

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

☐ Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934
 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person* <u>FELMAN LEON A</u> (Last) (First) (Middle) <u>C/O DYNEX CAPITAL, INC.</u> <u>4991 LAKE BROOK DRIVE, SUITE 100</u> (Street) <u>GLEN ALLEN VA 23060</u> (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>DYNEX CAPITAL INC [DX]</u> 3. Date of Earliest Transaction (Month/Day/Year) <u>05/25/2010</u> 4. If Amendment, Date of Original Filed (Month/Day/Year)	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director 10% Owner Officer (give title below) Other (specify below) 6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person Form filed by More than One Reporting Person
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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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	05/25/2010		M		5,000	A	\$8.46	15,000	D	
Common Stock	05/25/2010		M		5,000	A	\$9.02	20,000	D	
Common Stock	05/25/2010		M		5,000	A	\$9.81	25,000	D	
Common Stock	05/25/2010		G ⁽¹⁾	V	15,000	D	\$0	10,000	D	
Common Stock	05/25/2010		G ⁽¹⁾	V	15,000	A	\$0	15,000	I	By the Leon A. Felman Family Trust dated 2000
Common Stock								31,389	I	By Leon A. Felman IRA Rollover Plan
Common Stock								4,420	I	By HLF Corporation
Common Stock								22,078	I	By the Felman Family Trust DTD 4/28/99
Common Stock								11,137	I	By the Leon A. Felman Keogh Profit Sharing Plan
Common Stock								43,447	I	By Homebaker Brand Profit Sharing Plan
Common Stock								278	I	By Harriet Felman IRA
Common Stock								355	I	By Leon A. Felman IRA

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

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 Securities Underlying Derivative Security (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Stock Option (Right to Buy)	\$8.46	05/25/2010		M			5,000	06/17/2005	06/17/2010	Common Stock	5,000	\$0	0	D	
Stock Option (Right to Buy)	\$9.02	05/25/2010		M			5,000	05/25/2007	05/25/2012	Common Stock	5,000	\$0	0	D	
Stock Option (Right to Buy)	\$9.81	05/25/2010		M			5,000	05/16/2008	05/16/2013	Common Stock	5,000	\$0	0	D	

Explanation of Responses:

1. This transaction involved a gift of common stock by the reporting person to the Leon A. Felman Family Trust dated 2000.

Remarks:

Stephen J. Benedetti, as attorney-
in-fact for Leon A. Felman

05/27/2010

** Signature of Reporting Person

Date

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

* 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).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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 Number.