

Kazel Ronald Daniel  
 Form 4  
 February 17, 2009

**FORM 4** UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549

OMB APPROVAL  
 OMB Number: 3235-0287  
 Expires: January 31, 2005  
 Estimated average burden hours per response... 0.5

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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)  
 02/17/2009

(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 Ownership (Instr. 4)
Common Stock	02/17/2009		M	V Amount (A) or (D) Price	\$ 60,691	D	
Common Stock					724	I	By Wife
Common Stock					2,833	I	By 401(K) plan
Class A Preferred	02/17/2009		P	V Amount (A) or (D) Price	\$ 20.7 4,400	I	By 401(K) plan

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Stock

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

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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 (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 or Number of Shares
Option to purchase Common Stock <sup>(1)</sup>	\$ 17.97					08/04/2004 08/04/2013	Common Stock 15,000
Option to purchase Common Stock <sup>(1)</sup>	\$ 17.39					04/19/2005 04/19/2014	Common Stock 18,251
Option to purchase Common Stock <sup>(1)</sup>	\$ 17.07					07/07/2006 07/07/2015	Common Stock 30,000
Option to purchase Common Stock <sup>(1)</sup>	\$ 11.72	02/17/2009		M	9,562	02/13/2007 02/13/2016	Common Stock 9,562
Option to purchase Common Stock <sup>(1)</sup>	\$ 15.7					05/17/2008 05/17/2017	Common Stock 40,000
Option to purchase Common Stock <sup>(1)</sup>	\$ 16.46					05/08/2009 05/08/2018	Common Stock 53,000

