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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **June 26, 2008**

DYNEX CAPITAL, INC.
(Exact name of registrant as specified in its charter)

Virginia
(State or other jurisdiction
of incorporation)

1-9819
(Commission File Number)

52-1549373
(IRS Employer
Identification No.)

4551 Cox Road, Suite 300
Glen Allen, Virginia
(Address of principal executive offices)

23060
(Zip Code)

Registrant's telephone number, including area code: **(804) 217-5800**

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

Item 8.01 Other Events.

On June 27, 2008, Dynex Capital, Inc. (the “Company”) issued a press release announcing a favorable decision by the United States Court of Appeals for the Second Circuit in the matter of Teamsters Local 445 Freight Division Pension Fund v. Dynex Capital, Inc., et al.

A copy of the Company’s press release is attached as Exhibit 99.1 to this report and is incorporated by reference into this Item 8.01.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

99.1 Press release dated June 27, 2008.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

DYNEX CAPITAL, INC.

Date: June 27, 2008

By: /s/ Stephen J. Benedetti
Stephen J. Benedetti
Executive Vice President, Chief Operating Officer and Chief Financial Officer

EXHIBIT INDEX

Exhibit

Number

Exhibit

99.1

Press release dated June 27, 2008.



PRESS RELEASE

FOR IMMEDIATE RELEASE
June 27, 2008

CONTACT: Alison Griffin
(804) 217-5897

APPEALS COURT DISMISSES TEAMSTERS' COMPLAINT AGAINST DYNEX CAPITAL, INC.

Dynex Capital, Inc. (NYSE:DX) today announced that the United States Court of Appeals for the Second Circuit ruled in its favor in the Court's decision in the matter of Teamsters Local 445 Freight Division Pension Fund v. Dynex Capital, Inc., et al. In its opinion, the Court of Appeals sided with the Company in ordering the district court to dismiss the litigation against the Company and its subsidiary, MERIT Securities Corporation, but with leave to replead.

The Court of Appeals found that the Teamsters failed to identify any information that would demonstrate that any of the Company's statements to investors were misleading or that there was any intent to mislead, in connection with the issuance of bonds backed by manufactured housing loans in 1999. The original complaint was filed in February 2005, as a class action suit on behalf of purchasers between February 2000 and May 2004 of MERIT Series 12 and MERIT Series 13 securitization financing bonds. Additional background information on the litigation can be found in the Company's most recent Annual and Quarterly Reports.

Dynex Capital, Inc. is a specialty finance 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.

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995: Statements in this press release regarding the business of Dynex Capital, Inc. that are not historical facts are "forward-looking statements" that involve risks and uncertainties. For a discussion of these risks and uncertainties, which could cause actual results to differ from those contained in the forward-looking statements, see "Risk Factors" in the Company's Annual Report on Form 10-K and other reports filed with the Securities and Exchange Commission.

#