

Kazel Ronald Daniel
 Form 4
 December 09, 2009

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 *
 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

3. Date of Earliest Transaction
 (Month/Day/Year)
 12/07/2009

(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	12/07/2009		M		5,000	A	\$ 17.39
Common Stock	12/07/2009		M		6,623	A	\$ 17.07
Common Stock	12/07/2009		M		10,000	A	\$ 15.7
Common Stock							724
						I	By Wife

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Common Stock	2,833	I	By 401(K) plan
Class A Preferred Stock	4,400	I	By 401(K) plan

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)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount of Number of Shares
Option to purchase Common Stock ⁽¹⁾	\$ 17.97					08/04/2004 08/04/2013	Common Stock 15,000
Option to purchase Common Stock ⁽¹⁾	\$ 17.39	12/07/2009		M	5,000	04/19/2005 04/19/2014	Common Stock 5,000
Option to purchase Common Stock ⁽¹⁾	\$ 17.07	12/07/2009		M	6,623	07/07/2006 07/07/2015	Common Stock 6,623
Option to purchase Common Stock ⁽¹⁾	\$ 11.72					02/13/2007 02/13/2016	Common Stock 9,562
Option to purchase Common Stock ⁽¹⁾	\$ 15.7	12/07/2009		M	10,000	05/17/2008 05/17/2017	Common Stock 10,000
Option to purchase	\$ 16.46					05/08/2009 05/08/2018	Common Stock 53,000

Common
Stock ⁽¹⁾

Option to
purchase
Common
Stock ⁽¹⁾

\$ 15.61

09/19/2009 09/19/2018

Common
Stock

53,000

Option to
purchase
Common
Stock ⁽¹⁾

\$ 13.25

04/22/2010 04/22/2019

Common
Stock

150,000

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

12/07/2009

**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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