

DENAHAN WELLINGTON  
 Form 4  
 May 18, 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 \*  
 DENAHAN WELLINGTON

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)  
 05/17/2011

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
 Vice Chairman of Board & CIO

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: Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount		
Common Stock	05/17/2011		M		200,000	A	
					\$ 13.25		
					813,263	D	

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

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SEC 1474 (9-02)

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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)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount Number Shares
Option to purchase Common Stock <sup>(1)</sup>	\$ 17.97					08/04/2004 08/04/2013	Common Stock 150,000
Option to purchase Common Stock <sup>(1)</sup>	\$ 17.39					04/19/2005 04/19/2014	Common Stock 150,000
Option to purchase Common Stock <sup>(1)</sup>	\$ 17.07					07/07/2006 07/07/2015	Common Stock 150,000
Option to purchase Common Stock <sup>(1)</sup>	\$ 15.7					05/17/2008 05/17/2017	Common Stock 150,000
Option to purchase Common Stock <sup>(1)</sup>	\$ 16.46					05/08/2009 05/08/2018	Common Stock 200,000
Option to purchase Common Stock <sup>(1)</sup>	\$ 15.61					09/19/2009 09/19/2018	Common Stock 200,000
Option to purchase Common Stock <sup>(1)</sup>	\$ 13.25	05/17/2011		M	200,000	04/22/2010 04/22/2019	Common Stock 200,000

## Reporting Owners

Reporting Owner Name / Address

**Relationships**

Director      10% Owner      Officer      Other  
 X

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

Vice  
Chairman of  
Board & CIO

## Signatures

/s/ Wellington  
Denahan-Norris

05/17/2011

\_\_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.  
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