

Must be Postmarked
No Later Than
June 4, 2012

In re Dynex Capital, Inc. Securities Litigation
c/o The Garden City Group, Inc.
PO Box 9349
Dublin, OH 43017-4249
1-800-231-1815

DNX



CLAIMANT IDENTIFICATION:

Claim Number:

Control Number:

PROOF OF CLAIM AND RELEASE

THIS PROOF OF CLAIM MUST BE MAILED TO THE ADDRESS ABOVE AND POSTMARKED NO LATER THAN JUNE 4, 2012. TO BE ELIGIBLE TO RECEIVE A SHARE OF THE SETTLEMENT.

<u>TABLE OF CONTENTS</u>	<u>PAGE #</u>
SECTION A - CLAIMANT INFORMATION	2
SECTION B - GENERAL INSTRUCTIONS	3
SECTION C - SCHEDULE OF TRANSACTIONS IN MERIT SERIES 12 AND SERIES 13 BONDS ...	4-5
SECTION D - SUBMISSION TO JURISDICTION OF COURT AND ACKNOWLEDGMENTS	6
SECTION E - DEFINITIONS AND RELEASE	6
SECTION F - CERTIFICATION	7



SECTION A - CLAIMANT INFORMATION

A. Complete this Section ONLY if the Beneficial Owner is an individual, joint, or IRA account. Otherwise, proceed to B.

Last Name (Beneficial Owner)

First Name (Beneficial Owner)

Last Name (Joint Beneficial Owner, if applicable)

First Name (Joint Beneficial Owner)

Name of IRA Custodian, if applicable

If this account is an IRA, and if you would like any check that you MAY be eligible to receive made payable to the IRA account, please include "IRA" in the "Last Name" box above (e.g., Jones IRA).

B. Complete this Section ONLY if the Beneficial Owner is an Entity; i.e., corporation, trust, estate, etc. Then, proceed to C.

Entity Name

Name of Representative, if applicable (Executor, administrator, trustee, c/o, etc.)

C. Account/Mailing Information: (Specify one of the following:)

Individual(s) Corporation UGMA Custodian Trust Partnership Estate Trust

Other:

Number and Street or P.O. Box

City

State

Zip Code

Foreign Province

Foreign Country Code

Postal Code

Telephone Number (Day)

Telephone Number (Night)

Email Address *(Email address is not required, but if you provide it you authorize the Claims Administrator to use it in providing you with information relevant to this claim.)*

Account Number (If Claimant Is Not an Individual)

Enter Taxpayer Identification Number below for the Beneficial Owner(s).

Last 4 digits of Social Security No. (for individuals)

or

Taxpayer Identification No.



SECTION B – GENERAL INSTRUCTIONS

1. To recover as a member of the Class based on your claims in the class action entitled *In re Dynex Capital, Inc. Securities Litigation* (the “Action”), you must complete this Proof of Claim and Release form. If you fail to file a properly completed and addressed (as set forth in paragraph 3 below) Proof of Claim and Release, your claim may be rejected and you may be precluded from any recovery from the Settlement Fund created in connection with the proposed Settlement of the Action.

2. Submission of this Proof of Claim and Release, however, does not assure that you will share in the proceeds of the settlement in the Action.

3. YOU MUST MAIL YOUR COMPLETED AND SIGNED PROOF OF CLAIM AND RELEASE SO THAT IT IS POSTMARKED NO LATER THAN JUNE 4, 2012, ADDRESSED AS FOLLOWS: *In Re Dynex Capital, Inc. Securities Litigation*, c/o The Garden City Group, Inc., PO Box 9349, Dublin, OH 43017-4249.

If you are NOT a member of the Class, as defined in the Notice of Proposed Settlement of Class Action, Motion for Attorneys’ Fees and Reimbursement of Expenses and Settlement Fairness Hearing (“Notice”), DO NOT submit this Proof of Claim and Release form.

4. If you are a member of the Class, you are bound by the terms of any judgment entered in the Action, WHETHER OR NOT YOU SUBMIT A PROOF OF CLAIM AND RELEASE FORM.

