

ANNALY CAPITAL MANAGEMENT INC

Form 4

September 23, 2008

**FORM 4****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).

**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: 3235-0287  
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2005  
Estimated average  
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response... 0.5

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
FAGAN KATHRYN

(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  
Symbol  
ANNALY CAPITAL  
MANAGEMENT INC [NLY]

3. Date of Earliest Transaction  
(Month/Day/Year)  
09/19/2008

4. If Amendment, Date Original  
Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to  
Issuer

(Check all applicable)

\_\_\_\_ Director \_\_\_\_ 10% Owner  
\_\_\_\_X\_\_\_\_ Officer (give title \_\_\_\_ Other (specify  
below) below)  
CHIEF FINANCIAL OFFICER

6. Individual or Joint/Group Filing(Check  
Applicable Line)  
\_\_\_\_X\_\_\_\_ 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)	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 Beneficial Ownership (Instr. 4)
			Code	V	Amount	(D)	Price
Common Stock					146,613	D	
Class A Preferred Stock					2,300	D	

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

**Persons who respond to the collection of  
information contained in this form are not  
required to respond unless the form**

SEC 1474  
(9-02)

**displays a currently valid OMB control number.**

**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 or Number of Shares
Option to purchase Common Stock <u>(1)</u>	\$ 17.97							08/04/2004	08/04/2013	Common Stock	50,000
Option to purchase Common Stock <u>(1)</u>	\$ 17.39							04/20/2005	04/20/2014	Common Stock	50,000
Option to purchase Common Stock <u>(1)</u>	\$ 17.07							07/07/2006	07/07/2015	Common Stock	50,000
Option to purchase Common Stock <u>(1)</u>	\$ 11.72							02/13/2007	02/13/2016	Common Stock	25,000
Option to purchase Common Stock <u>(1)</u>	\$ 15.7							05/17/2008	05/17/2017	Common Stock	50,000
Option to purchase Common Stock <u>(1)</u>	\$ 16.46							05/08/2009	05/08/2018	Common Stock	53,000
Option to purchase Common Stock <u>(2)</u>	\$ 15.61	09/19/2008		A		53,000		09/19/2009	09/19/2018	Common Stock	53,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
FAGAN KATHRYN C/O: ANNALY CAPITAL MANAGEMENT, INC. 1211 AVENUE OF THE AMERICAS, SUITE 2902 NEW YORK, NY 10036			CHIEF FINANCIAL OFFICER	

## Signatures

/s/Kathryn  
Fagan 09/23/2008

\*\*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.
- (2) Options vest in four equal annual installments commencing on 09/19/2009.

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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