

Kazel Ronald Daniel  
 Form 4  
 March 28, 2011

**FORM 4**

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

OMB APPROVAL

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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 \*  
 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)  
 \_\_\_ Director \_\_\_ 10% Owner  
 Officer (give title below) \_\_\_ Other (specify below)  
 Managing Director

(Last) (First) (Middle)  
 C/O: ANNALY CAPITAL  
 MANAGEMENT, INC., 1211  
 AVENUE OF THE AMERICAS,  
 SUITE 2902  
 (Street)  
 NEW YORK, NY 10036  
 (City) (State) (Zip)

3. Date of Earliest Transaction  
 (Month/Day/Year)  
 03/28/2011

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

6. Individual or Joint/Group Filing(Check Applicable Line)  
 \_\_\_X\_\_\_ 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 Indirect Ownership (Instr. 4)
Common Stock	03/28/2011		M	30,000 A	\$ 13.25 141,938	D	
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)	Amount or Number of Shares
					V	(A) (D)	Date Exercisable	Expiration Date		
Option to purchase Common Stock <sup>(1)</sup>	\$ 17.97						08/04/2004	08/04/2013	Common Stock	15,000
Option to purchase Common Stock <sup>(1)</sup>	\$ 17.39						04/19/2005	04/19/2014	Common Stock	13,251
Option to purchase Common Stock <sup>(1)</sup>	\$ 17.07						07/07/2006	07/07/2015	Common Stock	23,377
Option to purchase Common Stock <sup>(1)</sup>	\$ 15.7						05/17/2008	05/17/2017	Common Stock	10,000
Option to purchase Common Stock <sup>(1)</sup>	\$ 16.46						05/08/2009	05/08/2018	Common Stock	53,000
Option to purchase Common Stock <sup>(1)</sup>	\$ 15.61						09/19/2009	09/19/2018	Common Stock	53,000
	\$ 13.25	03/28/2011		M		30,000	04/22/2010	04/22/2019		30,000

Option to  
purchase  
Common  
Stock (1)

Common  
Stock

## 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

03/28/2011

\*\*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.

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.