

ANNALY CAPITAL MANAGEMENT INC
 Form 5
 February 05, 2007

FORM 5

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

OMB APPROVAL

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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

1. 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 Symbol
 ANNALY CAPITAL MANAGEMENT INC [NLY]

3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)
 12/31/2006

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

5. 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 & CEO

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)	Price	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 Ownership (Instr. 4)
Common Stock	^	^	^	^	^	^	1,912,054	D	^
Class A Preferred Stock	^	^	^	^	^	^	500	D	^
	^	^	^	^	^	^	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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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. Price
					(A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Option to purchase Common Stock ⁽¹⁾	\$ 8.13	Â	Â	Â	Â	07/31/1999	07/31/2008	C/S	56,900
Option to purchase Common Stock ⁽¹⁾	\$ 8.63	Â	Â	Â	Â	11/18/2000	11/18/2009	C/S	48,413
Option to purchase Common Stock ⁽¹⁾	\$ 7.94	Â	Â	Â	Â	11/29/2001	11/29/2010	C/S	30,000
Option to purchase	\$ 17.97	Â	Â	Â	Â	08/04/2004	08/04/2013	C/S	200,000

Common
Stock ⁽¹⁾

Option to
purchase
Common
Stock ⁽¹⁾

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

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

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

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
FARRELL MICHAEL A J C/O ANNALY CAPITAL MANAGEMENT, INC. 1211 AVENUE OF THE AMERICAS, SUITE 2902 NEW YORK, NY 10036	^ X	^	^ Pres., Chn. of the Board & CEO	^

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.

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