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): **November 20, 2009**

DYNEX CAPITAL, INC.

(Exact name of registrant as specified in its charter)

Virginia	**1-9819**	**52-1549373**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

4991 Lake Brook Drive, Suite 100 **Glen Allen, Virginia**	**23060-9245**
(Address of principal executive offices)	(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:

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement.

On November 20, 2009, Issued Holdings Capital Corporation ("IHCC"), a wholly-owned subsidiary of Dynex Capital, Inc. (the "Registrant"), entered into an assignment and transfer of interest agreement (the "Acquisition Agreement") with DBAH Capital, LLC ("DBAH"), an affiliate of Deutsche Bank, to acquire DBAH's interest in Copperhead Ventures, LLC (the "Joint Venture"). Pursuant to the Acquisition Agreement, DBAH transferred its 49.875% interest in the Joint Venture to IHCC for a purchase price of $9.5 million. Prior to the acquisition, IHCC owned a 49.875% interest in the Joint Venture. Upon completion of the acquisition, IHCC owns 99.75% of the Joint Venture, which will be included in the Registrant's consolidated financial statements as a result of the acquisition. An unaffiliated third party continues to own the remaining 0.25% interest in the Joint Venture.

The Joint Venture currently holds subordinated commercial mortgage-backed securities ("CMBS") with a par value of $38.7 million, cash of approximately $2.3 million, and redemption rights for approximately $182.5 million of callable CMBS. These CMBS are collateralized principally by seasoned multifamily housing loans originated by the Registrant from 1996 to 1998. The Registrant expects to record a noncash charge of an estimated $3.0 million during the fourth quarter related to the Joint Venture's activities through the purchase date and the actual purchase itself. However, the registrant expects that shareholders' equity will only be reduced by approximately $0.1 million, because as of September 30, 2009 approximately $2.9 million of the $3.0 million charge had been recorded as a reduction to accumulated other comprehensive income related to its investment in the Joint Venture.

The foregoing description is a summary of the material terms of the Acquisition Agreement and is qualified in its entirety by reference to the Acquisition Agreement, which is attached hereto as Exhibit 10.13 and incorporated herein by reference.

Note: This report contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform 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, including the ongoing volatility in the credit markets which impacts assets prices and the cost and availability of financing, defaults by borrowers, availability of suitable reinvestment opportunities, variability in investment portfolio cash flows, fluctuations in interest rates, fluctuations in property capitalization rates and values of commercial real estate, defaults by third-party servicers, prepayments of investment portfolio assets, other general competitive factors, uncertainty around government policy, the impact of regulatory changes, including the Emergency Economic Stabilization Act of 2008, the full impact of which is unknown at this time, and the impact of Section 404 of the Sarbanes-Oxley Act of 2002. For additional information, see the Company's Annual Report on Form 10-K for the year ended December 31, 2008, and other reports filed with and furnished to the Securities and Exchange Commission.

Item 9.01 Financial Statements and Exhibits.

Exhibit No.	Description
10.13	Assignment and Transfer of Interest in Copperhead Ventures, LLC, dated as of November 20, 2009, between DBAH Capital, LLC, and Issued Holdings Capital Corporation
99.1	Press Release dated November 23, 2009

SIGNATURE

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: November 24, 2009

By: /s/ Stephen J. Benedetti

Stephen J. Benedetti

Executive Vice President, Chief Operating Officer and Chief Financial Officer

ASSIGNMENT AND TRANSFER OF INTEREST
IN
COPPERHEAD VENTURES, LLC

This ASSIGNMENT AND TRANSFER OF INTEREST (“Assignment”) is made and entered into as of the 20th day of November, 2009, by and between DBAH CAPITAL, LLC, a Delaware limited liability company ("Assignor") and ISSUED HOLDINGS CAPITAL CORPORATION, a Virginia corporation ("Assignee").

RECITALS

A. Assignor is the owner and holder of a 49.875% membership interest in Copperhead Ventures, LLC, a Delaware limited liability company (the "Company"), conducting business under a Limited Liability Company Agreement dated as of September 8, 2006 (the "Agreement") and a Certificate of Formation filed with the Delaware Secretary of State on July 24, 2006.

B. Assignor desires to sell, transfer, and assign to Assignee all of Assignor's membership interest in the Company pursuant to the terms and conditions hereof.

C. Assignee desires to acquire from Assignor all of Assignor's membership interest in the Company pursuant to the terms and conditions hereof.

