LAMBIASE JOHN
Form 5
February 15, 2011

FORM 5

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

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

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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

1. Name and Address of Reporting Person *
LAMBIASE JOHN

(Last) (First) (Middle)

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

(Street)

NEW YORK,Â NYÂ 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)
12/31/2010

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

5. Relationship of Reporting Person(s) to Issuer
(Check all applicable)
__X__ Director
_____ 10% Owner
_____ Officer (give title below)
_____ Other (specify below)

6. Individual or Joint/Group Reporting
(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 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)
				Amount	(A) or (D)	Price			
Common Stock	Â	Â	Â	Â	Â	Â	56,812	D	Â
Class A Preferred Stock	Â	Â	Â	Â	Â	Â	11,000	D	Â

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
					(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Option to purchase Common Stock (1)	$ 17.97	Â	Â	Â	Â	Â	08/08/2004	08/08/2013	Common Stock	15,000	
Option to purchase Common Stock (1)	$ 17.39	Â	Â	Â	Â	Â	04/20/2005	04/20/2014	Common Stock	15,000	
Option to purchase Common Stock (1)	$ 17.07	Â	Â	Â	Â	Â	07/07/2006	07/07/2015	Common Stock	15,000	
Option to purchase Common Stock (1)	$ 11.72	Â	Â	Â	Â	Â	02/13/2007	02/13/2016	Common Stock	15,000	
Option to purchase Common Stock (1)	$ 12.15	Â	Â	Â	Â	Â	06/26/2006	06/26/2011	Common Stock	1,250	
Option to purchase Common Stock (1)	$ 14.17	Â	Â	Â	Â	Â	06/26/2007	06/26/2012	Common Stock	1,250	
Option to purchase Common Stock (1)	$ 16.46	Â	Â	Â	Â	Â	05/08/2009	05/08/2018	Common Stock	20,000	

Option to purchase Common Stock (1)	$ 15.59	Â	Â	Â	Â	06/26/2008	06/26/2013	Common Stock	1,250
Option to purchase Common Stock (1)	$ 15.61	Â	Â	Â	Â	09/19/2009	09/19/2018	Common Stock	20,000
Option to purchase Common Stock (1)	$ 13.25	Â	Â	Â	Â	04/22/2010	04/22/2019	Common Stock	50,000
Option to purchase Common Stock (1)	$ 15.09	Â	Â	Â	Â	06/26/2009	06/26/2014	Common Stock	1,250
Option to purchase Common Stock (1)	$ 17.24	Â	Â	Â	Â	06/28/2010	06/28/2015	Common Stock	1,250

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
LAMBIASE JOHN C/O ANNALY CAPITAL MANAGEMENT, INC. 1211 AVENUE OF THE AMERICAS, SUITE 2902 NEW YORK,Â NYÂ 10036	Â X	Â	Â	Â

Signatures

/s/ John Lambiase	02/09/2011
**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.
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