

FARRELL MICHAEL A J
 Form 4
 April 24, 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 *
 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)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)
 04/22/2009

Director 10% Owner
 Officer (give title below) Other (specify below)
 Pres., Chairman of Board & CEO

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 (Instr. 4) |
|---------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|----------------------------------------------------------|------------------------------------|
| | | | | (A) or (D) Price | | | |
| Common Stock | | | | | 2,021,454 | D | |
| Class A Preferred Stock | | | | | 3,500 | D | |
| Class A Preferred Stock | | | | | 3,500 ⁽¹⁾ | I | Michael Farrell C/F Taylor Carolyn |

| | | | |
|-------------------------|----------------------|---|------------------------|
| Class A Preferred Stock | 8,000 ⁽¹⁾ | I | Farrell 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.

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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 Number Shares |
| Option to purchase Common Stock ⁽²⁾ | \$ 8.63 | | | | | 11/18/2000 11/18/2009 | Common Stock 3,413 |
| Option to purchase Common Stock ⁽²⁾ | \$ 7.94 | | | | | 11/29/2001 11/29/2010 | Common Stock 22,500 |
| 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 Stock 150,000 |
| Option to purchase Common Stock ⁽²⁾ | \$ 17.07 | | | | | 07/07/2006 07/07/2015 | Common Stock 150,000 |

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