NOW, THEREFORE, the parties hereto agree to as follows:

1. Assignment of Interest. Assignor does hereby sell, assign, and transfer to Assignee all of Assignor's right, title, and interest in and to its membership interest in the Company, which represents a 49.875% membership interest in the Company (the "Assigned Interest") in exchange for a purchase price of Nine Million Five Hundred Thousand Dollars ($9,500,000), the receipt of which Assignor hereby acknowledges.

2. Acceptance of Assignment. Assignee hereby accepts the transfer and assignment of the Assigned Interest.

3. Representations of Assignor.

(a) Upon the execution of this Assignment, Assignee shall be entitled to receive all of Assignor's interest in the profits, losses, and distributions of the Company relating to or attributable to the Assigned Interest.

(b) The Assigned Interest, upon execution hereof, is free and clear of any liens and encumbrances, and Assignor has full right, power and authority to execute this Assignment and to consummate the transaction contemplated herein.

4. Waiver of Distribution Requirement. Assignor and Assignee expressly waive the application of Section 7.4(a) of the Agreement, and hereby agree that upon the assignment of the Assigned Interest, the Company shall have no obligation to distribute to Assignor (to the extent that the Company has funds available to distribute) any "Net Cash from Operations" or "Net Proceeds from Financing" (each as defined in the Agreement).

5. Assumption of Assignor's Obligations. Upon execution of this Assignment, Assignee shall assume and perform all of Assignor's obligations with respect to the Assigned Interest.

6. Continuation. The existence and business of the Company shall continue.

7. Counterparts. This Assignment may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same agreement, notwithstanding that all the parties shall not have signed the same counterpart.

8. Governing Law. This Assignment shall be governed by the laws of the State of Delaware.

9. Headings. The underlined headings herein are for convenience only and shall not affect the interpretation of this Assignment.

IN WITNESS WHEREOF, the Assignor and the Assignee have caused this Assignment to be executed as of the date indicated above.

ASSIGNOR: DBAH CAPITAL, LLC

By: /s/ Ronald Redmond
Name: Ronald Redmond
Title: Director

By: /s/ Nir Vidra
Name: Nir Vidra
Title: Managing Director

ASSIGNEE: ISSUED HOLDINGS CAPITAL CORPORATION

By: /s/ Stephen J. Benedetti
Name: Stephen J. Benedetti
Title: President

PRESS RELEASE

FOR IMMEDIATE RELEASE **CONTACT: Alison Griffin**
November 23, 2009 **(804) 217-5897**

DYNEX CAPITAL, INC. ANNOUNCES PURCHASE
OF JOINT VENTURE INTEREST

GLEN ALLEN, Va.--Dynex Capital, Inc. (NYSE: DX) announced today that its wholly-owned subsidiary Issued Holdings Capital Corporation has completed a purchase of a Deutsche Bank affiliate's 49.875% interest in their joint venture for $9.5 million in cash. Through its subsidiary, the Company now owns 99.75% of the venture which will be included in the Company's consolidated financial statements as a result of the purchase. The joint venture currently holds subordinated CMBS with a par value of $38.7 million and redemption rights for approximately $182.5 million of callable CMBS. These CMBS are collateralized principally by seasoned multifamily housing loans originated by the Company from 1996 to 1998. The Company expects to record a noncash charge of an estimated $3.0 million during the fourth quarter related to the joint venture's activities through the purchase date and the actual purchase itself. The Company expects that shareholders' equity and book value per common share will largely be unaffected as $2.9 million of this amount had been previously recognized in shareholders' equity in prior periods.

The $182.5 million of callable CMBS carry a coupon of 8.0%. Depending on market conditions and potential structure, portions of the CMBS could be refinanced at a substantial net interest rate savings to their current coupon.

Thomas B. Akin, Chairman and Chief Executive Officer, commented, "This purchase greatly simplifies our balance sheet and represents another step in the Company's efforts to secure seasoned, high quality assets with substantial spread income. We had retained an interest in these assets over the years for the purpose of being in a position to harvest this opportunity. We expect a return of approximately 20% on our investment based on estimated cash flows, and actual returns could be higher depending on the outcome of the refinancing of the callable CMBS. Combined with the timely purchase of Agency MBS in the past 18 months, we expect this transaction to make an important contribution to our income for several years. We expect to complete the refinancing of the callable CMBS in the next 30-45 days and will provide an update once that transaction is complete."

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.

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