

FARRELL MICHAEL A J
Form 4
January 30, 2012

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 *
FARRELL MICHAEL A J

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)
Pres., Chairman of Board & CEO

(Last) (First) (Middle)
C/O: ANNALY CAPITAL
MANAGEMENT, INC., 1211
AVENUE OF THE AMERICAS,
SUITE 2902

3. Date of Earliest Transaction
(Month/Day/Year)
01/27/2012

(Street)
NEW YORK, NY 10036

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

(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 Indirect Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|--|
| | | | Code | V | Amount | (A) or (D) | Price |
| Common Stock | 01/27/2012 | | M | | 6,369 | A | \$ 15.7 |
| Common Stock | 01/27/2012 | | M | | 57,656 | A | \$ 15.61 |
| Class A Preferred Stock | | | | | | | 3,500 |
| Class A | | | | | | | 3,500 ⁽¹⁾ |
| | | | | | | I | Michael |

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| | | | | | | |
|-------------------------|--|--|--|----------------------|---|------------------------------------|
| Preferred Stock | | | | | | Farrell C/F Taylor Carolyn Farrell |
| Class A Preferred Stock | | | | 8,000 ⁽¹⁾ | I | By daughter |
| Class A Preferred Stock | | | | 8,200 ⁽¹⁾ | I | By son |

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474 (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 of Number of Shares |
| Option to purchase Common Stock ⁽²⁾ | \$ 17.97 | | | | | 08/04/2004 08/04/2013 | Common Stock 200,000 |
| Option to purchase Common Stock ⁽²⁾ | \$ 17.39 | | | | | 04/19/2005 04/19/2014 | Common 150,000 |
| Option to purchase Common Stock ⁽²⁾ | \$ 17.07 | | | | | 07/07/2006 07/07/2015 | Common Stock 150,000 |
| Option to purchase Common Stock ⁽²⁾ | \$ 15.7 | 01/27/2012 | | M | 6,369 | 05/17/2008 05/17/2017 | Common Stock 6,369 |

