-----		-----
		144,799		149,846
		-----		-----
\$		1,799,493	\$	1,865,235
		=====		=====

Preferred dividends in arrears	\$	19,655	\$	18,466
		=====		=====

Book value per common share (inclusive of dividends in arrears)	\$	6.98	\$	7.55
		=====		=====

</TABLE>

DYNEX CAPITAL, INC. Consolidated Statements of Operations (Thousands except share data) (unaudited)

<TABLE>

<CAPTION>

	Three Months Ended March 31,	
	2004	2003
	-----	-----
<S>	<C>	<C>
Interest income	\$ 33,631	\$ 40,837
Interest and related expense	(27,196)	(29,394)
	-----	-----
Net interest margin before provision for loan losses	6,435	11,443
Provision for loan losses	(7,200)	(5,844)
	-----	-----
Net interest margin	(765)	5,599
Impairment charges	(1,661)	(2,078)
(Loss) gain on sale of investments, net	(34)	527
Other	(459)	17
General and administrative expenses	(2,468)	(2,021)
	-----	-----
Net (loss) income	(5,387)	2,044
Preferred stock benefit (charge)	(1,191)	10,444
	-----	-----
Net (loss) income to common shareholders	\$ (6,578)	\$ 12,488
	=====	=====
Change in net unrealized loss during the period on:		
Investments classified as available-for-sale	259	626
Hedge instruments	81	(440)
	-----	-----
Comprehensive (loss) income	\$ (5,047)	\$ 2,230
	=====	=====
Net (loss) income per common share		
Basic	\$ (0.60)	\$ 1.15
	=====	=====
Diluted	\$ (0.60)	\$ 1.13
	=====	=====
Weighted average number of common shares outstanding	10,873,903	10,873,903

