

IGDALOFF BARRY
Form 4
August 25, 2005

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

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

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 *
IGDALOFF BARRY

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
4551 COX ROAD, SUITE 300
(Street)

3. Date of Earliest Transaction
(Month/Day/Year)
08/23/2005

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 Ownership Indirect 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.

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 control number.

SEC 1474
(9-02)

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 | 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 | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Security (Instr. 3 and 4) |
|--------------------------------------------|------------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|---------------------------------------------|----------------------------------------------------------|-------------------------------------------------------------|
|--------------------------------------------|------------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|---------------------------------------------|----------------------------------------------------------|-------------------------------------------------------------|

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| Derivative Security | | (A) or Disposed of (D) (Instr. 3, 4, and 5) | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount Number Shares |
|-----------------------------------------|---------------------|---------------------------------------------|------|---|-------|-----|---------------------------|---------------------------|--------------|----------------------|
| Series D Preferred Stock ⁽²⁾ | \$ 0 ⁽³⁾ | 08/23/2005 | P | | 5,000 | | 08/08/1988 ⁽¹⁾ | 08/08/1988 ⁽¹⁾ | Common Stock | 5,0 |
| Series D Preferred Stock ⁽²⁾ | \$ 0 ⁽³⁾ | | | | | | 08/08/1988 ⁽¹⁾ | 08/08/1988 ⁽¹⁾ | Common Stock | 279, |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--------------------------------------------------------------------|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| IGDALOFF BARRY 4551 COX ROAD, SUITE 300 GLEN ALLEN, VA 23060 | | | X | |

Signatures

Stephen J. Benedetti, as Attorney-in-Fact for Barry Igdaloff
08/25/2005

__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 Series D Preferred Stock is immediately exercisable and has no expiration date.
- (2) The full name of the Series D Preferred Stock is "Series D 9.50% Cumulative Convertible Preferred Stock."
- (3) The conversion is on a one for one basis for the underlying security.
- (4) The reporting person acquired the shares of Series D Preferred Stock pursuant to a conversion of all of the outstanding classes of the Issuer's preferred stock on May 19, 2004. The details of this conversion will be reported on a Form 5.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.