CLAIMANT IDENTIFICATION

1. If you purchased Merit Securities Corporation Collateralized Bond Series 12 and Series 13 Bonds (collectively, the “Merit Bonds”) between February 7, 2000 and May 13, 2004 (the “Class Period”) and were damaged thereby, and hold documents evidencing these transactions in your name, you are the beneficial purchaser as well as the record purchaser. If, however, you purchased or acquired Merit Bonds and the transactional document(s) was/were registered in the name of a third party, such as a nominee or brokerage firm, you are the beneficial purchaser and the third party is the record purchaser.

2. THIS CLAIM MUST BE FILED BY THE ACTUAL BENEFICIAL PURCHASER OR PURCHASERS, OR THE LEGAL REPRESENTATIVE OF SUCH PURCHASER OR PURCHASERS OF THE MERIT BONDS UPON WHICH THIS CLAIM IS BASED.

3. All joint purchasers must sign this claim. Executors, administrators, guardians, conservators and trustees must complete and sign this claim on behalf of persons and/or entities represented by them and proof of their authority must accompany this claim and their titles or capacities must be stated. The Social Security (or taxpayer identification) number and telephone number of the beneficial owner may be used in verifying the claim. Failure to provide the foregoing information could delay verification of your claim or result in rejection of the claim.

CLAIM FORM

1. Use Section C of this form entitled “Schedule of Transactions in Merit Series 12 and Series 13 Bonds” to supply all required details of your transaction(s) in Merit Bonds. If you need more space, attach separate sheets giving all of the required information in substantially the same form. Sign and print or type your name on each additional sheet.

2. Please provide all of the requested information with respect to all of your purchases, acquisitions, and sales of the Merit Bonds requested below, whether such transactions resulted in a profit or a loss. Failure to report all such transactions may result in the rejection of your claim.

3. List each transaction separately and in chronological order, by trade date, beginning with the earliest. You must accurately provide the month, day and year of each transaction you list.

4. Broker confirmations or other documentation of your transactions in the Merit Bonds should be attached to your claim. Failure to provide this documentation could delay verification of your claim or result in rejection of your claim.

5. The requests are designed to provide the minimum amount of information necessary to process the claims. The Claims Administrator may request additional information as required to efficiently and reliably calculate your losses. In cases where the Claims Administrator cannot perform the calculation accurately or at a reasonable cost to the Class with the information provided, the Claims Administrator may condition acceptance of the claim upon the production of additional information and/or the hiring of an accounting expert at the claimant’s cost.

6. The Merit Bonds by CUSIP are listed at the top of pages 4 and 5.

NOTICE REGARDING ELECTRONIC FILES: Certain claimants with large numbers of transactions may request to, or may be requested to, submit information regarding their transactions in electronic files. To obtain the mandatory electronic filing requirements and file layout, you may visit the website at www.gcginc.com or you may e-mail the Claims Administrator at eClaim@gcginc.com. Any file not in accordance with the required electronic filing format will be subject to rejection. No electronic files will be considered to have been properly submitted unless the Claims Administrator issues an email after processing your file with your claim numbers and respective account information. Do not assume that your file has been received or processed until you receive this email. If you do not receive such an email within 10 days of your submission, you should contact the electronic filing department at eClaim@gcginc.com to inquire about your file and confirm it was received and acceptable.

SECTION C - SCHEDULE OF TRANSACTIONS IN MERIT SERIES 12 AND SERIES 13 BONDS

YOU MUST SUBMIT DOCUMENTATION SUPPORTING THE INFORMATION BELOW.



