

FORTESCUE JAMES
Form 5
February 15, 2011

FORM 5

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

OMB APPROVAL

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Form 3 Holdings Reported Form 4 Transactions Reported

ANNUAL 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

1. Name and Address of Reporting Person *
FORTESCUE JAMES

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. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)
12/31/2010

___ Director ___ 10% Owner
 Officer (give title below) ___ Other (specify below)
MD and Head of Liabilities

C/O ANNALY MORTGAGE MANAGEMENT INC, 1211 AVENUE OF THE AMERICAS SUITE 2902

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Reporting

(check applicable line)

NEW YORK, NY 10036

Form Filed by One Reporting Person
___ Form Filed by More than One Reporting Person

(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 at end of Issuer's Fiscal Year (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
Common Stock				(A) or (D) Price	89,293	D	

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

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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)	
		(A)	(D)	(A)		(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Option to purchase Common Stock <u>(1)</u>	\$ 17.97	Â	Â	Â	Â	Â		08/04/2004	08/04/2013	Common Stock	20,000
Option to purchase Common Stock <u>(1)</u>	\$ 17.39	Â	Â	Â	Â	Â		04/20/2005	04/20/2014	Common Stock	20,000
Option to purchase Common Stock <u>(1)</u>	\$ 17.07	Â	Â	Â	Â	Â		07/07/2006	07/07/2015	Common Stock	30,000
Option to purchase Common Stock <u>(1)</u>	\$ 11.72	Â	Â	Â	Â	Â		02/13/2007	02/13/2016	Common Stock	15,968
Option to purchase Common Stock <u>(1)</u>	\$ 15.7	Â	Â	Â	Â	Â		05/17/2008	05/17/2017	Common Stock	40,000
Option to purchase Common Stock <u>(1)</u>	\$ 16.46	Â	Â	Â	Â	Â		05/08/2009	05/08/2018	Common Stock	53,000
Option to purchase Common Stock <u>(1)</u>	\$ 15.61	Â	Â	Â	Â	Â		09/19/2009	09/19/2018	Common Stock	53,000
Option to purchase Common Stock <u>(1)</u>	\$ 13.25	Â	Â	Â	Â	Â		04/22/2010	04/22/2019	Common Stock	145,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
FORTESCUE JAMES C/O ANNALY MORTGAGE MANAGEMENT INC 1211 AVENUE OF THE AMERICAS SUITE 2902 NEW YORK, NY 10036	Â	Â	Â MD and Head of Liabilities	Â

Signatures

/s/ James P.
Fortescue

02/14/2011

__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.

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