

ANNALY CAPITAL MANAGEMENT INC

Form 5

February 05, 2007

FORM 5**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**Check this box if
no longer subject
to Section 16.Form 4 or Form
5 obligations
may continue.See Instruction
1(b).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

OMB APPROVAL

OMB
Number: 3235-0362Expires: January 31,
2005Estimated average
burden hours per
response... 1.01. Name and Address of Reporting Person *
FARRELL MICHAEL A J

(Last) (First) (Middle)

C/O ANNALY CAPITAL
MANAGEMENT, INC., 1211
AVENUE OF THE AMERICAS,
SUITE 2902

(Street)

NEW YORK, NY 10036

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading
SymbolANNALY CAPITAL
MANAGEMENT INC [NLY]3. Statement for Issuer's Fiscal Year Ended
(Month/Day/Year)
12/31/20065. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

☒ Director ☐ 10% Owner
☒ Officer (give title below) ☐ Other (specify below)
Pres., Chn. of the Board & CEO4. If Amendment, Date Original
Filed(Month/Day/Year)

6. Individual or Joint/Group Reporting

(check applicable line)

☒ Form Filed by One Reporting Person
☐ Form Filed by More than One Reporting
Person**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)	(A) or (D)	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 Indirect Beneficial Ownership (Instr. 4)
Common Stock	12/31/2006	12/31/2006	A	A	A	1,912,054	D	A
Class A Preferred Stock	12/31/2006	12/31/2006	A	A	A	500	D	A
	12/31/2006	12/31/2006	A	A	A	2,000	I	

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Class A Preferred Stock										Michael Farrell C/F Taylor Carolyn Farrell
Class A Preferred Stock	Â	Â	Â	Â	Â	Â	6,000	I		Michael Farrell C/F Caitlin Farrell
Class A Preferred Stock	Â	Â	Â	Â	Â	Â	2,200	I		Michael Farrell C/F Michael Edward Farrell

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

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SEC 2270 (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)	8. Pri Deriv Secur (Instr.
					(A) (D)	Date Exercisable Expiration Date	Title Amount or Number of Shares	
Option to purchase Common Stock ⁽¹⁾	\$ 8.13	Â	Â	Â	Â Â	07/31/1999 07/31/2008	C/S 56,900	Â
Option to purchase Common Stock ⁽¹⁾	\$ 8.63	Â	Â	Â	Â Â	11/18/2000 11/18/2009	C/S 48,413	Â
Option to purchase Common Stock ⁽¹⁾	\$ 7.94	Â	Â	Â	Â Â	11/29/2001 11/29/2010	C/S 30,000	Â
Option to purchase	\$ 17.97	Â	Â	Â	Â Â	08/04/2004 08/04/2013	C/S 200,000	Â

Common
Stock (1)Option to
purchase
Common
Stock (1)

\$ 17.39	Â	Â	Â	Â	Â	04/20/2005	04/20/2014	C/S	150,000	Â
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Option to
purchase
Common
Stock (1)

\$ 17.07	Â	Â	Â	Â	Â	07/07/2006	07/07/2015	C/S	150,000	Â
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Option to
purchase
Common
Stock (1)

\$ 11.72	Â	Â	Â	Â	Â	02/13/2007	02/13/2016	C/S	150,000	Â
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Reporting Owners

Reporting Owner Name / Address

Relationships

Director	10% Owner	Officer	Other
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FARRELL MICHAEL A J
C/O ANNALY CAPITAL MANAGEMENT, INC.
1211 AVENUE OF THE AMERICAS, SUITE 2902
NEW YORK, NY 10036

Â X	Â	Â Pres., Chn. of the Board & CEO	Â
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Signatures

/s/ Michael A.J.
Farrell

02/05/2007

 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 provided is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.