Series 12				Series 13			
Class	CUSIP	Class	CUSIP	Class	CUSIP	Class	CUSIP
1-A1	589962CK3	1-M1	589962CN7	A1	589962CR8	M1	589962CV9
1-A2	589962CL1	1-M2	589962CP2	A2	589962CS6	M2	589962CW7
1-A3	589962CM9	1-B1	589962CQ0	A3	589962CT4	B1	589962CX5
				A4	589962CU1		

1. **BEGINNING HOLDINGS:** Number of Merit Bonds held as of the close of business on February 6, 2000. (If none, write "zero" or "0") (If other than zero, must be documented)

CUSIP (Class Code)	Quantity of Bonds Held
-	
-	
-	

2. **PURCHASES/ACQUISITIONS:** List (in chronological order) all purchases or acquisitions of Merit Bonds made between February 7, 2000 and May 13, 2004, inclusive.

CUSIP Purchased (Class Code)	Date(s) of Purchase or Acquisition (List Chronologically) (Month/Day/Year)	Quantity of Bonds Purchased or Acquired (face or principal amount)	Purchase Price Per Bond (price per \$1,000 of face or principal amount)	Amount Paid (excluding commissions, taxes, and fees)
-	/ /			
-	/ /			
-	/ /			
-	/ /			
-	/ /			
-	/ /			
-	/ /			
-	/ /			
-	/ /			
-	/ /			

3. **EXTENDED PURCHASES/ACQUISITIONS:** List CUSIP and total quantity (face or principal amount) of Merit Bonds purchased or acquired between May 14, 2004 and December 27, 2011, inclusive (if none, write "zero" or "0").

CUSIP Purchased (Class Code)	Quantity of Bonds Purchased or Acquired (face or principal amount)
-	
-	
-	
-	
-	
-	
-	
-	
-	
-	

IF YOU NEED ADDITIONAL SPACE TO LIST YOUR TRANSACTIONS YOU MUST PHOTOCOPY THIS PAGE AND CHECK THIS BOX IF YOU DO NOT CHECK THIS BOX THESE ADDITIONAL PAGES WILL NOT BE REVIEWED



SECTION D – SUBMISSION TO JURISDICTION OF COURT AND ACKNOWLEDGMENTS

I submit this Proof of Claim and Release under the terms of the Parties' Stipulation of Settlement ("Stipulation"). (I understand that capitalized terms not otherwise defined herein have the meanings set forth in the Stipulation.) I also submit to the jurisdiction of the United States District Court for the Southern District of New York, with respect to my claim as a Class Member (as defined in the Notice) and for purposes of enforcing the release set forth herein. I further acknowledge that I am bound by and subject to the terms of any judgment that may be entered in the Action. I agree to furnish additional information to the Administrator to support this claim if required to do so. I have not submitted any other claim covering the same purchases, acquisitions and sales of Merit Bonds listed herein and know of no other person or entity having done so on my behalf.

SECTION E – DEFINITIONS AND RELEASE

1. I hereby acknowledge full and complete satisfaction of, and do hereby fully, finally and forever settle, release, relinquish and discharge all of the Released Claims against each and all of the Dynex Released Parties, as defined in the Stipulation and set forth below.

2. "Dynex Related Parties" means Defendants' respective past or present heirs, executors, estates, administrators, predecessors, successors, assigns, attorneys, accountants, auditors, parents, partners, trustees, subsidiaries, affiliates, insurers and reinsurers, employers, employees, members, directors, managing directors, officers, investment bankers, consultants, and agents, and each of their respective heirs, executors, administrators, affiliates, predecessors, successors, (including but not limited to successors in bankruptcy), and assigns.

3. "Released Claims" means, with respect to the Dynex Released Parties, any and all claims, debts, demands, rights or causes of action or liabilities whatsoever, whether based on federal, state, local, statutory or common law or any other law, rule or regulation, whether fixed or contingent, accrued or un-accrued, liquidated or un-liquidated, at law or in equity, matured or un-matured, whether class, and/or individual in nature, including both known claims and "Unknown Claims" (as defined herein), which have been or could have been asserted in the Action, or in any other action or forum, by Lead Plaintiff and/or Members of the Class or any of them against the Dynex Released Parties and which arise out of or in connection with, or are based upon or relate in any way to, (i) the sale or purchase of the Merit Bonds, or (ii) the allegations, transactions, facts, matters or occurrences referred to or alleged in the Second Amended Complaint, except claims relating to enforcement of the terms and conditions of this Agreement.

