

SEGALAS DONNELL  
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 \*  
SEGALAS DONNELL

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)

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 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	47,400	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)	8. Amount or Number of Shares
					(A)	(D)	Date Exercisable	Expiration Date		
Option to purchase Common Stock <sup>(1)</sup>	\$ 17.97	Â	Â	Â	Â	Â	08/04/2004	08/04/2013	Common Stock	15,000
Option to purchase Common Stock <sup>(1)</sup>	\$ 17.39	Â	Â	Â	Â	Â	04/20/2005	04/20/2014	Common Stock	15,000
Option to purchase Common Stock <sup>(1)</sup>	\$ 17.07	Â	Â	Â	Â	Â	07/07/2006	07/07/2015	Common Stock	15,000
Option to purchase Common Stock <sup>(1)</sup>	\$ 11.72	Â	Â	Â	Â	Â	02/13/2007	02/13/2016	Common Stock	15,000
Option to purchase Common Stock <sup>(1)</sup>	\$ 12.15	Â	Â	Â	Â	Â	06/26/2006	06/26/2011	Common Stock	1,250
Option to purchase Common Stock <sup>(1)</sup>	\$ 14.17	Â	Â	Â	Â	Â	06/26/2007	06/26/2012	Common Stock	1,250
Option to purchase Common Stock <sup>(1)</sup>	\$ 16.46	Â	Â	Â	Â	Â	05/08/2009	05/08/2018	Common Stock	20,000
Option to purchase Common	\$ 15.59	Â	Â	Â	Â	Â	06/26/2008	06/26/2013	Common Stock	1,250

Stock <sup>(1)</sup>											
Option to purchase Common Stock <sup>(1)</sup>	\$ 15.61	^	^	^	^	^	09/19/2009	09/19/2018	Common Stock	20,000	
Option to purchase Common Stock <sup>(1)</sup>	\$ 13.25	^	^	^	^	^	04/22/2010	04/22/2019	Common Stock	50,000	
Option to purchase Common Stock <sup>(1)</sup>	\$ 15.09	^	^	^	^	^	06/26/2009	06/26/2014	Common Stock	1,250	
Option to purchase Common Stock <sup>(1)</sup>	\$ 17.24	^	^	^	^	^	06/28/2010	06/28/2015	Common Stock	1,250	

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SEGALAS DONNELL C/O ANNALY CAPITAL MANAGEMENT, INC. 1211 AVENUE OF THE AMERICAS SUITE 2902 NEW YORK, NY 10036	^ X	^	^	^

## Signatures

/s/ Donnell  
Segalas  
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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