

Kazel Ronald Daniel
 Form 4
 March 30, 2010

FORM 4

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

OMB APPROVAL

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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 *
 Kazel Ronald Daniel

2. Issuer Name and Ticker or Trading Symbol
 ANNALY CAPITAL
 MANAGEMENT INC [NLY]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)
 03/29/2010

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
 Managing Director

C/O: ANNALY CAPITAL
 MANAGEMENT, INC., 1211
 AVENUE OF THE AMERICAS,
 SUITE 2902

(Street)

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

NEW YORK, NY 10036

(City) (State) (Zip)

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 (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock	03/29/2010		M		9,562	A	\$ 11.72
Common Stock					755	I	By Wife
Common Stock					2,833	I	By 401(K) plan
Class A Preferred					4,400	I	By 401(K) plan

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Stock

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

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(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 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 Underlying Securities (Instr. 3 and 4)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Option to purchase Common Stock ⁽¹⁾	\$ 17.97					08/04/2004	08/04/2013	Common Stock	15,000
Option to purchase Common Stock ⁽¹⁾	\$ 17.39					04/19/2005	04/19/2014	Common Stock	13,251
Option to purchase Common Stock ⁽¹⁾	\$ 17.07					07/07/2006	07/07/2015	Common Stock	23,377
Option to purchase Common Stock ⁽¹⁾	\$ 11.72	03/29/2010		M	9,562	02/13/2007	02/13/2016	Common Stock	9,562
Option to purchase Common Stock ⁽¹⁾	\$ 15.7					05/17/2008	05/17/2017	Common Stock	30,000
Option to purchase Common Stock ⁽¹⁾	\$ 16.46					05/08/2009	05/08/2018	Common Stock	53,000
	\$ 15.61					09/19/2009	09/19/2018		53,000

Option to
purchase
Common
Stock ⁽¹⁾

Common
Stock

Option to
purchase
Common
Stock ⁽¹⁾

\$ 13.25

04/22/2010 04/22/2019

Common
Stock

150,000

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

Kazel Ronald Daniel
C/O: ANNALY CAPITAL MANAGEMENT, INC.
1211 AVENUE OF THE AMERICAS, SUITE 2902
NEW YORK, NY 10036

Managing Director

Signatures

/s/ Ronald D.
Kazel

03/30/2010

^{**}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) Options previously granted.

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