4. "Unknown Claims" means and includes any and all claims that any Party does not (for whatever reason, including but not limited to concealment of the existence of, or factual basis for, such claims) know or suspect to exist in his, her or its favor at the time of the release of the Released Claims, which if known by him, her or it might have affected his, her or its settlement and release of the Released Claims, or his, her or its decision not to object to this Settlement or not to exclude himself, herself or itself from the Class. With respect to any and all Released Claims, the Parties agree that, upon the Effective Date, they shall be deemed to have waived, and by operation of the Judgment shall have expressly waived, to the fullest extent permitted by law, any provisions, rights, and benefits conferred by any law of the United States, or of any state or territory of the United States, or principle of common law, including or which is equivalent, comparable, or similar in any way to Cal. Civ. Code § 1542, which provides: "A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

5. This release shall be of no force or effect unless and until the Court approves the Stipulation and it becomes Effective, as defined in the Stipulation.

6. I (We) hereby warrant and represent that I (we) have not assigned or transferred or purported to assign or transfer, voluntarily or involuntarily, any matter released pursuant to this release or any other part or portion thereof.

7. I (We) hereby warrant and represent that I (we) have included information about all of my (our) transactions in Merit Bonds requested herein.



SECTION F – CERTIFICATION

I (We) certify that I am (we are) not subjected to backup withholding under the provisions of Section 3406(a)(1)(C) of the Internal Revenue Code.

NOTE: If you have been notified by the Internal Revenue Service that you are subject to backup withholding, please strike out the language that you are not subject to backup withholding in the certification above.

The Internal Revenue Service does not require your consent to any provision other than the certifications required to avoid backup withholding.

I declare under penalty of perjury under the laws of the United States of America that the foregoing information supplied by the undersigned is true and correct.

Executed this _____ day of _____, 20__ in _____, _____.

(City) (State/County)

Signature of Claimant

Print Name of Claimant

Date

Signature of Joint Claimant, if any

Print Name of Joint Claimant, if any

Date

If Claimant is other than an individual, or is not the person completing this form, the following also must be provided:

Signature of Person Completing Form

Print Name of Person Completing Form

Date

Capacity of person signing on behalf of Claimant, if other than an individual, e.g., executor, president, custodian, etc.

THIS PROOF OF CLAIM MUST BE POSTMARKED NO LATER THAN
JUNE 4, 2012, AND MUST BE MAILED TO:

In re Dynex Capital, Inc. Securities Litigation
c/o The Garden City Group, Inc.
PO Box 9349
Dublin, OH 43017-4249

**REMINDER CHECKLIST**

1. Please sign the above release and certification. If this Claim Form is being made on behalf of joint Claimants, then both must sign.
2. Remember to attach only copies of acceptable supporting documentation.
3. Please do not highlight any portion of the Claim Form or any supporting documents.
4. Do not send original stock certificates or documentation. These items cannot be returned to you by the Claims Administrator.
5. Keep copies of the completed Claim Form and documentation for your own records.
6. The Claims Administrator will acknowledge receipt of your Claim Form by mail, within 60 days. Your claim is not deemed filed until you receive an acknowledgement postcard. If you do not receive an acknowledgement postcard within 60 days, please call the Claims Administrator toll free at 1-800-231-1815.
7. If your address changes in the future, or if this Claim Form was sent to an old or incorrect address, please send the Claims Administrator written notification of your new address. If you change your name, please inform the Claims Administrator.
8. If you have any questions or concerns regarding your claim, please contact the Claims Administrator at the below address or at 1-800-231-1815, or visit www.gcginc.com.

THIS PROOF OF CLAIM MUST BE POSTMARKED NO LATER THAN
JUNE 4, 2012 AND MUST BE MAILED TO:

**In re Dynex Capital, Inc. Securities Litigation
c/o The Garden City Group, Inc.
PO Box 9349
Dublin, OH 43017-4249**